JANASHAKTHI Life

BEYOND

THE SUMMIT



JANASHAKTHI INSURANCE PLC
INTEGRATED ANNUAL REPORT 2025

JXG
JANASHAKTHI GROUP



BEYOND

THE SUMMIT

Summits are meant to be conquered, and at Janashakthi Life, we have consistently conquered summits of possibility, overcome challenges along the way, and taken strides to ascend.

With remarkable growth driving us forward, we enter an era where our customers feel their most secure, our stakeholders feel their most confident, and we feel our most successful – all because of sheer dedication to reaching beyond perceived possibility. In this way, for 31 years, we have been creating higher value for those who place their trust in us, and for those who dedicate themselves to our growth.

Having conquered our summit, our guiding light now shines upward. True to form, we continue to innovate, create and offer products and services that rise beyond what we first thought possible.

It is this motto to always go above expectation that makes Janashakthi Life what we are today, because at our core, we aim to be that brilliant light of protection that provides steady cover for all.

WE REACH BEYOND POSSIBILITY.
WE REACH BEYOND THE SUMMIT.

JANASHAKTHI
Life

TABLE OF CONTENTS

4 Unlocking Potential Through a New Space
6 Our Integrated Report Summarised



9

OVERVIEW

10 Year at a Glance
12 Key Milestones
14 Awards - 2025
16 About Us
18 Financial Highlights
19 Operational Highlights
20 Organisational Structure
22 Branch Network
24 Product Portfolio

41



MANAGEMENT DISCUSSION AND ANALYSIS

42 Limited Assurance Report
44 Sri Lankan Insurance Industry
46 Operational Review/PESTEL & SWOT
50 Nurturing Connections with Our Stakeholders
53 Our Materiality Analysis
56 Business Units Overview of Performance
72 Financial Capital Report
78 Manufactured Capital Report
82 Social and Relationship Capital Report
90 Human Capital Report
98 Intellectual Capital Report
104 Natural Capital Report
108 Sustainability Reporting



27

EXECUTIVE REVIEWS

28 Chairperson's Message
30 Director/Chief Executive Officer's Review
33 Board of directors
37 Steering Committee
39 ExCo - Marketing and Sales Operations
40 Senior Management



28 Chairperson's Message



30 Director/Chief Executive Officer's Review





RISK & GOVERNANCE

110 Risk Management
120 Corporate Governance



COMMITTEE REPORTS

150 Report of the Board Audit Committee (BAC)
154 Report of the Remuneration Committee
156 Report of the Nominations and Governance Committee
158 Report of the Related Party Transactions Review Committee
160 Report of the Broad Strategy and Development Committee
161 Report of the Assets and Liabilities Management Committee

162 Board of Director's Statement on Internal Controls



FINANCIAL STATEMENTS

164 Financial Calendar
165 Statement of Value Creation
166 Annual Report of the Board of Directors on the Affairs of the Company
170 Actuarial Report - Janashakthi Insurance PLC
172 Actuarial Report - Former National Insurance Corporation Ltd
173 Statement of Directors' Responsibility on Financial Reporting
174 Chief Executive Officer's and Chief Financial Officer's Responsibility Statement
175 Independent Auditors' Report
178 Statement of Financial Position
179 Statement of Profit or Loss
180 Statement of Other Comprehensive Income
181 Statement of Changes in Equity
182 Statement of Cash Flows
183 Notes to the Statement of Cash Flows
184 Statement of Financial Position - Supplemental
185 Underwriting Results - Supplemental
186 Notes to the Financial Statements
232 Risk Management
242 Statement of Solvency



SUPPLEMENTARY

244 Shareholder Information
250 Decade at a Glance - Income Statement
251 Decade at a Glance - Statement of Financial Position
252 Horizontal Analysis - Statement of Financial Position
253 Vertical Analysis - Statement of Financial Position
254 Horizontal Analysis - Statement of Profit and Loss
255 Vertical Analysis - Statement of Profit and Loss
256 Simplified Financial Statements
257 GRI Disclosures
259 Glossary of Insurance Terms
261 Corporate Information
262 Branches
264 Notice of Meeting
265 Form of Proxy
267 Stakeholder Feedback Form

Unlocking Potential Through a New Space













Scan the QR code with your smart device

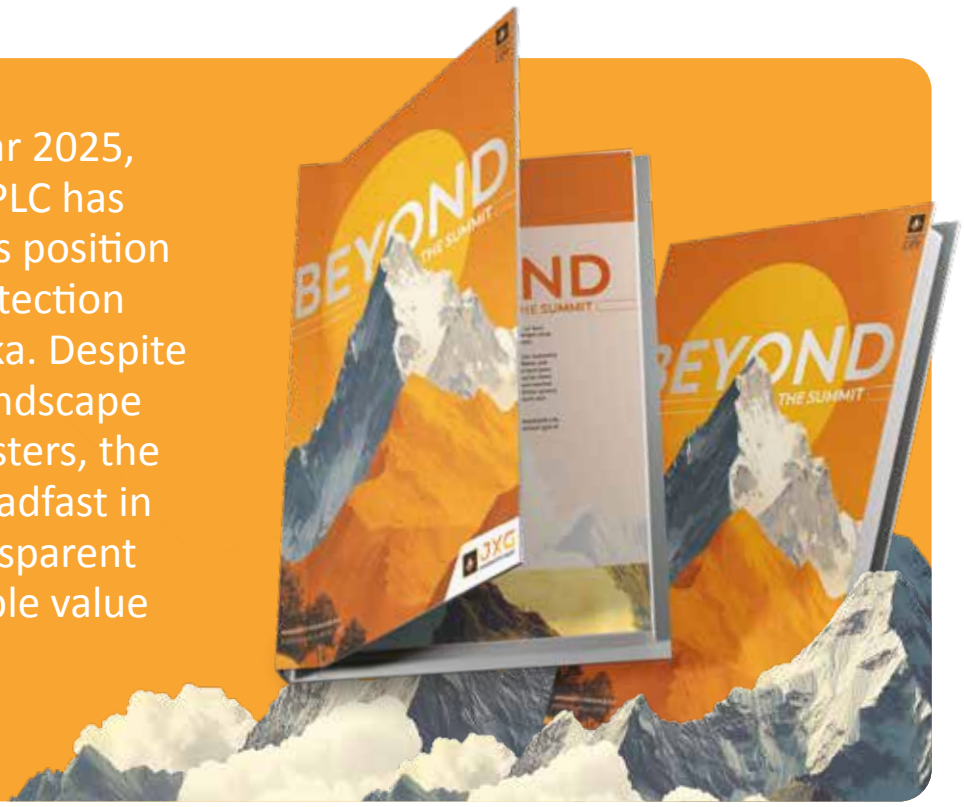






OUR INTEGRATED REPORT SUMMARISED

During the financial year 2025, Janashakthi Insurance PLC has further strengthened its position as a cornerstone of protection and progress in Sri Lanka. Despite a dynamic economic landscape marked by natural disasters, the Company remained steadfast in its commitment to transparent reporting and sustainable value creation.



Reporting Philosophy and Scope

Janashakthi Insurance PLC is pleased to present our fifth integrated report, covering the financial year from 1st January 2025 to 31st December 2025. This report serves as a primary document for our stakeholders, offering a transparent and holistic perspective on how we balance financial performance with our broader societal and environmental impacts.

Our reporting philosophy is guided by our core purpose: "Uplifting Lives and Empowering Your Dreams", which supports the Company to leverage our culture of transparency and robust governance to deliver meaningful value to all stakeholders. Beyond a retrospective review of the year, this document acts as a strategic roadmap, illustrating our dedication to continuous improvement and long-term resilience.

Frameworks and Compliance

To ensure the highest standards of accountability, our reporting suite adheres to both mandatory and voluntary frameworks.

Mandatory Frameworks

We comply with:

- The Sri Lanka Accounting Standards (SLFRS/LKAS)
- The Companies Act No. 07 of 2007
- The Insurance Industry Act No. 43 of 2000
- The Insurance Regulatory Commission of Sri Lanka (IRCSL)'s governance framework for insurers
- The ICASL's Code of Best Practices (2017)
- The Colombo Stock Exchange (CSE) Listing Rules
- The Securities and Exchange Commission (SEC) of Sri Lanka Act No. 36 of 1987 (as amended)

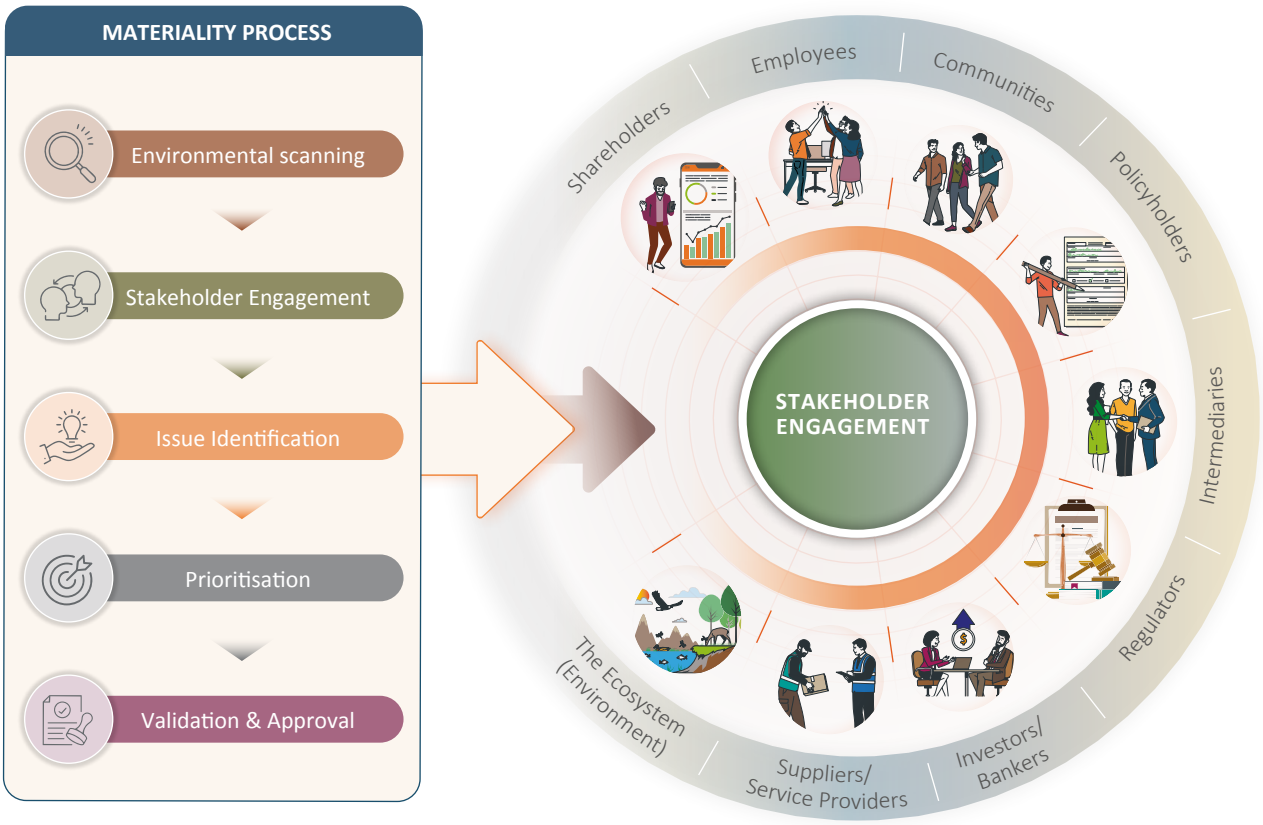
Voluntary Frameworks

We voluntarily adopt:

- The International Integrated Reporting Framework (<IR> Framework) (now under the IFRS Foundation) for transparent reporting.
- The GRI Universal Standards 2021 and updates to Biodiversity (GRI 101) to align our sustainability disclosures with internationally recognised standards.

Stakeholder Engagement and Materiality

Sustainable value creation at Janashakthi Insurance is driven by a deep understanding of our stakeholder needs. We actively engage with investors, employees, and the wider community to identify material topics, the issues that most significantly impact our ability to create value. Our materiality process ensures that we prioritise the most relevant disclosures, allowing stakeholders to make informed decisions.



Our Six Capitals Approach to Value Creation

We recognise that our ability to create value is dependent on various forms of capital. Our report is structured around the six capitals to demonstrate the interdependencies between our business activities and the benefits we deliver to our stakeholders.

Capital Type	Key Stakeholders	Strategic Impact
Financial	Investors and Shareholders	Driving sustainable returns and capital appreciation.
Manufactured	Customers and Employees	Leveraging our physical infrastructure and digital platforms to enhance service delivery.
Human	Employees and Contractors	Investing in skills, well-being, and a culture of transparency.
Social and Relationship	Customers, Partners, and Community	Building trust through responsive actions and shared value.
Intellectual	Customers and Employees	Utilising institutional knowledge and innovative product development.
Natural	Environment and Public	Minimising our environmental footprint through resource optimisation.

OUR INTEGRATED REPORT SUMMARISED

Aligning with the Guiding Principles of Integrated Reporting

Our 2025 Integrated Report is underpinned by the seven guiding principles of the Integrated Reporting Framework (<IR> Framework), ensuring that our value-creation narrative is both transparent and strategic.

Principle	Application for FY 2025
Strategic Focus & Future Orientation	The Chairperson's Statement and CEO's Review provide a forward-looking assessment of our strategic pillars, detailing how Janashakthi Life is positioned to capitalise on emerging market opportunities and economic recovery.
Connectivity of Information	This report provides a holistic view of our performance by illustrating the dynamic interdependencies between our financial results, our six capitals, and our long-term corporate objectives.
Stakeholder Relationships	We detail our robust engagement mechanisms, demonstrating how continuous dialogue with our diverse stakeholder groups informs our strategic decision-making and responsive corporate actions.
Materiality	Our materiality assessment identifies and prioritises the most significant economic, environmental, and social issues that influence our ability to create sustainable value over time.
Conciseness	By utilising intuitive infographics, graphical data visualisations, and clear, plain-English narratives, we ensure that complex information remains accessible and engaging for all readers.
Reliability & Completeness	The integrity of this report is safeguarded by a rigorous internal governance structure, Board oversight, and independent external assurance by Ernst & Young, ensuring a balanced and transparent account.
Consistency & Comparability	To enable meaningful year-on-year assessment, we maintain consistent reporting methodologies and provide comparative data, ensuring stakeholders can accurately track our growth trajectory and KPIs.

Reporting Integrity and Assurance

To ensure reliability and completeness, the information included in this report is subject to a rigorous internal review process, which is overseen by our Board of Directors and senior management. Our financial statements and non-financials in the integrated report are audited by Messrs. Ernst & Young, ensuring data integrity and transparency.

Our Commitment to a Sustainable and Resilient Future

As we move beyond the 2025 financial year, we remain a robust, future-ready enterprise. Leveraging the benefits of economic stability, we are poised to execute assertive market acquisition strategies and deliver best-in-class service through sophisticated, data-driven customer lifecycle management.

Our unwavering dedication to transparency and stakeholder empowerment ensures that we continue to harmonise industry-leading profitability with a profound, lasting impact on the society and environment in which we operate.

Specifically, our strategic focus for the upcoming financial year includes:

- Targeted ESG Integration: Refining our Environmental, Social, and Governance (ESG) framework with granular metrics and clear KPIs to rigorously track and report our progress against global benchmarks.
- Transparent and Authenticated Dialogue: Maintaining a dynamic, two-way feedback loop with our diverse stakeholder groups to ensure our reporting remains authentic, material, and responsive to evolving needs.
- Impactful Value Creation: Prioritising strategic investments and innovative product development that deliver "shared value" to drive long-term returns for our shareholders while fostering resilience within the Sri Lankan community.



Your comments on our Annual Report 2025 are welcome. Please direct your feedback, queries and clarifications to:

Ashan Nonis
1st Floor, Bishop's Gate Building,
338, T. B. Jayah Mawatha, Colombo 10.
011 263 663 6
ashanen@janashakthi.com

OVERVIEW

A summit reached, paves the way to summits yet unconquered. Shaped by our persistence to reach beyond the summit of possibility, we at Janashakthi Life Insurance PLC do our best to bring the most robust, flexible and creative insurance solutions to those who seek our protection. Having reached a point of achievement that was once thought impossible, we train our focus on reaching a higher pinnacle of service that we will soon be known for.



YEAR AT A GLANCE



JANUARY

Theme Launch

Janashakthi Life grandly launched its 2025 Sales Theme, setting the tone for a high-performance year ahead.



FEBRUARY

Drive me Winners



MARCH

Founder's county tour to branches on celebrating 31st Anniversary



APRIL

C.T.A. Schaffter 95th Birthday Calibrations

MAY

Annual awards

Janashakthi Life hosted its Annual Awards at ITC





JUNE

New head office

We have moved to a new office to serve you better with improved services, faster support and a stronger commitment to protecting what matters most.



JULY

Self-Care & Wellbeing session

Janashakthi Life hosted an engaging Self-Care & Wellbeing Session for employees, focusing on mental, emotional, and physical wellness



AUGUST

Singing Star

The Grand Finale unfolded on stage where 15 exceptional finalists delivered unforgettable performances. Ultimately, the winners were crowned bringing the competition to a triumphant close.







SEPTEMBER

Bali tour

Janashakthi Life hosted its Mid-Year Awards at a star-class hotel to recognise top performers for the first half of the year.



Mid year awards

OCTOBER

Life HQ Mini Octoberfest



NOVEMBER

Nidahas Adahas Art Exhibition



Janashakthi Life partnered as Title Sponsor of the ICA International Half Marathon Colombo 2025, held on 14th December 2025, attracting over 2,000 local and international runners.



DECEMBER

ICA International Half Marathon

KEY MILESTONES

1992

Started our journey by incorporating Janashakthi Life Insurance Co. Ltd in Sri Lanka.



1999

Launched the Janashakthi Book of Sri Lanka Cricket.



2001

Acquired 51% of shares with a controlling interest in National Insurance Corporation Ltd. The Life Operations Department received the ISO 9001 International Service Quality Accreditation becoming the first Sri Lankan insurer to obtain this.

2002

Became the first private insurer in Sri Lanka to begin offshore operations, by opening an office in Maldives. Opened the first branch in the Northern and Eastern provinces of Sri Lanka

2003

The Janashakthi Group diversified into banking, financing, micro finance, porcelainware, property development and agriculture sectors.

2005

Recognised as the 3rd largest insurer in Sri Lanka, in terms of the overall Gross Written Premium (GWP). Launched the "OneStop-Shop" Full Option Auto Centre for customer convenience

2012

Partnered with SLTMobitel to provide an SMS based insurance cover for both Pre-paid and Post-paid customers. Founder and Deputy Chairman Mr. C. T. A Schaffter celebrated 60 years in insurance and was awarded the 'Lifetime Achievement Award' at the 16th Asia Insurance Industry Awards.

2015

Acquisition of 100% AIA General Insurance Lanka Limited



2017

Launched the first phase of the home grown, integrated IT platform to offer seamless connectivity across the Company's branch network. Introduced the 'Full Option Locator' application as a value added service for use by all motor vehicle insurance customers, enabling easy access to roadside assistance



2018

Divestment of the General Insurance business. Launched the new Janashakthi Life brand logo and unveiled the Company's new purpose "Uplifting Lives and Empowering Your Dreams". Relocated to the new Head Office premises at Kumaran Ratnam Road, Colombo.

2020

Launched a new product "Janashakthi COVID Guard" - a COVID-19 insurance cover, to fulfil policyholders' needs of the hour. Janashakthi Life received the Bronze Award in the 'Turnaround Brand of the Year' category at the SLIM Brand Excellence Awards 2020.

2021

For the first time in history, the premium income exceeded LKR 5 Bn. Janashakthi Insurance PLC obtained the "Great Place to Work®" Certification. Produced 109 MDRT winners for the first time in history

2022

Awarded with numerous accolades in different areas, few are, Best Life Insurer in Sri Lanka 2022, Globally recognised as the 'Best Life Insurer in Sri Lanka 2022' by the internationally acclaimed Capital Finance International (CFI.co). Janashakthi Life becomes the sole insurer listed among Brand Finance's 'Top 10 Fastest Growing Sri Lankan Brands' in 2022. Domestic Insurer of the Year & Mobile App of the Year 2022

2023

Achieving highest Investment income of 9.2 Bn. Recognition of the outstanding services rendered by the Company are mentioned in the latter part of the Annual Report

2024

Celebrating 30 years of excellence



2025

Unlocking potential through a new space



AWARDS – 2025



Janashakthi Insurance PLC rewarded Gold at the prestigious CA Sri Lanka TAGS Awards 2025 under the category Insurance, Group – GWP upto LKR 10 Bn, reaffirming the Company's commitment to excellence in corporate reporting, transparency, and governance.









SLIM National Sales Awards



SLIM Brand Excellence Merit Award



Mr. CTA Schaffter Receiving Life Time Achievement Award at Sri Lanka Cricket Awards



Echelon 100 Most Valuable Brands

LMD Top 10 Most Loved Insurance Brands



LMD Top 50 Most Loved Brands



Best Life Insurance Company for Digital Transformation Sri Lanka 2025, Awarded by Global Banking & Finance Awards



LRA A- Rating





ABOUT US

Our Identity: 31 Years of Ascent

A summit is meant to be conquered, and at Janashakthi Insurance PLC, we have consistently reached summits of possibility, conquered challenges along the way, and taken strides to ascend beyond our expectations. For 31 years, we have been creating higher value for those who place their trust in us. Today, we stand as a cornerstone of protection in Sri Lanka, empowering individuals and families through a diverse portfolio of life insurance solutions and an extensive network of branches across the island.

Our Strategic Compass

Our journey is guided by a vision and mission that refuses to be grounded by traditional limits. At Janashakthi Insurance, we do not merely aim for the peak; we strive to ascend beyond the mountain. By bridging the gap between our rich heritage and a digital-first future, we ensure that our strategic direction remains as ambitious as the dreams of the millions we serve.

We consistently create and offer products and services that rise beyond what was first thought possible.

We aim to reach beyond possibility, ensuring our growth creates higher value for every stakeholder who places their trust in us.



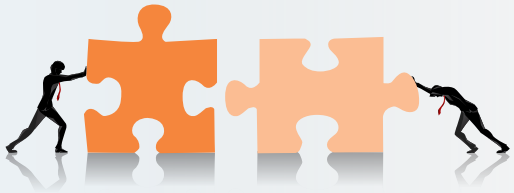
We leverage digitisation to break traditional barriers, making insurance more accessible and understandable for all Sri Lankans.

At our core, we aim to be that brilliant light of protection that provides steady cover for all, ensuring our customers feel their most secure.

What Sets Us Apart

Our competitive edge is defined by a unique blend of heritage and modern agility. We reach beyond possibility; we climb beyond the summit. Our distinct approach is built on four key pillars.

Sri Lankan Roots, Global Outlook	Customer-Centricity	Extensive Reach	Financial Stability	A Commitment to Community
We remain deeply rooted in Sri Lanka's rich heritage while embracing forward-thinking, global innovations to meet evolving customer needs.	Our policyholders are our valued partners. We build strong relationships and provide personalised lifelong solutions, creating greater value than mere policy numbers.	With a wide network of 76 branches across Sri Lanka, we ensure accessibility and convenience, staying close to our customers wherever they may be.	Our proven track record of success and financial resilience provides our stakeholders with the peace of mind that we will always be there when it matters most.	We are dedicated to uplifting the nation, ensuring that our growth contributes to the collective prosperity of the communities we serve.



Our Shared Values

Our core values are the fuel that drives the Janashakthi family to success, ensuring we remain that brilliant light of protection, providing steady cover for all Sri Lankans.

Value	Our Commitment
Integrity	Operating with transparency and honour in every interaction.
Collaboration	Working together to achieve collective growth and resilience.
Respect	Valuing every individual within our diverse network of associates.
Performance Driven	Striving for excellence and remarkable growth year upon year.
Innovation	Constantly creating products and services that rise beyond what was first thought possible.

Our Purpose: "Uplifting Lives and Empowering Your Dreams"

Our purpose is the catalyst that drives the entire Janashakthi Insurance family to success. It reflects the pioneering spirit that allows us to go the extra mile, delivering service excellence that transcends the standard norms of insurance.

Our Current Position

In 2025, Janashakthi Insurance has reached a defining peak in its 31-year journey of protection and progress. Our growth during the year under review has been remarkable, underpinned by a steadfast commitment to innovation that refuses to be grounded by traditional limits. We have moved beyond merely reaching goals to setting new benchmarks in financial resilience and market disruption.

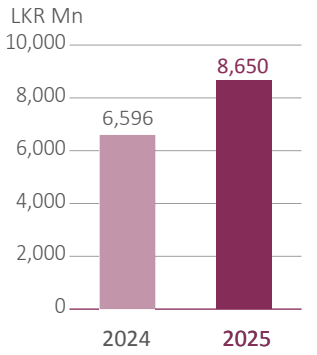
Today, our policyholders feel their most secure and our stakeholders their most confident, as we continue to deliver higher value to those who place their trust in the Janashakthi family. With a widespread network of 76 branches and a diverse portfolio of 16 life insurance solutions, we are always nearby, prepared to assist our policyholders wherever they may be on their own journeys.

Looking Ahead

As we look toward 2026 and beyond, Janashakthi Insurance PLC remains committed to the pioneering spirit that has driven our success to date. By bridging the gap between traditional protection and digital convenience, we will continue to pave the path to a better, more purposeful tomorrow for all Sri Lankans.

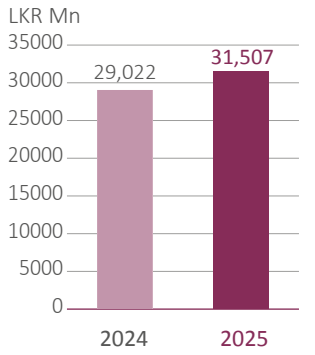
FINANCIAL HIGHLIGHTS

GROSS WRITTEN PREMIUM



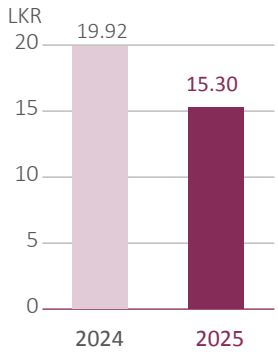
31%

FINANCIAL INVESTMENTS



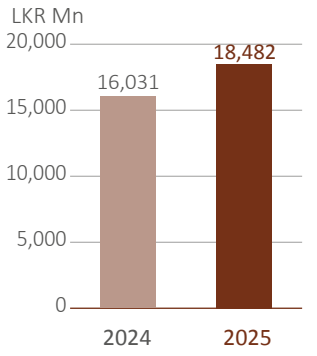
9%

BASIC EARNINGS PER SHARE



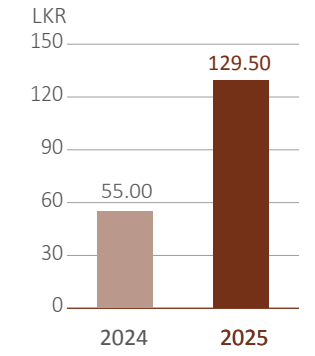
23%

INSURANCE CONTRACT LIABILITY



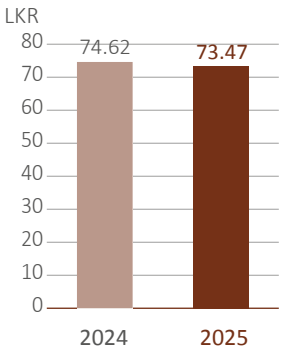
15%

MARKET VALUE PER SHARE



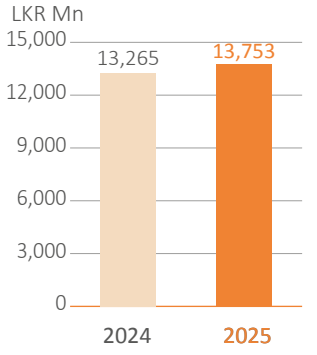
135%

NET ASSETS PER SHARE



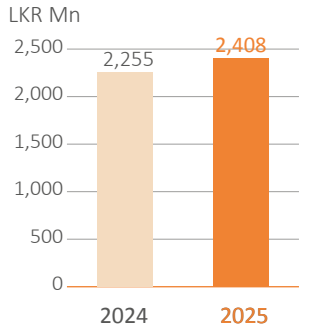
2%

NET INCOME



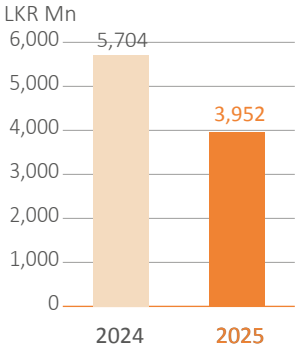
4%

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY



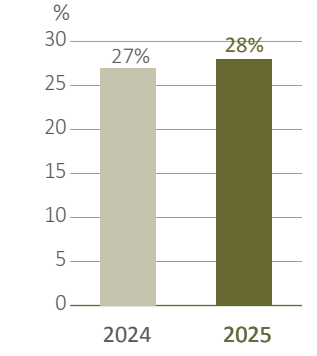
7%

PROFIT BEFORE TAX



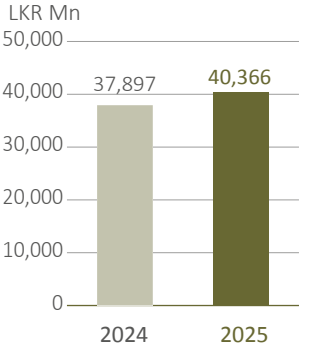
31%

RETURN ON EQUITY



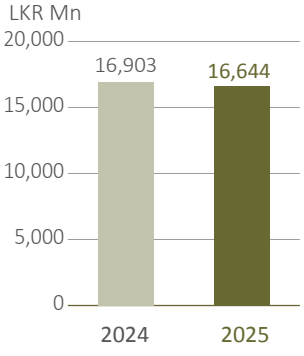
4%

TOTAL ASSETS



7%

TOTAL EQUITY



2%

OPERATIONAL HIGHLIGHTS

Our Human Capital

EMPLOYEES

456

2024- 372



Our Growth

MARKET VALUE PER SHARE

LKR 129.5 (135%)

2024- 55 (43%)





TOTAL ASSETS

LKR 40 Bn

2024- LKR 38 Bn



Great Place To Work.®

ACHIEVED

Great Place to Work

status for the second consecutive year, with a significant increase to **91%** of the staff endorsing the company.

A- (ifs)

Outlook **Stable** by Lanka Rating Agency

CAR

284%

2024 - 277%

NET ASSETS PER SHARE

LKR 73.47

2024 - LKR 74.62

GROSS WRITTEN PREMIUM

LKR 8.6 Bn

2024 - LKR 6.6 Bn

MARKET CAPITALISATION

LKR 29 Bn

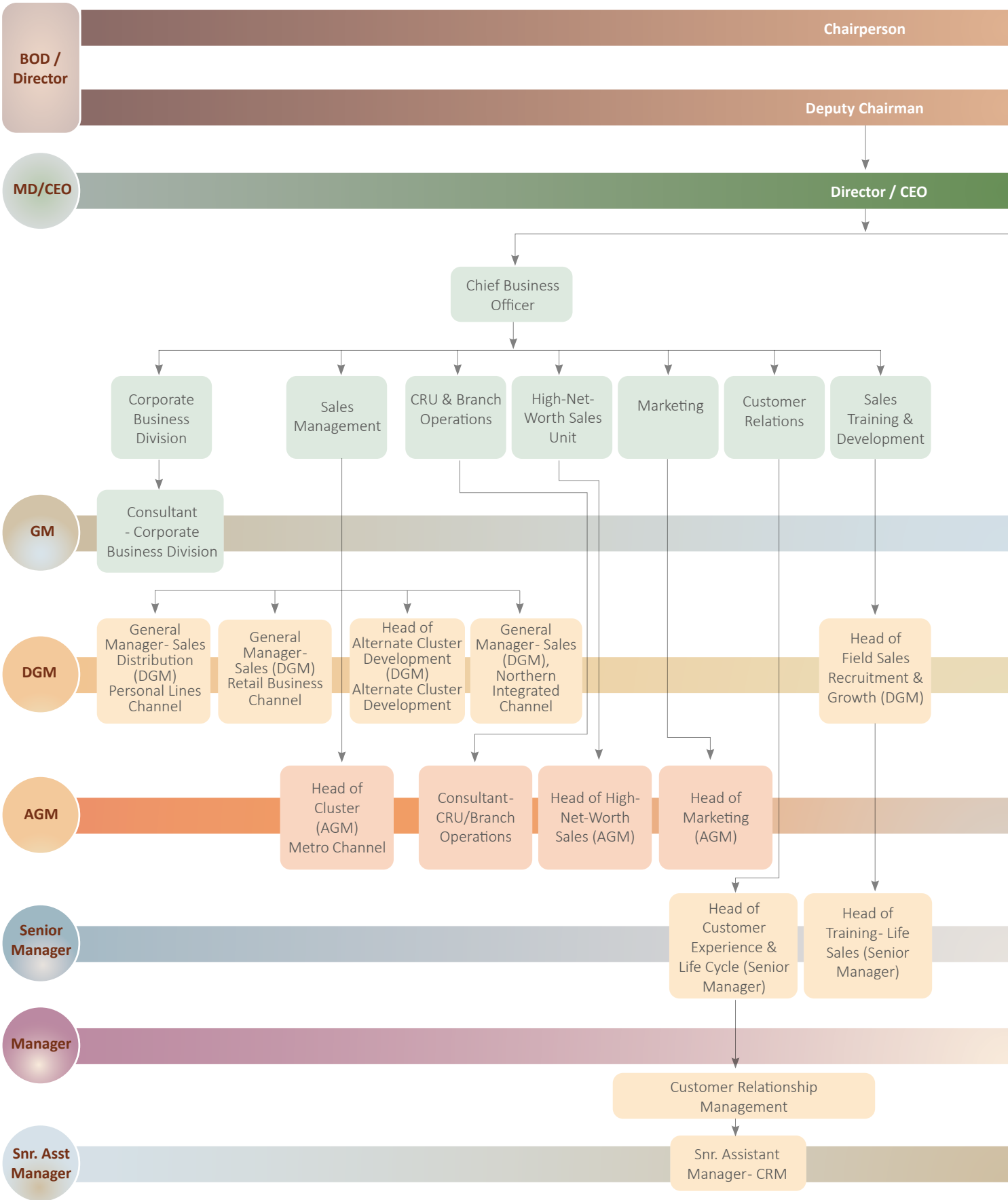
2024 - LKR 12 Bn

DIVIDEND PAYOUT

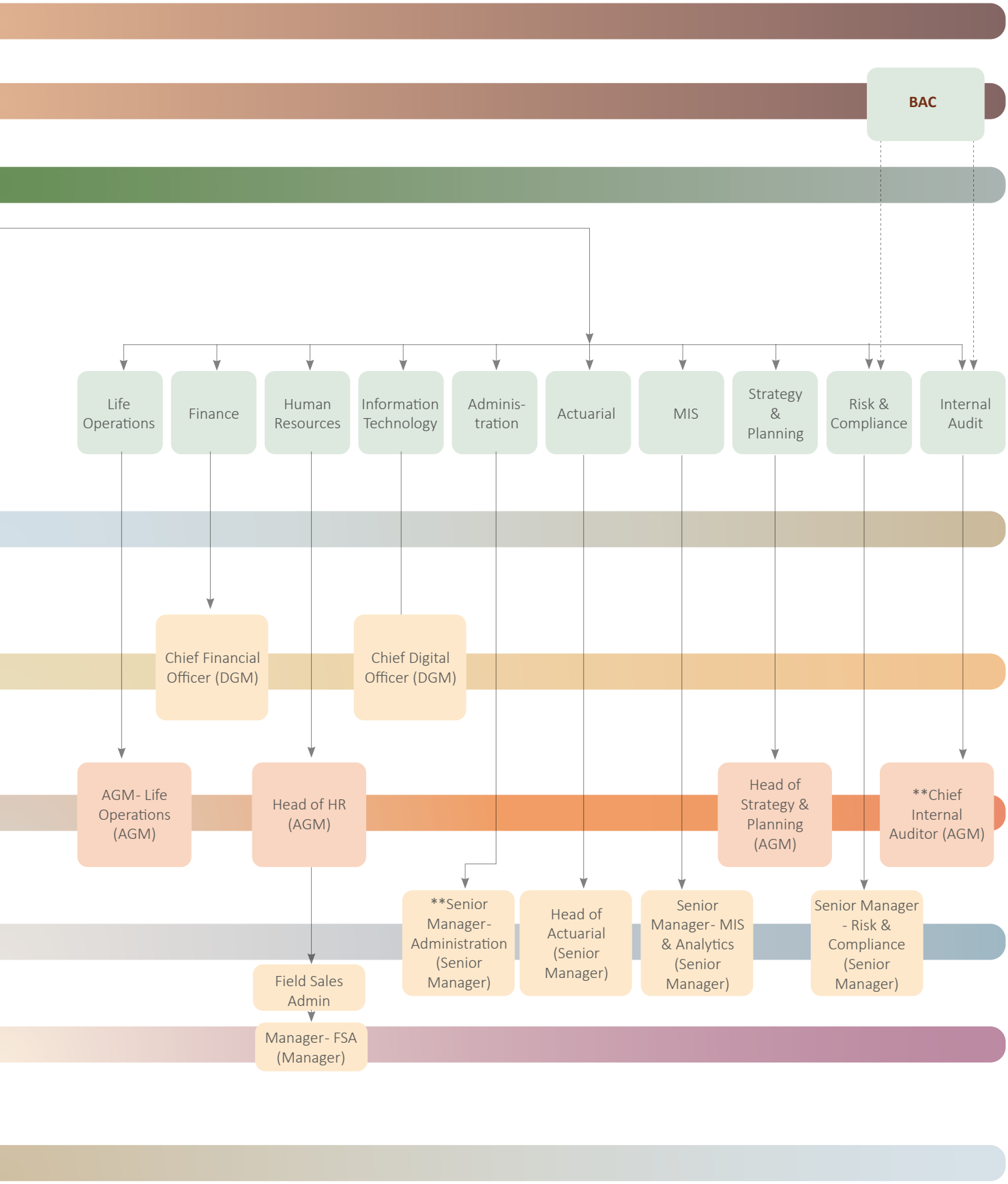
LKR 3.4 Bn

2024 - LKR 3 Bn

ORGANISATIONAL STRUCTURE

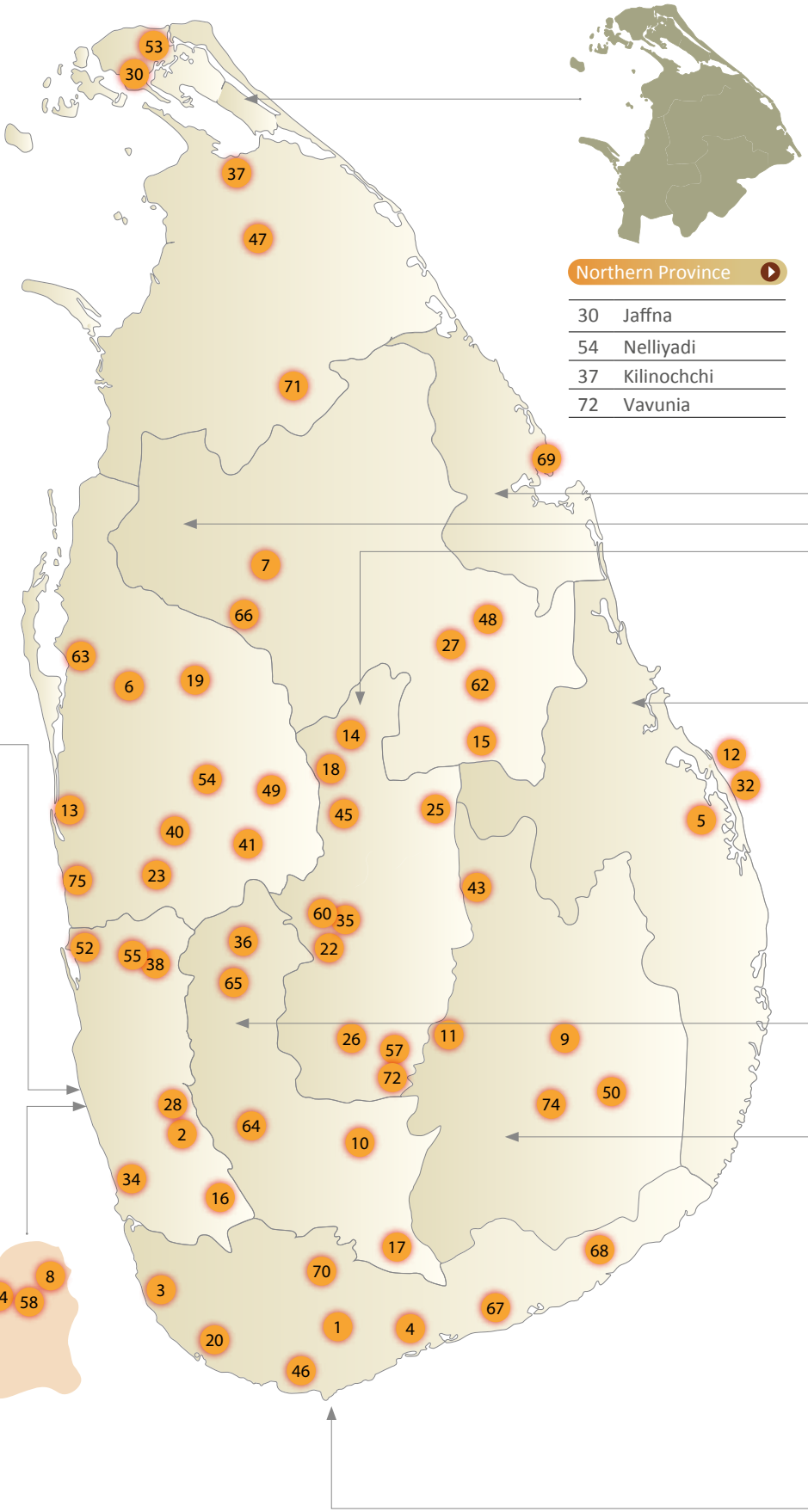


** Group Shared Service Head for the function acts as the Lead BU Partner for JIPLC


BAC
Life Operations
Finance
Human Resources
Information Technology
Adminis-tration
Actuarial
MIS
Strategy & Planning
Risk & Compliance
Internal Audit
Chief Financial Officer (DGM)
Chief Digital Officer (DGM)
AGM- Life Operations (AGM)
Head of HR (AGM)
Head of Strategy & Planning (AGM)
**Chief Internal Auditor (AGM)
**Senior Manager- Administration (Senior Manager)
Head of Actuarial (Senior Manager)
Senior Manager- MIS & Analytics (Senior Manager)
Senior Manager - Risk & Compliance (Senior Manager)
Field Sales Admin
Manager- FSA (Manager)

BRANCH NETWORK

76 One Janashakthi



Northern Province

30	Jaffna
54	Nelliyadi
37	Kilinochchi
72	Vavunia

Western Province

53	Negombo	44	Malabe
56	Nittambuwa	62	Piliyandala
38	Kiridiwela	24	Hanwella
29	Ja-Ela	59	Padukka
33	Kalubowila	28	Horana
52	Moratuwa	2	Aluthgama
60	Panadura	34	Kalutara
31	Kadawatha	8	Avissawella
39	Kotahena	21	Gampaha
57	Nugegoda	47	Mathugama
74	Wellawatta		
42	Maharagama		

North Central Province

7	Anuradhapura
67	Tambuttegama
27	Hingurakgoda
49	Medirigiriya
63	Polonnaruwa
48	Medawachchiya



North Western Province

64	Puttalam
6	Anamaduwa
13	Chilaw
76	Wennappuwa
19	Galgamuwa
25	Hettipola
55	Nikawaratiya
50	Melsiripura
40	Kuliyapitiya
41	Kurunegala
23	Giriulla



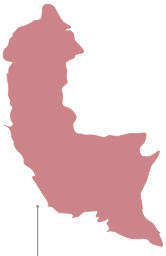
Central Province

14	Dambulla
18	Galewela
45	Matale
25	Hettipola
61	Pilimathalawa
35	Kandy
22	Gampola
26	Hatton
58	Nuwara Eliya
73	Welimada



Eastern Province

70	Trincomalee
12	Batticaloa
32	Kalmunai
5	Ampara
15	Dehiattakandiya



Sabaragamuwa Province

36	Kegalle
66	Ruwanwella
65	Rathnapura
10	Balangoda
17	Embilipitiya



Uva Province

11	Bandarawela
9	Badulla
75	Wellawaya
51	Monaragala
43	Mahiyanganaya



Southern Province

3	Ambalangoda
20	Galle
71	Urubokka
1	Akuressa
46	Matara
4	Ambalantota
68	Tangalle
69	Tissamaharama
16	Elpitiya

Province-wise no. of branches

Western Province 22	Uva Province 05
Northern Province 04	Southern Province 09
North Central Province 06	North Western Province 11
Eastern Province 05	Central Province 09
Sabaragamuwa Province 05	

PRODUCT PORTFOLIO

PROTECTION AND HEALTH

JANASHAKTHI Good Health	A comprehensive and affordable health insurance plan that relieves concerns about hospital expenses.	2016
JANASHAKTHI Loan Guard	Provides financial security for loan repayments in case of unexpected circumstances.	2011
JANASHAKTHI Jeevitha Vardana	Ensures your insurance coverage grows over time, increasing by 50% every 5 years	2012
JANASHAKTHI Suwashakthi	A pure protection plan with maximum benefits at the lowest premium.	1994
JANASHAKTHI Life Unlimited	A 20-year plan with lifetime hospitalisation and protection benefits at an affordable cost.	1994
JANASHAKTHI Heart Guard	An affordable heart insurance policy designed to provide financial protection for heart-related health issues. This policy is available online, allowing customers to conveniently obtain coverage through their digital platform. With premiums starting at just LKR 100, Heart Guard offers an accessible solution for those seeking to safeguard their heart health without stretching their budget.	2023

SECURING YOUR CHILD'S FUTURE

JANASHAKTHI Jeevitha Thilina	A children's savings plan providing financial stability from childhood to adulthood, with premium payments until age 18.	1994
JANASHAKTHI Shilpa Shakthi	A unique policy that creates two funds to secure your child's future.	2002

RETIREMENT PLANS

JANASHAKTHI Life Investment Account	A plan with superior investment returns and added protection benefits.	1994
JANASHAKTHI DreamSaver	Offers the highest dividends and security for planned investments.	2022

SAVINGS AND INVESTMENT SOLUTIONS

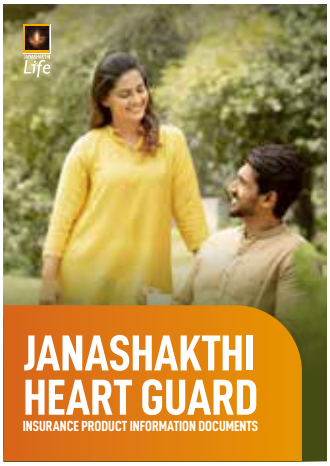
JANASHAKTHI Life Investment Account	A plan with superior investment returns and added protection benefits.	2011
JANASHAKTHI DreamSaver	Offers the highest dividends and security for planned investments.	2022
JANASHAKTHI DreamSaver	Offers a flexible premium-paying policy for long-term protection.	2022

PRODUCT PORTFOLIO

























EXECUTIVE REVIEWS

The secret to a successful climb is envisioning the achievement. This year, our summits of possibility grew taller and our efforts to conquer them grew stronger. At every turn, success was defined, envisioned and promoted. As a result, our growth skyrocketed, our stakeholders prospered, and our customers thrived. As we continue climbing beyond the summit, our sights stay firmly fixed on surmounting what's next.



CHAIRPERSON'S MESSAGE



Our performance in 2025 demonstrates that we are not merely navigating the economic recovery—we are rising beyond the summit to redefine operational excellence

ANNIKA SENANAYAKE
Chairperson

A Legacy of Resilience

As we conclude the financial year ended 31st December 2025, it is a privilege to reflect on a journey defined by unwavering resilience and strategic clarity. In a year where Sri Lanka continued its path toward economic stability following the 2022 crisis, Janashakthi Insurance PLC has not only navigated the complexities of debt restructuring and market volatility but has emerged as a leader in sustainable growth.

Our theme for this year, "Beyond the Summit," is more than a milestone; it is a testament to our 31-year legacy of creating higher value for those who place their trust in us. Despite the pressures of shifting monetary policies and a challenging taxation landscape, our commitment to "protection" remains the cornerstone of our success.

Integrated Thinking and Reporting Framework

We believe that institutional success is best measured through a holistic lens. Marking a significant milestone in our reporting journey, this is the fifth consecutive year that we have prepared our Annual Report in accordance with the Global Reporting Initiative (GRI) Standards and the Integrated Reporting Framework (<IR> Framework).

This consistent approach ensures we provide a transparent view of how we transform our various capitals—Financial, Human, Intellectual, Social and Relationship, and Natural—into long-term value for our stakeholders. By adopting these international benchmarks for half a decade, we reaffirm our steadfast commitment to transparency and accountability in all aspects of our value-creation journey.

Institutional Strength and Performance Highlights

The Company's exceptional performance during the year under review is a direct result of surpassing key strategic benchmarks, culminating in a landmark profit before tax (PBT) of LKR 3.9 Bn. This growth was driven by robust core operations and a high-calibre investment portfolio, further validated by a prestigious credit rating upgrade to 'A-' (Stable), which affirms our status as a resilient and reliable insurer.

Our market outperformance was particularly evident in our regular new business, which witnessed a stunning 61% surge, outperforming the industry average by two-fold. Our Regular Life Renewal portfolio reached an all-time high growth of 17% during 2025, further reaffirming the Company's strategic foresight. Furthermore, we remained steadfast in our commitment to policyholders by settling over LKR 3.8 Bn in timely claim payments. This strong bottom-line performance ultimately enabled a historic dividend payout of LKR 3.4 Bn, representing an all-time high for the organisation and reinforcing our dedication to delivering superior value to our shareholders.

Risk Management and Governance

The Board of Directors remains steadfast in maintaining a robust governance framework that ensures ethical and transparent operations. Our proactive approach to Risk Management has been critical in navigating interest rate volatility and evolving regulatory requirements. The efficacy of our internal control systems was validated during 2025 by the Gold Award in TAGS for the best Annual Report in the insurance industry and the certification of our corporate governance disclosures by CA Sri Lanka.

31%
Growth in GWP

LKR 3.4 Bn
Dividend Payout

These external validations reaffirm our belief that governance extends well beyond compliance, forming the foundation of our institutional stability and public trust.

Value Creation and Sustainability

The Company views value creation as intrinsically linked to our Environmental, Social, and Governance (ESG) framework. Our "Good to Great" strategy is reflected in our social impact initiatives, from protecting underserved societies through micro-insurance to investing in the creative potential of our youth. Simultaneously, we have made significant strides in environmental stewardship by optimising our operational footprint and reducing our carbon impact. These actions ensure that our growth does not come at the expense of the future, but rather secures it.

Strategic Outlook

Looking ahead, the Board is confident in the Company's optimistic five-year growth plan. As we remodel our business to meet new IFRS and Risk-Based Capital (RBC) guidelines, we remain focused on harnessing digital transformation and AI to drive efficiency and stakeholder value. We remain firmly focused on strengthening our position as a leading force in the life insurance industry, guided by uncompromising standards of financial integrity and sustainable value creation.

Appreciations

As I conclude my first full year as your Chairperson, I wish to express my sincere gratitude to my colleagues on the Board of Directors for their strategic foresight and invaluable guidance during this transformative period. My appreciation also extends to our management team, led by our Director/CEO, for their exceptional execution of our vision and their commitment to operational excellence.

Most importantly, I thank our employees for your continued dedication to the Company, and our shareholders and policyholders for their steadfast trust. Your confidence in Janashakthi Insurance is the summit we strive for, and your success remains the enduring legacy we build together.



Annika Senanayake
Chairperson

06th March 2026

DIRECTOR/CHIEF EXECUTIVE OFFICER'S REVIEW



Achieving a historic staff endorsement of 91 % as a "Great Place to Work" is a testimony of our commitment to people and cohesive value driven culture

RAVI LIYANAGE
Director/Chief Executive Officer

A Year of Resilience and Strategic Growth

In 2025, Janashakthi Insurance PLC surpassed its own benchmarks, turning a climate of economic recovery into a catalyst for unprecedented market outperformance. By scaling new heights of digital innovation and operational excellence, we continue to rise beyond the summit of traditional insurance.

Dear Shareholders,

As we reflect on the financial year ended 31st December 2025, I am delighted to report that the year has been a transformative period for Janashakthi Insurance PLC. Following the landmark growth of 2024, the Company has successfully transitioned into a phase of high-performance stability, reinforcing our commitment to uplifting lives and empowering dreams.

Throughout 2025, we have remained agile, navigating a complex macroeconomic landscape with strategic foresight. Our ability to consistently deliver superior value to our shareholders, while providing high levels of protection to our policyholders, has defined our journey during the financial year under review.

Our commitment to provide best in class customer experience was strengthened by the deployment of touch point appraisal in most critical touch points across the customer interphase. This has resulted in steady progression of CSAT and NPS.

Resilience and Market Outperformance

The Sri Lankan economy has shown a strong recovery following the 2022 crisis, supported by IMF-led reforms and debt restructuring that have significantly reduced macroeconomic volatility. In this backdrop, the life insurance sector maintained steady growth in premiums and assets. However, change in monetary policy presented challenges for the country, industry, and the Company.

Furthermore, moderate interest rates led to lower investment income and tightened profit margins compared to the high yields recorded in previous years. Despite these headwinds and the pressure of continued taxation on disposable income, we found opportunity in the low inflation rate of approximately 2.1%. This stability in the cost of living shifted the demand curve in favour of life insurance.

Through disciplined Asset–Liability Management (ALM), a focused ESG framework, and proactive navigation of an evolving regulatory landscape, the Company effectively mitigated interest rate volatility and delivered progress across all core business fronts in 2025. As a result, Janashakthi Insurance maintained its position as a sector outperformer and reinforced its market position in the industry.

The Trajectory of Growth

Janashakthi Insurance delivered an exceptional financial performance during the financial year under review, consistently surpassing key strategic benchmarks. Gross Written Premium (GWP) rose to an impressive LKR 8.6 Bn at the end of the financial year, reflecting a robust 31% year-on-year growth. Regular New Business recorded a remarkable 61% increase, outperforming the industry average by twofold and reinforcing the strength of our distribution strategy. Additionally, the Company's Regular Life Renewal portfolio achieved an all-time high growth of 17% compared to the previous financial year, underscoring strong customer retention and the long-term stability of our business model.

This sustained momentum translated into significant profitability, with the Company exceeding all benchmarks to record a landmark profit before tax of LKR 3.9 Bn for the year. The Company's net profit was LKR 3.4 Bn during the year under review. Strong earnings and prudent financial management supported shareholder value creation by delivering a Return on Equity (ROE) of 21%, enabling a historic dividend payout of LKR 3.4 Bn, the highest in the Company's history to date.

Operational Excellence and Innovation

A high-calibre investment portfolio, robust profitability in core operation, efficiency in claim payment, disciplined capital adequacy ratio and gaining market share anchored our operational excellence and secured a prestigious upgrade to our credit rating to "A-" (stable) by Lanka Rating Agency.

Relocating our Head Office to the Bishop's Gate building in Colombo 10 was a strategic move to foster a high-performance culture. This state-of-the-art facility has provided our employees with a superior office environment and strengthened our value of human capital, leading to an encouraging staff endorsement of 91% as a Great Place to work.

Milestones and Achievements

Throughout the year under review, the dedication and expertise of our management and employees resulted in a series of remarkable accomplishments, underpinning the Company's outstanding performance and unwavering pursuit of excellence. Seventy-six members of our sales team were recognised by the Million Dollar Round Table (MDRT) of the USA, meeting prestigious international standards of sales excellence. Janashakthi Insurance was also awarded a Gold Award at the CA Sri Lanka TAGS Awards in recognition of excellence in corporate reporting. In addition, the Company received multiple sector accolades, including awards for Marketing - SLIM Brand Excellence, Sales Excellence - SLIM NSA, Information Technology - UK Based Global Banking and Finance awards, Human Resources- LMD Most respected entities for employee well being.

Customer Experience and Satisfaction

Our policyholders are the primary architects of our growth during 2025, where we fulfill their expectation by providing best in class customer experience. The Company achieved a remarkable position with the full-scale optimisation of our centralised "Customer 360" CRM module. This platform serves as a single point of reference making the customer experience seamless with the integration of entire customer journey from on boarding, policy issuance, servicing, claim processing and maturity ensuring swift turnround time to exceed industry experience.

DIRECTOR/CHIEF EXECUTIVE OFFICER'S REVIEW

Net Promoter Score (NPS) was a significant focus during the year 2025 to capture policyholder propensity to recommend product and services to potential policyholders. In this regard, every policyholder who comes on-board was measured their customer experience via well thought-out and digitalized process.

Stakeholder Value and Sustainability

Creating value across our stakeholder groups remained a focus area of the Company during 2025. Sustainability has been identified as a key priority in keeping with ESG framework. Being a regulated entity company has been fully compliant for all governance framework attributable to all regulating authorities this effort has been recognized by CA Sri Lanka. The social aspect of the sustainability was well addressed where company has undertaken youth development and empowerment programs such "Nidahas Adahas" and Grade 5 Scholarship. Further initiatives taken towards protecting marginal communities in the society.

Shift to our new home office also enabled the organisation to significantly reduce our carbon footprint by optimising our physical workspace, downsizing from 21,000 sq. ft. to 11,600 sq. ft. Together with our efforts to reduce energy usage, we streamlined claim management and improved processes through digitalization, eliminating paper usage in many processes.

Future Outlook

As we move forward into the new financial year, we envision that we are on a growth pedestal after reaching a critical mass in company's life cycle with a notable growth trajectory surpassing the industry average. Through focused and disciplined plans, we are well-positioned to grow the business exponentially. Plans are underway with innovation in product market matrix supported by seamless digitalization, Artificial Intelligence (AI), geographic focus and multi channel approach for distribution.

We also will remodel the business in line with IFRS 17 reporting to optimize stakeholder returns and expectations whilst changing our valuation architecture and capturing the opportunities of changing landscape of new RBC rules.

We remain optimistic that the recovering economic climate in the country will continue to favour our journey of the industry as well as the company and most certain not only to reach sustainable growth in our endevour but also to exceed and remain ahead of the curve in Sri Lankan financial landscape.

Appreciations and Acknowledgements

First, I warmly welcome and acknowledge the new Chairperson Ms. Annika Senanayake who was appointed as the Chairperson of Janashakthi Insurance effective 01st January 2025. Further, the leadership and strategic insights of the Chairperson and Members of the Board is highly appreciated, which led to unparalleled performance in the history of the Company.

I extend my heartfelt appreciation to all colleagues of the Management Team and each and every member of the Janashakthi family operating over 75 locations who's unwavering commitment and professionalism have been fundamental to our continued success. The Team Janashakthi steadfast engaging the best way possible to accomplish the purpose of our business surpassing almost every key result area to depict a very strong financial year. Year 2025 is a true testimony of resilience and growth in our endeavor to be a large force in the life insurance industry. The strength of our team remains a defining pillar of the Company's future.

A- (IFS)

Credit Rating with a Stable Outlook given by Lanka Rating Agency

61%

growth in New Business

91%

GPTW Score

Last but not least, on behalf of Janashakthi Insurance, I would like to acknowledge IRCSL for their directional and insightful contribution to the industry during 2025 for bringing many best practices to make the industry sustainable and stronger.



Ravi Liyanage
Director/Chief Executive Officer

06th March 2026

BOARD OF DIRECTORS



Ms. Annika Senanayake
Independent Non-Executive Director
Chairperson

Annika Senanayake is the Chairperson of Janashakthi Insurance PLC, having been appointed with effect from 1st January 2025. As Chairperson, she provides leadership to the Board, guiding the Company's strategic direction, strengthening governance and oversight, and supports Management in advancing sustainable growth, operational discipline, and long-term stakeholder value.

She leads Corporate Planning for the IWS Holdings Group, where she is responsible for driving strategic initiatives across a diversified portfolio of businesses spanning automobiles, aviation, telecommunications, logistics, media and broadcasting, food and beverage processing and packaging, and renewable energy.

She also serves as a Director of IWS Holdings (Private) Limited, Ceylon Natural Rubber (Private) Limited, RAD Productions (Private) Limited, RAD Productions USA LLC, RAD Collective (Private) Limited and Scan Furniture (Private) Limited.

She has previously served as an Independent Non-Executive Director at Sampath Bank PLC until her retirement in 2020 and has held the position of Chief Executive Officer of ART Television Broadcasting Co.

Scan QR code to visit LinkedIn Profile

- Remuneration Committee
- Nominations and Governance Committee
- Asset and Liability Committee
- Related Party Transactions Review Committee
- Board Audit Committee
- Broad Strategy and Development Committee



Mr. Prakash Schaffter
Non-Independent Executive Director
Deputy Chairman

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

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

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

Scan QR code to visit LinkedIn Profile



Mr. Sivakrishnarajah Renganathan
Independent Non-Executive Director

Sivakrishnarajah Renganathan was former Managing Director / Chief Executive Officer of Commercial Bank of Ceylon PLC, during which time he held several senior leadership roles within the Bank. He also served as Managing Director and Board Member of Commercial Development Company PLC and as Deputy Chairman of Commercial Bank of Maldives (Private) Limited.

A senior banker with over four decades of experience, he played a key role in leading Commercial Bank's acquisition of the banking operations of Crédit Agricole Indosuez in Bangladesh. He was the Bank's first Chief Risk Officer and has also held senior operational roles, including Deputy General Manager overseeing the island-wide branch network and Chief Operating Officer.

He served as an Executive Director on the Board of Commercial Bank of Ceylon PLC for nearly eight years, contributing to the Bank's strategic and operational oversight.

He has also been actively involved in professional and business associations. His contributions include service as a Member of the General Council of the Institute of Bankers of Bangladesh, Founder President of the Sri Lanka–Bangladesh Chamber of Commerce and Industry, an Executive Member of the Foreign Investors' Chamber of Commerce and Industry in Bangladesh and member of the International Chamber of Commerce, Sri Lanka.

Scan QR code to visit LinkedIn Profile

BOARD OF DIRECTORS



Mr. Ravi Liyanage
Director/Chief Executive Officer

Ravi Liyanage was appointed as the Chief Executive Officer of Janashakthi Insurance PLC in November 2020. He brings extensive leadership experience to the Company, having held senior management roles across multiple industries, including insurance, finance, retail, manufacturing, automotive, and lubricants. He has previously served as a Director of Richard Pieris Distributors (Arpico) and Arpico Insurance, and as Chairman of Richard Pieris Arpico Finance. He has also held the position of Group Director of Richard Pieris & Company PLC.

Prior to his current appointment, he served as Chief Executive Officer of TVS Lanka Limited. He also previously served at Janashakthi Insurance PLC from 2003 to 2011, where he played a key role in driving business growth across marketing, branch operations, sales, and distribution. In addition, he served as a Board Director of Janashakthi Finance from 2006 to 2009.

He holds a Bachelor of Science degree from the University of Colombo, a Master of Business Administration from the University of Sri Jayewardenepura, and a Postgraduate qualification from the Chartered Institute of Marketing (CIM), United Kingdom. He is a Member of the Chartered Institute of Marketing (CIM-UK), a Certified Management Accountant (CMA) of CMA Australia, and a Fellow of the Life Underwriting Training Council (USA). He is also a certified resource person for LIMRA International in the areas of insurance, marketing, and management.

He has received several local and international recognitions, including the Asia Brand Leadership Award from the Brand Asia Congress, the Global Brand Leadership Award from the Global Brand Congress, Brand Champion Awards from the Sri Lanka Institute of Marketing (SLIM), and the Marketer of the Year Award from the Chartered Institute of Marketing (UK). He also contributes to academia as a resource person for MBA programmes conducted by several international universities and frequently serves as a panelist and judge at corporate events in the fields of marketing and management.

Scan QR code to visit LinkedIn Profile



Mr. Ramesh Schaffter
Non-Independent Non-Executive Director

With over 30 years of diverse experience across finance and marketing disciplines, Ramesh Schaffter has built a distinguished career grounded in leadership and social responsibility. A social entrepreneur, certified life coach and award-winning public speaker, he has held senior leadership roles at Habitat for Humanity Sri Lanka, World Vision Sri Lanka and the Church of Ceylon. Driven by a passion for empowering others, he launched the Inspiring Change Foundation (ICF), aiming to share his vast knowledge and experience with the next generation of leaders. He continues to champion access to primary and tertiary education and serves on the Board of Tea Leaf Vision, supporting the holistic development of underserved youth. He is a Fellow and former Council Member of CIMA Sri Lanka and an Associate Member of the Chartered Institute of Marketing.

Scan QR code to visit LinkedIn Profile



Ms. Warini de Costa
Independent Non-Executive Director

Warini de Costa brings over 40 years of extensive experience in finance and management, having worked in leading local and multi-national companies as the CFO & Finance Director. During her professional career at Glaxo Wellcome Ceylon Ltd., where she served from 1983 to 2004. She held several senior leadership roles and was appointed to the Board in 1991, serving as Finance Director and Company Secretary. She subsequently held the position of Director – Finance at Cinnamon Grand and Cinnamon Lakeside Hotels from 2005 to 2011.

She currently serves as a Non-Executive Director of Hayleys Leisure PLC, where she chaired the Board Audit Committee until 2023 and continues to serve as a committee member.

She is a Fellow of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a Fellow of the Institute of Certified Management Accountants of Sri Lanka (CMA). She holds a Master of Business Administration from the Postgraduate Institute of Management (PIM) e University of Sri Jayewardenepura.



Dr. Nishan de Mel
Independent Non-Executive Director

Nishan de Mel is an economist, strategist, and policy advisor with an extensive career spanning academia, public policy,and corporate governance. As the Chairperson and Executive Director of Verité Research, he leads a pioneering think tank that provides critical insights on economic, political, media and legal issues in Sri Lanka and across Asia.

His expertise in data-driven policy formulation and evidence-based research has established him as a leading authority in economic governance and financial strategy. With a strong commitment to public service, he has significantly contributed to Sri Lanka's national policy landscape. He has served on several high-level government committees, including the Presidential Task Force on Health Sector Reform, the Presidential Committee on Tobacco, Alcohol, and Dangerous Drug Regulation, and the National Steering Committee on Social Security. His advisory roles have played a crucial part in shaping policies on healthcare financing, social security, and regulatory governance. Additionally, he has held executive leadership positions at the International Centre for Ethnic Studies (ICES) and the Sri Lanka Foundation Institute, further reinforcing his dedication to research and policy development in governance, human rights, and socio-economic reforms.

In addition to his policy contributions, he plays a vital role in Sri Lanka's corporate sector. As a Non- Executive Director of Janashakthi Group, he provides strategic guidance on financial management, risk assessment, and corporate governance. His deep understanding of macroeconomic trends and financial markets allows him to offer valuable insights that drive growth, innovation, and resilience within the financial sector. His corporate engagements extend beyond boardroom leadership, as he frequently consults for leading firms and institutions, advising on economic forecasting, investment strategies, and business resilience. His work underscores a commitment to advancing economic resilience and sustainable growth in Sri Lanka and beyond.

He has held distinguished academic and research positions, including Lecturer in Economics at the University of Oxford. He holds an Economics degree from Harvard and master's and doctoral degrees from Oxford as a Chevening Scholar. His scholarly work spans economic policy, financial regulation, and governance reform, with a strong emphasis on behavioural economics, public finance, and institutional design.

Scan QR code to visit LinkedIn Profile

Scan QR code to visit LinkedIn Profile

- Remuneration Committee
- Nominations and Governance Committee
- Asset and Liability Committee
- Related Party Transactions Review Committee
- Board Audit Committee
- Broad Strategy and Development Committee

BOARD OF DIRECTORS



Dr. Gehan Gunatilleke
Independent Non-Executive Director

Gehan Gunatilleke is an Attorney-at-Law and a founding partner of LexAG, a Colombo-based law firm. He also serves as a Commissioner of the Human Rights Commission of Sri Lanka. He has previously advised Sri Lanka's Ministry of Foreign Affairs, providing guidance on international treaty obligations and matters relating to access to the European Union's GSP+ trade concession scheme. He has also contributed to national policy development through service on several legislative drafting committees in Sri Lanka.

He holds doctoral and master's degrees in law from the University of Oxford, where he was a Commonwealth Scholar, and an LL.M. from Harvard Law School, where he was a Fulbright Scholar.



Mr. Dilip de S. Wijeyeratne
Independent Non-Executive Director

Dilip de S. Wijeyeratne is a senior finance and banking professional and a principal consultant who provides advisory services to organisations seeking to expand and strengthen their operations across the Middle East, Sri Lanka, and Australia.

He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), a Fellow of the Chartered Institute of Management Accountants, United Kingdom (FCMA), and a Graduate of the Australian Institute of Company Directors (GAICD).

He currently serves as the Senior Independent Non-Executive Director of Sampath Bank PLC, Singer Sri Lanka PLC, and Hayleys Fibre PLC. He has previously served as Head of Finance and Global Markets Operations of the HSBC Group's Bahrain offices and as a Board Member of the Bahrain Asian Traders' Committee of the Bahrain Chamber of Commerce.

Scan QR code to visit LinkedIn Profile

- Remuneration Committee
- Nominations and Governance Committee
- Asset and Liability Committee
- Related Party Transactions Review Committee
- Board Audit Committee
- Broad Strategy and Development Committee

Scan QR code to visit LinkedIn Profile

STEERING COMMITTEE



Mrs. Namalee A. Silva
Chief Business Officer

Namalee A. Silva is a seasoned marketing professional with over 36 years of experience in the Banking, Finance and Insurance sectors. She has held several leadership roles across reputed local and international institutions, such as Commercial Bank, Nationwide Building Society (UK), Lloyds Bank (UK), Seylan Bank, People's Bank, and Sri Lanka insurance Corporation, where she last served as the Chief Business Officer.

She holds a Master's Degree in Business Administration from Asia-e University and a Professional Diploma in Marketing from the Chartered Institute of Marketing (UK) She is a Chartered Marketer, a Member of the Chartered Institute of Marketing (MCIM), and an Associate Member of the Chartered institute of Bankers (ACIB - UK).



Dr. Jude Shanmugam
Chief Financial Officer

Jude Shanmugam brings nearly 25 years of diverse experience across Insurance, Finance, FMCG, KPO, and Infrastructure sectors, with over a decade in C-suite leadership roles. He has held influential Board positions at one of the largest conglomerates in Sri Lanka and has extensive experience in insurance markets across the Asia Pacific and Africa regions. Jude joined Janashakthi Insurance in March 2024, following his role as CFO and CIO at a multinational insurance company. During his tenure there, he played a pivotal role in leading the Company's transition to IFRS 17, overseeing its successful implementation.

He holds a Doctorate in Strategic Finance from Liberty University, USA, and is a Fellow of the Chartered Institute of Management Accountants (UK), a Chartered Global Management Accountant (USA), and an Associate in Certified Professional Manager (Sri Lanka).



Mr. Shankar Dharmarathne
Chief Digital Officer

Shankar Dharmaratne is a seasoned digital transformation professional with over 25 years of experience in the Banking, Telecommunications, and Technology sectors. He has held several leadership roles across reputed local and international institutions such as Dialog Axiata PLC, Royal Vision Singapore (P) Ltd, and Hatton National Bank, where he last served as Head of Digital Services.

He holds a Bachelor's Degree in Business Administration from the University of Coventry, UK, and has served as a member of the National Payment Council and the Digital Roadmap Committee of the Central Bank of Sri Lanka.

Scan QR code to visit LinkedIn Profile

Scan QR code to visit LinkedIn Profile

Scan QR code to visit LinkedIn Profile

STEERING COMMITTEE



Mr. Jude Silva
Head of Strategy & Planning

Jude Silva is a seasoned professional with over two decades of expertise in business strategy and marketing. As the Head of Strategy & Planning at Janashakthi Insurance PLC, he plays a pivotal role in shaping the organisation's long-term strategic direction, driving enterprise-wide growth initiatives, and ensuring sustainable business success.

Since joining Janashakthi in 2007, he has demonstrated consistent leadership and strategic versatility, progressing through a series of roles with increasing responsibility. As a key contributor to the Company's strategic and planning agenda, he has been instrumental in strengthening market positioning, enhancing operational effectiveness and supporting the execution of long-term value creation initiatives. His strategic acumen and deep industry insight have played a pivotal role in shaping the organisation's competitive positioning and driving operational excellence.

He holds a Bachelor of Science Degree in Business (Special) with First Class Honours from Manchester Metropolitan University, UK and a Master's Degree in Business Administration (MBA) from the University of Sri Jayewardenepura through the Postgraduate Institute of Management (PIM). He is a Fellow of the Chartered Institute of Marketing (CIM-UK), a Chartered Marketer, and a member of the Association of Accounting Technicians of Sri Lanka (AAT-SL).

Scan QR code to visit LinkedIn Profile



Mr. Danushka Samarasinghe
Head of Human Resources

Danushka has navigated a diverse career path, transitioning from IT to Human Resources. Commencing his HR career as a Talent Development Specialist, he evolved into a versatile specialized HR Generalist with expertise in Talent Management, Employee and Industrial Relations, and HR Service Delivery.

With over 14 years in the HR field, he has a wealth of experience in implementing HR strategies and initiatives across diverse industries, having served in prominent conglomerates and companies such as Laugfs Holdings and Morison Ltd/ Hemas Holdings.

He possesses a BSc in Management of Information Technology from the University of Wolverhampton, UK, and an Executive M.Sc in Human Resource Management from AeU University, Malaysia. He is a Certified Coach and holds certifications in various related fields, including Certified DISC Trainer (Wiley International), Certified HRD Auditor, and Certified Competency Mapping specialist (TV Rao Learning Systems, India). Moreover, he holds several qualifications in Psychology and Hypnotherapy, enriching his HR expertise.

Scan QR code to visit LinkedIn Profile



Mr. Sujeeva Fernando
Head of Acturial

Sujeeva is a seasoned actuary with over 30 years of professional experience spanning the insurance industry and academia. In addition to his industry leadership, he has made significant contributions to academia. Since 2008, he has served as a Visiting Lecturer in Actuarial Mathematics at the University of Colombo (Departments of Mathematics and Statistics) and has also lectured at the University of Wayamba.

He has played a key role in curriculum development in actuarial and financial mathematics for both state and private universities, contributing to the development of the next generation of actuarial professionals in Sri Lanka. He is an Associate of the Society of Actuaries (USA) and a Fellow of the Actuarial Association of Sri Lanka.

Scan QR code to visit LinkedIn Profile

EXCO - MARKETING AND SALES OPERATIONS



Mr. Rehen Gunawardena
General Manager - Sales Distribution
(Personal Lines Channel)

Scan QR code to visit LinkedIn Profile



Mr. Terrance Sampath
General Manager - Sales Distribution
(Retail Business Channel)

Scan QR code to visit LinkedIn Profile



Mr. V. Srivijayakanthan
General Manager - Sales Distribution
(North Integrated Channel)

Scan QR code to visit LinkedIn Profile



Mr. Nilantha Amarasinghe
Head of Cluster Development- Alternative Channel

Scan QR code to visit LinkedIn Profile



Mr. Susantha De Silva
Consultant - CRU & Branch Operation

Scan QR code to visit LinkedIn Profile



Mr. Thushara Jayawardhana
Head of Cluster-Metro Channel/AGM

Scan QR code to visit LinkedIn Profile



Ms. Fathima Ahmeer
AGM - Life Operation

Scan QR code to visit LinkedIn Profile



Mr. Chatura Udawatta
Head of Marketing

Scan QR code to visit LinkedIn Profile

SENIOR MANAGEMENT



Mr. Deshapriya Vipulatheja
Head of Field Sales Recruitment & Growth

Scan QR code to visit LinkedIn Profile



Mr. Emmanuel Arnold
AGM - Life Sales

Scan QR code to visit LinkedIn Profile



Mr. Sakuna Jayasuriya
AGM - Corporate Sales

Scan QR code to visit LinkedIn Profile



Mr. Shamindra Dissanayake
AGM - Corporate Business

Scan QR code to visit LinkedIn Profile



Mr. Ruwan Kumara
AGM - Life Sales

Scan QR code to visit LinkedIn Profile



Mr. Lakshan Perera
AGM - Life Sales



Mr. Shokman Fernando
Head of High-Net-Worth Sales

Scan QR code to visit LinkedIn Profile

MANAGEMENT DISCUSSION AND ANALYSIS

The summit cannot be conquered alone - it is a unified effort of moving parts that make any potential journey successful. The guiding light of potentiality steadily shone during the year under review for Janashakthi Life Insurance PLC, enabling us to reach new heights while bringing innovative insurance solutions to citizens of our nation. All of this was made possible with the beacon of leadership that powered our guiding path.



LIMITED ASSURANCE REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

Independent practitioner's assurance report to the Board of Directors of Janashakthi Insurance PLC on the Integrated Annual Report 2025

Scope

We have been engaged by Janashakthi Insurance PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Janashakthi Insurance PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Janashakthi Insurance PLC's (the "Entity's") Integrated Annual Report for the year ended 31 December 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Janashakthi Insurance PLC

In preparing the Subject Matter, Janashakthi Insurance PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Janashakthi Insurance PLC's responsibilities

Janashakthi Insurance PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Janashakthi Insurance PLC on 23 February 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance

on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/ information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Janashakthi Insurance PLC for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

6 March 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

SRI LANKAN INSURANCE INDUSTRY



Adapting to an Evolving Landscape

The year 2025 was defined by Sri Lanka's transition from economic stabilisation to a phase of resilient growth. While the domestic economy projected a growth rate of 4.6%, the insurance sector remained a cornerstone of national recovery. However, the year was not without complexity, as the industry navigated a landscape shaped by climate volatility, digital acceleration, and a shifting labour market.

Macroeconomic and Climate Shifts

While headline inflation remained subdued at approximately 2.1%, the lingering effects of high food prices and a fragile recovery in real incomes significantly influenced policyholder behaviour throughout 2025. For the life insurance sector, product affordability and flexibility became the primary strategic imperatives. As household budgets remained stretched, the industry saw an increased demand for modular protection plans and flexible premium payment options to prevent policy lapses and ensure long-term financial security for Sri Lankan families.

The industry's resilience was further tested in late 2025 by Cyclone Ditwah. While such catastrophic events traditionally impact general insurance through property damage, the life sector faced a critical test in managing climate-related mortality and morbidity risks. The event underscored the growing materiality of climate resilience within life underwriting. It highlighted the necessity for robust reinsurance structures to protect against surge claims, while reinforcing the vital role of life insurance as a social safety net during national crises.

Market Performance and Growth

Despite the pressures from climate events, the sector demonstrated notable stability. In the first quarter of 2025, the industry recorded a 10.61% increase in Gross Written Premium (GWP) compared to the previous year, reaching LKR 92.2 Bn. The long-term (life) insurance sector was a major driver of this growth, surging by 21.4% to LKR 51.1 Bn. Total industry assets have also continued an upward trajectory, estimated to exceed USD 1.2 Bn (approx. LKR 360 Bn) by the end of 2025.

Digital Trust and Innovation in Life Insurance

As the Insurance Regulatory Commission of Sri Lanka (IRCSL) continues to push for greater penetration—which currently remains below 1.5% for life cover—the industry's transition toward digital-first life insurance models has accelerated significantly. The year 2025 recorded a decisive shift from traditional, paper-heavy onboarding toward seamless, AI-driven digital journeys.

The rise in digital transactions has brought cyber resilience and data privacy to the absolute forefront of the sector's strategic agenda. In the life insurance context, the handling of sensitive data—including personal health records, financial backgrounds, and beneficiary details—is a critical responsibility. The industry recognises that while leveraging AI-powered medical underwriting and cloud-based systems improves issuance speeds and operational efficiency, maintaining the sanctity of policyholders' data remains the ultimate driver of social and relationship capital.

By integrating advanced analytics, insurers are increasingly able to offer personalised premiums based on real-time health data. However, this level of innovation is only sustainable when underpinned by a "Privacy by Design" framework. The sector's move toward transparency and digital security is more than a technical upgrade; it is a fundamental shift in building long-term trust with a more tech-savvy Sri Lankan demographic.

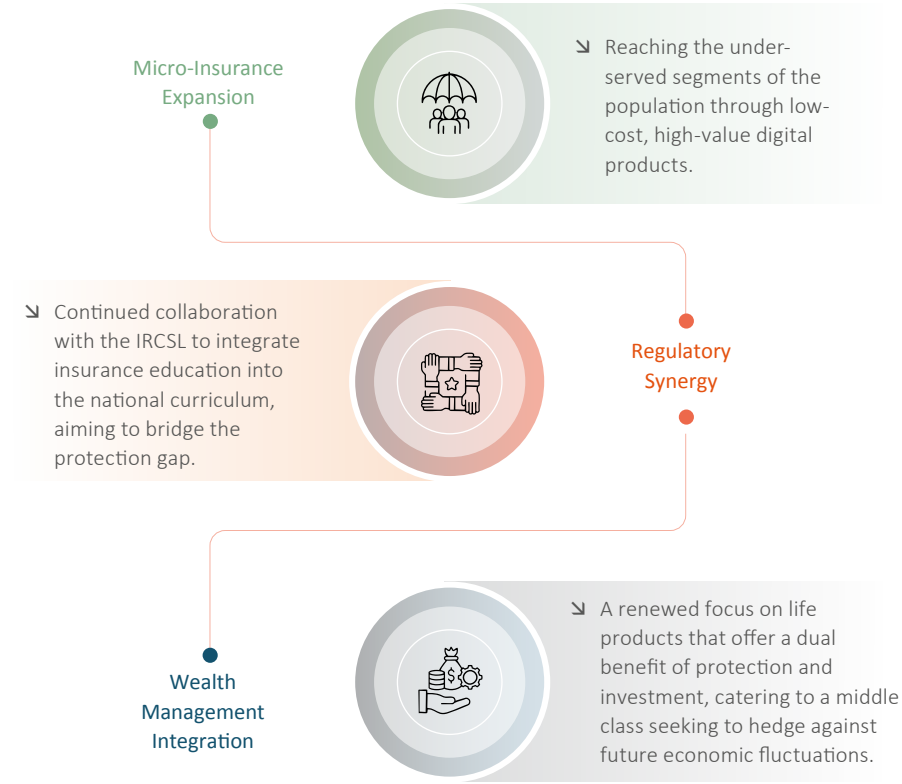
The Future of Life Insurance in Sri Lanka

Looking ahead, the life insurance sector is poised for a period of strategic expansion, driven by a growing national consciousness regarding financial security and health risks. Following the volatility of late 2025, there is an expectation of increase in demand for comprehensive protection and health-linked products, as Sri Lankans increasingly prioritise long-term stability over short-term savings.

While the broader insurance industry may face temporary pressure on underwriting profitability due to the reinsurance fallout from Cyclone Ditwah, the life sector's capital buffers remain resilient. The focus in 2026 will shift toward hyper-personalisation, where insurers leverage data analytics to offer bespoke policies that reflect the specific life stages and risk profiles of policyholders.

Furthermore, as real incomes continue their gradual recovery, the industry is anticipated to see a marked improvement in policy persistence rates, provided that insurers remain committed to product flexibility and digital-first accessibility.

KEY DRIVERS FOR GROWTH FOR 2026



OPERATIONAL REVIEW/ PESTEL & SWOT



Political Factors

Challenges

- Changes in insurance regulatory framework.

Opportunities

- Proactively aligning with regulatory requirements and industry best practices can drive differentiation and competitive advantage.
- A stable political climate fosters long-term growth and market expansion.

Strategic Focus

- Strengthening regulatory compliance and operational agility.
- Enhancing stakeholder engagement and reputation management.
- Implementing robust risk management and contingency planning.

Economic Factors

Challenges

- Fluctuation of the Dollar may result in unpredictable reinsurance costs.
- Lower disposable income could lead to decreased affordability for insurance premiums.

Opportunities

- Heightened awareness of financial security may drive demand for insurance products.
- Expanding into emerging industries with tailored insurance solutions can optimize profitability.
- Decline of inflation and interest rates drives public to look for final returns for their savings. Where insurance policies makes a good pitch.

Strategic Focus

- Diversifying product offerings to meet evolving economic conditions.
- Implementing dynamic pricing strategies to remain competitive.
- Strengthening risk management practices to mitigate financial volatility.

Social Factors

Challenges

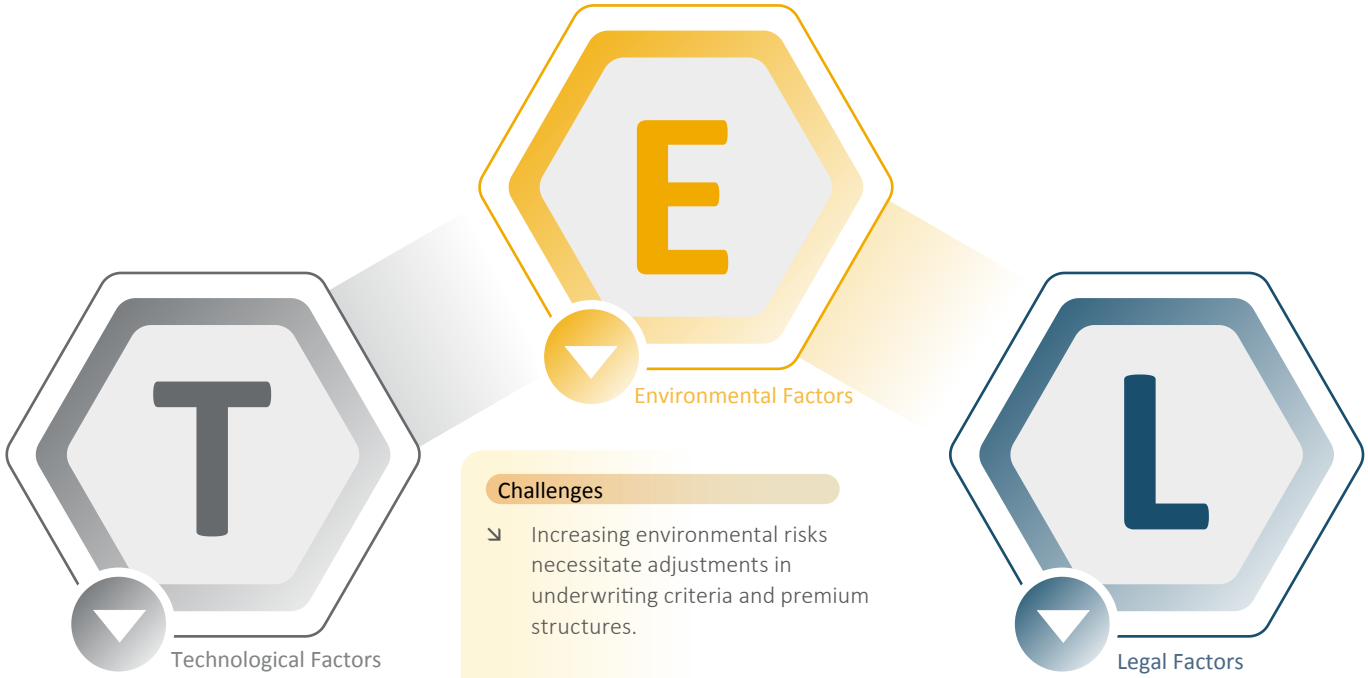
- Shifts in demographic trends may alter customer needs and expectations.
- A disconnect between product offerings and consumer preferences may hinder market penetration.
- Mistrust or lack of awareness regarding insurance products could impact adoption rates.

Opportunities

- Developing personalized insurance solutions catering to diverse customer segments.
- Expanding market reach through targeted marketing, financial literacy programs, and community engagement initiatives.

Strategic Focus

- Enhancing customer segmentation strategies.
- Leveraging digital platforms to improve accessibility and engagement.



Challenges

- Increasing environmental risks necessitate adjustments in underwriting criteria and premium structures.

Opportunities

- Developing specialized sustainable insurance products to support risk mitigation and climate resilience.

Strategic Focus

- Enhancing risk assessment and predictive modeling for environmental risks.
- Expanding sustainable product offerings to align with global environmental priorities.

Challenges

- Failure to embrace technological advancements could lead to inefficiencies and diminished competitiveness.
- Compliance with data protection laws.

Opportunities

- Automating underwriting, claims processing, and data analytics can drive efficiency and improve risk assessment.

Strategic Focus

- Strengthening technological infrastructure to support innovation.
- Expanding digital self-service options to improve customer convenience.
- Utilising data-driven personalised marketing strategies.

Challenges

- Ambiguities in legal liability and evolving interpretations of insurance contracts may lead to litigation risks, affecting financial performance and reputation.

Opportunities

- Strong regulatory compliance fosters consumer trust and enhances competitive positioning.

Strategic Focus

- Establishing a robust compliance framework.
- Adopting proactive risk management strategies to mitigate legal challenges.

OPERATIONAL REVIEW / PESTEL & SWOT



Strengths

Established Brand & Market Presence

Janashakthi Insurance is a trusted and well-recognized name in Sri Lanka, known for its reliability and customer centric approach. With a strong brand presence, the Company has built a solid reputation for delivering high-quality insurance solutions and exceptional service.

Longevity & Trust

With nearly three decades of excellence in the industry, Janashakthi has demonstrated resilience and adaptability in an evolving industry. This longstanding presence fosters consumer confidence, reinforcing its reputation for stability and trustworthiness.

Market Recognition & Customer Loyalty

Through consistent marketing efforts, innovative products, and superior service delivery, Janashakthi has cultivated a loyal customer base. Its strong track record of honoring claims, coupled with attractive investment-linked insurance solutions, drives policy renewals and referrals.

Community Engagement & Corporate Social Responsibility (CSR)

Beyond its business operations, Janashakthi actively contributes to social causes through the Janashakthi Foundation. Its notable involvement in Sri Lanka's cricket development and other CSR initiatives reflects a commitment to national progress and community well-being.

Diverse Product Portfolio & Extensive Distribution Network

With a comprehensive range of endowment insurance products, Janashakthi caters to diverse customer needs. Its widespread 76-branch network ensures accessibility across urban, suburban, and rural areas, facilitating seamless policy management and claims processing.

Digital Transformation & Customer Convenience

Complementing its physical presence, Janashakthi leverages digital innovation through a user-friendly website, mobile applications (Life App), and online portals. These platforms enhance customer convenience, making policy management and claims processing more accessible.

Efficient Claims Processing & Responsive Communication

Janashakthi prioritizes swift and transparent claims settlements, minimizing delays for policyholders during critical moments. A strong focus on responsive communication ensures real-time policy updates and prompt assistance, enhancing customer satisfaction.

Employee Training & Development

Continuous investment in employee training and skill development ensures that service representatives are well equipped to address customer needs effectively. This commitment fosters a customer-first approach, strengthening service excellence across all interactions.



Weaknesses

Market Share Limitations

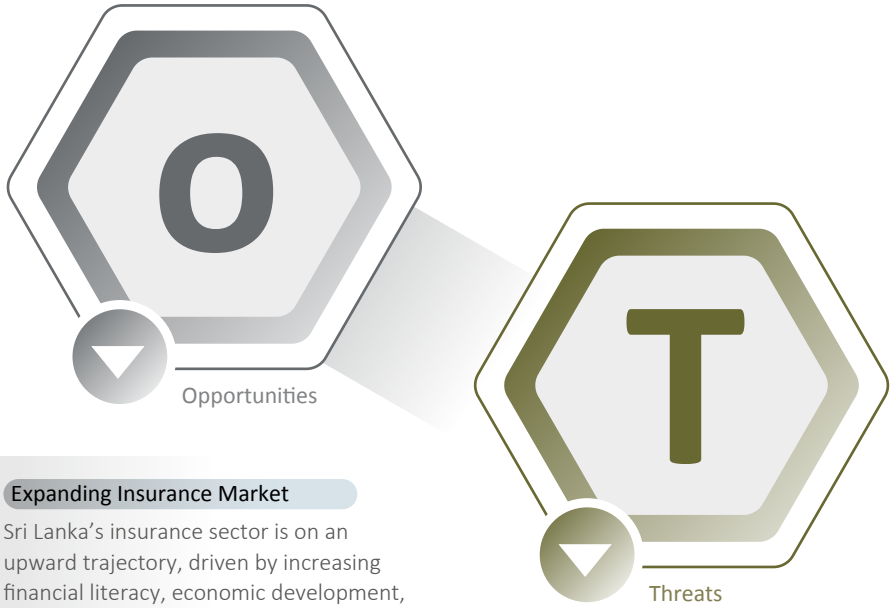
Operating in a highly competitive insurance landscape, Janashakthi faces challenges in expanding its market share due to the presence of larger domestic and international insurers with greater financial strength and brand influence.

Competitive Market Positioning

Bigger industry players offer competitive pricing, broader product portfolios, and advanced digital solutions, making it difficult for Janashakthi to attract new customers who may perceive larger insurers as more stable and resourceful.

Regulatory Complexities

As a part of a highly regulated industry, Janashakthi must navigate frequent regulatory changes imposed by the Insurance Regulatory Commission of Sri Lanka (IRCSL). Maintaining compliance requires continuous adaptation, which can be resource-intensive.



Expanding Insurance Market

Sri Lanka's insurance sector is on an upward trajectory, driven by increasing financial literacy, economic development, and regulatory efforts to boost insurance penetration. This presents an opportunity for Janashakthi to enhance its offerings and capture new market segments.

Diversification & Tailored Solutions

With evolving consumer needs,Janashakthi can introduce innovative insurance products and refine existing ones to address emerging risks. Growing demand for personalised insurance solutions opens doors for customized coverage offerings.

Strategic Partnerships & Cross- Selling

Collaborating with financial institutions and corporate entities can enable Janashakthi to cross sell insurance products alongside complementary financial services, expanding its customer base and revenue streams.

Personalized Communication Strategies

Utilising data-driven, customer centric communication can enhance engagement and retention. Offering personalized messaging, value-added services, and targeted campaigns can strengthen customer relationships and improve satisfaction.

Economic Volatility

Economic downturns, inflation, and currency fluctuations can impact consumer purchasing power, potentially reducing insurance uptake and revenue.

Financial Hardships & Policy Lapses

Uncertain economic conditions, job losses, and declining income levels may lead to an increase in policy lapses and payment defaults, affecting profitability.

Intensified Competition

The presence of numerous insurers, including global players with superior financial capabilities and technological advancements, increases market pressure. Janashakthi must continuously innovate to differentiate itself while maintaining profitability.

By leveraging its strong brand reputation, customer loyalty, and digital transformation initiatives, Janashakthi Insurance can mitigate competitive pressures and regulatory complexities. Capitalising on market expansion opportunities, strategic partnerships, and personalised offerings will enable sustainable growth and market leadership despite economic and industry challenges.

NURTURING CONNECTIONS WITH OUR STAKEHOLDERS



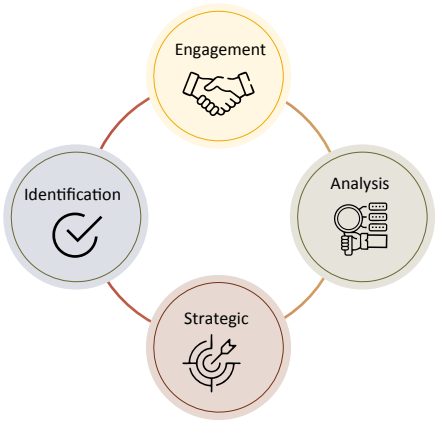
Fostering Meaningful and Lasting Relationships

At Janashakthi Insurance, we recognise that our ability to create sustainable value is inextricably linked to the quality of our relationships. Our stakeholder engagement framework is a strategic tool that informs our materiality, risk management, and long-term resilience. By maintaining an open, transparent, and proactive dialogue, we ensure that the diverse perspectives of our stakeholders are integrated into our governance and decision-making processes, enabling the Company to create sustainable value.

- Shareholders
- Employees
- Policyholders
- Investors/Bankers
- Regulatory Bodies
- Reinsurers
- Suppliers
- Community/Society
- Ecosystem

Our Engagement Approach and Governance

Stakeholder engagement is integrated into our corporate governance framework, ensuring that the Board remains accountable for balancing the competing interests of our diverse stakeholders. This oversight ensures that engagement with our stakeholders remains a core part of our strategic risk management and value-creation processes.



Our strategic integration process is built upon a structured governance cycle designed to ensure that insights gathered on the ground are systematically elevated to the highest levels of leadership. This process begins with the Systematic Data Collection of qualitative and quantitative feedback from all business units, which is then filtered through a Management Review to identify emerging material risks and opportunities. These findings are formally presented during Board Deliberations, where the Board of Directors evaluates stakeholder sentiment against the Company's risk appetite and long-term pillars. This cycle culminates in Strategic Action, ensuring that high-level board decisions, ranging from capital allocation to product innovation, are directly informed by the evolving needs of our stakeholders.

Systematic Data Collection

Insights are gathered across all business units through the various channels (surveys, town halls, and advisor feedback).

Management Review

The Senior Management Team (SMT) synthesises this feedback to identify "Material Matters" that could impact the Company's ability to create value.

Board Deliberation

Material stakeholder concerns are presented at quarterly Board meetings. The Board evaluates these insights against the Company's risk appetite and strategic pillars.

Strategic Action

Board-level decisions, such as capital expenditure on digital transformation or shifts in product design, are informed by this feedback to ensure alignment with stakeholder needs.

Stakeholder Value Creation and Engagement Frequency

At Janashakthi Insurance, our stakeholders are categorised based on their influence and the impact our operations have on them. The following table outlines our primary stakeholder groups, the purpose of our engagement, and the frequency of our interactions.

Stakeholder Group	Purpose of Engagement	Engagement Channels	Frequency
Shareholders	To communicate financial performance, strategy, and governance standards.	Annual General Meeting (AGM), interim reports, and investor presentations.	Quarterly / Annually
Employees	To foster a high-performance culture, drive innovation, and ensure well-being.	Town halls, internal newsletters, performance reviews, and "Idea" portals.	Daily / Monthly / Quarterly
Policyholders	To provide financial security, enhance service delivery, and build brand loyalty.	Digital portals, call centres, advisor interactions, and annual surveys.	Continuous / Ongoing
Intermediaries	To align sales strategies, provide product training, and ensure ethical conduct.	Training sessions, digital sales tools, and regional conferences.	Weekly / Monthly
Investors and Bankers	To demonstrate creditworthiness, maintain liquidity lines, and ensure debt covenant compliance.	Performance reviews, one-on-one meetings, financial statements, and credit briefings.	Bi-annually / Quarterly
Regulators	To ensure compliance, support industry stability, and maintain ethical standards.	Compliance filings, industry forums, and consultative meetings.	Ongoing / As required
Reinsurers	To manage risk exposure and ensure long-term financial resilience.	Technical reviews, renewals, and strategic partnership meetings.	Bi-annually / Annually
Suppliers/Service Providers	To ensure supply chain efficiency and promote ethical procurement practices.	Tendering processes, performance reviews, and vendor audits.	Ongoing
Communities	To drive social impact, environmental stewardship, and shared value.	CSR initiatives, environmental programmes, and social media.	Ongoing
The Ecosystem (Environment)	To manage our ecological footprint, support climate resilience, and promote biodiversity.	Environmental impact assessments, sustainability reporting, and green partnership forums.	Continuous / Quarterly

Stakeholder Insights and Strategic Responses

The following table summarises the key concerns raised by our stakeholders during the year under review and the corresponding actions taken by the Company to address them, while highlighting the challenges encountered in the external environment.

Stakeholder Group	Key Concerns & Expectations	Our Strategic Response	Challenges Faced in 2025
Shareholders	Sustainable ROE, dividend consistency, and robust corporate governance.	Optimised investment portfolios and enhanced transparency in ESG disclosures.	Volatility in domestic capital markets and shifting interest rate environments.
Employees	Meaningful career paths, mental well-being, and competitive remuneration.	Strengthened career development, learning opportunities, and employee well being initiatives.	Intense competition for specialised insurance and actuarial talent.

NURTURING CONNECTIONS WITH OUR STAKEHOLDERS

Stakeholder Group	Key Concerns & Expectations	Our Strategic Response	Challenges Faced in 2025
Policyholders	Rapid claims settlement, digital accessibility, and product affordability.	Scaled the deployment of AI-driven ecosystems and enhanced the digital self-service portal with full tri-language capabilities to ensure inclusive, seamless accessibility for all customer segments.	Rising cost of living impacting policy renewals and premium collections.
Policyholders	Rapid claims settlement, digital accessibility, and product affordability.	Scaled the deployment of AI-driven ecosystems and enhanced the digital self-service portal with full tri-language capabilities to ensure inclusive, seamless accessibility for all customer segments.	Rising cost of living impacting policy renewals and premium collections.
Intermediaries (Agents and Brokers)	Digital sales enablement, timely commissions, and product training.	Enabled digital sales tools, automated commissions, and continuous product training.	Adapting the traditional field force to a digital-first sales model.
Investors and Bankers	Solvency margins, liquidity management, and ethical investment practices.	Maintained capital buffers above regulatory requirements and strengthened risk frameworks.	Global economic uncertainties impacting the broader financial sector.
Regulators	Compliance with IFRS 17, data protection, and market conduct.	Proactive participation in industry consultations and full implementation of new reporting standards.	Managing the technical complexity and high cost of regulatory transitions.
Reinsurers	Quality of underwriting, risk data accuracy, and financial resilience.	Improved data granularity for catastrophe modelling and maintained a high-quality risk portfolio.	A significant tightening of the global reinsurance market and increased pricing for climate risks.
Suppliers and Service Providers	Fair procurement, timely payment cycles, and long-term partnerships.	Enhanced ethical procurement, timely payments, and long term supplier partnership	Supply chain disruptions and inflationary pressure on service costs.
Communities	Corporate social responsibility (CSR) and support for local livelihoods.	Focused on financial literacy programmes, educational advancement for children, and health-centric social investments.	Addressing deepening socioeconomic disparities within vulnerable communities.
The Ecosystem (Environment)	Carbon footprint reduction and support for a green economy.	Transitioned to paperless policy documentation and increased investments in renewable energy.	Lack of standardised local frameworks for measuring Scope 3 emissions.

OUR MATERIALITY ANALYSIS

The material topics identified through Janashakthi Insurance PLC's materiality assessment have been aligned with the GRI Standards 2021, ensuring comprehensive, comparable, and decision-useful sustainability disclosures. This mapping strengthens transparency, supports regulatory alignment, and demonstrates the Company's commitment to internationally recognised reporting best practices.

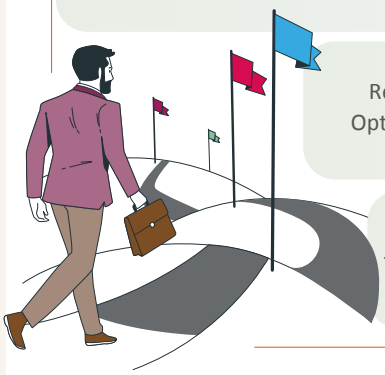
At Janashakthi Insurance, we recognise that our ability to create and sustain value is intrinsically linked to the interests of our stakeholders and the socio-economic environment in which we operate. We define material matters as those issues that significantly impact our ability to deliver on our strategic objectives and influence the economic, environmental, and social value we create in the short, medium, and long term.

These matters represent an intersection of financial performance and broader social and economic impacts, ensuring that our strategic direction remains resilient and responsive to both internal and external shifts.

The materiality assessment undertaken for the year 2025 enabled Janashakthi Insurance to identify and prioritise the issues most critical to our stakeholders and long-term value creation. The Company remains committed to addressing these material matters through transparent governance, proactive stakeholder engagement, and disciplined strategic execution. This approach ensures resilience, accountability, and sustainable growth as the Company continues to navigate an evolving business and regulatory landscape.

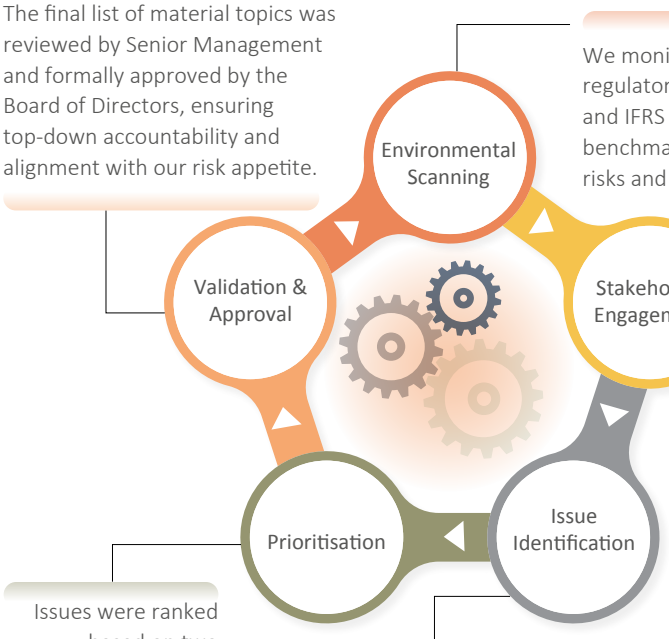
Guiding Principles of Our Materiality Assessment

Stakeholder-Centric Approach	We actively seek input from key stakeholders to identify pressing concerns and evolving expectations.
Resource Optimisation	Our assessment enables us to allocate resources efficiently to address issues with the highest potential for positive impact.
Enhanced Transparency	By clearly defining our material topics, we build trust and credibility among stakeholders.



A Robust Materiality Assessment Process

To ensure our reporting remained relevant for the 2025 financial year, we conducted an annual materiality assessment. This rigorous, five-step process ensured a holistic view of our operating landscape.



We monitored global trends, regulatory shifts (such as IRCSL and IFRS requirements), and peer benchmarks to identify emerging risks and opportunities.

We engaged in active dialogue with investors, regulators, policyholders, employees, service providers, and communities to understand their evolving expectations and concerns.

Potential materials matters were then distilled into a comprehensive list of topics relevant to the insurance sector, our business operations, and the Sri Lankan economy.

Issues were ranked based on two dimensions: their impact on Janashakthi Insurance's business value and their importance to our stakeholders.

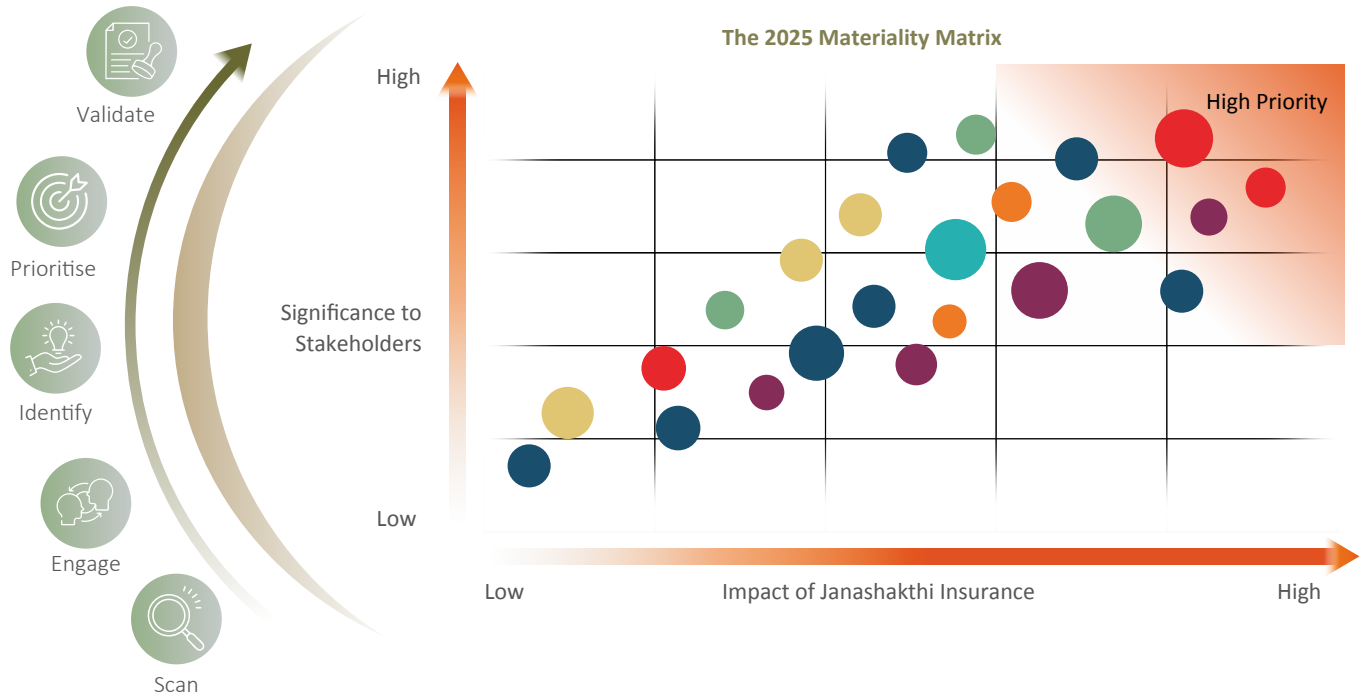
The final list of material topics was reviewed by Senior Management and formally approved by the Board of Directors, ensuring top-down accountability and alignment with our risk appetite.

OUR MATERIALITY ANALYSIS

Governance and Oversight

The Board of Directors maintains ultimate responsibility for the materiality process at Janashakthi Insurance. By overseeing the identification and management of these matters, the Board ensures that our sustainability commitments are integrated into the Group's risk management framework and long-term business strategy. This alignment with recognised frameworks, including the GRI Standards and the IIRC Integrated Reporting Framework, ensures our disclosures meet international benchmarks for transparency and comparability.

Our 2025 Materiality Matrix



Material Topics, Strategic Linkage, Value Creation Impact, and GRI 2021 Mapping

The Company's material matters are not viewed in isolation. As they are the primary drivers of our strategy, our focus remains on managing our material topics effectively, enabling us to safeguard our Capitals and mitigate enterprise risks. During the year under review, the Company did not identify any new material topics compared to the financial year ended 31st December 2024.

Material Topic	Strategic Rationale	Priority (1–5)	Key Stakeholders Impacted	Addressed Within	Strategic Linkage	Impact on Value Creation	GRI 2021 Disclosure(s)
Shareholders' Wealth Maximisation	Central to governance and sustained market confidence.	5	Shareholders	Financial Capital	Capital optimisation and disciplined growth	Strengthens long-term financial returns and investor confidence	GRI 201-1, 201-4
Higher Return on Investment	Drives growth and capital attraction.	5	Shareholders, Investors	Financial Capital	Profitable growth strategy	Enhances short- and medium-term financial value	GRI 201-1
Talent Retention and Development	Enables innovation and competitiveness.	5	Employees, Customers	Human Capital	Capability building and leadership continuity	Sustains long-term organisational value	GRI 401-1, 404-1, 404-2

Material Topic	Strategic Rationale	Priority (1–5)	Key Stakeholders Impacted	Addressed Within	Strategic Linkage	Impact on Value Creation	GRI 2021 Disclosure(s)
Economic Stability	Impacts profitability and confidence.	4	All Stakeholders	Throughout the Report	Prudent financial and risk planning	Protects medium- to long-term value	GRI 203-2
Financial Stability of the Company	Underpins trust and resilience.	5	All Stakeholders	Throughout the Report	Balance sheet strength and solvency management	Preserves long-term enterprise value	GRI 201-1, 201-4
Scarcity of Resources	Efficient use ensures continuity.	4	All Stakeholders	Throughout the Report	Cost optimisation and operational efficiency	Improves medium-term cost efficiency	GRI 301-1, 302-1
Risk Management	Enhances organisational resilience.	5	All Stakeholders	Risk Management Section	Enterprise risk governance	Protects short- and long-term value	GRI 2-12, 2-13
Customer Service Excellence	Builds loyalty and trust.	5	Policyholders	Social & Relationship Capital	Customer experience excellence	Drives sustainable revenue growth	GRI 416-1, 417-1
Trustworthiness	Reinforces brand credibility.	5	Policyholders, Bankers	Social & Relationship Capital	Ethical business conduct	Strengthens long-term brand value	GRI 417-1, 417-3
Competitive Insurance Policy Benefits	Differentiates offerings.	4	Policyholders	Social & Relationship Capital	Product innovation strategy	Enhances market share and retention	GRI 416-1
Regulatory Adherence	Ensures operational integrity.	5	Regulators, Investors	Corporate Governance Report	Compliance governance	Preserves licence to operate	GRI 2-27
Community Job Opportunities	Supports local development.	3	Communities	Social & Relationship Capital	Inclusive growth strategy	Strengthens social licence to operate	GRI 203-2
CSR Initiatives	Enhances community relationships.	4	Communities	Social & Relationship Capital	Responsible corporate citizenship	Builds long-term reputational value	GRI 413-1
Equal Opportunity Employment	Promotes diversity and fairness.	5	Employees, Regulators	Human & Social Capital	Inclusive workplace strategy	Strengthens workforce sustainability	GRI 405-1, 406-1
Societal Upliftment Initiatives	Creates positive social impact.	4	Communities	Social & Relationship Capital	Social impact strategy	Enhances long-term stakeholder trust	GRI 413-1
Sustainable Business Practices	Enables long-term value creation.	5	All Stakeholders	All Capital Reports	Integrated sustainability strategy	Protects long-term enterprise value	GRI 2-23, 2-24
Carbon Footprint Reduction	Mitigates climate risk.	4	Communities, Regulators	Natural Capital	Climate risk management	Reduces long-term environmental and regulatory risk	GRI 305-1, 305-2, 305-5
Environmental Protection Projects	Demonstrates stewardship.	3	Ecosystems, Communities	Natural Capital	Environmental responsibility strategy	Protects natural capital value	GRI 304-2
Digital Transformation & Cybersecurity	Ensures continuity and security.	5	All Stakeholders	Manufactured and Intellectual Capitals	Technology enablement and resilience	Protects short- and long-term operational value	GRI 418-1

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Customer Retention Unit

Overview

The Customer Retention Unit (CRU) is fundamental in strengthening the Company's renewal portfolio by safeguarding the interests of "orphan" policyholders, meaning those policyholders whose servicing agents are no longer associated with their policies.

The CRU's primary objective is to ensure continuity of service, restore engagement, and convert these policyholders into loyal, active customers. Through a structured servicing model supported by a dedicated agency force, the CRU contributes directly to enhancing persistency ratios and stabilising renewal income streams.

Operating within a clearly defined governance framework, the CRU ensures full compliance with statutory and regulatory requirements while maintaining a strong customer-centric focus.



Value Creation Process

The CRU adopts a structured process flow to convert strategic inputs into sustainable value outcomes.

Dedicated Collection Agency Force + Structured Policy Transfer System (upon agency termination/resignation)	Identified Policy Segments for Active Ratio Maintenance + Lapsed and At-Risk Policy Data Analytics	Proactive Engagement, Structured Follow-ups and Incentive-Driven Performance Management
Strategic Execution		
Ensures uninterrupted servicing and immediate reassignment of orphan policies	Enables prioritisation of high-impact policies and targeted revival interventions	Improved continuation rates, revival conversions and direct recurring payment adoption
Value Outcomes		
Improved Policy Persistency through consistent monitoring and customer engagement	**Strengthens Renewal Premium Base** via reduced lapsation and increased revivals	**Enhanced Customer Loyalty and Trust** through seamless servicing and relationship continuity
Improved Operational Efficiency driven by data-led targeting and streamlined processes		

Through this disciplined input-to-output flow, the CRU delivers measurable financial stability and long-term relationship value for Janashakthi Insurance PLC.

Contribution to Value Creation

The CRU contributed meaningfully to the Company's value creation model across four critical areas during the year under review.

Strengthening Financial Capital	Enhancing Human Capital	Building Social and Relationship Capital	Driving Operational Excellence
Contributed LKR 1.17 Bn including revival LKR 0.85 Bn to the overall Company revenue during the year under review.	Strengthened branch-level servicing capabilities through the recruitment of one Customer Retention Officer (CRO) per branch.	Built and improved trust and loyalty with orphan policyholders through proactive engagement.	Leveraged data-driven identification of lapsed and at-risk policies.
Improved renewal premium stability through enhanced policy persistency.	Introduced performance-linked incentive schemes to drive accountability and productivity across the agency force and Branch Sales Support Officers.	Improved customer confidence by ensuring uninterrupted policy servicing.	
Increased conversion to direct recurring payment mechanisms, improving cash flow predictability.			

Strategic Initiatives

During the year under review, the CRU intensified its focus on structured recovery, retention and payment optimisation strategies.

- Man power increased to 110 in order to cover all branches lapsed policies servicing
- Included minimum revival amount to release earned Commission and incentive, Increased Revival by 25% over the last year to achieve double digit company RP growth. (Average LKR 10 Mn new revival per month).
- Reduced man power attrition to 4% from 10%, by driving for individual income and transparent culture.
- Implemented 2 New KPIs to improve the quality of the business, namely Revival continuation & Active BTR continuation. Our target was to maintain over 85%, but we are maintaining over 100% at the moment.

Performance Highlights

Revenue Contribution	Policyholder Retention and Revival	Payment Efficiency
Generated LKR 2,701 Mn in revenue, accounting for 18% of the Company's renewal income.	Achieved 100% acquisition of orphan policies into the CRU portfolio. Maintained an active continuation rate exceeding 167% for transferred policies. Secured a revival continuation rate above 198%. Surpassed revival expectations, achieving LKR 85.2 Mn during the year.	Converted 1,826 policies to direct recurring payment arrangements, strengthening premium collection efficiency and reducing administrative intervention.

Stakeholder Impact

Policyholders

- Contributed LKR 8.6 Bn to the overall Company revenue during the year under review.
- Improved renewal premium stability through enhanced policy persistency.
- Increased conversion to direct recurring payment mechanisms, improving cash flow predictability.

Shareholders

- Strengthened branch-level servicing capabilities through the recruitment of one Customer Retention Officer (CRO) per branch.
- Introduced performance-linked incentive schemes to drive accountability and productivity across the agency force and Branch Sales Support Officers.

Employees and Agency Force

- Built and improved trust and loyalty with orphan policyholders through proactive engagement.
- Improved customer confidence by ensuring uninterrupted policy servicing.

Regulators

- Leveraged data-driven identification of lapsed and at-risk policies.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Marketing Division

Overview

The Marketing Division of Janashakthi Insurance PLC plays a pivotal role in strengthening brand leadership, deepening customer engagement, and driving sustainable business growth. Through strategic brand-building initiatives, integrated campaigns, and data-led digital engagement, the Division enhances market visibility while supporting the Company's long-term value creation objectives.

Operating within a structured governance and brand management framework, the Division ensures consistency, compliance, and alignment with corporate strategy. Its stakeholder-centric approach enables the delivery of innovative, relevant, and accessible life insurance solutions that meet evolving customer needs while reinforcing trust and credibility in the market.



Value Creation Process

The Marketing Division follows a disciplined input-to-output framework that converts strategic investments into measurable brand and financial outcomes.

Strategic Inputs	Market Research and Customer Insights	Brand Perception and Competitive Analysis	Financial Investment in Brand Building	Employee Expertise and Cross-Functional Collaboration	Digital and Social Media Strategies	Product Innovation and Campaign Development	External Recognition and Accolades
Strategic Execution	Integrated Campaign Planning	Targeted Digital Engagement	Stakeholder Partnerships and Community Outreach	Brand Visibility and Infrastructure Branding	Customer-Centric Innovation		
Value Outcomes	Strengthened Brand Equity	Enhanced Customer Engagement and Retention	Increased Market Share and Revenue Contribution	Improved Brand Trust and Consistency	Successful Product and Campaign Launches	Industry Recognition and Market Credibility	

Through this structured value creation model, the Marketing Division delivers sustainable brand growth, financial contribution, and long-term stakeholder value for the Company.

Contribution to Value Creation

The CRU contributed meaningfully to the Company's value creation model across four critical areas during the year under review.

Strengthening Financial Capital	Enhancing Human Capital	Building Social and Relationship Capital	Driving Operational Excellence
Supported premium growth through high-impact campaigns and targeted lead generation.	Conducted annual awards and staff motivational events to recognise and incentivise high performers.	Organised a nationwide Art Competition engaging over 20,000 children across the island over six months.	Launched and promoted the Mobile App in Sinhala, Tamil, and English, enhancing accessibility and customer convenience.
Reinforced market positioning following the achievement of an A- Credit Rating by Lanka Rating Agency.	Concluded the 31st Anniversary celebrations with top-performing sales personnel rewarded with an overseas incentive trip to Bali.	Conducted Grade Five Scholarship seminars and model examinations for underprivileged children in partnership with key stakeholders.	Expanded digital footprint across Facebook, TikTok, and LinkedIn, achieving notable engagement growth, particularly on Facebook.
Enhanced brand credibility through recognition among the Top 100 Most Respected Service Brands.	Strengthened cross-functional collaboration between Marketing and Sales teams to improve campaign conversion outcomes.	Executed a 360° engagement campaign at the Nallur Festival, including media presence, community outreach, recruitment drives, and lead generation, resulting in measurable business conversions and MNRP qualifiers.	Rebranded 42 branches and strengthened out-of-home visibility across more than 50 railway stations and multiple bus shelters nationwide.

Strategic Initiatives

During 2025, the Marketing Division intensified its focus on brand augmentation strategies, digital acceleration, and stakeholder engagement through the following initiatives.

- Executed nationwide educational and CSR-led engagement programmes.
- Strengthened festival-based and community-led activation strategies to drive recruitment and business acquisition.
- Accelerated digital engagement strategy to expand reach and improve customer interaction metrics.

Performance Highlights

Brand Recognition	Market and Engagement Impact
↘ Received a Merit Award for the turnaround plan at the Sri Lanka Institute of Marketing (SLIM). ↘ Achieved an A- Credit Rating by Lanka Rating Agency. ↘ Featured among the Top 100 Most Respected Service Brands in Sri Lanka. ↘ Continued execution of the 30-Year Anniversary Marketing Campaign through September 2025, reinforcing brand legacy and trust.	↘ Expanded social media footprint across Facebook, TikTok, and LinkedIn, with strong performance recorded on Facebook. ↘ Generated significant qualified leads and recruitment outcomes through the Nallur Festival activation. ↘ Increased brand visibility through infrastructure branding across key public locations.

Stakeholder Impact

Customers	Shareholders	Employees and Sales Force	Communities
↘ Improved brand accessibility through multilingual digital platforms and mobile app enhancements. ↘ Increased engagement through educational, community, and digital initiatives.	↘ Strengthened brand equity and credibility, supporting long-term revenue stability. ↘ Enhanced market confidence through external ratings and awards.	↘ Motivated and recognised high performers through structured awards and overseas incentives. ↘ Improved alignment between marketing campaigns and sales execution.	↘ Created meaningful social impact through education-focused outreach and nationwide engagement programmes.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Integrated Sales Division

Overview

The Integrated Sales Division recorded strong progress in FY2025, reflecting a unified and strategically aligned approach across Corporate, Bancassurance, Personal Lines, and Agency channels. The Division remained focused on strengthening institutional and channel partnerships, enhancing sales execution, improving operational efficiency, and delivering customer-centric solutions.

Through disciplined performance management, regional expansion, workforce capability development, and digital enablement, the Division reinforced its contribution to sustainable growth, improved persistency, and long-term stakeholder value creation.



Value Creation Process

The Integrated Sales Division creates value through a structured, multi-channel business development and relationship management framework that integrates strategic partnerships, customer engagement, data-driven decision-making, and disciplined execution.

This process ensures sustainable new business generation, enhanced customer experience, and long-term stakeholder value.

Strategic Inputs

Dynamic customer needs and evolving financial protection expectations	Varying market demands and competitive intelligence	Market and industry information for product positioning	Strong institutional and partner relationships (BFIs, corporate entities, agencies)	Investments in workforce expansion, training, and capability development	Customer interaction insights and engagement feedback	Use of digital tools and automation to improve efficacy	Consistent service standards and performance monitoring systems

Strategic Inputs

Market & Partner Intelligence	Customer & Prospect Development	Needs Analysis & Advisory Engagement	Solution Presentation & Education	Application & Underwriting Execution	Relationship Management & Retention
Conduct thorough research on target partner industries to identify trends, challenges, and opportunities.	Identify and attract potential customers through structured prospecting and targeted lead generation initiatives.	Analyse and consult on customer financial goals, protection gaps, and investment preferences.	Educate customers and partners on policy features, benefits, and available options through structured presentations.	Facilitate seamless documentation and submission processes.	Build trust through continuous engagement and structured follow-ups.
Systematically gather and analyse data related to potential partners.	Identify and attract potential customers through structured prospecting and targeted lead generation initiatives.	Provide professional advisory services aligned to individual and corporate requirements.	Clearly articulate value propositions across Endowment, Investment, Corporate, and Bancassurance solutions.	Coordinate underwriting assessments to secure timely approvals and ensure compliance with risk standards.	Provide ongoing service support and offer relevant add-on solutions.
Evaluate potential partners against predefined KPIs to ensure strategic alignment.					Strengthen retention through proactive renewal management and partner relationship development.
Design customised partnership structures tailored to the operational and commercial needs of each partner.					

Value Outcomes

Secured new business across Corporate, Bancassurance, Personal Lines, and Agency channels	Improved first-year retention and renewal premium performance	High customer satisfaction and informed policyholders	Strengthened long-term relationships with partners and policyholders	Achievement of sales targets and sustained revenue growth	Enhanced productivity and active manpower expansion

Contribution to Value Creation

During the year under review, the Integrated Sales Division delivered significant value across multiple capitals through strategic partnerships, channel expansion, and customer-centric solutions.

Strengthening Financial Capital	Enhancing Human Capital	Building Social and Relationship Capital	Driving Operational Excellence
Secured new business across Corporate, Bancassurance, Personal Lines, and Agency channels, contributing to premium growth and diversified revenue streams.	Conducted structured partner and agency training programs, performance incentives, and capability-building initiatives to strengthen workforce expertise.	Strengthened partner and customer relationships through ongoing engagement, advisory support, and relationship management programs.	Implemented digital tools, automated processes, and data-driven tracking to enhance operational efficiency and customer service standards.
Expanded market presence by leveraging channel partnerships and regional business development initiatives.	Motivated agency teams and sales personnel through awards, recognition, and performance-driven programs.	Developed customised partnership structures and strategic solutions for diverse partner needs, fostering trust and long-term collaboration.	Streamlined application, underwriting, and servicing workflows to reduce turnaround time and improve customer experience.
Reinforced financial stability through robust risk assessment, partner evaluation, and KPI-aligned performance monitoring.	Strengthened cross-functional collaboration between Partnerships, Sales, and Product teams to drive solution delivery and conversion outcomes.	Engaged with key corporate and BFI partners to co-create solutions and address industry-specific challenges, reinforcing strategic alliances.	Enhanced analytics and reporting mechanisms to support informed decision-making and continuous business optimisation.

Strategic Initiatives

During the financial year ended 2025, the Integrated Sales Division focused on deepening relationships, optimising channel performance, and improving customer experience through the following initiatives.

- Expanding Corporate and Bancassurance partnerships to drive growth and market share.
- Strengthening agency and personal lines networks through recruitment, training, and capability-building programs.
- Enhancing the structured customer and partner engagement frameworks for needs analysis, solution advisory, and relationship management.
- Refining and improving digital enablement for sales execution, customer communication, and operational monitoring.

Performance Highlights

Financial and Market Impact

- Achieved 67% growth in Corporate Business.
- Expanded Bancassurance Life segment by 521%.
- Increased MCFP by 30%, demonstrating strong sales momentum.
- Improved first-year retention rate by 67% and achieved 98% of RP budget targets.
- Share of Revenue amounted to 31%.

Stakeholder Impact

Customers

- Provided tailored insurance solutions through advisory-led engagement, improving policyholder understanding and satisfaction.

Shareholders

- Strengthened financial performance, brand credibility, and long-term revenue stability through strategic partnerships and business growth.

Employees and Partners

- Recognised high-performing agency teams and staff through awards, training, and incentive programs.

Communities

- Delivered social value through partnership-led initiatives, educational engagement, and community outreach in collaboration with corporate partners.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Information Technology Division

Overview

The Information Technology (IT) Division of Janashakthi Insurance PLC is a key enabler of the Company's digital transformation, operational excellence, and customer-centric innovation. Building on the launch of the five-year IT Transformation Plan in 2023, the Division has moved beyond stabilising core systems to focus on enhancing operational efficiency, workflow automation, digital innovation, and cybersecurity that directly impact customer experience and business outcomes.

By integrating advanced technologies and agile methodologies, the Division ensures seamless operations, improved decision-making, and sustainable growth. Operating within a robust governance framework, the IT Division maintains full compliance with regulatory requirements while driving initiatives that strengthen both internal capabilities and customer satisfaction.



Value Creation Process

The IT Division converts strategic inputs into measurable value through a structured process that combines operational efficiency with digital innovation.

Strategic Inputs	**Skilled Human Resources:** Experienced IT professionals and project managers driving innovation.	**Physical & System Infrastructure:** Hardware, software, and cloud-based platforms enabling scalable operations.	**Knowledge:** Institutional knowledge and best practices supporting informed decision-making.	**Processes:** Standardised workflows and agile project management frameworks.	
Strategic Execution	Streamlined internal workflows and automated routine processes.	Deployment of cutting-edge digital tools to enhance efficiency and accuracy.	Implementation of advanced analytics to support data-driven decision-making.	Continuous integration of customer-centric technologies to improve engagement.	Agile and iterative development of digital platforms for faster delivery.
Value Outcomes	**Enhanced Customer Experience and Satisfaction** through seamless digital interactions.	**Increased Operational Efficiency** by reducing manual intervention and optimising processes.	**Faster and Error-Free Process Automation** across core business operations.	**Increased Sales and Revenue** driven by enhanced digital engagement and lead conversion.	**Improved Decision-Making** via real-time analytics and actionable insights.

Through this structured input-to-output framework, the IT Division enables sustainable growth, operational resilience, and long-term value creation for Janashakthi Insurance PLC.

Contribution to Value Creation

The IT Division contributed significantly across multiple dimensions of the Company's value creation model during 2025.

Strengthening Financial Capital	Enhancing Human Capital	Building Social and Relationship Capital	Driving Operational Excellence
Optimised core systems and automated workflows, reducing operational costs.	Strengthened IT capabilities through targeted upskilling and training initiatives.	Enhanced customer engagement through seamless digital experiences.	Implemented system upgrades and automation tools that increased processing speed and accuracy.
Supported revenue growth by enabling faster processing and improved customer service.	Promoted agile ways of working to enhance collaboration between IT and business units.	Improved trust and satisfaction by reducing service errors and response times.	Established a real-time monitoring framework for proactive issue detection and resolution.
			Integrated customer journey analytics to anticipate and address evolving needs.

Strategic Initiatives

In 2025, these initiatives strengthened the IT Division's role as a catalyst for operational excellence, customer experience, and innovation across the business.

- AI and Robotics in Underwriting: Implemented AI-driven underwriting frameworks to enhance decision-making and prepare for future scalability.
- Mobile App Transformation: Launched a guided multilingual app (Sinhala, Tamil, English), introducing step-by-step checklists for document submission, positioning the Company as a pioneer in digital insurance services in Sri Lanka.
- Corporate Partnerships Expansion: Strengthened integrations with financial institutions, enabling instant policy issuance and enhancing the Company's corporate business ecosystem.
- Learning Management System (LMS): Deployed an enterprise-wide LMS to track agent training, upskilling, and reskilling, enabling strategic workforce capability planning.
- Referrals Management Solutions: Expanded the digital referral platform to grow the agent-customer community and strengthen engagement.
- ESG-Focused Digital Strategy: Advanced initiatives to integrate environmentally responsible practices and support the Company's move toward green business.

Performance Highlights

Operational Efficiency	Customer Experience	Revenue and Business Impact	Innovation and Recognition
Reduced policy issuance turnaround time by 74%	Improved accessibility and engagement through digital platforms supporting new products like the Micro insurance offering.	Strengthened corporate partnerships with over 20 financial institutions, enabling instant policy issuance and higher conversion rates.	Achieved 100% digital adoption through our "Green Insurance" initiative.
Enabled claims settlement within 48 hours via the multilingual guided mobile app		Recorded cost savings of LKR 220 Mn, showcasing our commitment to cost-effective strategies.	Received the Best Life Insurance Company for Digital Transformation – Sri Lanka 2025 (Global Banking & Finance Awards, UK)

Stakeholder Impact

Customers	Shareholders	Employees	Regulators
Delivered seamless and accessible digital experiences across multiple platforms.	Strengthened operational resilience and efficiency, supporting stable revenue growth.	Improved internal workflows and reduced manual workload through automation.	Maintained strict adherence to data security, IT governance, and regulatory compliance standards.
Reduced errors and enhanced service speed, boosting trust and loyalty.	Enhanced market confidence through successful IT transformation initiatives.	Fostered a culture of innovation and agility within the IT and business units.	

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Human Resources Department

Overview

The Human Resources (HR) Department continues to be a strategic driver of Janashakthi Insurance PLC's business success by fostering a high-performance, innovative, purpose-driven, and future-ready workforce. In 2025, the Department focused on strengthening organisational culture, enhancing employee engagement, and embedding innovation as a core element of work tasks.

Through a combination of strategic initiatives, technology adoption, and employee-centric programs, HR creates sustained value for employees, shareholders, customers, and society. From implementing flexible work policies to designing talent development programs, the Department ensures a workforce that is motivated, skilled, and aligned with the Company's long-term growth objectives.



Value Creation Process

The HR Department converts strategic inputs into measurable value through structured interventions that align people, technology, and culture.

Strategic Inputs	Strengthened HR policies and governance frameworks	Investment in AI-driven HR analytics and digital tools	Leadership, middle-management, and skills development programs	Inclusive culture, wellness, and employee engagement initiatives	Employee-driven CSR and sustainability programs
Strategic Execution	Standardised interview processes assessing alignment with company values and social impact.	Individualised online learning paths for skill development and reskilling	Created cross-functional teams to direct social impact and CSR initiatives	Cultural transformation initiatives such as open office, flexible policies, and trust-based leadership were implemented	Explored innovative programs such as Kaizen, innovation awards, and knowledge-sharing sessions	Work on enhancing Youth-focused workforce policies, such as flexi-hours, work-from-home, and modern workplace design
Value Outcomes	**Sustained business performance** through a motivated, high-performing workforce	**Enhanced employee engagement and satisfaction,** reducing turnover and retaining top talent	**Stronger organisational culture,** embedding innovation, collaboration, and trust	**Future-ready capabilities,** equipping employees to meet business growth and strategic objectives	**Employer of choice,** attracting young talent and enhancing the Company's social and ESG impact

Contribution to Value Creation

During the year under review, the HR Department contributed to the Company's value creation across key dimensions.

Strengthening Human Capital	Enhancing Social and Relationship Capital	Building Employer Brand	Driving Operational Excellence
Retained high-performing talent in the salesforce and operational teams through aligned incentives and engagement strategies.	Moved to new premises, designed to promote collaboration, open communication, and a Gen Z-friendly environment, signalling a cultural shift beyond just a physical relocation.	Strengthened the Company's appeal to young talent through a modern workplace, brand alignment, and a culture of innovation.	Introduced Kaizen practices, innovation awards, and knowledge-sharing sessions to embed continuous improvement in work processes.
Reduced turnover rate through targeted interventions and predictive retention programs.	Launched wellness programs, including relaxation and stress management sessions, in-house engagement events, and "Out of the Box" sessions with guest speakers to inspire creativity and team bonding.	Integrated innovation and risk-awareness into daily workflows, ensuring employees are empowered to contribute meaningfully.	Launched policies such as Work Smarter and flexi-hours / work-from-home, with 20% of the workforce being youth, enhancing productivity and engagement.
Introduced structured training initiatives across the organisation, increasing training investment year-on-year.	Promoted employee-driven CSR and sustainability initiatives, embedding purpose and social impact into daily work.		Conditioned line managers to adopt objective-driven management, trust-driven leadership, and flexible decision-making.

Performance Highlights

Employee Retention and Engagement

- Achieved an employee turnover ratio of 8.48%, particularly in high-performing salesforce and operational teams.
- Conducted 10 employee engagement initiatives, supporting retention and operational productivity.

Training and Development

- Invested in middle and successor manager development programs.
- Introduced 33 new learning programs with online learning paths and skill-based reskilling.
- LMS tracking of training hours, number of sessions, and regional participation enhanced accountability and skill-building across employee categories.

Employee Satisfaction and Recognition

- Introduced 5 new incentive schemes, aligned KPIs with the "Elevate" theme, and enhanced recognition for high performers.
- Continued Great Manager Awards to reinforce leadership excellence and employee satisfaction.

Stakeholder Impact

Employees

- Enhanced employee engagement.
- Strengthened career progression through structured learning paths, successor and middle management development.
- Fostered a collaborative, Gen Z-friendly workplace.

Shareholders

- Reduced turnover rates through predictive HR analytics and targeted retention strategies.
- Strengthened organisational capability to support sustained business growth.
- Improved productivity through objective-driven performance management and innovation culture.

Employees (Managers & Sales Force)

- Retained high-performing salesforce talent through aligned KPIs and new incentive schemes
- Enabled managers to adopt trust-based leadership and flexible decision-making approaches.
- Embedded Kaizen, innovation awards, and knowledge-sharing to drive continuous improvement.

Regulators

- Strengthened HR governance frameworks and compliance monitoring mechanisms.
- Ensured adherence to labour laws, fair employment standards, and structured workforce policies.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Life Operations Division

Overview

The Life Operations Division plays a critical role in delivering seamless insurance services while driving operational excellence and customer satisfaction. The Division encompasses New Business, Policyholder Servicing, Claims, Group Life Operations and Reinsurance Operations, ensuring end-to-end lifecycle management of both Individual and Group Life policies.

From prudent underwriting and policy issuance to customer servicing and timely claims settlement, the Division safeguards the integrity of the Life Fund while upholding the Company's promise to policyholders. Through disciplined operational management, fraud vigilance, and customer engagement initiatives, the Division directly contributes to financial sustainability, reputation strength, and long-term stakeholder value.

Operating within a structured governance and compliance framework, Life Operations ensures that the right risks are underwritten, the right claims are paid at the right time, and customer service standards continuously evolve to meet changing expectations.



Value Creation Process

The Life Operations Division converts operational expertise and customer insights into sustainable value through a structured service delivery model.

Strategic Inputs	Enhanced service standards and customer-centric policies	Employee engagement and operational capability development	Contribution to system and workflow enhancements	Identification of service gaps through customer inquiries	Direct customer feedback and engagement insights	Market intelligence and claims experience data	Prudent underwriting guidelines and reinsurance support	
Strategic Inputs	Conducting prudent underwriting to ensure quality risk selection and Life Fund protection	Servicing policyholders throughout the policy lifecycle	Paying valid claims promptly while minimising leakages and identifying fraud	Simplifying documentation to reduce customer effort	Utilising WhatsApp, recording lines, and digital channels to gather information and resolve queries quickly	Introducing and enhancing the Customer Mobile App for policy inquiries and claims intimations	Managing admissions and discharges directly via hotline to reduce turnaround time	Engaging with overseas reinsurers to protect risk exposure and maintain Life Fund stability	Continuous Business Process Re-Engineering (BPR) to eliminate non-value-adding tasks
Value Outcomes	Sustained Life Fund growth through prudent underwriting	Strong policyholder retention and engagement	Enhanced reputation through reliable claims settlement	Operational resilience and cost discipline	Long-term financial sustainability and stakeholder confidence				

Contribution to Value Creation

During the year under review, the Life Operations Division contributed meaningfully across multiple dimensions of value creation.

Strengthening Financial Capital	Enhancing Social and Relationship Capital	Protecting Intellectual and Risk Capital	Driving Operational Excellence
Ensured disciplined underwriting to protect and grow the Life Fund.	Strengthened customer engagement through WhatsApp and digital communication channels.	Strengthened reinsurance partnerships to manage large exposures and safeguard the Life Fund.	Implemented continuous Business Process Re-Engineering to remove inefficiencies.
Minimised claim leakages through vigilant fraud detection and claims validation.	Improved service accessibility via the Customer Mobile App.	Monitored adverse claims trends and fraud risks proactively.	Transitioned to workflow management systems for non-financial endorsements.
Automated policy issuance in the BFI sector to accelerate revenue realisation.	Enhanced inbound and outbound customer interactions through the Call Centre.		Introduced simplified front-end processes for Individual Claims.

Strategic Initiatives

In 2025, the Life Operations Division pursued strategic initiatives to enhance efficiency, improve service delivery, and strengthen financial sustainability.

- Direct engagement with potential customers via WhatsApp to reduce proposal pendency and improve conversion ratios.
- Implementation of a simplified and faster front-end for Individual Claims processing.
- Automation of policy issuance for BFI partnerships, enabling seamless customer onboarding.
- Transition to workflow management systems for policyholder servicing functions.
- Acceleration of OPD claims processing through extended operational hours.
- Enhanced efficiency in cashless claims through direct IVR routing.
- Product benefit enhancements to align with evolving customer needs.
- Optimisation of service delivery elements to support the Company's growth ambitions.

Performance Highlights

Brand Recognition	Market and Engagement Impact	Market and Engagement Impact
Achieved 74% reduction in proposal processing turnaround time through process re-engineering and WhatsApp-enabled customer follow-ups.	Maintained a claims ratio of 44%, ensuring timely and accurate claim payments.	Strengthened underwriting discipline, contributing 15% growth to the Life Fund.
Improved proposal conversion ratio to 95%.	Reduced average claims processing time by 3 days following implementation of a simplified front-end claims platform.	Reduced claim leakage and fraud exposure through enhanced vigilance mechanisms, lowering risk impact.
Automated 100% of policy issuance processes within the BFI sector, enhancing service speed and accuracy.	Enhanced cashless claims efficiency with direct IVR routing, cutting admission approval turnaround time.	Maintained strong reinsurance partnerships to safeguard the Life Fund and manage risk exposure effectively.
Transitioned 100% of non-financial endorsements to workflow management systems, reducing manual interventions.	Processed 80% of OPD claims within defined service-level timelines, supported by extended operational hours.	
Identified and resolved key service gaps through structured customer feedback analysis and market intelligence.		

Stakeholder Impact

Policyholders

- Seamless policy servicing throughout the policy lifecycle.
- Timely and fair claims settlement.
- Simplified documentation and digital engagement channels.

Shareholders

- Strengthened Life Fund through prudent underwriting.
- Reduced claims leakage and improved operational efficiency.
- Enhanced long-term financial sustainability.

Employees

- Improved workflow systems and process clarity.
- Enhanced engagement through streamlined operations.
- Increased productivity through BPR initiatives.

Reinsurers & Regulators

- Maintained disciplined risk selection and reinsurance coordination.
- Ensured compliance with regulatory and underwriting standards.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Internal Audit Department

Overview

The Internal Audit Department plays a critical role in strengthening governance, enhancing risk management, and ensuring the effectiveness of internal controls across the Company. The Department operates as an independent assurance and advisory function, safeguarding financial integrity, improving operational efficiency, and reinforcing regulatory compliance.

By leveraging data analytics, structured audit methodologies, and technology-driven solutions, Internal Audit contributes to organisational resilience, transparency, and sustained stakeholder confidence.



Value Creation Process

The Internal Audit Department transforms key organisational inputs into tangible value outcomes through a structured assurance and advisory framework.

Strategic Inputs	Organisational policies, procedures, and internal controls	Risk management frameworks and registers	Financial records, reports, and operational data	Compliance and regulatory documentation	Audit management systems and data analytics tools	Skilled audit professionals and industry expertise
Strategic Execution	Conducting risk-based financial, operational, compliance, and IT audits	Leveraging advanced analytics and real-time monitoring tools to identify high-risk areas	Implementing digital audit management systems to improve efficiency, accuracy, and transparency	Collaborating with business units to ensure timely implementation of corrective actions	Continuously refining audit methodologies to adapt to emerging risks and industry trends	Promoting a culture of ethical decision-making, compliance, and accountability
Value Outcomes	Strengthened governance and accountability	Improved operational efficiency and process effectiveness	Enhanced financial integrity and reporting accuracy	Reduced organisational risk exposure	Increased stakeholder confidence and trust	

Contribution to Value Creation

The Internal Audit Department contributed meaningfully across multiple dimensions during the year under review.

Strengthening Financial Capital	Enhancing Operational and Human Capital	Building Social and Relationship Capital	Driving Operational Excellence
Reduced financial reporting errors through rigorous audit oversight.	Implemented a digital audit management system, improving audit efficiency and transparency.	Strengthened stakeholder confidence through consistent communication and transparent reporting.	Executed strategic audit initiatives leading to cost optimisation and process improvements.
Identified and mitigated high-risk exposures, lowering potential financial losses.	Delivered targeted training sessions to enhance internal control awareness across departments.	Fostered a culture of compliance and ethical decision-making across all levels of the Company.	Established a robust fraud detection framework to prevent potential financial losses.

Strategic Initiatives

The Life Operations Division pursued the below strategic initiatives during the year under review, to enhance efficiency and improve service delivery while creating value across stakeholder groups and the business.

- Strengthened risk management practices using advanced data analytics and real-time monitoring.
- Enhanced collaboration between audit teams and business units to align audits with strategic priorities.
- Implemented technology-driven audit solutions to increase efficiency and accuracy.
- Reviewed and refined audit methodologies to respond proactively to emerging risks.
- Promoted awareness of internal controls, compliance, and governance through structured training programmes.

Performance Highlights

Risk Mitigation and Governance	Operational & Financial Excellence	Process Enhancements
↘ Identified and mitigated 14 high-risk exposures, reducing overall organisational risk by 10%.	↘ Reduced financial reporting errors enhancing data integrity for decision-making.	↘ Improved audit cycle efficiency by 15%.
↘ Achieved 100% compliance with regulatory requirements across all audit functions.	↘ Executed 50 strategic audit initiatives, contributing to operational efficiency and cost optimisation.	↘ The robust fraud detection framework implemented by the Company prevented potential losses from frauds.

Stakeholder Impact

Employees

- Improved understanding of internal controls and compliance processes.
- Increased awareness of risk management practices across departments.

Shareholders

- Enhanced organisational resilience and operational efficiency.
- Strengthened financial integrity and reduced exposure to risk.

Policyholders and Clients

- Maintained trust through reliable and transparent internal processes.
- Improved confidence in the Company's governance and risk management.

Regulators

- Ensured adherence to statutory and regulatory requirements.
- Demonstrated effective internal control and audit practices.

BUSINESS UNITS OVERVIEW OF PERFORMANCE

Finance Department

Overview

The Finance Department is integral to the Company's financial stability, resilience, and long-term success. The Department safeguards financial integrity while enabling strategic growth through rigorous financial reporting, tax management, risk mitigation, compliance oversight, and capital allocation decisions.

Beyond its statutory responsibilities, Finance plays a strategic role in optimising cash flow, directing investments, supporting pricing decisions, and guiding dividend policies to balance shareholder returns with sustainable reinvestment.

Operating within a robust governance and regulatory framework, the Department ensures transparency, accountability, and disciplined financial stewardship, thereby reinforcing stakeholder confidence and business continuity.



Value Creation Process

The Finance Department adopts a structured input-to-output framework to convert financial resources and intelligence into measurable value outcomes.

Strategic Inputs	Raw financial and operational data	Regulatory and statutory framework requirements	Corporate financial strategy	Market intelligence and economic indicators	Technology and financial management tools	Trained and experienced finance professionals	Risk and investment data analytics
Strategic Inputs	Meticulous financial analysis and strategic forecasting to ensure optimal resource utilisation	Directing assets toward initiatives that maximise long-term value creation	Establishing robust internal controls and compliance protocols to maintain operational resilience	Implementing cost optimisation strategies without compromising service quality	Strategic pricing models balancing profitability and competitiveness	Proactive financial risk identification, monitoring, and mitigation	Cash flow optimisation and capital allocation discipline	Supporting cross-selling and up-selling initiatives through financial modelling and performance tracking
Value Outcomes	Strong financial resilience and capital adequacy	Sustainable dividend capacity aligned with growth strategy	Improved stakeholder confidence and market credibility	Long-term value preservation and growth				

Contribution to Value Creation

During the year under review, the Finance Department contributed significantly across multiple dimensions of the Company's value creation model.

Strengthening Financial Capital	Building Shareholder Confidence	Supporting Business Growth	Driving Operational Excellence
Ensured disciplined cost management and improved expense ratios.	Maintained transparent financial reporting and regulatory compliance.	Enabled strategic initiatives through financial modelling and scenario analysis.	Strengthened internal controls and financial governance frameworks.
Optimised liquidity and capital deployment to support business expansion.	Supported dividend decisions aligned with sustainable capital growth.	Provided insights to optimise cross-selling, up-selling, and revenue expansion strategies.	Improved reporting accuracy and timeliness for strategic decision-making.
Enhanced profitability through structured pricing, investment discipline, and financial forecasting.	Strengthened return on investment through prudent asset allocation strategies.	Supported pricing and product profitability analysis to enhance competitiveness.	Enhanced risk monitoring mechanisms to safeguard financial stability.

Strategic Initiatives

In 2025, the Finance Department focused on strengthening financial resilience, governance, and strategic support capabilities through the following initiatives.

- Implementation of enhanced financial forecasting models to improve accuracy and agility in decision-making.
- Strengthening of internal control frameworks to align with evolving regulatory requirements.
- Deployment of advanced financial tools and analytics to improve budgeting, reporting, and investment oversight.
- Optimisation of capital allocation strategies to balance growth investments with shareholder returns.
- Reinforcement of enterprise risk management practices to proactively identify and mitigate financial exposures.
- Alignment of pricing strategies with market conditions to ensure competitive positioning and profitability.

Performance Highlights

Profitability and Financial Performance	Capital and Liquidity Management	Operational Efficiency
Achieved Net Profit Before Tax (NPBT) of LKR 3.95 Bn, reflecting disciplined cost management and revenue optimisation.	Sustained a robust capital base to support business expansion and long-term stability.	Strengthened cost discipline through structured expense monitoring and variance analysis.
Reported Profit After Tax (PAT) of LKR 3.47 Bn, demonstrating sustained earnings strength.	Optimised liquidity and cash flow management to ensure operational continuity and timely settlement of financial obligations.	Enhanced the accuracy and timeliness of financial reporting to support informed strategic decision-making.
Maintained a strong Capital Adequacy Ratio (CAR) of 284%, significantly above regulatory requirements, reinforcing financial resilience.		

Stakeholder Impact

Customers

- Benefited from competitively priced and financially sustainable products.
- Experienced improved service continuity through strong financial stability.

Shareholders

- Strengthened profitability and capital growth.
- Improved return on investment and dividend sustainability.
- Enhanced transparency and financial governance.

Employees

- Provided clear financial insights supporting performance-based incentives and business planning.
- Ensured stable operational funding and resource allocation

Regulators

- Maintained strict adherence to statutory, tax, and financial reporting requirements.
- Strengthened compliance frameworks and internal control systems.

FINANCIAL CAPITAL REPORT



STRENGTHENING THE FOUNDATIONS OF FINANCIAL RESILIENCE

Having transitioned from a phase of rapid ascent to one of sustained leadership, we are leveraging our robust financial foundations to explore new horizons of value creation, ensuring our position at the summit serves as the stable base for our next journey of growth.

Key Achievements 2025

Historic GWP
LKR **8.65** Bn

P/E Ratio
8.5 times

CAR
284%

MPS
LKR **129.50**

Stakeholders Most Impacted

- Shareholders
- Policyholders
- Employees

Our Approach to Financial Capital

At Janashakthi Insurance, we view financial capital as the strategic engine that drives our growth trajectory. We integrate ethical and transparent financial management into the heart of our corporate strategy, recognising its fundamental role in delivering long-term, sustainable value to all our stakeholders. Our commitment is rooted in meticulous adherence to economic and industry regulations, augmented by the adoption of global best practices that ensure robust governance and absolute accountability.

Our financial resilience is anchored by a sophisticated Asset and Liability Management (ALM) framework. This integral component of our strategy ensures a precise equilibrium between assets and liabilities, allowing us to mitigate volatility while optimising returns in a stabilising interest rate environment. This framework, combined with stringent internal controls and audit procedures, guarantees the integrity of our financial reporting, fostering deep-rooted stakeholder trust through transparency.

In 2025, as we navigated a dynamically changing economic landscape, we applied advanced risk management techniques to safeguard our capital base. This reflects our "integrated thinking" approach, which focuses on the understanding that our financial strength is inextricably linked to our human, intellectual, and social capitals. We strategically allocate financial resources into investments to not only seek fiscal returns but also enhance our broader value creation objectives.

By providing clear, comprehensive, and timely financial disclosures, we ensure our stakeholders remain informed partners in our journey. This integrated approach enables the Company to maintain our industry-leading solvency position and deliver sustained excellence, ensuring that our presence at the summit is the foundation for our next horizon of growth.

Driving Performance, Delivering Value

Stakeholder Group	Key Achievement	Strategic Approach
Maximise Investment Returns and Ensure Financial Stability	Generated significant net realised gains and optimised portfolio yield despite a stabilising interest rate environment.	Conducted rigorous market analysis to identify high-yield, low-risk opportunities while successfully timing equity market entries and exits.
Prioritise Strategic Investment Decisions	Reallocated capital into high-performing assets, contributing to the highest-ever bottom-line performance in the Company's history.	Utilised a robust Asset and Liability Management (ALM) framework to ensure duration matching and liquidity remains optimal for long-term obligations.
Optimise Operational Efficiency through Cost Reduction	Successfully managed inflationary pressures on claims and operating expenses, protecting the profit margin.	Leveraged digital transformation to automate manual processes and negotiated favourable contracts to eliminate redundancies and reduce overheads.
Maintain a Stable Capital Adequacy Ratio (CAR) Amidst Evolving Risks	Sustained an industry-leading CAR of 284%, significantly surpassing the regulatory requirement of 120%.	Implemented proactive risk-appetite identifying frameworks and regular stress testing to ensure capital resilience against global economic fluctuations.

Focus on 2026 and Beyond

Optimising Investment Returns	Operational Efficiency	Sustaining Solvency	Expanding Revenue Streams
Continue to prioritise high-yield, low-risk opportunities while navigating global economic fluctuations and inflation.	Intensify cost-reduction measures and leverage technology to automate tasks and reduce overheads.	Maintain a stable and robust CAR through proactive risk management and regular stress testing.	Engineering innovative products that align with current consumer spending capacity, designed to capture a larger market share and drive top-line growth in a challenging economic landscape.

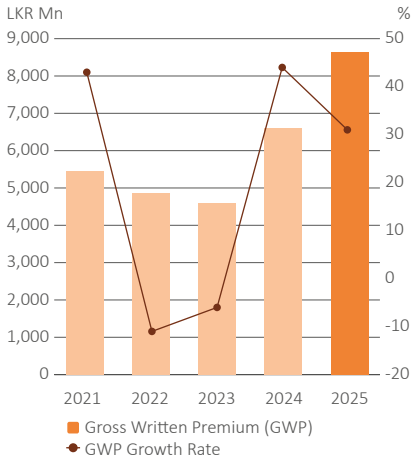
Income Statement Review

This section provides a comprehensive analysis of the strategic drivers behind our record-breaking profitability and operational agility during the financial year under review. As we move beyond our previous year's achievements, our focus has shifted towards high-quality revenue growth and disciplined cost management to ensure sustainable bottom-line expansion.

Gross Written Premium (GWP)

The Company achieved a historic milestone, surpassing all previous records to register a GWP of LKR 8.650 Bn, a growth of 31% compared to the previous financial year. This robust performance was underpinned by a significant rise in First Year Premiums (FYP), indicating successful new business acquisition and an expanded market footprint. By engineering products that resonate with the evolving purchasing power of our customers, we have ensured a consistent and resilient top-line trajectory.

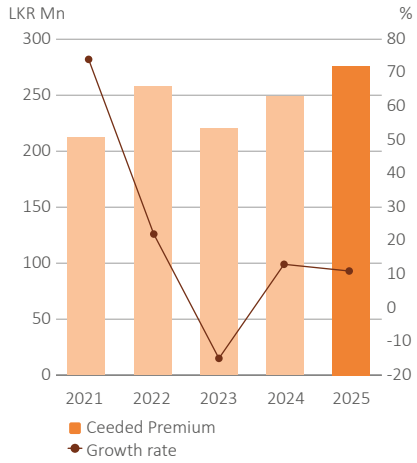
GWP & GWP Growth Rate



Premium Ceded to Reinsurers

In line with our strategy of balancing aggressive growth with prudent risk management, the premium ceded to reinsurers increased to LKR 276 Mn in 2025 compared to LKR 249 Mn recorded during the financial year under review. This increase is directly proportional to the historic expansion of our GWP and the strategic broadening of our product portfolio during the year. By maintaining this robust reinsurance structure, the Company continues to reinforce the long-term stability and security of our policyholders, ensuring that our future growth is built upon a foundation of risk mitigation.

Ceeded Premium and Growth Rate

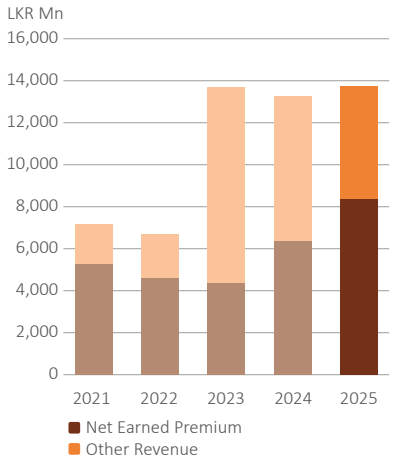


FINANCIAL CAPITAL REPORT

Total Other Revenue

The Company's Total Other Revenue—comprising investment income, realised and fair value gains or losses, fee and commission income, and other operating revenue—demonstrated significant agility during the year under review. While the total other revenue earned decreased from LKR 6.92 Bn recorded during the financial year 2024 to LKR 5.38 Bn during 2025, this was primarily driven by a contraction in our fixed-income securities portfolio. This shift was a direct result of the Sri Lankan economy entering a recovery phase, leading to stabilising interest rates that curtailed the exceptional investment yields seen in the previous year.

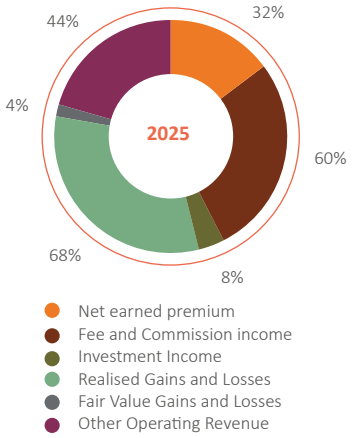
Company Revenue



Net Realised Gains from Other Operating Revenue

The Company recorded significant net realised gains of LKR 656 Mn during the year under review, primarily driven by astute equity portfolio management and favourable market conditions. This performance highlights our commitment to rigorous investment analysis and our agility in reacting to market-driven opportunities.

Company Revenue (%)

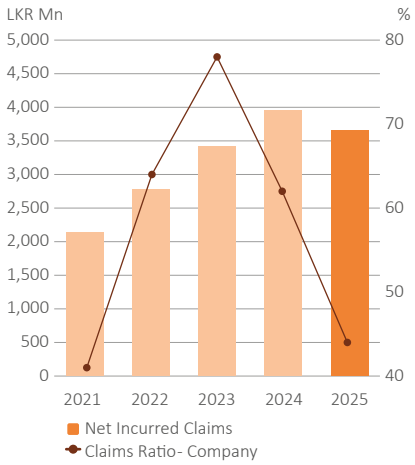


Net Insurance Claims and Benefits

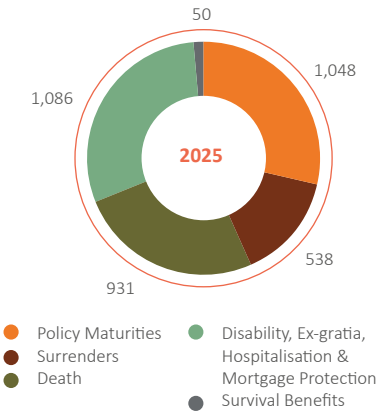
Maintaining our commitment to policyholder security during the year under review, the Company's Net Incurred Claims recorded LKR 3.65 Bn in 2025 (LKR 3.95 Bn in 2024). This resulted in a claim ratio of 44%.

A significant portion was driven by policy maturities. This reflects the maturity of our long-term portfolio and underscores our reliability in fulfilling obligations to our customers as they reach their own financial milestones. By maintaining a robust reinsurance strategy and prudent underwriting standards, the Company ensured that claim volatility remained well within our risk appetite, safeguarding our business and the expectation of policyholders.

Net Incurred Claims



Types of claims (LKR Mn)

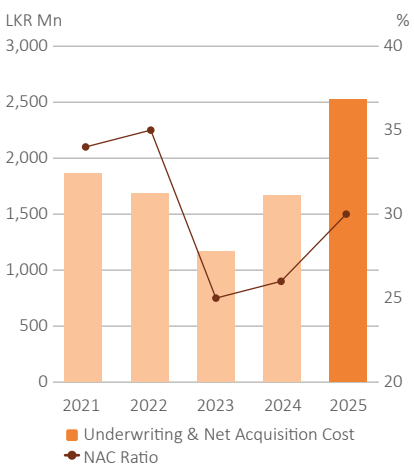


Underwriting and Net Acquisition Costs (NAC)

The Company maintained a disciplined approach to portfolio growth during the year, ensuring that our expansion beyond previous market peaks was achieved with high operational efficiency. The NAC ratio stood at 30% for 2025, compared to 26% in 2024, reflecting our ability to scale our market presence while maintaining a balanced cost-to-income structure.

While we recorded an upward adjustment in absolute Underwriting and Net Acquisition Costs, this increase was primarily driven by a rise in sales staff incentives and agency commission expenses, which directly correlate with our record-breaking sales performance and the 31% surge in GWP achieved during the year. We view these costs as a strategic investment in our human capital and market reach, essential for sustaining our momentum as a market leader.

Net Acquisition Cost

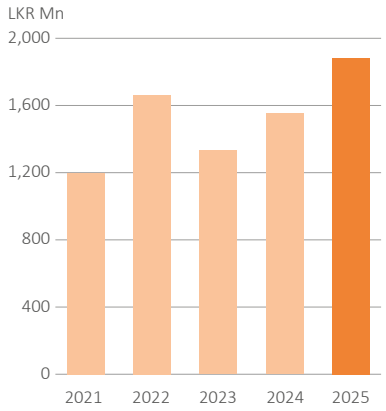


Operating and Administration Expense

Operating and Administration expenses increased to LKR 1.89 Bn in 2025 from LKR 1.55 Bn in 2024. While this reflects an apparent percentage increase of 22%, it is important to note the unique base effect of the previous year.

The underlying increase in overheads represents the Company's continued success in managing administrative costs and leveraging digital efficiencies to mitigate inflationary pressures as we scale our operations.

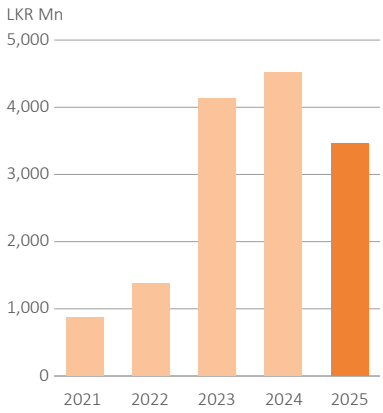
Operating Expenses



Profit After Tax (PAT)

Driven primarily by the increase in GWP and astute investment management, the Company recorded a PAT of LKR 3.47 Bn for the financial year under review, inclusive of the surplus transfer, compared to the LKR 4.51 Bn recorded in the previous financial year.

Profit for the year



Instead of this input Statement of Financial Position Review

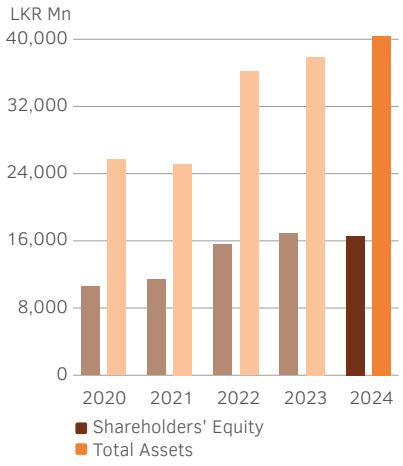
This section analyses the Company's financial position, capital strength, and strategic resource allocation, showcasing the Company's efforts to strengthen our foundations for the future. During the year under review, our focus remained on maintaining a formidable balance sheet that supports sustainable growth and long-term value creation.

Asset Base Growth and Strategic Allocation

The Company's Total Assets witnessed an increase of 7% during the financial year under review. This growth was primarily due to a significant increase in our Investment Portfolio, which was meticulously managed to enhance asset value. The Company adopted a prudent allocation strategy, diversifying funds across various financial instruments—including Government securities and other high-quality securities—to maximise returns while minimising risk exposure. Furthermore, in our profit share from Investment in Associate underscores the success of our strategic partnerships in contributing to the Company's overall asset base.



Stability

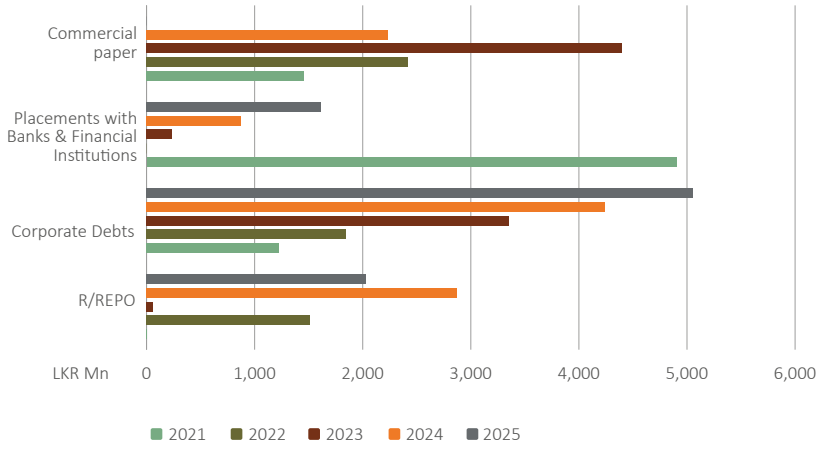


FINANCIAL CAPITAL REPORT

Financial Investments and Marketable Securities

Financial Investments continue to be the cornerstone of the Company's financial capital, accounting for 78% of the total asset base. Within our marketable securities, we manage two distinct components: Financial Assets at Fair Value Through Profit or Loss (FVTPL) and Available-for-Sale (AFS) financial assets. During 2025, FVTPL recorded a robust growth of 5%, reflecting our active management in a dynamic market. Conversely, the AFS portfolio experienced a reduction of 20%.

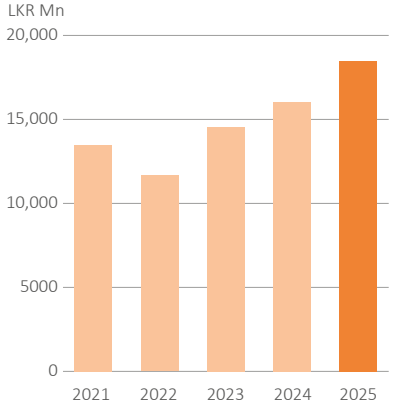
Investments Classified as Loans & Receivables



Life Insurance Fund

The Company's Life Insurance Fund continued its steady upward trajectory, reinforcing our financial stability and our capacity to honour long-term liabilities to policyholders. The fund increased by 15% to reach LKR 18.48 Bn, up from LKR 16.03 Bn recorded in the previous financial year. This consistent growth is a testament to our disciplined underwriting and the trust placed in Janashakthi Insurance to safeguard our policyholders' futures.

Life Insurance Fund

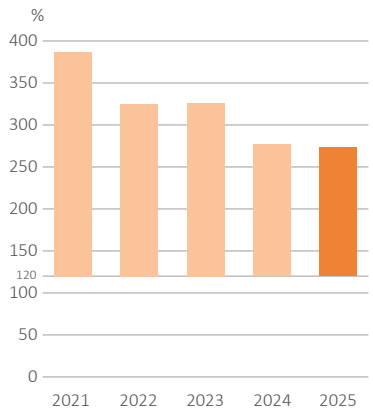


Statutory Solvency and Capital Adequacy

Janashakthi Insurance remains committed to the highest standards of financial security. We operate under the Risk-Based Capital (RBC) regime introduced by the Insurance Regulatory Commission of Sri Lanka (IRCSL), which measures our ability to absorb risk against capital requirements. While the IRCSL mandates a minimum Capital Adequacy Ratio (CAR) of 120% and Total Available Capital (TAC) of LKR 500 Mn, the Company consistently surpassed these benchmarks.

As of 31st December 2025, the Company's CAR stood at 284%. This superior solvency position, demonstrates our unwavering financial resilience and our superior capacity to absorb unforeseen risks as we venture into new avenues of growth.

Solvency Margin (RBC) - JIPLC



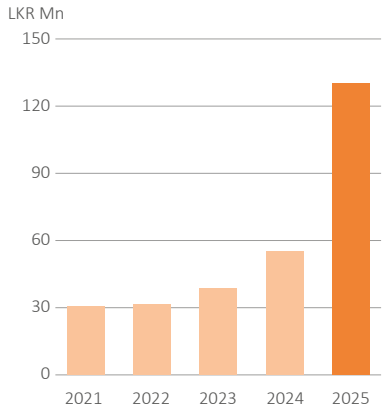
Shareholder Value and Market Performance

Janashakthi Insurance's ascent beyond previous performance peaks has translated into substantial value for our shareholders, reflected in a year of exceptional market performance. Driven by our record-breaking bottom line and the disciplined execution of our Asset and Liability Management (ALM) strategy, we have reached new heights in market valuation and earnings growth. This section details the key metrics that underscore our commitment to delivering superior, sustainable returns as we establish a new plateau of financial excellence.

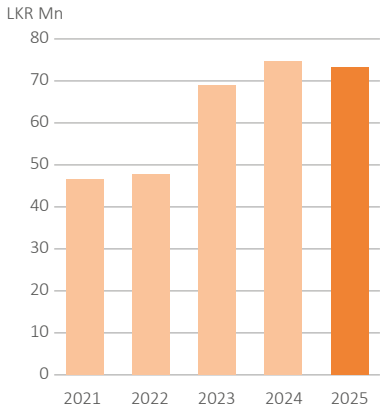
Share Price

Reflecting peak market confidence, the Company's share price reached LKR 129.5 as of 31st December 2025, representing a 135% increase during the year. This valuation is a direct result of our successful Asset and Liability Management (ALM) strategy and historic GWP growth, which together delivered the highest bottom line in our history.

Share Price



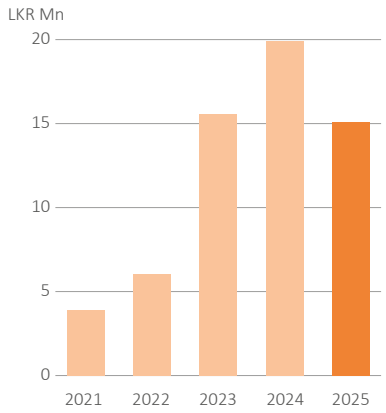
Net Assets per Share



Earnings Per Share (EPS)

Despite challenging economic conditions, the Company record LKR 15.30 by the end of 2025.

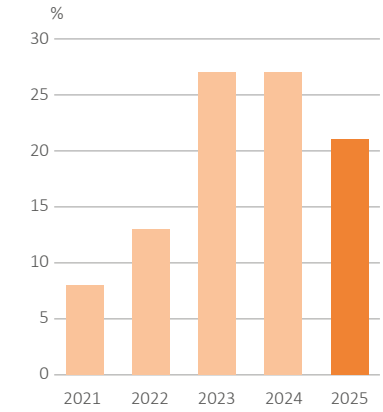
Earnings Per Share



Return on Equity (ROE)

The Company's ROE stood at 21% for the year under review in 2025.

Return on Equity (ROE)



Net Asset Value per Share

As a key measure of our growing profitability, the Net Asset Value per share during the year under review is LKR 73.47 in 2025 (LKR 74.62 in 2024).

MANUFACTURED CAPITAL REPORT



ADVANCING OUR COMMITMENT TO TECHNOLOGY ADOPTION AND NETWORK REACH

Augmented our manufactured capital through targeted investments in digital infrastructure and strategic locations, leveraging innovation to drive scalability and operational excellence.

Key Achievements 2025

Transitioned to a state-of-the-art Head Office following an investment of

LKR **265** Mn

Invested

LKR **22** Mn

in AI and digital technology.

Reduced Mean Time to Recovery (MTTR) from 4 hours to under

45

minutes

Technology Investment

LKR **236** Mn

Stakeholders Most Impacted

- Policyholders
- Reinsurers
- Employees

Our Approach to Manufactured Capital

At Janashakthi Insurance, our approach to manufactured capital is defined by the synergy between robust processes and pioneering innovation. We view our physical and digital infrastructure not merely as support functions, but as dynamic engines of growth that propel our strategic objectives. By transforming our manufactured assets into agile service platforms, we ensure that the Company remains at the forefront of a rapidly evolving digital economy.

In 2025, this philosophy culminated in a transformative milestone within our digitalisation roadmap. We successfully transitioned from traditional automation to a sophisticated, AI-driven ecosystem, embedding a "digital-first" architecture across every facet of our operational value chain. This commitment to technological maturity does more than secure our competitive edge; it elevates the service standards of the entire Sri Lankan insurance industry.

Through targeted investments in state-of-the-art IT frameworks and strategic branch refurbishments, we have created a seamless interface for our customers and a collaborative environment for our employees. These investments represent our broader commitment to institutionalising excellence by ensuring that our infrastructure is resilient, scalable, and purpose-built to deliver long-term value to all stakeholders.

Growing Beyond Bricks and Mortar

Stakeholder Group	Key Concerns & Expectations	Our Strategic Response
Geographic expansion	Introduced a second alternate window office in Kandy.	Expand access to insurance services throughout Sri Lanka by opening new branches and window offices.
Upgrade branch facilities	Transitioned to a state of- the-art Head Office following an investment of LKR 265 Mn.	Invest in more spacious, high-capacity environments to accommodate regional business growth, facilitate enhanced customer experiences, and improve employee facilities.
Expand digital reach	Digital engagement reached new heights with a significant 58% increase in mobile app usage. The mobile app supports content in English, Sinhala, and Tamil languages.	Research and innovate to provide easy-to-access services through our online platforms and mobile app. Leverage AI and other emerging digital tools to ensure uninterrupted services and security of systems. Accelerate digital adoption by offering easy-to-use tech infrastructure for tech-savvy cohorts and the next generation of insurance consumers.
Increase workflow automation	We have achieved significant reductions in overhead costs, including overtime expenses, while also improving customer satisfaction scores and promoting a healthier work–life balance through a seamless and efficient claims and underwriting process.	Drive systemic progress through strategic investments in AI-driven robotics and tailored technological solutions to optimise internal efficiencies, enhance customer centricity, and capitalise on data-driven value creation.
Boost industry infrastructure	A 31% growth in AI-driven policy underwriting in 2025. The Janashakthi Life Referral Management Solution was utilised 98 times in 2025.	Set industry benchmarks by leveraging technology to offer innovative insurance Solutions, strengthening the Sri Lankan insurance sector.

Focus on 2026 and Beyond

Digital Supremacy	Network Expansion	Agile Accessibility
Scaling our technological leadership through targeted investments in AI and advanced IT infrastructure to drive operational intelligence.	Strengthening our physical presence with the launch of five full-service branches across key growth hub Districts.	Deploying 10 Window Offices to offer compact, high-efficiency service points designed to enhance customer proximity in undeserved regions.

A Future-Ready Head Office

In a landmark move for our corporate evolution, Janashakthi Insurance successfully transitioned to a state-of-the-art Head Office. This flagship investment is designed to redefine the workspace and be a catalyst for innovation. This high-performance hub fuses modern, employee-centric design with advanced digital infrastructure, creating an agile environment that fosters creative problem-solving and operational synergy. Beyond its technological prowess, the facility embodies our commitment to sustainability by integrating Green Building concepts. With a strategic roadmap to commission a sophisticated rooftop solar power installation by 2026, we have established a future-ready headquarters that serves as a blueprint for operational excellence, sustainable innovation, and ecological responsibility.

Expanding Geographic Reach

During the year under review, Janashakthi Insurance continued to elevate service standards for customers and employees by transitioning to a state of- the-art Head Office. By relocating to a larger floor space, we have increased our capacity to manage higher footfall, reflecting the strong growth of our business in this key region. The larger space also supported the set-up of a dedicated training room to foster professional development, ensuring our team is equipped to support our growing local customer base.

Our plans to open six new branches

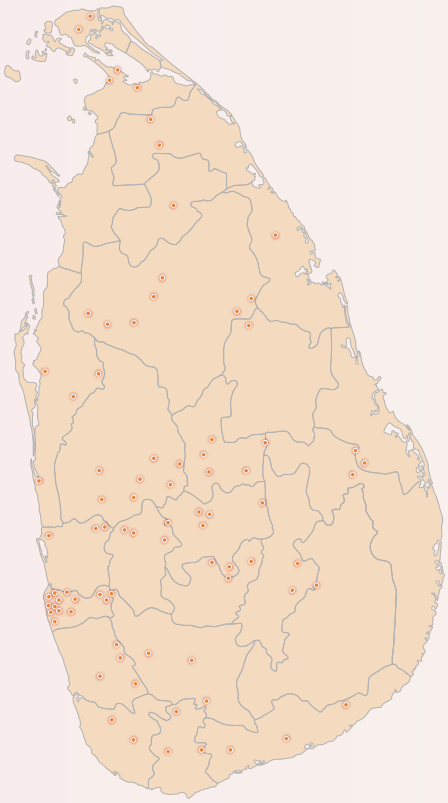
MANUFACTURED CAPITAL REPORT

and 10 window offices in 2025 were put on hold due to our strategic move to transition to a Head Office location better suited to the Company's growth trajectory and operational excellence. These plans are, however, on track for 2026 and are expected to significantly improve accessibility and convenience for customers, while supporting more enhanced facilities for employees. We remain committed to further consolidating our presence in high-potential regions by continuously assessing emerging market trends and local insurance needs. We believe that these initiatives will not only broaden our geographic footprint but also reinforce our reputation as an accessible, customer-focused insurance services provider throughout Sri Lanka.

Advancing Our Technological Footprint

Indicator	Metric	2024	2025	Strategic Linkage
System Availability	IT Infrastructure Uptime	98.5%	99.5%	Ensures uninterrupted 48-hour claims processing and BFSI partner integration.
Digital Resilience	Mean Time to Recovery (MTTR)	4 Hours	< 45 Mins	Validation of our ISACA Resilience Award and AI-driven monitoring.
Digital Adoption	Mobile App Usage Growth	52%	58%	Targeted engagement with Gen Z and tech-savvy demographics.

The cornerstone of our digital success this year was the deployment of AI and robotics



Jaffna 2 Branches	Matale 3 Branches	Badulla 3 Branches
Kilinochchi 1 Branch	Kandy 3 Branches	Ampara 3 Branches
Vavuniya 1 Branch	Kegalle 2 Branches	Monaragala 2 Branches
Trincomalee 1 Branch	Gampaha 6 Branches	Galle 3 Branches
Polonnaruwa 3 Branches	Colombo 12 Branches	Matara 3 Branches
Puttalam 4 Branches	Kalutara 4 Branches	Hambantota 3 Branches
Anuradhapura 3 Branches	Rathnapura 3 Branches	Nuwara Eliya 3 Branches
Kurunegala 7 Branches	Baticola 1 Branch	

within our underwriting process, significantly enhancing precision while reducing manual intervention. This innovation is seamlessly complemented by our revamped Mobile App, which now facilitates a market-leading claims experience. By introducing a “Guided App” interface—a first in Sri Lanka—we provide users with a comprehensive checklist of required documentation, ensuring transparency and ease of use. This digital efficiency has empowered us to honour claims within 48 hours, setting a new benchmark for responsiveness. Furthermore, in a commitment to national inclusivity, the app is now fully operational in all three local languages, a pioneering move in the domestic insurance sector.

Furthermore, the Company’s corporate business segment also witnessed a significant digital leap during the year. We are now integrated with 24 financial institutions through bespoke BFSI solutions, enabling the immediate issuance of policies at the point of transaction, strengthening our partnerships and ensuring a seamless customer journey.

Additionally, our Referrals Management Solution continues to gain momentum, fostering a growing digital community that serves as a vital engine for organic growth.



Data-Driven Performance for Talent Development

As part of our drive to improve internal productivity, we also enhanced our Management Information Systems (MIS), providing the sales force with granular data and real-time insights into commission structures and performance targets. This data-driven approach is mirrored in our newly launched Learning Management System (LMS). The LMS provides a comprehensive framework to track how our agents upskill and reskill—monitoring training hours and development milestones across regions and zones.

Product Innovation and Strategic Integration

During the year under review, Janashakthi Insurance further enhanced our flagship digital Heart Guard Product, a specialised solution designed to address critical healthcare needs by evolving the solution into a lean, accessible format.

A Year of Global Recognition

In 2025, Janashakthi Insurance’s digital leadership was validated on the international stage with two prestigious accolades. We were honoured by Global Banking and Finance Review (UK) as the 'Best Life Insurance Company for Digital Transformation – Sri Lanka 2025', a testament to our pioneering AI integration and customer-centric mobile evolution. Furthermore, our commitment to operational stability was recognised by ISACA, where we were named the 'Technology Resilient Company of the Year'. These awards collectively affirm that our manufactured capital is not only at the forefront of innovation but is built upon a foundation of world-class security and resilience.

SOCIAL AND RELATIONSHIP CAPITAL REPORT



CULTIVATING DEEP BONDS WHICH TRANSCEND BOUNDARIES FOR CREATING SHARED VALUE

We foster enduring trust by engaging deeply with our diverse stakeholders to overcome challenges and reach new heights of collective prosperity. Through these authentic connections, we transcend traditional boundaries to deliver meaningful impact and sustainable value that extends far beyond the summit.

Key Achievements 2025

Wave IV Net Promoter Score of **+18**

Processed **89,447** new policy applications

Disbursed LKR **1,543** Mn in commission payouts

Reached **+26,000** Beneficiaries Implemented community initiatives

Stakeholders Most Impacted

- Intermediaries
- Suppliers/Service Providers
- Reinsurers
- Communities
- Regulators

Our Approach to Social and Relationship Capital

At Janashakthi Insurance, we recognise that our journey is driven by the strength of our connections. Our success is fundamentally intertwined with the strength, resilience, and trust of the diverse ecosystem we inhabit. We employ a stakeholder-centric approach which represents the collective value of our bonds with customers, business partners, regulators, and the wider community.

Our approach is rooted in the belief that by empowering our stakeholders, we safeguard our own institutional stability. In 2025, we transitioned from managing mere interactions to cultivating a purpose-driven network where transparency and shared goals act as the "safety harness" for our collective growth.

By fostering a culture of integrity and transparency, we aim to democratise insurance by making protection accessible to every Sri Lankan while delivering optimal results for those who place their trust in us.



Strengthening Relationships for Value Creation

Strategic Goal	Key Achievement	Strategic Approach
Enhance Customer Experience	Attained an NPS of +18 (Wave IV) and achieved full operationalisation of the "Customer 360" CRM Model.	Utilising data-driven insights and trilingual digital platforms to minimise customer effort, standardise service quality, and deliver personalised insurance solutions.
Strengthen Partnerships	Successfully managed a network of 16 Banking Institutions and 7 Agency partners with an average relationship length of over 10 years.	Building a resilient ecosystem through ethical procurement, digital integration of supplier platforms, and global reinsurance "safety harnesses" to bolster underwriting capacity.
Ensure Compliance and Governance	Maintained a fully in compliance record across all IRCSL, CSE, and statutory obligations for the financial year under review.	Adopting a culture of radical transparency and accountability, ensuring strict adherence to anti-competitive regulations and a policy of zero political contributions.
Community Engagement	Empowered over 26,000 beneficiaries through flagship programmes like 'Nidahas Adahas' and the 'Shilpashakthi' scholarship seminars.	Moving beyond philanthropy to strategic social responsibility, focusing on inclusive education, national health awareness, and rapid-response disaster relief.
Boost industry infrastructure	A 31% growth in AI-driven policy underwriting in 2025. The Janashakthi Life Referral Management Solution was utilised 98 times in 2025.	Set industry benchmarks by leveraging technology to offer innovative insurance Solutions, strengthening the Sri Lankan insurance sector.

Focus on 2026 and Beyond

Consolidating Partner Ecosystems	Redefining the Customer Experience	Driving Future-Ready Digital Resilience
Building upon our established networks, the Company will focus on "Augmented Offerings" that transcend traditional insurance. By integrating non-insurance benefits and lifestyle rewards, we aim to deliver constant value to our policyholders, ensuring Janashakthi Insurance remains a lifelong partner in their holistic well-being rather than just a safety net for contingencies.	Our goal is to set a new industry benchmark for "Ease of Doing Business." By launching the Customer Effort Score (CES) in Q1 2026, we will rigorously measure and minimise the friction in customer and agent interactions. We are committed to simplifying processes and reducing technical jargon, making every touchpoint intuitive, transparent, and effortlessly accessible.	We will accelerate the integration of Machine Learning and AI to transition from reactive service to predictive care. By fully operationalising ongoing digital projects, we will empower our teams with real-time insights and automated agility. This evolution will ensure our Social and Relationship Capital is backed by a future-ready infrastructure, capable of navigating an increasingly complex global landscape.

Building Social and Relationship Value with Core Stakeholders

Customers — **Targeted Excellence and Innovation**

We employ sophisticated segmentation to identify and prioritise the evolving needs of our diverse customer base. By transcending traditional service boundaries, we provide enhanced convenience and continuous product innovation, ensuring that Janashakthi Insurance remains a lifelong partner in our customers' financial security.

Partnerships — **Synergy for Shared Success**

Our strategic collaborations with intermediaries, suppliers, and business partners are the catalysts for our operational agility. We work in unison with our partners to deliver targeted solutions that meet the exacting standards of our key segments, ensuring that our collective efforts drive innovation across the industry.

Reinsurers — **Global Security and Capacity**

We engage with top-tier global reinsurers to bolster our risk-carrying capacity. These relationships act as a financial safety harness, providing the global backing necessary to protect our policyholders against large-scale contingencies and ensuring long-term institutional stability.

Regulators — **A Foundation of Accountability**

Trust is built on the bedrock of compliance. We maintain an open, proactive, and transparent dialogue with all regulatory bodies, including the IRCSL. By consistently exceeding regulatory expectations, we ensure that Janashakthi Insurance remains a symbol of stability and responsible corporate governance.

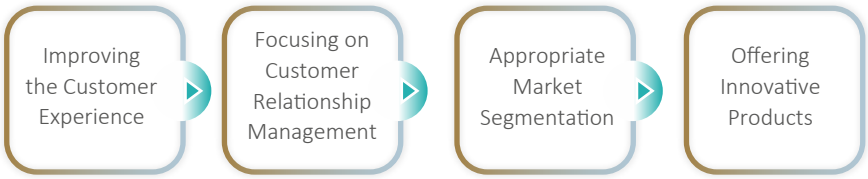
Communities — **Investing in Collective Resilience**

We believe our success is intertwined with the well-being of the communities in which we operate. Beyond philanthropy, we invest in initiatives that empower individuals and promote national resilience. By supporting the social fabric that sustains us, we create a legacy of impact that extends far beyond our commercial goals.

SOCIAL AND RELATIONSHIP CAPITAL REPORT

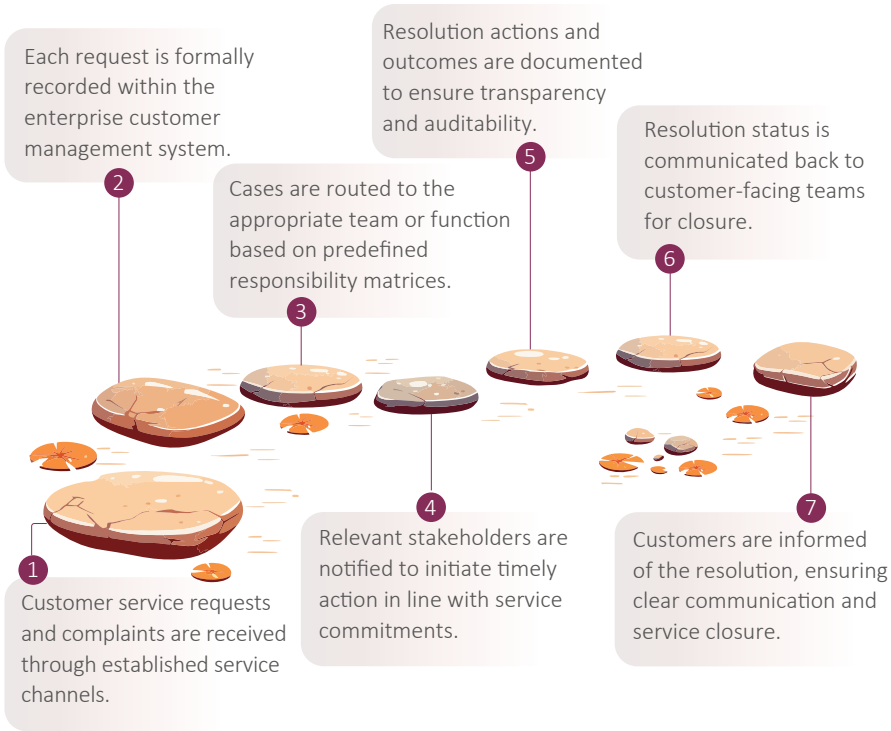
ELEVATING CUSTOMER CAPITAL VALUE

For Janashakthi Insurance, our customers are more than policyholders; they are the primary architects of our business growth and success. We recognise that their trust is critical for our institutional stability, especially as we navigate the complexities of a shifting financial landscape. By placing the customer at the summit of our strategic priorities, we transform individual interactions into enduring partnerships, ensuring that every innovative product and digital enhancement serves a singular purpose: providing the security and peace of mind that empowers our clients to reach their own milestones.



Strategic Customer Experience and CRM Integration

During the year under review, the Company reached a significant milestone in our digital transformation journey with the full-scale optimisation of our centralised Customer Relationship Management (CRM) system. This "Customer 360" module serves as our single source of truth, merging policy details, claims history, and service interactions into one platform. This integration ensures faster response times, eliminates the need for customers to repeat information, and allows for a more proactive, personalised service experience. Additionally, by automating workflows and integrating with core policy systems, we have eliminated data silos across departments.



- Service Level Agreements (SLAs) are defined and monitored to ensure timely and consistent resolution
- A two-tier escalation framework provides governance and accountability, with oversight at supervisory and departmental levels.
- A 360-degree customer view enables authorized staff to access complaint history, supporting consistent and informed service delivery.

This model empowers our teams with data-driven insights to deliver personalised solutions and rapid grievance resolution, effectively transforming every customer interaction into an opportunity to build long-term loyalty and institutional trust.

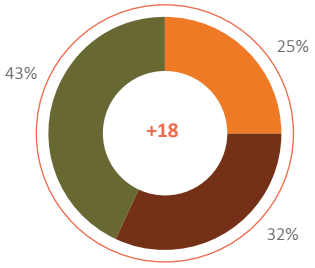
Our unwavering commitment to service excellence is evidenced by the positive trajectory of our Wave IV Net Promoter Score (NPS), which reached +18 in 2025. This achievement stems from strategic, targeted initiatives designed to enhance high-impact touchpoints, most notably by addressing historical bottlenecks in claim settlement to improve overall service responsiveness. By standardising quality across all physical and digital channels, we have ensured a consistent and seamless experience that fosters enduring trust and reinforces the loyalty of our policyholders as we move beyond the summit of traditional service delivery.

Re-engineering the Customer Journey

As part of our goal to enhance customer experience, the Company digitised critical touchpoints to deliver unprecedented ease of use. Our AI-driven underwriting ensures high-precision risk assessment, while our enhanced Mobile App now facilitates claim settlements within 48 hours.



Wave IV Net Promoter Score (NPS) Breakdown



Inclusive Communication and Digital Expansion

Janashakthi Insurance remains committed to making insurance accessible and understandable for all Sri Lankans. To support this goal, we have further enhanced our "Mobile App" for trilingual engagement, automated alerts, and ensures the use of simple, user-understandable language.

Trilingual Engagement

To ensure inclusivity, all customer communications, including the Janashakthi Life App, are available in Sinhala, Tamil, and English.

Automated Alerts

We have enhanced our notification framework for key events such as policy dispatch, claim approvals, and maturity payouts, keeping customers informed in real-time.

Simplified Language

Through our "Comprehensive Customer Communication Framework," we have moved away from technical jargon to use clear, pertinent information that empowers policyholders.

Product Innovation and Market Segmentation

Janashakthi Insurance employs a sophisticated, segmented approach to effectively navigate the complexities of a diverse marketplace, encompassing both individual and corporate clients. By categorising our customer base into distinct archetypes, we transcend "one-size-fits-all" solutions, offering a bespoke range of policies designed to meet the precise financial needs of each segment. This methodology has two-fold benefits: it enhances the customer experience through targeted, gratifying service and serves as a strategic driver for deeper market penetration. As we move forward, we remain committed to refining these segments through data-driven insights, ensuring that our future innovations continue to elevate the standard of protection and convenience for all our stakeholders.

The Company uses a robust Business Innovation Council to ensure our product portfolio remains ahead of market trends. Our segmented approach allows us to deliver targeted solutions across four primary pillars.

Pillar	Focus Area	Value Proposition
Protection and Health	Financial Security	Comprehensive plans like Janashakthi Heart Guard, featuring Video KYC.
Child Future	Education and Stability	Long-term investment solutions for the next generation.
Retirement	Financial Independence	Annuity-based products for a dignified post-career life.
Investment	Wealth Creation	High-yield, flexible options with built-in life protection.

Our Product Portfolio

Janashakthi Insurance offers a range of insurance products and solutions (detailed on pages 24-25 of this report) designed to empower customers.

Governance and Transparency

Customer Policyholder Charter

Our Board-approved Policyholder Charter, published on our website, acts as our promise of transparency. It outlines our commitment to clarity in terms of time and cost, and provides a clear roadmap for the grievance process, ensuring we maintain our competitive edge as a "fastest and best" service provider.

GRI 2-25

Effective Grievance Resolution

We provide a multi-channel grievance handling process (Call Centre, App, Social Media, and Branches) to ensure prompt resolution. We are pleased to report zero serious grievances during the year under review, with significant improvements in the speed and quality of complaint resolution.

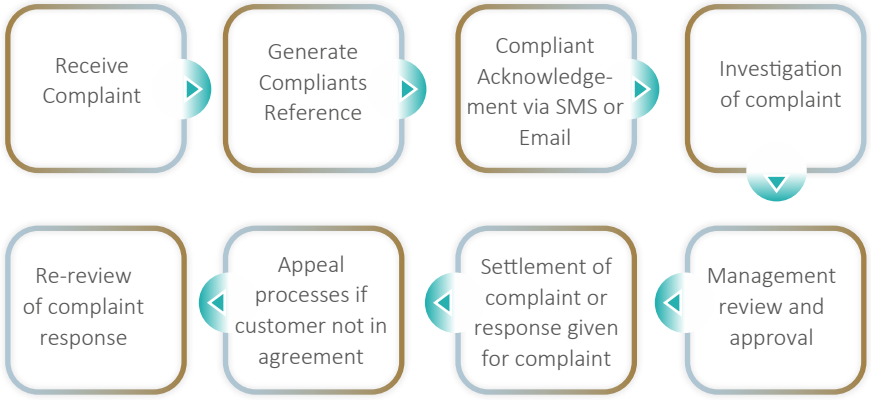
GRI 418-1

Protecting Customer Privacy

Trust is the bedrock of our relationship capital. We employ advanced encryption, regular audits, and rigorous employee training to safeguard data. There were no substantiated complaints concerning breaches of customer privacy or losses of customer data during the year under review.

SOCIAL AND RELATIONSHIP CAPITAL REPORT

Customer Grievance Handling Process



STRENGTHENING PARTNERSHIP CAPITAL

The Company understands that a cohesive ecosystem of partners who share our vision and commitment to excellence is fundamental to building a resilient network that fosters continuous innovation and sustainable growth. Accordingly, we view our Intermediaries, Suppliers, and Reinsurers as essential extensions of our value chain. With our continued focus on ethical procurement, digital transformation, and strategic synergy, we ensure a resilient foundation for sustainable growth.

Ethical Procurement

We maintain transparent, integrity-led supplier relationships that guarantee operational efficiency.

Digital Integration

Our proprietary supplier management platforms have been further optimised in 2025 to streamline procurement cycles and financial settlements.

Strategic Expansion

We continue to broaden our horizons by onboarding new financial institutions and digital payment partners to enhance our service delivery.

Our long-term stability is evidenced by the increasing maturity of our key partnerships.

GRI 414

Ethical and Sustainable Procurement

Ethical conduct forms the basis of Janashakthi Insurance's procurement strategy, underpinned by rigorous assessments to ensure all partners align with our core values and statutory requirements. We demand strict adherence to all Sri Lankan regulatory frameworks and maintain a zero-tolerance policy towards forced or child labour within our supply chain, thereby upholding fundamental human rights. Furthermore, we advocate partner integrity through full compliance with our anti-bribery and corruption policies, ensuring that our procurement activities remain transparent, ethical, and contributing to the sustainable growth of our broader partner ecosystem.

A dedicated Procurement Committee oversees all high-value transactions to ensure impartiality and merit-based selection. We are pleased to report zero adverse social repercussions identified within our supply chain for the financial year ending 31st December 2025.



Business Partner Network

Types of Business Partners	2025		2024		2023		2022		2021	
	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**
Agents	7	10	7	9	7	8	7	7	7	6
Banking Institutions	17	16	17	15	16	14	16	13	16	12
Actuaries	1	10	1	9	1	8	1	7	1	6
Supermarket Chains	1	11	1	10	1	9	1	8	1	7

**No. of Partners (NOP)*

***Length of Relationship in Years (LOR)*

GRI 204

Collaborative Supplier Relationships

We prioritise local procurement to support the national economy, adhering. Our supplier management platform, now in its fourth year of operation, has become the primary driver for communication and transparency across our supply chain.

Global Reinsurance

Janashakthi Insurance is supported by a robust network of world-class reinsurers. We view these partnerships as a "financial safety harness", an essential layer of protection that allows the Company to scale new heights of risk-taking while ensuring absolute stability for our policyholders. By transferring a portion of our risk to global giants, we enhance our underwriting capacity and protect our balance sheet against catastrophic events and large-scale claims.

Capital Optimisation

Our reinsurance treaties are structured to free up internal capital, allowing us to invest in innovative product development and digital transformation.

Global Resilience

We collaborate with highly rated international reinsurers to ensure that our protection remains steadfast, regardless of local economic volatility or natural disasters.

Prudent Risk Management

In 2025, Janashakthi Insurance successfully submitted its Reinsurance Risk Transfer Programme to the IRCSL within the statutory deadline, reaffirming our commitment to regulatory excellence and financial discipline.

Through these enduring global alliances, we provide our policyholders with the peace of mind that comes from being backed by a global fortress of financial strength.

COMMITTED TO REGULATORY COMPLIANCE AND ETHICAL GOVERNANCE

In the insurance industry, trust is the primary currency. At Janashakthi Insurance, we recognise that rigorous regulatory compliance is more than a legal obligation, it is a cornerstone of the trust placed in us by our stakeholders. Accordingly, the Company remains steadfast in our commitment to adhering to all national regulations and financial guidelines governing the Sri Lankan insurance market. As a prominent entity listed on the Colombo Stock Exchange, transparency and accountability remain our guiding principles as we look Beyond the Summit to set new benchmarks in corporate integrity.

Relationships with Key Suppliers

Types of Business Partners	2025		2024		2023		2022		2021	
	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**	NOP*	LOR**
Stationery Products	8	12	8	11	6	10	10	8	3	7
IT Services	4	19	4	18	13	17	11	16	10	15
Security Services	1	12	1	11	3	10	1	7	1	6
Janitorial Services	2	12	2	11	3	10	2	7	1	6

**No. of Partners (NOP)*

***Length of Relationship in Years (LOR)*





Socio-Economic Compliance

GRI 2-27

We act as a responsible corporate citizen by ensuring complete alignment with the statutory requirements of the Insurance Regulatory Commission of Sri Lanka (IRCSL). Our commitment extends to the following areas.

Labour Excellence

We prioritise the well-being of our workforce by strictly adhering to all applicable labour laws and the Shop and Office Employees Act, fostering a workplace defined by fairness and responsibility.

Fiscal Responsibility

Janashakthi Insurance contributes to the nation's economic resilience by promptly fulfilling all statutory and tax obligations.

SOCIAL AND RELATIONSHIP CAPITAL REPORT

The Company's efforts have continuously resulted in the achievement of zero non-compliance record over the years, reflecting our unwavering commitment to ethical business operations and the highest standards of regulatory requirements and voluntary best practices.

Fair Operating Practices

Fair operating practices involve conducting business with integrity, transparency, and respect for ethical standards. Today's businesses are expected to engage honestly with stakeholders, comply with laws and regulations, and promote fair competition, thereby fostering trust and accountability in the marketplace.

Anti-Competitive Behaviour

➲ GRI 206-1

The Company remains committed to fostering a fair and transparent marketplace. We actively adhere to all regulations regarding anti-competitive behaviour, anti-trust issues, and monopoly practices.

During the year under review, there were no legal actions pending or completed regarding anti-competitive behaviour or violations of anti-trust and monopoly legislation.

➲ GRI 415-1

Public Policy and Political Contributions

To maintain our independence and uphold the highest level of corporate objectivity, Janashakthi Insurance maintains a strict policy regarding political neutrality. The Company does not make any financial or in-kind political contributions to political parties, politicians, or related institutions. This ensures our resources are dedicated solely to creating shared value for our customers and communities.

Community Engagement and Social Responsibility

➲ GRI 413

At Janashakthi Insurance, our sustainable journey is intrinsically linked to the prosperity of the community within which we operate. We approach community engagement as a core component of our Social and Relationship Capital, recognising that our long-term value creation is interdependent with the resilience and well-being of our communities. For over 30 years, we have transitioned from traditional philanthropy to a strategic "Social Responsibility" model, proactively mitigating any potential adverse operational impacts while empowering individuals and businesses to scale new heights of opportunity.

Key Initiatives 2025

Lighting the Spark of Learning and Education





'Nidahas Adahas' Art Competition and Exhibition

'Nidahas Adahas' Art Competition and Exhibition: In 2025, this signature youth initiative of the Company reached a new milestone, attracting over 20,000 submissions islandwide. The program provides a platform for children (ages 3–10) to transcend boundaries through creativity. The 2025 event culminated in an exhibition of the top 100 artworks at the Sri Lanka Foundation Institute, complemented by skill-building workshops led by a distinguished panel of judges.



Janashakthi 'Shilpashakthi' Grade 5 Scholarship Programme

Janashakthi 'Shilpashakthi' Grade 5 Scholarship Programme: This year, we empowered over 5,000 students across 30+ schools nationwide. Led by renowned educationalists, the 2025 seminars focused on equipping both students and parents with the mental and academic tools to succeed, reinforcing our commitment to inclusive and equitable quality education.





Key Initiatives 2025

Community Resilience and Relief









Janashakthi Foundation's Community Initiatives

Janashakthi Foundation's Community Initiatives: Under our community development pillar, the Foundation continued its mission of long-term transformation. A key 2025 highlight included the "Celebrating Strength. Sharing Love." initiative, which focused on supporting elderly communities and honouring their lifelong contributions to society.

Maho Bakmeewewa Primary School (Life Operations CSR)

Maho Bakmeewewa Primary School (Life Operations CSR): On 4th December 2025, our Life Operations team led a targeted intervention for this rural interior school following the Ditwah Cyclone. To ensure education remained uninterrupted, the Company donated essential learning materials and a multimedia projector, totalling LKR 471,675 , enhancing both physical access to education and digital classroom resources.

Siyatha 'Rata Wata Lengathukama' Partnership

Siyatha 'Rata Wata Lengathukama' Partnership: In response to severe floods which occurred in Sri Lanka during November 2025, we partnered with Siyatha to provide essential relief and hope to disrupted lives. This collective effort underscored our role as a steady partner to the nation during times of crisis.

National Health and Wellness

ICA International Colombo Half Marathon 2025

ICA International Colombo Half Marathon 2025: As the title sponsor of this December 2025 event, Janashakthi Insurance championed a national cause, "raising awareness for organ donation". By uniting over 2,000 runners, we leveraged the power of sport to foster collective responsibility and support underprivileged children in orphanages across the country.





HUMAN CAPITAL REPORT



NURTURING A WORKFORCE THAT REDEFINES POSSIBILITY

Our people are the creators of our ascent, transforming every challenge into a milestone of growth. By fostering a culture of continuous learning and resilience, we empower a workforce that consistently reaches beyond the summit to redefine what is possible at Janashakthi Insurance PLC.

Key Achievements 2025

The Janashakthi Group, including Janashakthi Insurance PLC, was honoured with the Silver Award (Runner-Up) in the Finance, Insurance, Real Estate, and Investment Sector at the Great HR Awards 2025, organised by the Chartered Institute of Personnel Management (CIPM)

In 2025, our focus on capability building culminated in a significant productivity milestone, achieving LKR 19 Mn GWP per employee. This represents a remarkable 7% year-on-year increase, reflecting the rising calibre of our talent.

Our commitment to "Elevating" the employee experience is reflected in our 20% youth representation. By embedding flexible and hybrid working arrangements into our daily operations, we provide the agility required for our future leaders to thrive.

Stakeholders Most Impacted

- Intermediaries
- Policyholders

Our Approach to Human Capital

At Janashakthi Insurance, we believe that sustainable performance is rooted in a workforce that is capable, engaged, and holistically supported. We treat human capital management as a strategic enabler rather than an operational function. The principles of fairness, inclusivity, meritocracy, and accountability underpin our framework.

During the year under review, we strengthened this approach by emphasising trust, flexibility, and leadership depth in response to evolving workforce expectations and Environmental, Social, and Governance (ESG) priorities. The HR function operates within a shared services framework across the Janashakthi Group, ensuring consistency in governance while facilitating the cross-pollination of best practices.

Human Resource Policies

We remain committed to a people-centric approach through well-structured HR policies, including:

- Code of Conduct
- Work From Home (WFH) Policy
- Flexi-Hours Policy
- Staff Loan Policy
- Recruitment Policy
- Attendance & Leave Policy
- Training & Development Policy
- Performance Management Policy
- Workplace Harassment Policy
- Dress Code Policy
- Grievance Handling Policy
- Disciplinary Policy

Our Human Capital Milestones

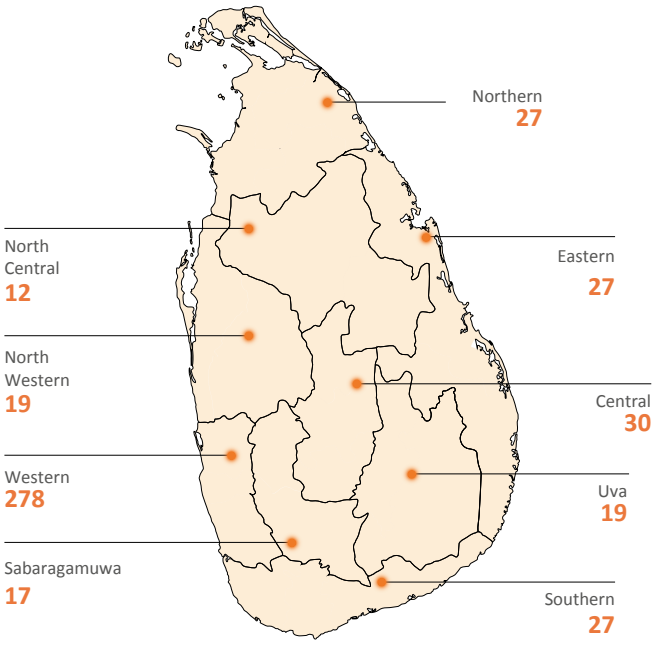
Strategic Goal	Key Achievement	Strategic Approach
Continuous Talent Development	Promoted 49 employees and delivered 11.52 average training hours per person.	Adopting the 70:20:10 learning model and a revamped, gamified LMS to drive meritocratic growth.
Cultivating an Exemplary Workplace Culture	Secured Silver Award at the Great HR Awards 2025 and maintained 88% GPTW satisfaction.	Transitioning to an outcome-driven, trust-based work environment following the 2025 Head Office relocation.
Workforce Resilience and Stability	Established a Management Trainee Programme with a leading university and maintained 13% long-tenure staff.	Fortifying the leadership pipeline by cultivating local talent and mitigating migration-driven attrition.
Holistic Employee Well-being	Awarded LMD Most Respected Top 50 status for Well-being and established an in-house counsellor.	Prioritising psychological safety through the "Rainbow Well-Being" framework to build resilience.
Operational & Governance Excellence	Achieved 100% completion of performance dialogues and resolved all grievances via a senior-led committee.	Embedding GRI 2021 Standards and ethical governance into the shared services HR framework.

Focus on 2026 and Beyond

Consolidating Strategic Foundations	Embedding Innovation as a Daily Discipline	Driving Future-Ready Resilience
Having established a trust-based workplace and a robust 70:20:10 learning model, the Company plans to focus on deepening these practices across the Janashakthi Group.	Moving beyond occasional initiatives, our goal is to integrate innovation into our daily operations. We will empower our workforce to challenge the status quo and refine day-to-day tasks through agile methodologies and digital tools, ensuring that "innovation" remains a real experience for every employee.	We will continue to reinforce our leadership pipeline and enhance our talent retention strategies to navigate shifting market dynamics. By fostering a culture that prioritises both individual purpose and collective agility, Janashakthi Insurance will remain at the forefront of the industry, ready to redefine what is possible in the years to come.

Furthermore, the Company's Human Resources strategy was aligned with the corporate theme: "Elevate." This mandate transformed our people agenda, focusing on four strategic pillars: employee experience, leadership capability, workplace culture, and organisational resilience. By transitioning from traditional administration toward a progressive, trust-based model, we have ensured that our human capital remains the primary driver of sustainable value creation.

Total Employees by Region



Province	No. of Employees				
	2021	2022	2023	2024	2025
Central	38	14	27	29	30
Eastern	40	22	22	12	27
Northern	42	19	15	18	27
North Central	14	28	13	11	12
North Western	24	12	18	12	19
Sabaragamuwa	24	16	19	15	17
Southern	36	16	27	32	27
Uva	36	21	21	23	19
Western	189	218	195	220	278
Total	443	366	357	372	456

HUMAN CAPITAL REPORT

GRI 403-1

Elevating the Workplace Experience

A defining milestone during 2025 was our relocation to state-of-the-art office premises. Designed to dismantle rigid hierarchies, this modern workspace promotes agility and innovation. This physical shift will enable the Company to further establish a cultural transition toward outcome-driven accountability. While maintaining robust governance systems, the Company works towards empowering our teams through mutual trust, enhancing both engagement and work-life integration.

GRI 405-1

Diversity, Equity, and Inclusion

The Company maintains a diverse workforce and is committed to gender pay equity and equal representation across all management levels. In 2025, our efforts in fostering an inclusive culture were reflected in our Great Place to Work® Trust Index score of 88%.

GRI 2-23, 405,406,408

Cultural Values and Ethical Commitments

The Company's core values guide our decision-making and leadership behaviours. These values are embedded in our policies to mitigate risk and ensure cultural consistency.

GRI 202-2, 401-1

Employment and Talent Acquisition

During the year under review, the Company's recruitment activities remained strategically aligned with our long-term growth trajectory, adjusted to navigate the evolving Sri Lankan economic landscape and shifting market trends. The Company remains committed to a talent management strategy that prioritises local expertise and aligns with the aspirations of a modern workforce. We continue to focus on sourcing leadership and specialised talent from the local community to drive contextual innovation and national economic contribution.

During the financial year under review, we welcomed 202 new employees into the Janashakthi family. Our steadfast focus remains on providing a comprehensive, high-touch onboarding experience that transitions recruits into high-performing contributors.

Gender-Wise New Recruitments

Gender	2024	2025
Male	116	145
Female	65	57
Total	181	202

Employees Hired by Categories

Grade	No. of Employees	
	2024	2025
Junior Executive	43	30
Executive	54	26
Senior Executive	18	55
Assistant Manager	20	33
Senior Assistant Manager	25	20
Manager	12	20
Consultant	1	-
Senior Manager	6	11
Deputy General Manager	1	4
Deputy CEO	1	-
Assistant General Manager	-	2
General Manager	-	1
Total	181	202

Employees Hired by Region

Province	No. of Employees	
	2024	2025
Central	29	30
Eastern	12	27
Northern	18	27
North Central	11	12
North Western	12	19
Sabaragamuwa	15	17
Southern	32	27
Uva	23	19
Western	220	278
Total	372	456

Our Promise to Employees



Inclusive Recruitment: Non-discriminatory, merit-based selection.

Structured Integration: Comprehensive onboarding and "buddy" systems.

Growth Pathways: Enabling fulfilling careers through continuous learning.

Holistic Rewards: Competitive compensation that supports total well-being.

Ethical Labour: Zero tolerance for forced or child labour and full respect for employee rights.

Dignity and Respect: A workplace free from discrimination regardless of background, belief, or creed.

Our Onboarding Journey

Our structured onboarding framework is designed to acclimate new hires to our culture, history, and the "Elevate" mandate.

- Cultural Immersion: Every new hire receives a warm welcome through curated welcome packs and structured induction programmes detailing HR policies and career growth pathways.
- The "Friend at Work" Initiative: To ease the transition, we employ a buddy system and welcome lunches, fostering immediate social capital and belonging.
- Goal Alignment: Within the first two months, employees collaborate with managers to establish individual performance goals, ensuring their output is directly linked to our "Beyond the Summit" strategic objectives.
- Continuous Feedback Loop: The process is strengthened by a mentorship programme and regular HR check-ins. We conduct "call-back" interviews at the three-month mark to gather candid feedback, allowing us to refine our onboarding effectiveness in real-time.

➲ GRI 404-3

Employee Promotions and Career Growth

At Janashakthi Insurance, we view career progression as a journey of continuous elevation. Our promotion process is anchored in a robust competency-based framework, which serves as the cornerstone of our meritocratic culture. By moving beyond subjective criteria, this framework ensures absolute transparency and fairness, focusing on demonstrable skills, leadership behaviours, and the potential to scale new heights.

Employees are evaluated against a clearly defined matrix of functional and behavioural competencies tailored to their target roles. This objective approach ensures that career advancement is a direct reflection of an individual's ability to deliver value and drive organisational resilience.

In 2025, 49 employees earned promotions across various grades, a testament to their exceptional performance and dedication to the Company's vision. These promotions reflect our "grow-from-within" philosophy, where we prioritise the development of our internal talent pipeline to fill critical leadership gaps.

Employees category-wise promotions

Grade	No. of Employees				
	2021	2022	2023	2024	2025
DGM	1	-	-	-	-
AGM	-	2	-	2	03
Senior Manager	3	4	2	1	03
Manager	4	2	2	5	07
Senior Assistant Manager	-	-	3	13	08
Assistant Manager	6	4	4	6	10
Senior Executive	3	3	2	5	11
Executive	-	4	26	1	07
Junior Executive	7	8	-	-	-
Total	24	27	39	33	49

Our commitment to recognising and rewarding talent is a strategic investment in the collective success of our workforce. Each promotion represents a milestone in our journey beyond the summit, reinforcing a culture of high achievement and mutual growth.

➲ GRI 404-3

Performance Management and Recognition

The Company's performance management system is the mechanism which drives our meritocratic culture, ensuring a direct and transparent link between individual contribution and corporate success. In 2025, we continued to refine our automated appraisal process, anchored in a robust behavioural competency framework. This system ensures that evaluations are not merely retrospective but serve as a forward-looking dialogue to align personal aspirations with our strategic ascent.

The appraisal cycle is tailored to drive continuous improvement and organisational agility. Our leadership team and executives engage in rigorous bi-annual strategic reviews against challenging Key Performance Indicators (KPIs), allowing for rapid calibration in a dynamic market landscape. This is complemented by comprehensive annual evaluations for all employees, where supervisors facilitate a holistic dialogue focused on both technical output and behavioural growth. By integrating these multi-layered assessments, we ensure that every team member's professional trajectory is directly aligned with our collective pursuit of excellence.

In 2025, 100% of our eligible workforce participated in structured career development and performance reviews to align with their personal professional development aspirations and the Company's strategic growth plans.

Recognition and Rewards

We believe that exceptional performance deserves extraordinary recognition. Our rewards program is designed to celebrate those who go "Beyond the Summit" through both formal and peer-led initiatives.



Celebrating Loyalty and Service

HUMAN CAPITAL REPORT

Merit-Based Awards

Recognising consistent high performance and adherence to our core values.

Peer-to-Peer Nominations

Fostering a culture of appreciation where excellence is celebrated across all levels of the organisation.

Great Manager Awards

Identifying and rewarding leaders who demonstrate exceptional people-management capabilities and drive team resilience.

During the year under review, the Company's Annual Awards Ceremony was held at ITC. This event celebrated the outstanding contributions of 205 high achievers, whose dedication and innovation have been instrumental in elevating Janashakthi Insurance to new heights.

Succession Planning and Leadership Readiness

To ensure leadership continuity, we utilised BTI profiling and leadership assessments to identify successors for critical roles. These individuals underwent a comprehensive Management Development Programme in collaboration with the Postgraduate Institute of Management (PIM), ensuring a robust pipeline of future-ready leaders.

Strategic Retention

GRI 404-1, 401-2

Janashakthi Insurance remained cognisant of the ongoing talent mobility challenges driven by global migration trends and a competitive local labour market. To safeguard our organisational resilience and ensure continuity "beyond the summit," we implemented a multi-pronged retention and succession strategy.

- Cultivating Local Talent: We refined our long-term recruitment strategy to focus on the "homegrown" advantage, attracting individuals whose personal growth aspirations align with our national footprint.
- Management Trainee Programme: In a strategic partnership with a leading Sri Lankan university, we established a flagship Management Trainee programme. This initiative creates a steady pipeline of future leaders, ensuring our leadership bench remains deep and resilient.
- Agile Resource Management: To minimise operational disruptions during transitions, we utilised temporary bridging placements. This allowed for seamless knowledge transfer and maintained service excellence for our policyholders.

While the landscape remains challenging, with 28 voluntary resignations recorded in 2025, the Company's focus remains on enhancing the "Janashakthi Experience" to remain an employer of choice.

Total Gender-Wise Resignations (Voluntary & Non-Voluntary)

Gender	2024	2025
Male	93	102
Female	32	39

Employee Turnover Rate

Year	As a Percentage
2019	26.9%
2020	17.1%
2021	18%
2022	24%
2023	24%
2024	11.78%
2025	8.48%

Gender-Wise Retirements

Gender	2024	2025
Male	1	1
Female	1	1

Voluntary Resignations

Reason	2024	2025
Personal	4	6
Better Prospects	19	13
Family Commitment	3	2
Government Jobs	5	1
Migration	5	4
To start an Own Business	1	2
Total	37	28

Tenure and Workforce Stability

The following table outlines our workforce by tenure and gender, reflecting a strategic equilibrium between institutional wisdom and growth-oriented agility. Our talent ecosystem is anchored by 13% of our professionals who offer over 15 years of seasoned expertise, providing a stable foundation of deep-rooted experience. This is complemented by 28% of our team within the 2–5 year tenure bracket, whose fresh perspectives and future-ready energy act as a catalyst for innovation as we continue our ascent beyond the summit.

Years of Service by Gender

Years	2025		
	Male	Female	Total
Below 1 Year	92	37	129
1 - 2 Years	40	42	82
2 - 5 Years	70	58	128
5 - 10 Years	23	18	41
10 - 15 Years	5	10	15
Above 15 Years	28	33	61
Total	258	198	456

A Holistic Total Rewards Philosophy

GRI 401-2

To attract, motivate, and retain the industry's finest talent, the Company remains committed to a sophisticated and competitive Total Rewards framework. Our approach surpasses conventional salary structures designed to meet the diverse needs of a multi-generational workforce, while acknowledging the varying life stages and professional aspirations of our team members.

We believe that true value is created when financial rewards are harmonised with comprehensive well-being. By tailoring our offerings to support the financial, physical, and professional health of our employees, we foster a culture where individuals feel genuinely valued and empowered to reach their peak potential.

Financial Rewards	Non-Financial & Lifestyle Benefits
Competitive Remuneration: Benchmarked against industry standards to ensure market leadership.	**Comprehensive Health Coverage:** Holistic medical insurance supporting employee and family well-being.
Performance-Based Bonuses: Direct incentivisation of excellence, aligning individual output with corporate goals.	**Future Security:** Robust retirement plans and provident fund contributions to ensure long-term financial stability.
Profit-Sharing Incentives: Empowering our people to share in the collective success of the Company's ascent.	**Work-Life Integration:** Progressive paid leave policies and flexible arrangements that respect personal commitments.
	Continuous Growth: Fully funded learning and development programmes and exclusive employee perks.

Employee Compensation and Benefits

Type of Benefit	No. of Eligible Employees			
	2022	2023	2024	2025
Life Cover	341	357	284	449
Indoor Medical (Family)	248	299	257	402
Critical Illness cover	341	357	284	449
Personal Accident Cover	341	357	284	449
OPD	248	161	144	149
Death Donation	341	357	347	228
Distress Loans	32	45	41	36
Education Loan	5	-	-	-
Professional Subscriptions	-	7	10	10
Phone Allowance	7	17	23	39
Internet Allowance	120	159	123	125
Fuel Allowance	96	121	130	164
Travel/Vehicle Allowance	161	190	191	209

Learning and Development

GRI 404-1, 404-2, 404-3

As a part of the Company's efforts to build a future-ready workforce, Janashakthi Insurance intensified its focus on narrowing the gap between current capabilities and future-ready skills. Our Learning and Development (L&D) framework is designed to empower employees to "Elevate" their professional standards, ensuring they remain resilient in an increasingly complex financial landscape.

During the year under review, we prioritised a diverse curriculum that blended technical insurance expertise with modern digital skills and leadership coaching. This strategic investment in our people ensures that our workforce is equipped for both today's challenges and is also capable of driving innovation as we move beyond conventional service delivery.

Overview of Key Learning and Development Milestones

Milestone	Strategic Impact
LMS Revamp	Transitioned to a personalised, gamified digital platform to enhance self-directed learning.
Resilience Workshops	Integrated unconventional sessions with cultural influencers to foster adaptability and change management.
Specialist Seminars	Facilitated international exposure through regional summits in Mumbai and across South Asia for technical roles.

HUMAN CAPITAL REPORT

Strategic Training Programmes Conducted in 2025

Our 2025 training calendar reflected a balanced focus on compliance, technical proficiency, and personal excellence. Total investment in learning and development programs recorded a 34% increase to LKR 24 Mn in 2025 compared to the previous financial year.

Technical and Compliance Excellence	Operational and Digital Agility	Leadership and Behavioural Transformation
Regulatory & Risk: AML Training, In-depth Workshop on Personal Data Protection Act, and Data Privacy & Protection Summit.	**Process Improvement:** Training sessions on Kaizen, Productivity Power Hour, and Training on Canva for digital content.	**Soft Skills:** Speech and Conversational Coaching, Present with Impact, and Personal Grooming.
Insurance & Actuarial: Munich Re Ascend 2025 (Underwriting & Claims Seminar, Mumbai), South Asian Actuarial Conference, Introduction to Actuarial Science, and Medical Underwriting Training.	**Sales & Service:** SSO Induction Programme, Customer Service & Service Orientation, and Excellence in Telephone Etiquette.	**Leadership Development:** Coaching for Results, Training on Good to Great, and Building Competencies.
Finance & Investment: Navigating Financial Markets, International Management Accounting Conference, and Social Bonds: Unlocking Sustainable Investment Opportunities.		**Well-being & Values:** Value Rollout sessions, Mental Health Awareness, and The Fatherhood Forum.

Learning and Development Initiatives Over the Years

	2023			2024			2025		
	No. of Programs	Training Hours	No. of Participants	No. of Programs	Training Hours	No. of Participants	No. of Programs	Training Hours	No. of Participants
Classroom Training	20	3,654.5	649	11	1,775	325	36	3,507.5	687
Virtual Training	07	422	51	06	445	68	15	491	108
External Training	36	2,561	345	39	3,115	431	30	623	190
Total	63	6,637.5	1,045	56	5,335	824	81	4,621.5	985

Type of Training Programs by Employee Categories

	2023			2024			2025		
	Non-Executives	Executives	Managers/ Supervisors	Non-Executives	Executives	Managers/ Supervisors	Non-Executives	Executives	Managers/ Supervisors
Classroom Training	4,093	466	183	-	260	65	-	447	240
Virtual Training	-	33	18	-	45	23	-	82	26
External Training	-	209	136	-	282	149	-	151	39
Total	4,093	708	337	-	587	237	-	680	305

➲ GRI 403, 405

Holistic Well-Being and Occupational Health

The Company recognises that a resilient workforce is the foundation of sustainable growth. Our proprietary "Rainbow Well-Being" framework adopts a comprehensive approach to health, spanning physical, mental, and emotional dimensions. In 2025, we placed a particular emphasis on psychological safety by providing staff with direct access to an in-house counsellor and facilitating regular resilience-building activities, including mindfulness and yoga sessions. These efforts were independently validated when the Company was featured among the LMD Most Respected Top 50 Entities for 2025 in the Employee Well-being category, a testament to our commitment to nurturing a workplace where our people can truly thrive.

➲ GRI 401-2, 403-6

Employee Engagement: Fostering a Vibrant Culture

Our engagement calendar is a vital component of the Janashakthi Insurance experience, designed to build social cohesion and celebrate our diverse cultural heritage. In 2025, we hosted a series of events that transitioned beyond traditional team building to focus on holistic wellness, creative expression, and communal celebration.

Cultural and Heritage Celebrations	Creative Expression	Wellness and Vitality	Camaraderie and Celebration
We honoured local traditions through the Bakmaha Ulela and the Vesak Lantern Competition, fostering a sense of community and shared values.	Employees showcased their talents during the Musical Evening by Knights, Singing Star, and themed events such as Crepe Day, injecting vibrancy into the daily work environment.	Reflecting our commitment to "Rainbow Well-being," we hosted a Self-Care and Relaxation Workshop and promoted healthy habits with Kola Kenda Day.	The Janashakthi Life 31st Anniversary marked a significant milestone in our journey, while events like the QPL Quiz Championship (Season 5) and HQ Mini Octoberfest encouraged healthy competition and social interaction.













Ethical Governance and Grievance Management

➲ GRI 406-1

Integrity and mutual respect are non-negotiable pillars of our corporate culture. Janashakthi Insurance maintains a strict zero-tolerance policy toward all forms of discrimination, ensuring a workplace built on merit and dignity. This commitment is supported by a robust grievance management framework, overseen by a senior management-led Grievance Handling Committee that guarantees absolute confidentiality and impartial review. During the year under review, the Company recorded zero incidents of discrimination, and we are pleased to report a 100% resolution rate for all internal grievances within stipulated timeframes, reinforcing our culture of accountability and trust.

INTELLECTUAL CAPITAL REPORT



HARNESSING THE POWER OF INTELLECTUAL CAPITAL TO DELIVER LASTING VALUE

Through the strategic application of intellectual capital, we gain a competitive advantage to deliver enduring value and consistent excellence.

Key Achievements 2025

A- (ifs)
Credit Rating with a Stable Outlook given by Lanka Rating Agency

Ranked **37th**
Among Top 50 Most Loved Brands

Ranked **2nd**
On TikTok in the industry within two years

Best Life Insurance Company
for Digital Transformation - Sri Lanka 2025

Stakeholders Most Impacted

- Employees
- Shareholders
- Policyholders
- Community/ Society

Our Approach to Intellectual Capital

At Janashakthi Insurance, we take a holistic approach to managing intellectual capital by systematically integrating our collective expertise across all business functions to deliver sustainable value to our stakeholders. This commitment is underpinned by four strategic pillars. Our focus on Brand Equity elevates our identity through insight-led marketing and deep customer engagement, and the Digital Transformation pillar enables the Company to leverage advanced technologies to refine service delivery and operational agility.

Simultaneously, we prioritise Employee Empowerment, investing in the continuous skill enhancement of our people to drive innovation and excellence. Our final pillar focuses on Stakeholder Connectivity to ensure that transparency and meaningful dialogue remain the basis of our long-term trust and loyalty. By harmonising these elements, we improve our competitive differentiation and secure the Company's foundation for future value creation.



Committed to Natural Resource Conservation

Strategic Goal	Key Achievement	Strategic Approach
Elevate Brand Visibility	Secured prestigious industry accolades, validating our market-leading position and enhancing brand equity among peers and customers. Comprehensive product and service labelling.	Capitalised on a sophisticated multi-channel marketing framework, integrating digital innovation with strategic influencer and community partnerships. Enhanced transparency and customer trust.
Foster a Culture of Operational Excellence and Continuous Improvement	Internally, automated workflows have transitioned our employees from manual processing to high-value intellectual functions, fostering a culture of continuous improvement and institutionalised best practices.	Embedded advanced AI-driven solutions across core workflows to accelerate digital transformation and foster a culture of technical innovation and continuous improvement. Implemented robust knowledge-sharing systems to institutionalise best practices and capture data-driven insights for ongoing optimisation.
Drive Digital and Social Engagement	Surpassed all engagement KPIs, with Facebook interaction rising by and Instagram engagement, while TikTok achieved second place industry ranking for engagement.	Deployed high-impact content strategies and leveraged our reputation in the industry to enhance brand value and solidify long-term customer loyalty.

Focus on 2026 and Beyond

Elevating Cyber Resilience Across the Value Chain	Translating AI Maturity into Social Dividends
Our commitment to security is evolving from infrastructure protection to ecosystem resilience. As we look toward 2026, our cybersecurity strategy will extend beyond our internal perimeter to encompass our entire network of stakeholders.	We plan to expand our AI adoption to move past operational efficiency to become a primary engine for indirect economic impact.

Industry Recognition

The numerous accolades received in 2025 serve as a powerful validation of our specialised expertise, institutional knowledge, and continued industry leadership. These awards represent more than just professional milestones; they reflect the tangible impact of our intellectual capital in driving innovation, operational resilience, and meaningful value for both our organisation and the wider community.

By converting our collective intelligence into award-winning strategies, we have solidified our position as a leading innovator within the insurance sector. Our key achievements for the year under review are summarised below.

Category	Key Accolade and Recognition (2025)	Strategic Link to Intellectual Capital
Digital Innovation	Best Life Insurance Company for Digital Transformation – Sri Lanka 2025 (Global Banking & Finance Awards, UK)	Demonstrates our ability to harness technical expertise to pioneer RPA, AI-driven tools, and next-generation digital portals.
Sales Excellence	Best of the Best: Outstanding Sales Executive of the Year & Multiple Category Honours (SLIM National Sales Awards 2025)	Highlights the success of our human capital development and the sophisticated sales methodologies embedded across our teams.
Brand Resilience	Turnaround Brand of the Year – Merit Award (SLIM Brand Excellence Awards 2025)	Reflects the strategic agility of our brand management team in navigating market shifts and reinforcing customer trust.
Governance and Stability	A- (ifs) Credit Rating with a Stable Outlook given by Lanka Rating Agency	Validates the strength of our intellectual frameworks in risk management, financial governance, and long-term stability.
HR and Culture	Great HR Awards 2025 – Silver Award (Finance & Insurance Sector)	Recognises our "People-First" intellectual strategies that foster a high-performance culture and institutional knowledge retention.

INTELLECTUAL CAPITAL REPORT

Strengthening Brand Equity through Digital Innovation

GRI 203-1

At Janashakthi Insurance, our digital ecosystem is a primary driver of both intellectual capital and indirect economic value. By moving beyond traditional insurance models, we leverage proprietary technology to foster a more resilient, accessible, and "Green" financial landscape. We view our digital reach as a vital tool for national financial inclusion.

Capitalising on Intangible Assets	Focused on "Green" Efficiency Returns
Our commitment to in-house innovation has culminated in a proprietary software suite and mobile platform valued at LKR 440 Mn. This investment represents a critical component of our intellectual wealth, transforming institutional knowledge into scalable solutions that act as future revenue drivers for the Group.	In a milestone for the Sri Lankan insurance sector, we have achieved 100% digital adoption through our "Green Insurance" initiative. This transition not only significantly reduces our environmental footprint but also drives economic accessibility by democratising insurance. By leveraging our proprietary intellectual capital to pivot toward digital-first issuance, we have effectively reached underserved regions, directly supporting the national agenda for financial security and inclusion.

Furthermore, the Company's focus on strategically leveraging digital channels to remove geographical barriers and significantly enhance financial inclusion for rural and remote communities has transformed our service delivery model from a location-dependent operation into an agile, borderless ecosystem. By integrating the Agent Virtual Office (AVO) with our trilingual mobile capabilities, we have effectively decentralised access to insurance, allowing us to serve the most distant regions with the same speed and transparency as our urban centres.

This digital evolution has not only accelerated our 100% remote onboarding rate but has also reinforced our brand as a catalyst for socio-economic empowerment. By providing underserved populations with the tools to manage their financial risks digitally, Janashakthi Insurance is directly contributing to a more resilient and inclusive national economy, in firm alignment with our GRI 203-1 objectives.

GRI 205-1

Automation and Digital Transformation

At Janashakthi Insurance, digitalisation and automation are strategic imperatives deeply woven into our operational fabric. Beyond enhancing customer convenience, our digital infrastructure serves as a robust governance safeguard. Furthermore, we utilise automation to systematically mitigate risks related to corruption and manual bias.

By automating critical workflows in underwriting and claims, we eliminate the vulnerabilities inherent in manual intervention. Every decision is governed by objective, AI-driven logic, ensuring 100% of our operations are screened for process integrity and ethical compliance.

Operational Excellence and Continuous Improvement

Our pursuit of operational excellence is underpinned by a dual-core strategy: the integration of advanced technology and the systematic management of our institutional knowledge. We have embedded cutting-edge, AI-driven solutions across our core workflows to accelerate digital transformation and foster a resilient culture of technical innovation.

This technological shift is reinforced by robust knowledge-sharing systems designed to institutionalise best practices and capture data-driven insights. By synchronising AI-powered precision with a structured approach to learning, we ensure that every process is primed for ongoing optimisation, delivering superior efficiency and consistent value to our stakeholders.

Data Security and Privacy

GRI 418

Recognising that customer data and operational intelligence are among our most vital intangible assets, Janashakthi Insurance continued to fortify its cybersecurity framework in 2025. We remain steadfast in our commitment to regulatory compliance, strictly adhering to the Sri Lankan Data Protection Act. Our proactive approach to risk management ensures that we move beyond mere compliance to uphold the highest standards of data integrity and customer trust.

During the year under review, the Company implemented four critical security installations to mitigate emerging threats and safeguard our digital ecosystem. These strategic investments enhance our intellectual capital value by creating a more resilient and secure operational environment.

- **Network Access Control (NAC):** We deployed NAC to ensure that only authorised and compliant devices can access our internal networks, significantly reducing the risk of unauthorised entry and lateral movement by external threats.
- **Privilege Access Management (PAM):** To protect our most sensitive data, we implemented PAM, which provides a sophisticated layer of control and monitoring over administrative accounts, effectively preventing the misuse of high-level credentials.
- **Edge Firewall (Head Office):** We upgraded our perimeter defence with a next-generation Edge Firewall at our new Head Office premises. This installation provides advanced traffic inspection and threat prevention at the point of entry, securing our core infrastructure.

- **Endpoint Encryption:** To safeguard data at the user level, we rolled out comprehensive Endpoint Encryption. This ensures that even in the event of hardware loss or theft, our sensitive corporate and customer information remains inaccessible to unauthorised parties.

By prioritising these advanced cybersecurity solutions, the Company works towards fulfilling more than a regulatory obligation; we reinforce the foundation of trust that defines our brand and solidifies the reputation for reliability, excellence, and ethical data stewardship built over the years at Janashakthi Insurance.

In strict alignment with the Personal Data Protection Act (PDPA), Janashakthi Insurance has institutionalised rigorous best practices to safeguard customer data. We have implemented sophisticated access control mechanisms, ensuring that sensitive information is accessible only to authorised personnel under a "need-to-know" basis.

This is reinforced by an automated governance framework that facilitates continuous monitoring through advanced digital tools. As a direct result of these robust security protocols, we are pleased to report zero complaints concerning breaches of customer privacy or losses of customer data during the 2025 period.

Marketing, Product Labelling, and Service Transparency

GRI 417

The Company believes that transparent, insight-led communication is the foundation of customer trust and a primary driver of our intellectual capital. By integrating our marketing strategies with rigorous product labelling standards, we ensure that every touchpoint provides the clarity necessary for customers to make informed, confident financial decisions.

A Multi-Faceted Engagement Strategy

In 2025, we continued to expand our digital footprint and accessibility, ensuring our message resonates across Sri Lanka's diverse demographic landscape.

Strengthening Digital Accessibility

In a significant move to deepen our digital footprint and enhance accessibility in 2025, we prioritised the inclusivity of our digital interfaces to better resonate with Sri Lanka's diverse demographic landscape. A pivotal milestone in this journey was the deployment of Trilingual Translation Support for the Janashakthi Life Mobile App.

By evolving the app to accommodate Sinhala and Tamil languages, we have dismantled significant communication barriers and empowered a broader segment of the population to manage their protection needs independently. This initiative transforms our intellectual capital into a more inclusive digital tool, accelerating financial inclusion and reinforcing our brand equity as a truly local insurer committed to serving every citizen in their preferred language.

Multilingual Accessibility

We continued to tailor our outreach in Sinhala, Tamil, and English, removing linguistic barriers to improve insurance penetration and financial literacy.

Omni-channel Support

From our active social media presence on platforms like Facebook and Instagram to our dedicated Lion Force customer support team, we provide seamless, real-time assistance through phone, email, and online chat.



Social Media, Key Statistics

	Facebook		Instagram		TikTok
	2025	2024	2025	2024	2025
Total Followers	173,073	150,435	1,848	1,599	28,500
Absolute Growth	25,100	29,477	249	265	-
Total Reach	14,981,469	18,804,924	1,407,964	1,873.990	-

Digital Transparency

Our digital resources and brochures are designed to simplify complex insurance terms, providing clear explanations of benefits, terms, and conditions across all online and offline channels.

INTELLECTUAL CAPITAL REPORT

GRI 404-1

The "Lion Force" and Institutional Expertise

Our Lion Force represents the human element of our intellectual capital. By equipping our support teams with deep product knowledge and advanced communication tools, we ensure that personalised assistance is always available. This synergy between digital accessibility and expert human interaction reinforces our reputation for reliability and service excellence.

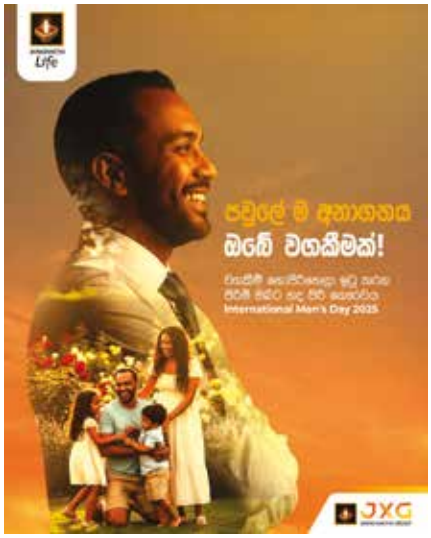
Ethical Standards and Compliance

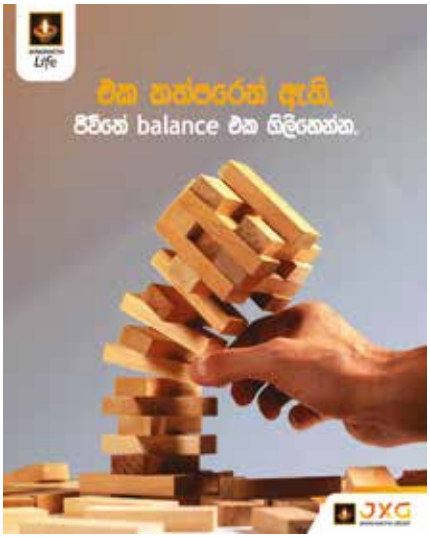
Ethical communication and accurate labelling are non-negotiable standards at Janashakthi Insurance. We maintain a rigorous internal review process to ensure that all promotional materials and product disclosures comply with stringent regulatory requirements.

During the year financial ended 31st December 2025, Janashakthi Insurance maintained an exemplary record of integrity. We achieved 100% compliance with all regulations concerning marketing communications, product labelling, and service transparency. With zero incidents of non-compliance reported, we continue to uphold our commitment to ethical and responsible business practices.

Investing in Employee Knowledge and Skills

Continuous learning is the cornerstone of the Company's long-term growth strategy and a primary driver of our competitive advantage. In 2025, we significantly scaled our investment in intellectual capital, refining our professional development programmes to deepen technical and leadership expertise across the organisation. By aligning our training initiatives with our digital transformation goals, we ensure that our workforce is equipped to navigate an AI-augmented insurance landscape.



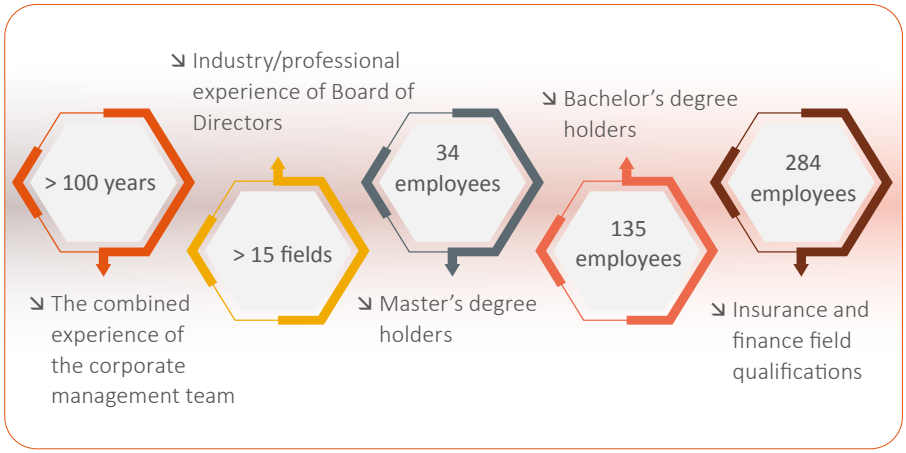












We have actively fostered a culture of high performance through structured knowledge-sharing systems that encourage cross-functional collaboration. Central to this effort is the expansion of our internal knowledge repository, a sophisticated digital asset that institutionalises best practices and captures data-driven insights. This strategic focus on ongoing development drives innovation while fortifying our institutional resilience, ensuring Janashakthi Insurance is prepared to lead in an evolving financial environment.

Refer to the Human Capital Report on pages 92 to 99 for further details.

NATURAL CAPITAL REPORT



COMMITTING TO EFFICIENCY TODAY TO SECURE A SUSTAINABLE TOMORROW

Prioritising natural resource efficiency enables us to embrace a continuous cycle of sustainable business operations, fortifying our strategic framework for tomorrow.

Key Achievements 2025

Achieved a Power Usage Effectiveness (PUE) of 1.5 at our primary data centre, reflecting our success in minimising energy overheads through high-efficiency IT infrastructure.

Successfully diverted **4,110 kg** of paper waste from landfills through our strategic recycling partnerships, reinforcing our commitment to a circular business model.

Allocated **LKR 8.84 Mn** in capital expenditure toward green initiatives and infrastructure upgrades, future-proofing our operations for long-term sustainability.

Stakeholders Most Impacted

- Ecosystem
- Suppliers
- Regulatory Bodies
- Community/ Society

Our Approach to Natural Capital

At Janashakthi Insurance, we recognise that protecting natural resources is fundamental to long-term value creation. Our 'Green Strategy' prioritises resource efficiency, focused on lowering our consumption of non-renewable resources to directly mitigate our operational carbon footprint and support national climate goals.

A critical element of our approach to creating natural capital value is to adopt digital transformation and emerging AI technologies to redefine the insurance landscape. By automating traditional processes, we have achieved a near-total paperless environment. For our customers, this means seamless, mobile-first access to policy details and claims, delivering convenience alongside conservation. Internally, this digital-first approach extends to our HR and financial operations, ensuring that every facet of our business follows a streamlined, accurate, and environmentally responsible path that actively reduces our consumption of natural capital.

Energy Conservation

GRI 302-1,302-4

The Company remains dedicated to optimising our energy footprint by integrating high-efficiency technologies across our operational infrastructure. During the year under review, we continued our phased transition to energy-efficient equipment, replacing legacy systems to reduce overall demand. When undertaking refurbishments and renovations of branches, we maintained a strict adherence to energy-efficient design specifications, ensuring that all new lighting, HVAC systems, and electrical fittings meet the highest environmental performance standards.

Committed to Natural Resource Conservation

Goal	Achievement	Strategy Pursued
100% paperless operations	Sustained a 99% paperless workflow amidst significant business growth and transaction volume.	Prioritising the continuous automation of core insurance processes and the digitisation of legacy administrative workflows.
Energy reduction	Enhanced operational energy efficiency through infrastructure upgrades and behavioural change.	Transitioning to high-efficiency LED lighting and modern HVAC systems, reinforced by organisation-wide conservation awareness.
Fuel optimisation	Streamlined resource consumption within fleet operations and employee commuting.	Implementing robust fleet management protocols while incentivising carpooling and exploring lower-carbon energy alternatives.

Focus on 2026 and Beyond

Energy Autonomy and Renewable Transition	Sustainable Energy Value Management
Scaling our technological leadership through targeted investments in AI and advanced IT infrastructure to drive operational intelligence.	Strengthening our physical presence with the launch of five full-service branches across key growth hub Districts.

The transition to our new Head Office has further catalysed our energy conservation efforts, with the facility anchoring our sustainability vision through integrated Green Building principles. Central to our strategic roadmap is the commissioning of a sophisticated rooftop solar installation by 2026, which will significantly strengthen our renewable energy capacity and reduce our reliance on the national grid.

During the year under review, our energy requirements were predominantly obtained from the national grid's hydropower generation, ensuring that our daily operations were powered by renewable energy sources.

The Company's total electricity consumption for the year ended 31st December 2025 amounted to 849,020 units, compared to 828,594 units in 2024. This increase is primarily attributable to expanding business operations.

Cultivating a Culture of Conservation

Beyond infrastructure, we recognise that sustainable change is driven by our people. Consequently, the Company continues to champion internal Energy Conservation Awareness through an ongoing series of targeted e-flyers and digital toolkits. By consistently providing our team with actionable insights and practical tips to minimise energy consumption, we are permanently embedding environmental stewardship into the Janashakthi Insurance corporate culture.

GRI 302-4

Digital Infrastructure & Energy Efficiency

As part of our broader commitment to Green Insurance, the Company strategically transitioned both its primary and secondary data centres to a shared infrastructure model during the year under review. This conscious shift was designed to optimise power consumption through high-density energy management and advanced environmental monitoring solutions.

By moving to a shared facility, we leverage industrial-scale efficiencies that would be unattainable in a standalone environment. In 2025, our data centre and server room energy consumption was recorded at 60,000 kWh.

Fuel Efficiency

GRI 302-2, 305-3

Our commitment to limiting the use of natural resources extends across our entire value chain, specifically regarding the fuel consumed for our vehicle fleet and back-up power generation. The Company is actively exploring alternative energy sources to further reduce the carbon footprint of our operations and enhance long-term resilience.

Recognising the impact of indirect emissions, the Company actively promotes sustainable commuting. By encouraging carpooling and the use of public transport, we aim to reduce the carbon footprint associated with employee travel. These initiatives not only support our environmental goals but also foster a culture of collective responsibility, aligning our workforce and natural capital objectives.

NATURAL CAPITAL REPORT

Minimising Paper Usage

GRI 301-1, 301-2, 301-3

At Janashakthi Insurance, we continue to lead by example in waste reduction. Having achieved a 99% paperless workflow through digital transformation, we remain focused on the responsible management of the remaining physical paper waste we create.

During the year under review, the Company's paper usage increased by approximately 26% mainly due to expansion of business operations and branch-related activities, resulting in higher consumption of printed materials.

Year	A4 80 GSM (Packets)	A4 70 GSM (Packets)	Total Paper Used (Packets)
2025	1329	79	1,408
2024	1,000	150	1,150
2023	800	100	900
2022	853	174	1,024
2021	700	124	824
2020	743	131	874
2019	48	158	1,106

Electronic Waste Disposal

Type	Quantity	
	2024	2025
Laptops	No Disposal	111
Desktop		74
LCD		57
Printers		13
Scanner		9
UPS		45
Servers		48
Storage Devices		17
Switch		9

Minimising Resource Consumption through Digital Innovations

Janashakthi Mobile App	Facilitates paperless policy access, payments, and claims.
Supplier Management Portal	Facilitates paperless policy access, payments, and claims.
Corporate Account Portal	Minimises paper-based transactions and optimises operations.
E-Receipts & E-Statements	Eliminates physical documentation for a greener future.
Electronic Salary Transfers	Ensures secure, paperless payroll processing.
E-learning Facilities for Employees	Online training reduces travel and resource consumption.



Waste Management

GRI 306-2,306-4

Janashakthi Insurance is committed to a structured approach to waste stewardship, ensuring that our operational outputs are handled with the highest degree of environmental responsibility. Our goal is to stop waste at the source. Rather than just disposing of items, we treat our waste as a resource that can be recycled and put back into use. We employ a rigorous three-pronged segregation system, adhering to all local municipal and regulatory frameworks.

General Waste

Non-recyclable waste is meticulously segregated and managed through standard municipal disposal services, ensuring compliance with local sanitation standards.

Paper Waste

Through a strategic, long-term partnership with Amana Paper/Neptune Recycling, our paper waste is diverted from landfills and reintegrated into the circular economy. This structured programme upholds our commitment to responsible resource management and significantly reduces our environmental footprint.

Electronic Waste (E-waste)

Recognising the hazardous nature of digital hardware, all electronic waste is managed via specialised, certified suppliers. This ensures that heavy metals and components are safely processed or recycled, mitigating potential soil and water contamination.

Water Management

GRI 303-5

Our approach to water management is defined by conservation and the preservation of natural capital. By sourcing our water exclusively from the National Water Board, we support a regulated and responsible supply chain.

Internally, we have implemented measures to optimise water usage for hygiene across all operational sites. This focus on minimisation is a core component of our broader sustainable management practices. In 2025, total water consumption was 12,890 units, compared to 12,131 units in 2024.

Driving Behavioural Change

To reinforce these operational measures, we continue with our Water Conservation Awareness campaign for employees. An organisation-wide E-Flyer is distributed to educate employees on best practices for reduction, empowering our workforce to act as stewards of this vital natural resource.

Biodiversity

GRI 304

As a responsible corporate citizen, Janashakthi Insurance ensures that our physical business operations do not adversely affect biodiversity-sensitive regions or protected areas of the country. We maintain a proactive stance on environmental governance, ensuring all branch operations align with local ecological requirements.

Environmental Compliance

GRI 2-27

We are proud to report zero instances of non-compliance with environmental laws or regulations during the 2025 period. This clean record reflects our commitment to maintaining the highest ethical and environmental standards across the island.

SUSTAINABILITY REPORTING

Our Sustainability Reporting Roadmap

In June 2023, the International Sustainability Standards Board (ISSB) released its inaugural standards, IFRS S1 and IFRS S2. IFRS S1 outlines the general requirements for disclosing sustainability-related financial information, while IFRS S2 provides detailed climate- specific disclosure requirements. Subsequently, CA Sri Lanka issued localised standards, SLFRS S1 and S2, mirroring the ISSB's framework. These standards are expected to take effect on 1 January 2025.

Guided by a structured implementation plan, we will integrate these standards into our reporting from 1 January 2027 onwards, strengthening our commitment to sustainability and transparency.

To demonstrate our commitment to financial transparency and alignment with global best practices, we have conducted a comprehensive gap assessment to evaluate our current standing in relation to SLFRS S1 and SLFRS S2. Based on the requirements of the standard, a high-level timeline for compliance as given.



2028 (Reporting Year 2)

- Full SLFRS S1 & S2 disclosures, including comparative information for all sustainability-related risks.
- Disclosure of Scope 3 emissions, including financed emissions.
- Full compliance with climate resilience disclosure requirements.

2027 (Reporting Year 1)

- Focus on SLFRS S1
- Disclosure of Scope 1 Greenhouse Gas (GHG) emissions

Structure of our Disclosures as per SLFRS S1 and S2 Plans for 2025 and Beyond

Our sustainability and climate agenda is embedded into every aspect of our business. The following outlines our key focus areas and initiatives in preparation for full SLFRS S1 and S2 adoption:

Governance

Establishment of Board oversight on ESG related matters by aligning with an existing board subcommittee with clearly outlined terms of reference.

Quarterly ESG risk reporting to Board Audit Committee and Group Integrated Risk Management Committee

Risk management

Establishment of a detailed process to identify, assess, prioritise and monitor SRROs and CRROs and integrate them into the entity's overall risk management process.

Strategy

Embedding sustainability and climate related risk and opportunities into company's strategy formulation.

- Incorporating climate strategy into;
- Underwriting practices
- Product development process
- Distribution networks
- Procurement practices
- Marketing initiatives

Metrics & Targets

Setting up sustainability and climate related metrics and targets

Full compliance with Scope 3 emission disclosure requirement

Calculation of GHG emission based on GHG protocol

RISK AND GOVERNANCE

Every climb poses a series of uncertainties that if calculated and prepared for, are simply steps on a path to the top. For Janashakthi Life Insurance PLC, those steps have been studied with utmost care and precision, and have been manoeuvred with mastery. To guarantee success, our internal structure is solidly constructed and supports our climb with diligence and dedication.



RISK MANAGEMENT

A Pillar of Sustainability and Growth

The Risk and Compliance function of Janashakthi Insurance PLC continues to be a cornerstone in ensuring organizational resilience, operational excellence, and stakeholder trust. Operating in a highly regulated and dynamic environment, the function is designed to address the complex interplay of regulatory compliance, risk management, and governance critical components for a robust life insurance business.



Integrated Governance Framework

The Company's Board of Directors has overall accountability for risk across the Company. It sets the Company's strategy, risk appetite, operating plans and performance targets, thereby playing an essential role in establishing the 'tone from the top' to embed a strong risk culture within the organization.

The Board delegates the day-to-day risk management responsibilities to individuals within the senior management team. These individuals are accountable for their assigned risks and report and escalate as necessary through the risk governance structures. Policies, procedures and limits are defined to ensure that business activities remain within risk appetite.

At Janashakthi, governance underpins every decision and action. The Risk and Compliance function ensures a clear and structured governance framework, aligning with local and international standards. By fostering transparency, ethical behaviour, and accountability, the function contributes to sustainable decision-making processes. This is achieved through:

- Establishing robust policies and procedures to guide organizational behaviour.
- Continuous training programs to embed a culture of compliance and integrity.
- Oversight mechanisms that ensure adherence to governance principles.

Advanced Risk Management Practices

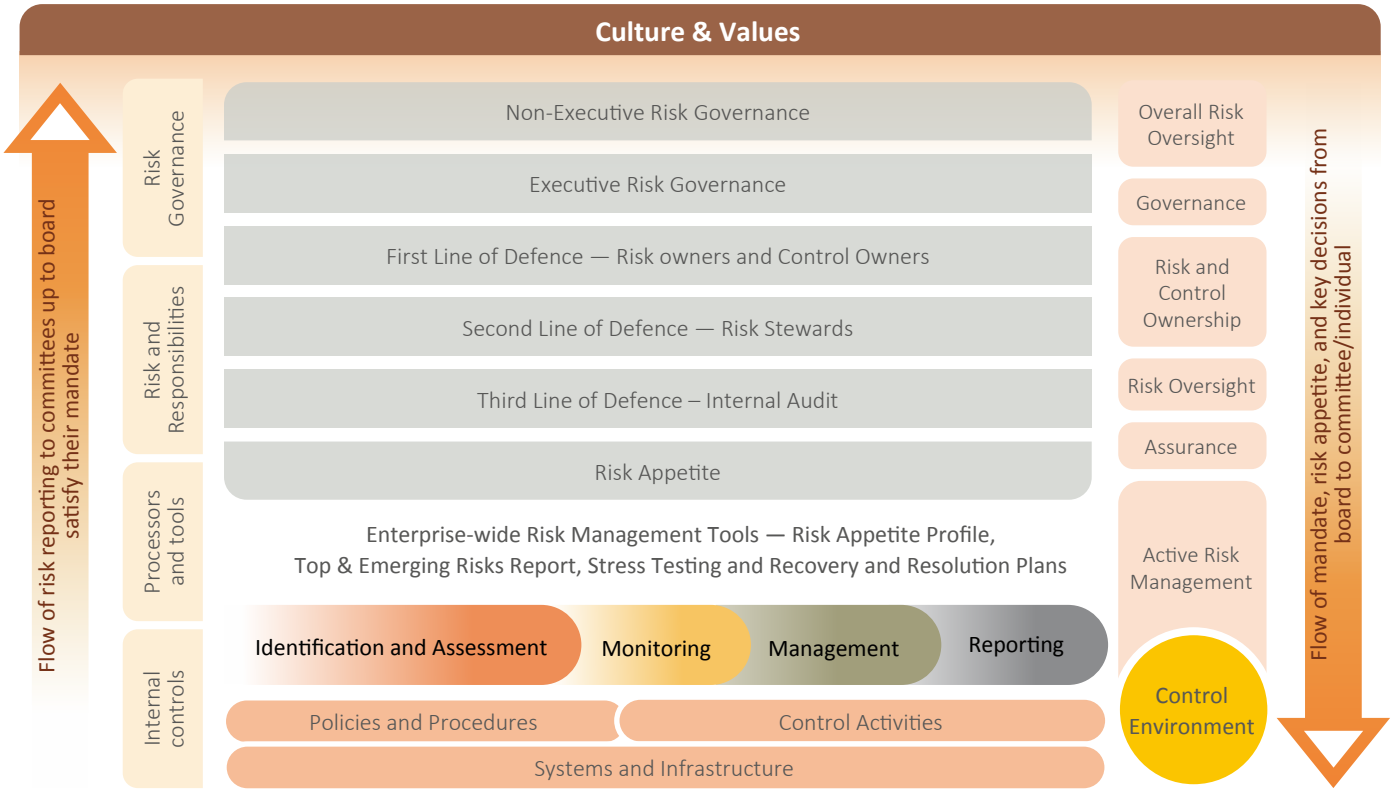
Janashakthi Insurance PLC adheres to five core risk principles and implements an Integrated Enterprise Risk Management (ERM) framework aligned with the ISO 31000:2018 International Standard. This framework is supported by a robust governance structure, ensuring a disciplined approach to managing risk and opportunity.

By leveraging its risk management principles, the Company proactively identifies events or circumstances relevant to its objectives whether risks or opportunities assesses them based on their likelihood and potential impact, and determines appropriate response strategies. Through continuous monitoring and adaptation, Janashakthi safeguards and enhances value for all stakeholders, including shareholders, employees, customers, regulators, and society at large.

The life insurance industry faces a myriad of risks, including operational, financial, reputational, and cyber risks. The Risk Management division takes a proactive approach, emphasizing identification, assessment, mitigation, and monitoring. Key initiatives include:

- Comprehensive Risk Assessments: A thorough evaluation of emerging and existing risks, using advanced analytics and scenario testing.
- Resilience Building: Developing business continuity and disaster recovery plans tailored to the unique needs of the life insurance sector.
- Dynamic Risk Appetite Framework: Ensuring risks are managed within acceptable thresholds while exploring growth opportunities.

Janashakthi Insurance PLC has adopted five main components to manage the Enterprise Risk Management Function: Culture and Values, Risk Governance, Roles and Responsibilities, Processes and Tools, and internal Controls. These components are discussed in detail in this section. The following diagram shows how these components are integrated within the framework.



Culture and Values

The foundation of effective risk management lies in cultivating a risk-aware culture embedded in the Company's core values. Employees across all levels are encouraged to take ownership of risks relevant to their roles, fostering accountability and proactive risk identification.

Key Aspects:

- Ethical Standards: Adherence to strong ethical principles ensures that risk management aligns with corporate integrity.
- Training and Awareness: Continuous education on risk principles ensures employees are aligned with the Company's risk appetite and strategic objectives.
- Transparency: Open communication across departments promotes trust and reduces information silos, ensuring risks are identified and addressed promptly.

Risk Governance

A clear governance structure defines oversight, accountability, and decision-making mechanisms for managing risks effectively.

Key Aspects:

- Board Oversight: The Board of Directors actively monitors key risks and ensures alignment with organizational goals.
- Risk Committees: Committees, such as the Integrated Internal Risk Management and Board Audit, provide specialized oversight, ensuring robust risk management practices.
- Policies and Frameworks: Well-defined risk policies and charters guide risk governance practices, ensuring compliance with regulatory requirements and industry standards.

RISK MANAGEMENT

Roles and Responsibilities

Clearly defined roles and responsibilities enable accountability and prevent overlaps or gaps in risk management activities.

Key Aspects:

- Three Lines of Defence:
  - First Line: Operational units identify and manage risks within their functions.
  - Second Line: The Risk and Compliance Unit provides oversight and ensures adherence to the risk framework.
  - Third Line: Independent assurance through internal audits evaluates the effectiveness of risk controls and governance structures.
- Role Clarity: Each employee understands their role in risk management, fostering accountability and alignment with ERM objectives.

Processes and Tools

A structured approach to risk identification, assessment, mitigation, and monitoring is supported by advanced tools and methodologies.

Key Aspects:

- Risk Identification: Comprehensive identification of risks through environmental scanning, incident reviews, and stakeholder inputs.
- Assessment and Prioritization: Quantitative and qualitative assessment techniques, including risk heat maps and scoring, are used to prioritize risks.
- Mitigation and Monitoring: Action plans are implemented to manage risks, and progress is tracked using dashboards and key risk indicators (KRIs).
- Technology Integration: Use of software for data analytics and reporting enhances efficiency and accuracy in risk monitoring.

Internal Controls

Internal controls ensure risks are managed within acceptable levels, protecting the organization's assets and reputation.

Key Aspects:

- Preventive Controls: Mechanisms such as access restrictions and approval hierarchies prevent risk incidents.
- Detective Controls: Processes like reconciliations and monitoring systems identify irregularities or breaches in real-time.
- Corrective Controls: Action plans to address identified gaps and ensure continuous improvement in risk management practices.
- Independent Reviews: Regular audits and assessments validate the effectiveness of internal controls and recommend enhancements.

All employees have a role to play in risk management. These roles are defined using the Three Lines of Defence model, which is based on the activities performed. This model consists of First Line of Defence ("LOD") (Risk Owner and Control Owner) Second LOD (Risk Stewards) and Third LOD (Internal Audit). The model delineates management accountabilities and responsibilities for risk management and the control environment within each LOD, thereby creating a robust control environment to manage risks.

Tier 1: Frontline Business Units	Tier 2: Dedicated Risk & Compliance Unit	Tier 3: Internal Audit Function
Proactive risk identification and mitigation.	Independently assess and validate risks.	Conduct independent audits of risk management practices.
Implement controls and risk management practices.	Develop and implement enterprise-wide risk management strategies.	Provide assurance on effectiveness of controls.
Report risks to dedicated risk and compliance unit.	Monitor and report on risk exposure and compliance.	Report findings and recommendations to management.

First Line of Defence (LOD)

The First LOD has ultimate ownership for risk and controls and delivering good conduct outcomes. It comprises of three key roles: Risk Owners and Control Owners. Individuals can be both Risk Owners and Control Owners, depending on the activity(ies) they are undertaking. Risk Owners may sit within a Business or Function, and are accountable for agreeing on risk appetite and identifying, assessing, and managing risks and conducting impacts, for their business in line with the risk appetite set by the Board. Risk Owners are also responsible for assessing, identifying and understanding the conduct impacts across the risk types they own and identifying and understanding the controls they rely on to support the delivery of the conduct outcomes. They should govern the identification and management of conduct issues in relation to their business in a way that is consistent, whether the controls are owned directly or performed by a third party.

Control Owners may sit within a Business, Function, or a third party. They are responsible for assessing, monitoring and managing the processes, activities, or systems to ensure that they are operating effectively and that they support the delivery of the conduct outcomes. They work with the Risk Owners to understand and manage the risks.

Second Line of Defence (LOD)

The Second LOD review and challenge the activities of the First LOD to ensure that they have met the minimum requirements for risk management and delivery of the conduct outcomes. The Second LOD is independent of the commercial risk-taking activities undertaken by the First LOD and consists of CROs, 'Risk Stewards' and the Operational Risk Function.

Risk Stewards sit within the Functions. They perform the specialist role of setting policies and overseeing the First LOD activities for their given risk type.

The oversight responsibilities of Risk Stewards include, but are not limited to:

- Providing advice on how their policies are to be implemented by the First LOD, including setting out the required control standards to manage the specific risk type within appetite;
- Providing independent review, challenge and assurance on the appropriateness of risk management activities undertaken by First LOD; and
- Providing an independent review and challenge of First LOD risk reporting

Overseeing, escalating and providing guidance on the identification of conduct impacts across their risk types and activities owned by the First LOD, including where control weaknesses and risk events impact the delivery of good outcomes.

Third Line of Defence (LOD)

The Third LOD is Internal Audit. They provide independent assurance to management and the non-executive Risk and Audit Committees that our risk management, governance and internal control processes are designed and operating effectively.

Risk management life cycle

The Company's Risk management includes processes across the risk management lifecycle and is supported by the enterprise risk management tools.

Identify and assess	↘ Identifying and assessing the type and level of risk is paramount for effective risk management, to ensure appropriate capital levels and return for risk exposure. Wherever possible, risks should be assessed based on quantitative information or model outputs as well as qualitative approaches (including expert judgment and critical analysis).	↘ At the day-to-day level, risk assessment may be made on either a portfolio or business line basis; however, at the top-level management adopts a holistic approach in assessing and managing the risk profile of the Company. ↘ The company uses Risk and Control Assessments and scenario analysis to identify and provide a forward-looking assessment of operational risk.	↘ Enterprise-wide mechanisms include assessing the emergence and materiality of risks through the Top & Emerging Risks report, identifying risks and trends through the Risk Appetite Profile reporting, and assessing potential risk impacts through stress testing.
Monitor	↘ Effective monitoring allows business areas to provide senior management with timely information on the risks facing the company, and on the effectiveness of risk management processes. Monitoring can include but is not limited to, review of key	indicators, changes in risk profiles, review of MI reports to collate read-across items that may impact cross-business lines or functions. ↘ It enables proactive identification of issues before they materialize and can provide a forward-looking view of risk.	↘ Mechanisms include assessing whether the controls in place continue to be effective, setting and monitoring of key indicators, reviewing performance against the Risk Appetite Statement through the Risk Appetite Profile.

RISK MANAGEMENT

Mitigate/ Manage	↘ Risk management allows timely resolution of issues and minimizing of losses and other impacts.	↘ Risk Owners set out an action plan that determines how risks will be managed/ mitigated, with oversight from Risk Stewards to ensure the Company remains within the risk appetite agreed with the Board.	↘ Progress of the action plan is observed through the Enterprise Risk Reports, e.g., commentary on the Risk Appetite Profile and Risk Map
Reporting	↘ Reporting of current risk profile to risk committees through Enterprise Risk Reports and condensed portfolio management reports to cover key activities and risk exposures.		
Risk Foundations	↘ The processes, activities and structures required to enable us to create, maintain and embed a framework to identify and assess, monitor, manage and report the risks we are, or might be, exposed to.	↘ This includes internal and regulatory requirements, the Company's strategy, our culture and organization, systems, data and technology.	

Governance and Oversight

The Board of Directors, supported by the Board Audit Committee, holds ultimate responsibility for risk governance. Quarterly risk assessments prepared by the Risk and Compliance Division ensure informed decision-making. These assessments are reviewed rigorously, with recommendations presented to the Board for actionable insights.

To maintain operational independence, the Risk and Compliance Division operates autonomously, offering unbiased perspectives that enhance the integrity of the Company's risk management framework.

Collaborative Risk Assessment

The risk and compliance division spearheads the risk assessment process, fostering a collaborative approach with various departmental heads. This collaboration allows for the comprehensive identification of both existing and potential risks across different areas of the business. Recognising the critical need for independence, the risk and compliance function operates autonomously from business functions, providing an objective and unbiased perspective. This independent oversight strengthens the integrity and effectiveness of the entire risk management framework.

Furthermore, the framework defines "risk tolerance limits" to guide decision-making. Any identified risk exceeding these limits undergoes a rigorous mitigation process. This involves implementing appropriate measures to reduce the risk to an acceptable level within the Company's risk appetite, ensuring informed risk management and minimising potential losses.

Key Risk Areas and Mitigation Strategies

Market Risk

In 2025, the Sri Lankan economy demonstrated greater macroeconomic stability, supported by reduced interest rate volatility and a gradual return of inflation to positive territory. While this provided opportunities for portfolio optimization, it necessitated careful adjustments to long-term strategies.

Interest Rate Risk

The relatively stable interest rate environment provided opportunities for enhanced returns on new investments. However, managing reinvestment risk in this environment remained critical to ensuring long-term profitability.

Macroeconomic Stability and Strategic Risks

Enhanced macroeconomic stability contributed to a more predictable business environment. However, subdued inflation and cautious consumer spending required strategic initiatives to sustain demand for insurance products.

Compliance Risk

Increased regulatory scrutiny in 2025 underscored the need for stringent compliance measures. Janashakthi Life actively monitors evolving regulatory requirements and collaborates with all business units to ensure timely alignment.

Operational Risk

Enhancing operational resilience remained a priority, with process reengineering initiatives reducing system vulnerabilities and fraud risks. All the Business Units were pivotal in safeguarding operational integrity.

Cybersecurity Risk

As digital transformation accelerates, Janashakthi Life invested in advanced cybersecurity infrastructure to mitigate the risks of cyber threats. Regular penetration testing, employee training, and multi-layered IT safeguards are key components of our cybersecurity strategy.

Reinsurance Risk

We continue to optimize our reinsurance arrangements to mitigate the impact of catastrophic events. Reinsurance adequacy reviews and partnerships with globally renowned reinsurers ensure effective risk transfer mechanisms.

People Risk

Talent retention strategies, including targeted training and succession planning, have helped mitigate people-related risks. Regular engagement initiatives enhance employee satisfaction and align individual goals with organizational objectives.

Regulatory and Liability Risk

Janashakthi Life operates with a strong compliance culture, reinforced through rigorous adherence to regulatory frameworks and active participation in industry advocacy. Liability risks are mitigated through enhanced underwriting standards and comprehensive claims management practices.

Inflation and Claims Risk

In 2025, the transition from deflation to low inflation moderated claims-related cost pressures, while pricing adjustments ensured competitiveness and long-term profitability.

2025 in Review: Resilience in a Transforming Environment

Janashakthi Life successfully navigated a dynamic economic landscape shaped by low inflation, relatively stable interest rates, and stabilized macroeconomic factors:

- Adapting to Subdued inflation: The Company refined its claims management strategies in a low-inflation environment, ensuring robust financial performance and efficient claims settlement.
- Sovereign Risk Management: Exposure to government securities was strategically optimized, leveraging a stable fiscal environment to maintain portfolio resilience and secure long-term returns.
- Policyholder Retention: Focused campaigns and enhanced persistency management initiatives further reduced lapse risks, taking advantage of improving disposable incomes and economic stability.

This proactive approach underscored Janashakthi Life's adaptability and strength in aligning operations with evolving macroeconomic conditions, delivering value to all stakeholders.

Strategic Outlook for 2025 and Beyond

- Short-term (2025-2026):
  - With inflation expected to gradually reach the CBSL target of 5% by mid 2026, Janashakthi Life will continue refining its pricing strategies to remain competitive and sustain profitability.
  - Further investments in customer-centric technology solutions will enhance operational efficiency and service delivery.
  - Tailored insurance products amidst evolving customer preferences. The Company is focusing on embedding artificial intelligence into underwriting and claims processes to further mitigate risks and improve operational efficiency.
- Long-term (2026 and Beyond):
  - Capital adequacy models will be recalibrated to reflect the impact of sustained moderate inflation and ensure long-term resilience.
  - Expansion into underpenetrated markets will align with the company's vision of inclusive growth amid a stable macroeconomic landscape.
  - Preparing for potential risks associated with climate change, demographic shifts, and regulatory changes by strengthening scenario planning, stress testing, and dynamic risk assessment models.

A Culture of Resilience

Risk management at Janashakthi Life is not just a function; it is a shared ethos that underpins every decision we make. By embedding a culture of resilience, innovation, and foresight, we continue to strengthen our ability to navigate uncertainties and deliver enduring value to all stakeholders.

RISK MANAGEMENT

Key Risks Faced and Mitigation Strategies Taken During the Year

Key Risk Faced	Mitigation Action	Successful Management
Market Risks	Continuous and dynamic market risk management involves the monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of market risk mitigation, enabling the risk unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators. Assessing the sensitivity to the said volatilities also enabled the Company to understand the resulting impacts on its: ↘ Investment Portfolio, ↘ Unrealized /realized losses via the same, ↘ Impacts via the existing asset and liability mismatch, ↘ Asset quality and potential credit risks, ↘ Capital Adequacy Ratio, and ↘ Solvency Ratio, ↘ Yield on Company Assets and Liabilities. The monitoring of movements of key global and local economic indicators and frequent stress testing carried out as part of Market Risk Mitigation enabled the Risk Unit to pre-warn the Company on impacts arising from extreme volatilities of key economic indicators. A dynamic asset allocation strategy was employed to capitalize on lower interest rates, ensuring an optimal balance between yield and risk. Continuous monitoring of inflationary trends helped refine investment decisions, minimizing potential impacts on the real value of assets. Scenario analysis was conducted to assess the impact of a steady rise in inflation on customer behaviour and investment returns.	✓
Sovereign Risks	With improved macroeconomic stability, the Company's exposure to government securities was reassessed, focusing on subdued inflation and low-yield environments. Scenario analyses helped optimize the investment strategy to maintain adequate returns while managing duration and liquidity risks.	✓
Interest Rate Risks	The dynamic Market Risk Management as detailed above has resulted in the Company understanding the strategies required to mitigate and allow for opportunities from varying interest rate scenarios. Following the decline of interest rates in early 2025, which subsequently stabilized, the Company focused on: Duration matching strategies were strengthened to reduce asset-liability mismatches. Investment in fixed-income instruments with attractive yields was prioritized to maximize returns in a low- and stable-interest-rate scenario. Comprehensive forecasting tools were utilized to anticipate rate changes and strategic planning.	✓
Macroeconomic Stability and Strategic Risks	↘ Enhanced customer engagement initiatives promoted the long-term value of life insurance in a stable macroeconomic environment with subdued inflation. ↘ Strategic reviews focused on leveraging macroeconomic stability to expand market share while ensuring product competitiveness.	✓

Key Risk Faced	Mitigation Action	Successful Management
Underwriting Risk	↘ Adoption of advanced actuarial models for accurate risk assessment. ↘ Continuous refinement of underwriting guidelines to reflect demographic and market trends.	✓
Reserve Risk	↘ Regular actuarial reviews of reserve adequacy. ↘ Alignment of reserving practices with regulatory guidelines and stress-testing scenarios.	✓
Lapse Risk	Stabilized disposable incomes during 2025 reduced the risk of policy lapses. Strengthened persistence campaigns and policyholder engagement, supported by stress-testing scenarios, further enhanced policy renewals.	✓
Inflation Risk / Claims Risk	Throughout 2025, the Company witnessed a rise in its claim ratio, prompting a thorough analysis to pinpoint the factors contributing to this escalation, which revealed elevated frequency of claims associated with medical. Enhanced actuarial reviews were conducted to align product pricing with prevailing low-inflation conditions. A renewed focus on cost optimization ensured the sustainability of claims management operations in the changing economic context.	✓
Overview of Strategic Risks		
Economic and Political Risk	The Risk Unit performs a detailed economic analysis every quarter. The analysis details economic performance as well as expected economic performance and expected values of key economic indicators. A close watch is also kept on global industry trends. Quarterly analyses incorporated the effects of subdued inflation and interest rate fluctuations on the economic environment. Proactive monitoring of political developments ensured preparedness for any unexpected regulatory or policy change.	✓
Competitor Risk	↘ Market intelligence and competitor benchmarking focused on leveraging stable economic conditions. The Product Implementation Committee ensured that product offerings remained competitive and aligned with evolving customer expectations. ↘ Constant monitoring and comparison of the Company's performance against peers. ↘ Product Implementation Committee to ensure that the Company's product portfolio remains competitive based on the above information.	✓
Co-operation and awareness of common direction	↘ Clear communication of the Company's strategy and business objectives to all employees through interactive town hall sessions. ↘ Enhanced communication of corporate strategies and economic updates through regular town hall sessions, interactive e-flyers, and department-led initiatives ensured employee alignment and engagement.	✓
Minimum Capital Adequacy Ratio	↘ Capital Management Policy and Limits specific to capital adequacy. ↘ Updated internal capital models accounted for reduced risk-weighted asset values and optimized surplus capital management. ↘ Forecasted internal capital model to ensure capital adequacy is above regulatory requirements. ↘ Monthly CAR calculations to understand trends of key driving factors.	✓
Increased Regulatory/ Compliance Requirements	↘ A close watch is kept on all potential regulatory directions by the Risk Unit. ↘ The Risk and Compliance Unit also assesses and informs the regulatory developments to the relevant business units to support such business teams to align business activities or report requirements with such regulatory developments. It also reports on the compliance status with relevant regulatory requirements to the Board Audit Committee and the Board every quarter.	✓

RISK MANAGEMENT

Key Risk Faced	Mitigation Action	Successful Management
Business Continuity	↘ The Company is equipped with a formal Business Continuity Plan that details all services and systems that are considered critical for business continuity, as well as their recovery time objectives. ↘ Knowledge sharing sessions and advanced Testing of the procedures are also carried out annually for teams identified as critical and ensure that Recovery Time Objectives can be fulfilled in the event of a disaster.	✓
Business Continuity of Critical Systems	↘ Robust disaster recovery mechanisms were tested and updated to reflect the Company's reliance on stable technological and economic conditions. Periodic simulation exercises validated the efficacy of these systems.	✓
Internal Controls	↘ The Company's Internal Control environment is reviewed continuously as per the plan approved by the Board Audit Committee annually. Findings are reported to the Board Audit Committee as well as the Senior Management every month. ↘ The unit has also established both a ↘ Claims Monitoring Unit and ↘ A Fraud Detection Unit. ↘ The completion rate/adoption rate of all suggestions and recommendations remains at approximately 95%-100% as of the above date.	✓
Staff Turnover	Retention strategies emphasized competitive compensation and skill development programs, addressing any challenges related to industry attrition trends. Open forums helped identify and address workforce concerns. The following strategies were initiated to reduce Non-Sales Staff Turnover at the beginning of the year and have continued throughout the year. ↘ Identification of critical resources across all departments and submission of a detailed succession plan. ↘ Recruiting staff at branches with prior exposure to customer service and those who possess a higher set of skills. ↘ Utilizing the Town Hall sessions as a tool to identify issues faced by the staff and to provide relevant solutions.	✓
Reputation Risk	↘ Real-time monitoring of social media and CRM systems ensured efficient resolution of customer complaints, aligning with IRCSL guidelines and maintaining strong public confidence in the Company.	✓
Information Security Risk	↘ Strengthened information security protocols to address risks associated with technological reliance and cyber threats. Regular audits and employee awareness programs bolstered the Company's cybersecurity resilience.	✓
Foreign Exchange Risk	↘ The Company's foreign exchange exposures were managed through careful evaluation of global currency movements. Risk management plans were adjusted for reduced volatility in global currency markets.	✓
Risk of Adaptability to Technological Advancements in the Industry	↘ Investments in cutting-edge technologies ensured the Company remained competitive. An innovation task force identified and implemented advancements to enhance customer experience and operational efficiency.	✓

A dedicated focus on emerging risks, such as climate change and digital disruptions, positions Janashakthi as a forward-thinking insurer prepared for future challenges.

Commitment to Compliance Excellence

Regulatory compliance remains at the heart of the insurance sector. Our Compliance division ensures full alignment with the guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), global best practices, and the expectations of all stakeholders. Key activities include:

- Automated Compliance Monitoring: Leveraging technology to track regulatory updates and implement changes swiftly across the organization.
- Enhanced Reporting Standards: Maintaining high-quality and transparent reporting to meet the expectations of regulators, shareholders, and policyholders.
- Ethical Business Practices: Promoting a culture of compliance through regular audits, workshops, and whistleblowing mechanisms.

Leveraging Technology for Efficiency

Technology plays a pivotal role in enhancing the efficiency and effectiveness of the Risk and Compliance function. By adopting cutting-edge tools and systems, Janashakthi ensures:

- Real-time monitoring of risk indicators and compliance metrics.
- Automation of routine compliance tasks to allow a greater focus on strategic priorities.
- Enhanced data analytics capabilities to provide actionable insights and predict future trends.

Collaboration for a Unified Approach

The function operates as an integral part of the organization, collaborating with business units to ensure risks are managed at every level. This collaborative approach breaks silos, enabling a unified strategy for governance, risk, and compliance. Periodic workshops and cross-functional risk assessments ensure that all teams are aligned with organizational goals.

Focus on Sustainability

In alignment with global trends, the Risk and Compliance function actively incorporates Environmental, Social, and Governance (ESG) factors into its frameworks. This includes:

- Addressing climate risks through tailored insurance products and risk assessments.
- Ensuring fair treatment of customers and promoting inclusivity.
- Upholding the highest standards of governance to contribute positively to society.

Looking Ahead

As the regulatory and business landscape evolves, the Risk and Compliance function is committed to continuous improvement. Key priorities for the coming year include:

- Expanding the use of artificial intelligence and machine learning for predictive risk analysis.
- Enhancing cyber risk management frameworks in response to growing digital threats.
- Strengthening ESG-focused compliance initiatives to support sustainable growth.
- Implementing robust measures for the fully compliance with Personnel Data Protection Act.

By integrating best practices, innovative tools, and a steadfast commitment to governance, Janashakthi's Risk and Compliance function continues to safeguard the company's reputation while enabling its vision for growth and customer-centricity. This strategic approach ensures that Janashakthi remains a trusted partner to its policyholders and a leader in the life insurance sector.

CORPORATE GOVERNANCE

At Janashakthi Insurance PLC, Corporate Governance is more than a compliance requirement; it is the foundation of our commitment to building enduring trust and delivering long-term value to our policyholders, shareholders, and stakeholders. As a life insurance company entrusted with safeguarding the financial futures of thousands of Sri Lankans, we recognize that robust governance practices are integral to our success and sustainability.

Governance Philosophy

Our governance philosophy is guided by a steadfast belief in creating sustainable value for all stakeholders. We go beyond mere compliance to embrace governance as a driver of strategic advantage. This involves:

- **Embedding Ethical Practices:**

Ethical conduct is central to our decision-making at all levels, ensuring long-term trust and credibility.

- **Balancing Stakeholder Interests:**

Governance structures are designed to align the expectations of shareholders, policyholders, employees, and the broader community.

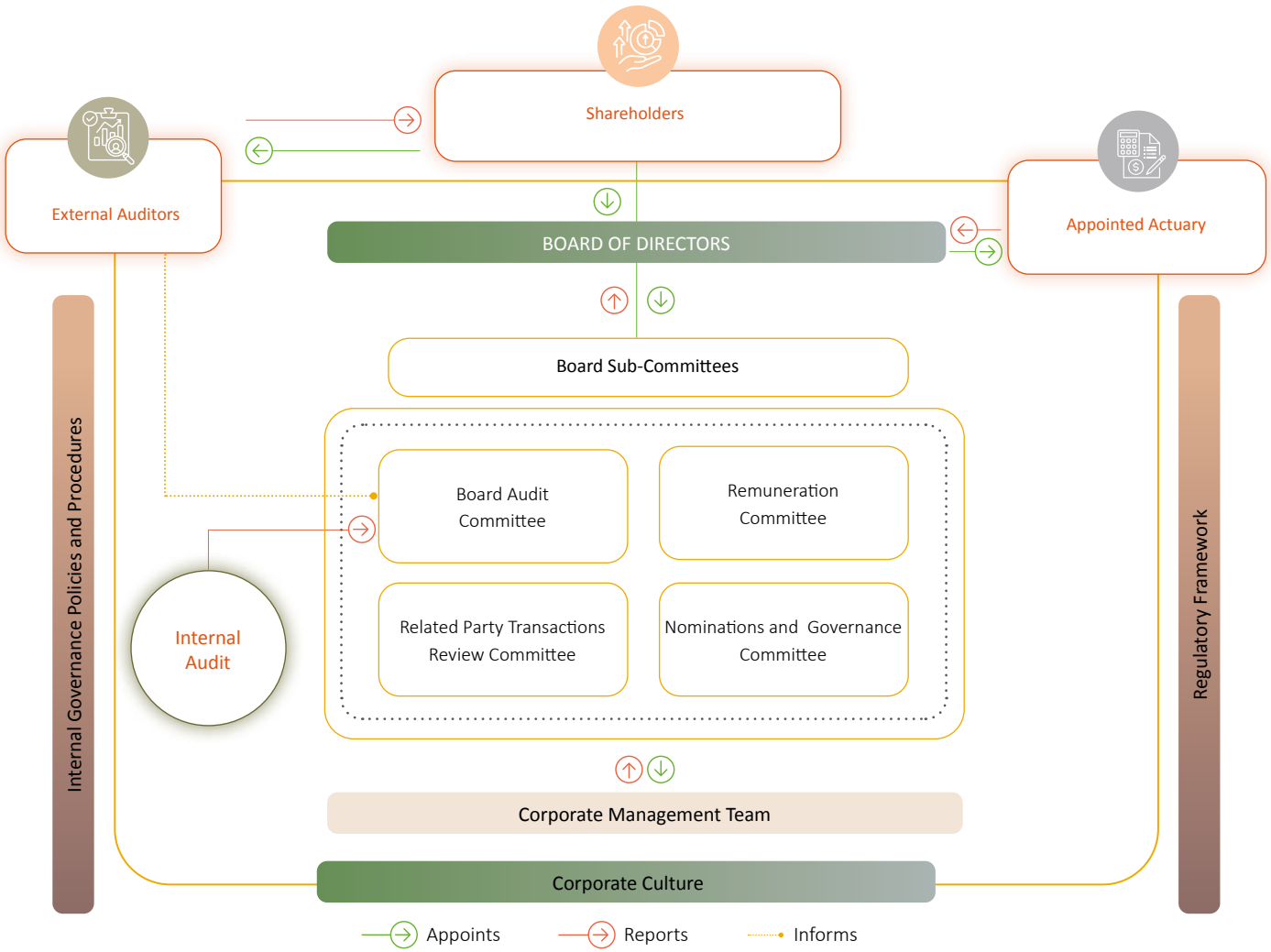
- **Continuous Improvement:**

We actively evaluate and refine our governance practices to remain adaptive to evolving regulatory, industry, and stakeholder demands.

Our commitment to this philosophy is evident in every aspect of our operations and decision-making, ensuring we maintain our reputation as a trusted leader in the life insurance sector.

Governance Structure

The Board of Directors holds ultimate responsibility for the Company's governance and strategic direction, delegating authority to Board Committees and Corporate Management through well-defined roles, responsibilities, and reporting lines. Board Committees provide independent and objective oversight on key matters, ensuring robust decision-making and risk management. The effectiveness of the governance framework is further reinforced by independent assurance from Internal and External Auditors, underscoring the Company's commitment to transparency, accountability, and regulatory compliance.



Board Leadership and Oversight

The leadership of Janashakthi Insurance PLC is entrusted to a Board of Directors with diverse expertise and perspectives. In 2025, the Board demonstrated strong governance through effective oversight, strategic guidance, and ethical leadership.

Board Responsibilities:

The Board oversees:

1. Strategic Direction: Guiding long-term vision while balancing short-term goals.
2. Governance and Risk Oversight: Reviewing and monitoring governance, risk, and compliance frameworks.
3. Performance Monitoring: Evaluating the performance of executive leadership and overall company performance.

Board Composition:

The Board is structured to ensure independence, diversity, and inclusivity. It comprises:

- Independent Non-Executive Directors: Ensuring impartiality in decision-making.
- Executive Directors: Bringing deep operational insights to the Board.
- Non-Executive Directors: Providing strategic oversight without involvement in day-to-day operations.

As at 31 December 2025, the Board comprised nine directors, of whom seven were Non-Executive Directors. Six of the Non-Executive Directors were Independent. Brief profiles of the Directors are given on pages 33-36 of this report.

Board Meetings

This year, the Board convened 10 times, achieving an attendance rate of 98%, reflecting strong commitment and active engagement by its members.

Board Diversity

Our Board is diverse in experience, expertise, age, and gender, contributing a wide range of perspectives to boardroom deliberations. We believe that fostering diversity at the Board level is fundamental to driving innovation, making well-rounded decisions, and exercising independent judgment. This commitment reflects the communities we serve and underpins the Company's long-term sustainability and success.

Age Diversity

The Board has a mix of ages that reflect a range of generational perspectives. The Board includes members from different age groups, such as:

- Experienced Leaders: Older Board members (e.g.. 50+) who bring extensive experience and wisdom.
- Mid-Career Professionals: Members in their 40s who can offer a balance of experience and contemporary insights.

Gender Diversity

To promote a balanced and inclusive governance structure, the Board aims to have at least 20% to 30% female representation, reflecting a commitment to diversity and enhancing decision-making with varied perspectives.

Board Independence

The independence of Non-Executive Directors is determined in accordance with the CSE Listing Rules and the CA Sri Lanka Corporate Governance Code. During the year, all Non-Executive Directors submitted annual declarations of independence or non-independence, which were reviewed and evaluated by the Board.

Fit and Proper Assessment

During the year, all Directors and the CEO confirmed their ongoing compliance with the fit and proper criteria as set out in the CSE Listing Rules. Nominations and Governance Committee reviewed such declarations.

Access to Independent Expertise

To facilitate well-informed decision-making, the Board and sub-committees are authorised to obtain independent professional expertise, at the Company's expense, when necessary to effectively discharge their duties.

Board Remuneration

The Company has a formal, structured, and transparent remuneration procedure designed to attract and retain individuals with the skills, experience, and capabilities necessary to drive the Company's strategic objectives. No individual Director is involved in determining their own remuneration. The Remuneration Committee is responsible for designing fair, appropriate, and competitive remuneration packages for the Board, considering market practices, industry benchmarks, and the Company's performance.

Appraisal of the Board and CEO

For the year 2025, the Board carried out an evaluation of its overall effectiveness in discharging its responsibilities. In addition, Board Members undertook a self-assessment of the performance of the Board and its sub-committees.

The performance of the CEO is evaluated at the end of the year against the established Key Performance Indicators (KPIs).

Learning and development

Newly appointed Directors undergo a comprehensive induction program to brief them on the Company, industry-specific matters and regulatory environment. The Directors' knowledge and understanding of new areas relating to the matters of the Company is refreshed with briefings as necessary on relevant topics.

Governance Practices Aligned with Insurance Regulations

At Janashakthi Insurance PLC, we place a strong emphasis on governance practices that align with the stringent requirements set forth by the Insurance Regulatory Commission of Sri Lanka (IRCSL). Our commitment to regulatory compliance

CORPORATE GOVERNANCE

and robust governance structures is foundational to our operations and reflects our dedication to safeguarding the interests of our policyholders and stakeholders. In 2025, we continued to demonstrate excellence in governance through several key initiatives and achievements:

Solvency and Financial Stability

- Capital Adequacy Ratio (CAR): Our CAR stood at 284% well above the required thresholds. This strong CAR ensures that we have sufficient capital buffers to absorb potential losses, thus reinforcing our financial resilience and long-term stability.
- Determination Ratio: For the year 2025, Janashakthi Insurance PLC maintained a Determination Ratio of 103%, exceeding the minimum requirements set by the IRCSL. This reflects our robust capital management practices and financial resilience

Regulatory Compliance

- Compliance Audits: Throughout 2025, we underwent comprehensive compliance audits conducted by both internal and external teams. All of the observations were promptly addressed with corrective actions implemented to mitigate any identified risks. This proactive approach to compliance highlights our commitment to maintaining high standards of regulatory adherence.
- Internal Controls and Risk Management: We have strengthened our internal control environment by integrating advanced risk management practices into our operations. This includes regular monitoring and assessment of regulatory changes, ensuring that our policies and procedures remain up-to-date and effective in mitigating potential compliance risks.
- Training and Awareness: Recognizing the importance of an informed workforce, we conducted extensive training sessions for our employees on regulatory compliance, governance best practices, and ethical standards. These initiatives are designed to foster a culture of compliance and ensure that all employees are equipped to uphold the company's governance principles.

Governance Framework Enhancements

- Board Oversight:

The Board of Directors continues to play a crucial role in overseeing the Company's adherence to regulatory standards. In 2025, the Board reviewed and approved several governance policies, ensuring alignment with the latest IRCSL guidelines and best international practices.

- Policy developed and Reviews:

We conducted periodic reviews of our governance policies, including the AML Policy, IT Policy, Data Classification Policy, and developed new policies for Personnel Data Protection, fraud and misappropriation. These reviews are essential to ensure that our governance practices remain relevant and effective in a dynamic regulatory environment.

Compliance with IRCSL Regulations

During 2025, the IRCSL issued several new regulations applicable to the insurance industry. The Company has taken timely and appropriate measures to ensure compliance with these regulatory requirements. The key regulatory issuances included:

- Guidelines on Incorporating a Framework to Implement Key Pillars: Sustainable Development Goals (SDGs), Environmental, Social, & Governance (ESG) Principles and Green Finance, Initiatives in the Insurance Industry
- Direction No: 1 of 2025 - Needs Assessment and Customer Onboarding Process for Long-Term Insurance Business
- Direction No: 2 of 2025 - Improving the Confidence Level of the Policyholders
- Guidelines on Anti-Money Laundering and Countering the Financing of Terrorism Programme for Insurance Companies and Brokering Companies
- Amended Guidelines on Policy Framework for Long-Term Insurance Products applicable to all Long-Term Insurance Companies
- Guidelines on Market Conduct of the Insurers
- Direction No: 04 of 2025 - Issuing Insurance Product Information Document by Insurance Companies and Insurance Intermediaries
- Circular No.02 of 2025 - Enforcement procedure for Non-compliances of AML/CFT obligations

Janashakthi Insurance PLC complied with all newly issued IRCSL regulations during the year, except for the Guideline on Market Conduct of Insurers, which is effective from 1 October 2026. The Company has made significant progress towards implementation to ensure full compliance by the effective date.

Compliance with CSE Listing Rules

At Janashakthi Insurance PLC, compliance with the Colombo Stock Exchange (CSE) listing rules is a fundamental aspect of our corporate governance framework. These rules ensure that the Company operates with transparency, accountability, and integrity, fostering confidence among investors and stakeholders.

Adherence to Listing Requirements

In 2025, Janashakthi Insurance PLC continued to uphold the highest standards of compliance with the CSE listing rules, which cover a wide range of areas including corporate governance, financial reporting, and disclosure obligations. Key highlights of our compliance efforts include:

- Corporate Governance:

We have fully adhered to the CSE's corporate governance requirements, ensuring that our Board of Directors comprises a balanced mix of Executive,

Non-Executive, and Independent Directors. This composition supports effective oversight and decision-making.

↘ Timely Disclosures:

All material information, including financial results, corporate actions, and significant developments, has been disclosed promptly to the CSE, in line with the disclosure standards. This transparency ensures that our shareholders and the broader market are well-informed about the Company's performance and prospects.

↘ Related Party Transactions:

Our compliance with the CSE's rules on Related Party Transactions is reflected in the rigorous review and approval process established by our Related Party Transactions Review Committee. This ensures that all transactions are conducted on an arm's length basis and in the best interest of the company.

Strengthening Internal Processes

To ensure continuous compliance with the evolving regulatory landscape, Janashakthi Insurance PLC has implemented robust internal processes and controls:

↘ Compliance Monitoring:

Our dedicated compliance team actively monitors adherence to CSE listing rules, conducting regular reviews and audits to identify and address any potential gaps.

↘ Training and Awareness:

Regular training sessions are conducted for the Board, senior management, and employees to keep them updated on the latest regulatory requirements and best practices in compliance.

↘ Policy Enhancements:

We periodically review and update our governance policies and procedures to align with changes in CSE regulations and ensure best practice adherence.

In adherence to the Colombo Stock Exchange (CSE) amended Listing Rule 9.2, Janashakthi Insurance PLC has established and maintained the following policies to ensure a robust and comprehensive governance framework. All these policies are uploaded to the Company website for the perusal of the public. These policies reflect our commitment to maintaining high standards of governance and ethical conduct, supporting the Company's strategic objectives, and safeguarding stakeholder interests:

1. Policy on Matters Related to the Board of Directors
2. Policy on Board Committees
3. Policy on Corporate Governance, Re-election, and Nomination
4. Policy on Remuneration
5. Policy on Internal Code of Business and Ethics
6. Policy on Risk Management and Internal Controls
7. Policy on Relations with Shareholders and Investors
8. Policy on Environment, Social, and Governance (ESG) Sustainability
9. Policy on Control and Management of Company Assets and Shareholder Investments
10. Policy on Corporate Disclosures
11. Policy on Whistleblowing
12. Policy on Anti-Bribery and Corruption

Commitment to Excellence

Janashakthi Insurance PLC's unwavering commitment to complying with CSE listing rules underscores our dedication to corporate governance excellence. We recognize that adherence to these rules is not just about regulatory compliance but also about enhancing shareholder value and maintaining trust in the capital markets.

Looking Ahead

As we move into 2026, Janashakthi Insurance PLC remains committed to enhancing our governance framework in line with evolving regulatory requirements. We will continue to invest in our compliance capabilities, strengthen our internal controls, and foster a culture of transparency and accountability. Our focus will remain on ensuring that our governance practices not only meet but exceed the expectations of regulators, policyholders, and shareholders.

Compliance with Financial Intelligence Unit (FIU) Sri Lanka

Janashakthi Insurance PLC is fully committed to upholding the standards set by the Financial Intelligence Unit (FIU) of Sri Lanka to combat money laundering (ML) and the financing of terrorism (FT). Compliance with FIU regulations is an integral part of our governance and risk management framework, ensuring that we operate with integrity and in accordance with national and international laws.

Adherence to AML/CFT Regulations

In 2025, we reinforced our Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) measures to meet the evolving regulatory requirements of the FIU. Key compliance activities include:

↘ Customer Due Diligence (CDD):

We revamped our existing AML policy of the Company and we have implemented rigorous CDD procedures, ensuring that all customers are thoroughly vetted during the onboarding process and throughout their relationship with us. This includes Know Your Customer (KYC) checks, which are critical to verifying the identity and understanding the nature of our customers' activities.

↘ Transaction Monitoring:

Our manual transaction monitoring systems are designed to monitor and report any suspicious activities that may indicate ML or FT. This process is continually updated to align with the latest regulatory requirements and emerging threats. The Company is currently in the process of implementing an automated process for the transaction monitoring

- Suspicious Transaction Reporting (STR):

Janashakthi Insurance PLC has established robust protocols for identifying and reporting suspicious transactions to the FIU. In 2025, all identified transactions were reported promptly, in line with the FIU's guidelines.

Strengthening Compliance Framework

To ensure ongoing compliance with FIU regulations, we have enhanced our internal controls and governance structures:

- AML/CFT Policy:

Our comprehensive AML/CFT policy outlines the procedures and controls in place to prevent and detect ML/FT activities. This policy is regularly reviewed and updated to incorporate changes in regulatory requirements and industry best practices.

- Employee Training and Awareness:

We conduct regular training programs for employees across all levels to ensure they are aware of their responsibilities under the AML/CFT framework. These sessions are designed to keep our staff informed about the latest trends in financial crime and the measures needed to combat them effectively.

- Independent Audits:

Regular independent audits of our AML/CFT systems and processes are conducted to ensure effectiveness and compliance with FIU requirements. These audits provide valuable insights and recommendations for continuous improvement.

Commitment to Regulatory Excellence

Janashakthi Insurance PLC is dedicated to maintaining the highest standards of compliance with FIU regulations. Our proactive approach to AML/CFT ensures that we contribute to the integrity of the financial system and protect our stakeholders from the risks associated with financial crimes.

As we move forward, we will continue to enhance our AML/CFT framework, leveraging technology and best practices to stay ahead of evolving regulatory expectations and emerging threats in the financial landscape.

Risk Management and Compliance Integration

At Janashakthi Insurance PLC, risk management and compliance are integral components of our governance framework. We understand that effective risk management is essential to safeguarding the company's assets, ensuring regulatory compliance, and achieving our strategic objectives. In 2025, we continued to enhance our risk management and compliance mechanisms to address the dynamic challenges of the insurance sector.

Key Developments in 2025:

1. Operational Enhancements:
   - We have significantly strengthened our risk monitoring processes across core operations, ensuring that potential risks are identified and mitigated at an early stage. This includes deploying advanced analytics and real-time monitoring tools to enhance our risk detection capabilities.
   - Enhanced collaboration between business units and the risk management function has improved the identification and escalation of operational risks, ensuring that they are addressed promptly.
2. Policy Updates:
   - To stay ahead of emerging risks, we undertook a comprehensive review and revision of key governance policies. Notably, the IT Policy and Data Classification Policy were updated to reflect the evolving nature of cybersecurity threats and data privacy regulations. These updates ensure that our data protection practices remain robust and aligned with the latest regulatory requirements and industry standards.
   - Other critical policies, such as the Risk Management Framework and Anti Money Laundering Policy, were also revised to incorporate new risk assessment methodologies and response strategies, ensuring resilience in the face of unforeseen events.
3. Compliance Reviews:
   - Throughout 2025, we conducted comprehensive compliance reviews, covering both regulatory and operational aspects. These reviews assessed the Company's adherence to applicable laws, regulations, and internal policies, providing assurance that our operations are conducted within the established legal and ethical boundaries.
   - The reviews also identified areas for improvement, leading to the implementation of targeted action plans to address any gaps and enhance overall compliance effectiveness.

Future Outlook:

As we continue to navigate a complex and evolving risk landscape, Janashakthi Insurance PLC remains committed to further strengthening our risk management and compliance frameworks. Our focus will be on leveraging technology to enhance risk monitoring, fostering a culture of risk awareness across the organization, and maintaining a proactive stance towards emerging risks and regulatory changes. These efforts will ensure that we remain resilient, agile, and well-prepared to meet the challenges of the future.

Sustainability and Governance

At Janashakthi Insurance PLC, sustainability is deeply embedded in our business strategy, reflecting our commitment to long-term value creation for our stakeholders. Our Sustainability Policy, adopted in compliance with the Colombo

Stock Exchange (CSE) Listing Rules, ensures that environmental, social, and governance (ESG) considerations are integrated into all aspects of our operations. This policy not only guides our approach to sustainability but also underscores our responsibility towards the environment, society, and governance practices.

Integrating ESG into Operations

Our approach to sustainability is comprehensive, covering a broad spectrum of ESG factors. By embedding these considerations into our decision-making processes, we aim to enhance our resilience, foster innovation, and contribute positively to society and the environment. Key elements of our sustainability strategy include:

- Environmental Stewardship:

  We are committed to reducing our environmental impact through sustainable practices and initiatives. This includes energy efficiency programs, waste reduction strategies, and efforts to minimize our carbon footprint.

- Social Responsibility:

  We actively engage with the communities in which we operate, focusing on initiatives that promote social well-being, education, and health. Our community programs are designed to make a meaningful difference in the lives of those we serve.

- Governance Excellence:

  Strong governance is the cornerstone of our sustainability efforts. We strive to maintain the highest standards of ethical conduct, transparency, and accountability, ensuring that our operations align with local and global best practices in corporate governance.

Sustainability Highlights in 2025:

1. Reduced Operational Carbon Footprint:

↘ In 2025, we achieved a significant reduction in our operational carbon footprint This was accomplished through a combination of energy-saving initiatives, the adoption of renewable energy sources, and the implementation of green practices across our offices and operations. These efforts not only contribute to environmental conservation but also enhance our operational efficiency and cost-effectiveness.

2. Community Initiatives:

↘ Our community engagement programs benefited +26,000 individuals, reflecting our commitment to social upliftment. These initiatives included educational scholarships, health and wellness programs, and support for local entrepreneurship. By investing in the communities we serve, we aim to create a positive social impact and foster sustainable development.

3. Enhanced ESG-Related Disclosures:

↘ We have enhanced our ESG-related disclosures to align with global reporting standards, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). This includes providing detailed insights into our sustainability performance, governance practices, and the impacts of our operations. These enhanced disclosures not only improve transparency but also enable our stakeholders to make informed decisions based on a clear understanding of our ESG commitments and achievements.

Looking Ahead

As we move forward, Janashakthi Insurance PLC remains dedicated to advancing our sustainability agenda. Our focus will be on:

- Innovation in Sustainability:

Exploring innovative solutions that drive sustainability, including digital tools and technologies that enhance efficiency and reduce environmental impact.

- Stakeholder Engagement:

Strengthening our engagement with stakeholders to better understand their expectations and incorporate their feedback into our sustainability strategy.

- Continuous Improvement:

Setting ambitious sustainability goals and regularly review our progress to ensure continuous improvement. This includes expanding our community initiatives, further reducing our environmental footprint, and enhancing our governance practices.

Through our unwavering commitment to sustainability and governance, we aim to create long-term value for our stakeholders, contribute to a sustainable future, and uphold our responsibility as a leading insurance provider.

Stakeholder Engagement

At Janashakthi Insurance PLC, we recognize that proactive and meaningful engagement with our stakeholders is essential to fostering trust, enhancing transparency, and driving sustainable growth. Our stakeholders include policyholders, investors, employees, regulators, and the broader community. By maintaining open lines of communication and actively seeking feedback, we ensure that our governance framework remains responsive to their needs and expectations.

Key Stakeholder Engagement Initiatives in 2025:

1. Policyholder Engagement:

↘ In 2025, we conducted policyholder forums across various regions, providing a platform for our customers to share their experiences, feedback, and concerns directly with our management team. These forums were instrumental in gaining insights into policyholder needs and preferences, allowing us to tailor our products and services more effectively.

- Through these engagements, we also provided updates on new product offerings, changes in policy terms, and enhancements in customer service. This two-way communication not only helped in building stronger relationships with our policyholders but also demonstrated our commitment to their satisfaction and well-being.

2. Investor Relations

- Serves as the cornerstone of our commitment to transparency, communication, and trust, enabling us to build and maintain strong relationships with both existing and potential shareholders. In a constantly evolving market environment, we recognise the critical importance of fostering open and constructive engagement with our investors. Throughout the reporting year, we remained dedicated to providing timely and accurate information, ensuring that our shareholders are well-informed about our financial performance, strategic initiatives, sustainability initiatives, and corporate governance practices. By maintaining regular communication channels, we aim to enhance understanding of our business operations, future prospects, and long-term sustainability goals.

3. Employee Engagement:

- Recognizing that our employees are our greatest asset, we launched several new communication channels in 2025 to strengthen employee engagement. These included an internal digital platform for real-time updates, virtual town hall meetings with senior leadership, and an employee feedback system to capture suggestions and concerns.
- These initiatives have created a more connected and inclusive workplace, encouraging open dialogue and collaboration across all levels of the organization. The feedback received through these channels has been invaluable in shaping our workplace policies, enhancing employee satisfaction, and fostering a culture of continuous improvement.

4. Community Engagement:

- Our engagement with the broader community continued to be a key focus area in 2025. We actively participated in various community development projects and collaborated with local organizations to address social issues. This included educational programs, health and wellness initiatives, and environmental conservation efforts.
- Through these activities, we not only contributed to the well-being of the communities we serve but also reinforced our role as a responsible corporate citizen.

Strengthening Engagement Practices

As we continue to develop our stakeholder engagement practices, our focus remains on:

- Enhancing Accessibility:

Expanding our digital and in-person engagement channels to ensure that stakeholders can easily access information and communicate with us at their convenience.

- Personalizing Engagement:

Tailoring our engagement strategies to meet the unique needs and preferences of different stakeholder groups, ensuring more meaningful and impactful interactions.

- Measuring Impact:

Implementing metrics to assess the effectiveness of our engagement efforts, allowing us to refine our approach and ensure that our stakeholders' voices are heard and acted upon.

Commitment to Continuous Improvement

Janashakthi Insurance PLC is committed to fostering strong relationships with all stakeholders by maintaining open, transparent, and proactive communication. Our engagement efforts are designed not only to meet but to exceed stakeholder expectations, ensuring that we remain a trusted and responsible partner in all our interactions. By continuously improving our engagement practices, we aim to build lasting value and achieve sustainable success for the Company and its stakeholders.

Looking Ahead: Detailed Expansion

As we move forward, Janashakthi Insurance PLC remains steadfast in its commitment to governance excellence, reinforcing our position as a trusted leader in the industry. Our strategic priorities for 2026 are designed to bolster our governance frameworks, adapt to emerging challenges, and align with global best practices. Below, we provide a more detailed elaboration on our key focus areas:

Enhancing Digital Governance Frameworks to Address Cyber Risks

In an increasingly digital world, the rise of cyber threats poses significant challenges to the security and integrity of business operations. Recognizing this, Janashakthi Insurance PLC is prioritizing the enhancement of our digital governance frameworks. This includes:

- Implementation of Advanced Cybersecurity Measures:

We are investing in state-of-the-art technologies and systems to prevent, detect, and respond to cyber threats effectively.

- Employee Training and Awareness:

A comprehensive training program will be rolled out to ensure all employees are well-versed in anti-money laundering and countering terrorism financing measures, data protection and are proactive in safeguarding digital assets.

- Regular Audits and Stress Testing:

Periodic assessments will be conducted to evaluate the robustness of our digital governance, ensuring it meets the evolving threat landscape.

Strengthening the Data Protection Regime

Data is at the core of our operations, and protecting it is paramount. To fortify our data protection regime, we are:

- Aligning with Laws and Regulations:

Ensuring compliance with local Personnel Data Protection Act and international data protection laws, including General Data Protection Regulation (GDPR) where applicable, to safeguard personal and sensitive information.

- Implementing Robust Data Management Practices:

Enhancing data classification, encryption, and access controls to minimize risks associated with data breaches.

- Stakeholder Communication:

Engaging with stakeholders to communicate our data protection policies and practices transparently, thereby building trust and confidence.

Further Aligning with IRCSL Guideline on ESG and Governance Standards

Environmental, Social, and Governance (ESG) considerations are integral to our strategic direction. Our efforts to align with international ESG and governance standards include:

- ESG Reporting and Transparency:

We are committed to enhancing our ESG disclosures, providing stakeholders with clear and comprehensive insights into our sustainability practices and governance processes.

- Sustainable Business Practices:

Initiatives aimed at reducing our environmental footprint, promoting diversity and inclusion, and ensuring ethical conduct across all operations will be a central focus.

- Governance Best Practices:

Continuously refining our governance structures to reflect international best practices, ensuring our Board and management are well-equipped to oversee the Company's strategic direction and risk management.

Positioned for the Future

With a legacy of trust and a future-focused mindset, Janashakthi Insurance PLC is well-positioned to navigate the evolving business landscape. Our steadfast commitment to governance and excellence ensures that we are prepared to address emerging risks, leverage opportunities, and deliver sustained value to our stakeholders. By upholding the highest standards of governance, we reaffirm our dedication to fostering a resilient, transparent, and sustainable organization that thrives in the face of future challenges.

CORPORATE GOVERNANCE

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Sec. 1	**The Company**		
Code A	**Directors**		
	The Board		
Code A.1	The need for the Company to be headed by an effective Board, which should direct, lead and ensure effective controls for the Company.	Complied	The Company is headed by a dynamic Board with expertise in diverse fields. The Directors are well qualified and experienced with a thorough understanding of the business complexities and are prominent corporate personalities with experience in different industries. Board responsibilities and other core functions are discussed in detail in this Report. The detailed individual profiles of Board members are provided on pages 33-36.
Code A.1.1	The Board should meet regularly. Board meetings should be held at least once every quarter of a financial year in order to effectively execute the Board's responsibilities, while providing information to the Board on a structured and regular basis.	Complied	Board meetings are held every quarter and as and when the need arises. The Board met 10 times during the year 2025. In addition, Operational Board Meetings were held every quarter to apprise the Board Members on operational matters. The Board approved the Company's business strategy for the year 2025 and was actively involved in monitoring the performance of both financial and non-financial objectives and targets. The Board also reviewed policies and procedures related to risk management. The core focus at Board meetings was to review and discuss the Company's performance and to review achievement of strategy and to ensure target expectations are being met and to make relevant decisions at the highest level. In addition, the Board Sub-Committees were convened in relation to matters falling under the purview of each sub-committee. The Board Papers are forwarded to the Directors in advance of the meeting. Any additional information requested by the Board has always been provided within a short period in order for the Board to be prepared in making decisions at the meetings.
Code A.1.2	The Board's role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. In performing its role, the Board should be responsible for matters including:		
	Formulation and implementation of a sound business strategy	Complied	The Board, in principle, is responsible for approving the business strategy and guiding the business operations of the Company in line with such strategy and ensuring that the management team possesses the expertise to implement the same. Strategies formulated are implemented through the Chief Executive Officer and the Senior Management Team. Matters were discussed and debated by the Board, taking all aspects into consideration with emphasis on how it will impact stakeholder interest, in order to decide and approve the appropriate strategy. The Board advised and guided the management team on the successful execution of the strategy.
	Appointing the Chair and the Senior Independent Director, if relevant	Complied	The Chairperson was appointed with effect from 01st January 2025 (Profile of the Chairperson is provided on page 35).

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
	Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience and knowledge to implement the strategy	Complied	The Company is steered by a team of multi-disciplinary professionals (Profiles of Senior Management Team is provided on page 40), led by a CEO with diversified qualifications and experience, who reports to the Board of Directors. The senior management team possesses the necessary qualifications and skills to perform their respective roles.
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy;	Complied	JIPLC has a succession planning process in place for identifying and grooming staff for key positions within the Company, in order to ensure the continuity of its operations.
	Approving budgets and major capital expenditure	Complied	The annual budget, prepared by the Management, is submitted to the Board for its review and approval. Any major capital expenditure items are submitted to the Board for approval.
	Determining the matters expressly reserved for the Board and those delegated to the Management, including limits of authority and financial delegation	Complied	The matters specifically reserved for the Board are specified in the Corporate Governance Framework of JIPLC. Other matters that are delegated to the Management are determined by the Board, from time to time.
	Ensuring effective systems to secure the integrity of information, internal controls, cyber security and business continuity and Risk Management; Ensuring the availability of the ICT roadmap in line with the business strategy of the Company and monitoring the progress of implementation through the ICT Dashboard	Complied	Integrity of information, internal controls, information security and cybersecurity are considered key factors in JIPLC's operations. Such systems are continuously monitored by the management and verified by the internal and external auditors. Any breaches identified are reported to the Board Audit Committee periodically and the remedial action taken is reported to the Board for their decisions. Effective mechanisms are also in place to identify, assess and manage/ mitigate risks faced by the Company, which are discussed in detail in the Risk Management Report on pages 112-121. JIPLC duly reviews and updates its Business Continuity Plan to ensure the sustainability of operations.
	Ensuring compliance with laws, regulations and ethical standards	Complied	Compliance with regulatory requirements and applicable laws are considered a high priority in the governance framework of JIPLC. New regulatory requirements are promptly disseminated to the relevant business/operational divisions for implementation by the Risk Management and Compliance Division. The compliance status pertaining to the applicable laws and regulations are submitted for the information of the Board, thus ensuring the commitment of the highest governing body of the Company. Further, the monthly status of compliance with statutory requirements is monitored by the Risk Management and Compliance Division and is reported to the Board on a quarterly basis. This process also ensures that the Board is updated on all Compliance aspects of the Company.
	Ensuring that all stakeholder interests are considered in corporate decisions	Complied	JIPLC has established a strong set of values within the Company and adhering to these values and principles are encouraged at all times. The Board evaluates the impact on all the key stakeholders of the Company before arriving at any key business decision.

CORPORATE GOVERNANCE

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
	Recognizing sustainable business development and ESG Risk in Corporate Strategy, decisions and activities and considering the need for integrated reporting;	Complied	The Board is mindful of sustainable business development and has always taken a long-term approach to insurance business development with enhanced focus on sustainability. A Sustainability policy has been developed, encapsulating the Environment, social and Governance aspects and approved by the Board. Further relevant disclosures are made to the annual report of the Company, which is prepared as an integrated report.
	Ensuring that the company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations	Complied	The Board comprises professionals from various backgrounds, including finance and many years of experience and exposure to financial regulations. The Board Audit Committee reviews the Accounting Policies and the Financial Statements to ensure that the highest ethical standards are adopted in accounting policies. The Company's accounting policies are in adherence to Sri Lanka Accounting Standards (SLFRS/LKAS). In addition to the above, the accounting policies are reviewed on a frequent basis to ensure they are in line with the changing business and best practices in the industry. The adoption of proper accounting standards and policies are embedded in the Company's values and ethical standards.
	Establishing a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.		The Board and the Board Strategic review committee oversee a structured performance monitoring framework through periodic reviews of strategy implementation, approved budgets, business plans, and key risk indicators. Progress and variances are reviewed at regular Board and Committee meetings, with corrective actions implemented where necessary.
	Ensuring that a process is established for corporate reporting on an annual and quarterly basis or more regularly as relevant to the company		The Company has established formal processes to ensure timely and accurate corporate reporting on a quarterly and annual basis, in compliance with applicable regulatory and listing requirements.
	Fulfilling other Board functions that are vital to the organization, given the nature, scale and complexity of the organization	Complied	During the year, the Board endeavoured to fulfil its stewardship obligations on behalf of all stakeholders and dealt with issues that came up during the year.
Code A.1.3	Procedure to obtain independent professional advice where necessary	Complied	The Board and its Sub-Committees have the authority to obtain independent professional advice, legal counsel, consultants or other external expert advisors as and when deemed necessary, at the Company's expense. This is embedded in the Corporate Governance Policy and Related Party Transactions Review policy of the Company.
Code A.1.4	All Directors should have access to the advice and services of the Company Secretary	Complied	Janashakthi Corporate Services Ltd. serves as the Company Secretary for JIPLC, who ensures compliance with Board procedures, Companies Act & CSE / SEC regulations. All Directors have access to the Company Secretary on any relevant matter. The Company Secretaries do not perform any functions that give rise to a conflict of interest.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A.1.5	All Directors should bring independent judgment to bear on issues of strategy, performance, resources and standards of business conduct.	Complied	The Directors of JIPLC are well qualified and experienced in their fields of expertise. They bring their independent judgment into matters relating to the Company and are conscious of avoiding matters of potential or actual conflicts of interest. Further, all directors use independent judgment in choices made by the Board on matters of strategy, performance, resource distribution and the conduct of operations. These viewpoints are discussed at Board meetings and decisions are arrived at. Each year, various executive officers meet with the Board Members to review the previous year's results and progress to focus on goals and challenges of the upcoming year. Management also periodically updates the Board on progression of the business unit's focus goals.
Code A.1.6	Every Director should dedicate adequate time and effort to matters of the Board and the Company.	Complied	Board papers for discussion at a given meeting are circulated in advance of the said meeting, to provide Board members with sufficient time to study the material and request any additional information deemed necessary for the discussions. Board papers are discussed in detail and debated at the Board meeting before a final decision is made. Members of the Executive Committees are also requested to make presentations when needed to obtain clarity in order to analyse a given situation. Directors' time was spent on strategy evaluation, performance review and directing corrective measures for fine-tuning areas where it was deemed required. During 2025, the Directors allocated a significant amount of time to address the strategies to meet the economic conditions that prevailed during the year and strategies to overcome the risks posed by the economic challenges and conditions.
Code A.1.7	One third of Directors can call for a resolution to be presented to the Board where they feel it is in the best interest of the Company to do so.	Complied	This is accommodated through the Corporate Governance practices of the company.
Code A.1.8	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary. The Board should regularly review and agree on the training and development needs of the Directors.	Complied	New Directors joining the Board are provided an induction to brief them on Company and industry-specific matters as well as the regulatory environment. The Directors' knowledge and understanding of new areas relating to the matters of the Company is refreshed with briefings as necessary on relevant topics.

CORPORATE GOVERNANCE

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.3	Board Committees		
CSE 9.3.1	The following Board committees are to be established and maintained at a minimum and are functioning effectively: ↘ Nominations and Governance Committee ↘ Remuneration Committee ↘ Board Audit Committee ↘ Related Party Transactions Review Committee	Complied	The said Committees have been established with written Terms of Reference and the composition in line with the requirements under the Rules.
CSE 9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees.	Complied	The Chairperson of the Board of Directors of the Company is not the Chairperson of the Board Committees.
CSE 9.6/Code A.2	Chairperson & CEO		
CSE 9.6.1	Chairperson to be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual.	Complied	There is a clear division of responsibilities between the position of Chairperson and the CEO.
Code A.2	There should be a clear division of responsibilities at the head of the company, which will ensure a balance of power & authority so that no individual has unfettered power.	Complied	The Chair ensures Board governance and that stakeholder expectations are met, while the CEO makes decisions on day-to-day operational matters of the Company. At the same time, the Chairperson and CEO maintain an excellent working relationship, facilitating the distinction between the conduct of business operations and governance and authority.
Code A.2.1	A decision to combine the posts of Chairperson and the CEO as one person should be highlighted and justified.	Not Applicable	The Chairperson and CEO positions are held by different individuals.
CSE 9.6.2/9.6.3	If unable to comply with Rule 9.6.1 above, make a Market Announcement and appoint a Senior Independent Director.	Not Applicable	
	Chairperson's Role		
Code A.3	As the person responsible for running the Board, the Chairperson should preserve order and facilitate the effective discharge of Board Functions	Complied	The Chairperson is responsible for leadership of the Board, ensuring its effectiveness on all aspects of the company's business and to the best interests of all stakeholders. The Chairperson also ensures that the Directors receive accurate, timely and clear information and facilitates constructive relations between Executive and Non- Executive Directors.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A.3.1	The Chairperson conducts Board proceedings in a proper manner.	Complied	The Chairperson ensures effective participation of both Executive and Non- Executive Directors in the conduct of Board meetings. The Chairperson also ensures that the views of each Director on any issue under consideration are ascertained and that the Board is in complete control of the affairs of the Company.
	Financial Acumen		
Code A.4	The Board should ensure that the availability within it of those with sufficient financial acumen & knowledge to offer guidance on matters of finance.	Complied	The Board comprises three members with professional accounting qualifications and collectively possesses a strong financial acumen and capability to assess the integrity of the Company's financial reporting systems & controls, continually review and critique these systems and make changes to them as necessary. Ms. Warini de Costa - A fellow of the Institute of Chartered Accountants of Sri Lanka (ICASL), a Fellow of the Institute of Certified Management Accountants of Sri Lanka (CMA) and holds an MBA from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura. Mr. Dilip de S. Wijeyeratne - An Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA), a Fellow of the Chartered Institute of Management Accountants, UK (FCMA) and a Graduate of the Australian Institute of Company Directors (GAICD). Mr. Sivakrishnarajah Renganathan - A Fellow of the Chartered Institute of Management Accountants, UK (FCMA), Chartered Global Management Accountant (CGMA), Fellow of the London Institute of Banking & Finance, UK (FLIBF) and a Fellow of the Institute of Bankers Sri Lanka (FIB).
CSE 9.5	Policy on Matters Relating to the Board of Directors		
CSE 9.5.1	The Company to maintain a formal policy on matters relating to the Board of Directors	Complied	The Board has approved the policy on matters relating to the Board of Directors, which encompasses the requirements under the Rules. The desired balance of skills, expertise and qualifications on the Board is monitored and ensured by the Nominations and Governance Committee. In terms of the Framework of Corporate Governance, the maximum number of Directors on the Board of JIPLC has been specified as 11, which would accommodate the range of skills and expertise required on the Board in terms of the size and complexity of operations of JIPLC. The Board meetings are held on a quarterly basis, at the minimum or as often as necessary. In line with the IRCSL Direction on Corporate Governance, the maximum number of directorships that a director of JIPLC can hold, has been specified as 20.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
			To promote a balanced and inclusive governance structure, the Board should aim to have at least 20% to 30% female representation, reflecting a commitment to diversity and enhancing decision-making with varied perspectives. The Board has a mix of ages that reflect a range of generational perspectives. The Board includes members from different age groups, such as: Experienced Leaders: Older Board members (e.g.. 50+) who bring extensive experience and wisdom. Mid-Career Professionals: Members in their 40s who can offer a balance of experience and contemporary insights. The policy also requires a Director to participate in at least 75% of the meetings held in a year, in order to ensure consistent attendance at Board Meetings. Participation via audio-visual means and acceptance of such attendance when deciding on the quorum is included in the Governance framework.
	Board Balance		
Code A.5/ CSE 9.5.1(a)	A balance of Executive and Non-Executive Directors such that no individual or small group of individuals dominates the Board Meetings.	Complied	As at 31st December 2025, the Board comprised seven Non- Executive Directors, out of a total of nine Directors. This provides a desirable mix of Executive and Non-Executive Directors and the majority are Non-Executive Directors.
Code A.5.1	The Board should include at least three Non-Executive Directors or such number of one-third of the total number of Directors, whichever is higher.	Complied	The views of all Directors are taken into consideration at Board Meetings and no individual or group of individuals dominates.
Code A.5.2	Three or two-thirds of the Non-Executive Directors appointed to the Board, whichever is higher, should be independent.	Complied	There were 6 Independent Directors out of the seven Non-Executive Directors as at 31st December 2025.
Code A.5.3	Criteria for a Director to be deemed independent.	Complied	The independence of Non-Executive Directors is determined in line with the Listing Rules of the Colombo Stock Exchange.
Code A.5.4/ CSE 9.8.5(a)	Non-Executive Directors should submit a signed declaration of their independence or non-independence.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence, records of which are maintained by the Company Secretaries.
Code A.5.5/ CSE 9.8.5(b)	The Board should make a determination annually as to the independence or non-independence of Directors and set out in the Annual Report the names of Directors.	Complied	The Board has made a determination of the independence of the Directors. The information is disclosed on pages 33-36.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.8.5 (c)	Make a Market Announcement upon the Board of Directors determining that the independence of an Independent Director has been impaired.	Not Applicable	No such incidents reported during the year.
Code A.5.6/ CSE 9.9	Appointment of an Alternate Director	Not Applicable	There are no alternate directors appointed.
Code A.5.9	The chairperson should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Complied	The Chairperson held meetings with the Non-Executive Directors, without the presence of Executive Directors, to facilitate open discussion on governance matters, Board effectiveness, and other relevant issues.
Code A.5.10	Recording of Directors' concerns at Board meetings on matters that cannot be resolved unanimously.	Complied	Any significant concerns raised by the directors at the Board Meetings are recorded in the Minutes of the Board Meetings.
	Supply of Information		
Code A.6	The Board should be provided with timely information in a form and of a quality appropriate to enable it discharge its duties	Complied	The Board receives a standard set of timely, accurate and reliable information regularly. These include both financial and non-financial data and the Board at any given time could request additional information in order to clarify or make a reliable judgment and discharge its duties effectively. The papers for each meeting is uploaded in advance, enabling the Directors to prepare for the discussion at Board Meetings and to request any additional information.
Code A.6.2	The minutes, agenda and papers required for a Board meeting are ordinarily provided to Directors at least seven days before the meeting and the minutes of the meeting should be provided at least two weeks after the meeting date.	Complied	The Board is provided with materials in advance of any meeting for review and study. Members of management, depending upon items to be considered at the meeting, compile most material and submit seven days prior to a meeting.
CSE 9.7	Fitness of Directors and CEOs		
CSE 9.7.1 - 4	Ensure the Directors and the CEO are, at all times, fit and proper persons and obtain the declarations on an annual basis in accordance with the Fit and Proper Assessment Criteria set out in the rule.	Complied	The fitness and propriety of Directors are reviewed by the Nominations and Governance Committee. The criteria specified under the Rules are also applied in the approval of any new Directors by the IRCSL. In terms of the Regulation of Insurance Industry Act, all appointments of Directors and the CEO are approved by the IRCSL. All Directors have provided duly signed annual declarations confirming compliance with the Fit and Proper Assessment Criteria under Listing Rule No. 9.7.3.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.7.5	Disclosures in the Annual Report	Complied	A fit and proper assessment process has been implemented, and all directors are assessed annually. Annual director declarations are re-evaluated and updated to align with this assessment in accordance with Rule, as well as IRCSL regulations.
	Appointments to the Board		
CSE 9.11.1	To establish a Nominations and Governance Committee that conforms to the requirements under the Rules.	Complied. The composition of the Committee has been reconstituted in order to fall in line with the requirements under the Rules.	The Nominations and Governance Committee is in place with the mandate of ensuring the right balance of skills and knowledge on the Board. Names of chairman and members of the Nominations and Governance Committee and details of meetings is available on page 158.
Code A.7/ CSE 9.11.2	There should be a formal and transparent procedure for the appointment of new Directors to the Board	Complied	
Code A.7.1	Nominations and Governance Committee comprising a minimum of 3 members should be established to make recommendations to the Board on all new appointments. The Chairman and Members of the Nominations and Governance Committee should be disclosed in the Annual Report.	Complied	
Code A.7.2	The Nominations and Governance Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board match the strategic demands of the Company.	Complied	The strength and composition of the Board is assessed by the Nominations and Governance Committee to ensure that their knowledge and experience complement the vision and strategy of the Company.
Code A.7.3	There should be a succession plan for the CEO and all Key Management Personnel.	Complied	The Company has a formal succession plan in place for the Chief Executive Officer and all Key Management Personnel to ensure leadership continuity and business stability. The plan is reviewed periodically by the Nominations and Governance Committee and the Board.
Code A.7.4	Disclosure to the shareholders regarding the appointment of a new Director to the board.	Complied	The Company ensures timely disclosure to shareholders regarding the appointment of any new Director to the Board through market announcements and subsequent disclosure in the Annual Report.
Code A.7.5/ CSE 9.11.6	Disclosure in the Annual Report Report of the Nominations and Governance Committee signed by its chairperson.	Complied	A report of the Nominations and Governance Committee signed by its chairperson, is included in the Annual Report outlining the Committee's activities and responsibilities during the year.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A.7.6/ CSE 9.11.3	Terms of Reference of the Committee should be in place.	Complied	The Nominations and Governance Committee operates under a formally approved Terms of Reference, which sets out its scope, responsibilities, authority, and reporting obligations.
	Re-Election		
Code A.8	All Directors should be required to submit themselves for re- election at regular intervals, and at least once, every three years	Complied	The Non-Executive Directors are subject to re-election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals, once every three years. This is ensured through the Company's Articles of Association.
Code A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director and their re-appointment should not be automatic.	Complied	One third of the total number of Directors commencing with the longest in office since their last election shall retire each year by rotation.
Code A.8.2	All Directors, including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years.	Complied	This procedure is in place in the Articles of Association and is practiced.
Code A.8.3	Resignation In the event of a resignation of the Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Complied	The Directors who resigned during the year have provided written communication to the Board.
Code A.9	Appraisal of Board Performance Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.		
Code A.9.1	The Board should annually appraise itself on its performance in its key responsibilities.	Complied	The performance of the Board was assessed with regard to the performance of its key responsibilities.
Code A.9.2	An annual self-evaluation of its own performance and that of its committees.	Complied	The Board Members carry out an annual self-assessment of the performance of the Board and of the sub-committees.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election	Complied	The Company Secretary maintains records of participation and engagement of each director.
Code A.9.4	Disclosure regarding the performance evaluation in the Annual Report.	Complied	
Code A.10.1/ CSE 9.10.4	Board Related Disclosures	Complied	Details pertaining to each director are disclosed on pages 33-36.
CSE 9.10.2	Make a Market Announcement on the details of the new Directors appointed to the Board	Complied	Market Announcements have been made, including the required details, at the time of the appointment of new Directors.
CSE 9.10.3	Make a Market Announcement regarding any changes to the composition of the BOD and Board Committees.	Complied	The Company makes prompt market announcements regarding any changes to the composition of the Board of Directors or Board Committees, in compliance with listing and regulatory requirements
	Appraisal of the CEO		
Code A.11	The Board should be required, at least annually, to assess the performance of the CEO.	Complied	The Board assesses the performance of the CEO annually in keeping with Board stipulated guidelines.
Code A.11.1	The Board, in consultation with the CEO, should set financial and non-financial targets that should be met by the CEO	Complied	The Board ensures that a business performance plan is compiled by the Management, which is discussed and approved by the Board for each year of operation. This plan is developed to tie up with the corporate plan of the company and Key Performance Indicators (KPIs) are drawn up to monitor the success of operations. The overall KPIs are used to evaluate the performance of the CEO against the results achieved by the Company.
Code A.11.2	The Board, at the end of each fiscal year, should evaluate the performance of the CEO.	Complied	The Board carries out this evaluation and submits its briefing to the Board for any further discussion required.
Code B	**Directors' Remuneration**		
Code B.1/ CSE 9.12.3	Remuneration Procedure Companies should establish a formal and transparent procedure for developing policy on executive remuneration.	Complied	The Board has implemented a formal & transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. The Committee is responsible for the development of executive remuneration and no Director is involved in deciding his/her own remuneration. The purpose of the Committee is to assist the Board in matters of compensation of the Company's Executive Directors, Corporate Management Team, top talents and other employees as determined by the Committee.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
	Remuneration Committee		
Code B.2.1/ CSE 9.12.2/5	The Board should set up a Remuneration Committee	Complied	Remuneration Committee has been established in this regard and its functions within the agreed terms of reference is disclosed on page 154.
Code B.2.2	The committee should consist exclusively of Non-Executive Directors with a minimum of 3 Non-Executive Directors of whom the majority should be independent.	Complied	The Remuneration Committee only consists of Non-Executive Directors, the majority of whom are Independent. Please refer Remuneration Committee Report on page 154.
Code B.2.3	Consultation of the Chairperson/CEO in deciding the remuneration of Executive Directors and senior management and access to professional advice	Complied	The Remuneration Committee consults the Chairperson and CEO where necessary, and has access to professional advice within and outside the Company.
Code B.2.4	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and the Chief Executive Officer	Complied	The Remuneration Committee assesses market practices, industry remuneration benchmarks, and, most importantly, the Company's performance to determine the compensation of Executive Directors and the Senior Management Team.
Code B.2.5	Executive Director's remuneration should be designed to promote the short, medium and long-term performance of the Company	Complied	The remuneration levels are designed to attract and retain the best talent to ensure the optimal performance and sustainability of business in the short, medium and long term.
Code B.2.15	The Chairman and members of the Remuneration Committee should be listed in the Annual Report.	Complied	Details of the Remuneration Committee are provided in the Corporate Governance report on page 154.
Code B.3/ CSE 9.12.8	The Remuneration Policy and the details of Remuneration of the Board should be disclosed in the Annual Report.		
Code C	**Relations with shareholders**		
	Constructive use of the AGM and conduct of General Meetings		
Code C.1	Boards should use the AGM to communicate with shareholders and should encourage their participation.	Complied	All steps have been taken to protect shareholder rights at the AGM, including the receipt of notice of the AGM within the specified period, raising questions to the Board and various other committees, voting for the election of new Directors or any other issue of materiality that requires a shareholder resolution.

CORPORATE GOVERNANCE

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code C.2	Communication with Shareholders The Board should implement effective communication with shareholders.	Complied	A Policy on Relations with Shareholders and Investors has been established and which expresses various mediums to facilitate communication with shareholders and the policy has been uploaded to the website for ease of access.
Code C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	Complied	All information with regard to the Annual Report is disseminated through the Chief Financial Officer and all other changes through the Company Secretary – Janashakthi Corporate Services (Pvt) Ltd.
Code C.3	Major Material Transactions Further to complying with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations, as applicable, Directors should disclose to shareholders all proposed material transactions, which, if entered into, would materially alter/vary the Company's net asset base.		
Code D	**Accountability & Audit**		
Code D.1	Financial Reporting The Board should present a balanced & understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects.	Complied	The Directors have taken all reasonable steps in ensuring the accuracy and timeliness of published information and in presenting a true & balanced assessment of the Company's position. The financial information is reviewed by the Board Audit Committee and the Board, prior to publishing. The Company's position and future direction is discussed in detail in the chairperson & CEO's Reviews on pages 28-32 and Management Discussion & Analysis on pages 41-108.
Code D.2	Risk Management & Internal Control The Board should establish a policy for determining the nature and extent of the principal risks it is willing to undertake in achieving its strategic objectives. Have a process of Risk Management and a sound system of internal controls to safeguard shareholders' investments and the Company's assets.	Complied	The Board and the Board Audit Committee have the overall oversight of the system of internal control and of monitoring its effectiveness, while the implementation of the internal control system is the responsibility of the Risk & Compliance Team. The detailed Risk Management Report is provided on pages 110-119.
Code D.2.2.2	Companies should have an internal audit function	Complied	The Company has an internal audit function, which acts as the third line of defense in the risk management process.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code D.3	**Board Audit Committee** The Board should establish formal and transparent arrangements for selecting and applying accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensure the independence of the company's auditors	Complied	The Board has delegated its responsibility with regard to financial reporting, internal controls and maintaining appropriate relationships with External auditors to the Board Audit Committee. The Terms of Reference of the Board Audit Committee entrust the required responsibility to it. The detailed Board Audit Committee Report is provided on pages 150-153.
Code D.3.1	Composition should be exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be independent.	Complied	The Board Audit Committee comprises three Independent Non-Executive Directors. The composition of the Board Audit Committee is provided on pages 150-153.
Code D.4	**Risk Committee**	Complied	The Board Audit Committee of the Company is responsible for governing the Risk management of the Company. The TOR of the Board Audit committee encapsulates the requirements specified by the CSE listing rules and the Code of Best Practices of corporate governance issued by the Institute of Chartered Accountants of Sri Lanka for the Risk management.
Code D.5	**Related Party Transactions Review Committee** The Board should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties 'more favorable treatment' than that accorded to third parties in the normal course of business.	Complied	This is achieved by having the Related Party Transactions Review Committee with an approved TOR in place. The detailed Related Party Transactions Review Committee Report is provided on page 158.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
CSE 9.14.4 (1-4)	General Requirements ↘ The Committee shall meet at least once every calendar quarter and ensure that meeting minutes are properly documented and communicated to the Board of Directors ↘ The Committee members shall have access to, adequate knowledge and expertise and obtain professional advice where necessary. ↘ The Committee shall obtain prior approval of the Board of Directors for Related Party Transactions. ↘ Any Director with a material personal interest in a Related Party Transactions shall not be present or vote on the matter.	Complied	The detailed Related Party Transactions Review Committee Report is provided on page 158.
CSE 9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee.		The detailed Related Party Transactions Review Committee Report is provided on page 158.
CSE 9.14.8	Disclosures in the Annual Report		The detailed Related Party Transactions Review Committee Report is provided on page 158.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code D.6	Code of Business Conduct and Ethics	Complied	We are proud to affirm that the Company has implemented a comprehensive Code of Business Conduct and Ethics, applicable to our Board of Directors, Key Management Personnel, and all employees. This Code establishes the principles and standards that guide our actions, ensuring the highest levels of integrity and ethical behavior throughout the organization. Key areas covered by the Code include: ↘ **Conflict of Interest:** Maintaining transparency and avoiding situations where personal interests could conflict with Company interests. ↘ **Bribery and Corruption:** Prohibiting all forms of bribery and corrupt practices. ↘ **Entertainment and Gifts:** Defining acceptable practices to prevent undue influence or impropriety. ↘ **Accurate Accounting and Record Keeping:** Ensuring all records are accurate and comply with applicable laws and regulations. ↘ **Fair and Transparent Procurement Practices:** Promoting fairness and integrity in procurement processes. ↘ **Corporate Opportunities:** Preventing the misuse of company resources or positions for personal gain. ↘ **Confidentiality:** Protecting sensitive information and using it appropriately. ↘ **Fair Dealing:** Treating all stakeholders fairly and equitably. ↘ **Protection and Proper Use of Company Assets:** Ensuring responsible use of physical and information assets. ↘ **Sexual Harassment, Discrimination, and Abuse:** Fostering a respectful, harassment-free workplace. ↘ **Compliance with Laws, Rules, and Regulations:** Adhering to all legal and regulatory requirements, including insider trading laws. ↘ **Encouraging Reporting of Unethical Behavior:** Providing safe mechanisms for reporting unethical or illegal activities without fear of retaliation. We regularly review and update our Code to reflect best practices and evolving regulatory requirements. All employees are trained to understand and uphold these principles, ensuring they are embedded in our corporate culture.
Code D.6.2	The Company should have a process to identify and report material or price-sensitive information promptly	Complied	The Company has established a formal internal review and escalation process to identify material or price-sensitive information. Such information is assessed by Senior Management and the Company Secretary and disclosed promptly to the Colombo Stock Exchange in compliance with applicable Listing Rules and regulatory requirements.
Code D.6.3	The Company should establish a policy, process for monitoring, and disclosure of shares purchased by any director, key management personnel or any other employee involved in financial reporting	Complied	The Company has implemented a Share Dealing Policy requiring prior clearance, adherence to blackout periods, and timely disclosure of transactions by Directors, Key Management Personnel, and designated employees.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code D.6.4	The Company should establish a procedure to deal with complaints received from whistleblowers	Complied	A formal Whistleblower Policy is in place providing secure and confidential reporting channels. Complaints are independently reviewed by the Board Audit Committee, with protection against retaliation and appropriate corrective action taken where necessary.
Code D.6.6	The process for company-wide dissemination of the policy, training arrangements, violations/non-compliances (if any), with actions taken, should be reported to the board on a regular basis	Complied	Governance policies are disseminated company-wide through induction programs, periodic training, and internal communications. Compliance status, training coverage, and any violations or corrective actions are reported to the Board regularly.
Code D.6.7	The Chairperson must affirm in the Company's annual report that a code of conduct and ethics has been introduced companywide, the procedure for disseminating, monitoring, and compliance with the code and significant violation	Complied	The Chairperson must affirm in the Company's annual report that a code of conduct and ethics has been introduced companywide and the procedure for disseminating, monitoring and compliance with that code. The chairperson must also disclose any significant violation if any of the provisions of the code of business conduct and ethics. Disclosers should contain the types and numbers of violations and procedures followed in dealing with them.
Code D.7	Corporate Governance Disclosures	Complied	The Corporate Governance Report is provided on pages 120-148.
Code E	**Institutional Investors**		
			Shareholders have been identified as key players in our prioritisation matrix. The Company makes every effort to maintain a constant dialogue with institutional investors in order to improve their understanding of Company operations, strategies and performance. Individual investors are encouraged to get adequate analysis or seek advice on investing/divesting decisions. Also, they are summoned to exercise their voting rights at the AGM.
Code F	**Other investors**		
			The information disseminated by the Company is adequate for individual shareholders to undertake an analysis of the Company and/or seek independent investment advice regarding the prospects of the Company. Notice of AGM is circulated to all shareholders along with instructions on the voting procedure and including the process for voting via a proxy.
Code G	**Internet of Things and Cybersecurity**		
			The Board ensures that the required level of expertise is available and that management and technical controls are established for the connectivity of any device configured by the IT department. A separate IT Security system implemented within the Company is reviewed periodically to ensure the effectiveness of system controls and compliance with regulatory requirements. All IT risks are discussed and engaged with appropriate actions by the Risk Committee. Regulatory requirements where system controls can be incorporated to the system are communicated to the IT department by the Risk, Legal and Audit departments so that they can be embedded in the system.

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code H	**Principal Sustainability: ESG Risk and Opportunities**		
Code H.5		Complied	As a life insurance company, sustainability considerations are embedded into the Company's long-term strategy and risk management framework. The Company recognizes Environmental, Social, and Governance (ESG) factors as key drivers of sustainable value creation and policyholder protection.
Code H.5.2		Complied	Environmental risks, including climate related events and health impacts, are considered in underwriting, product design, and investment decision making. Social considerations such as financial inclusion, customer protection, data privacy, and fair treatment of policyholders are integral to the Company's operations. Governance practices, including strong risk management, ethical conduct, regulatory compliance, and transparent reporting, underpin stakeholder confidence and long-term resilience.
Code H.5.3		Complied	The Company continuously evaluates ESG related risks and opportunities, integrating them into enterprise risk management processes and strategic planning to ensure sustainable growth and long-term value creation for shareholders and policyholders.
Code I/ CSE 9.2	**Establishment and Maintenance of Policies**		
Code I.1/CSE 9.2.1	Establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.	Complied	Janashakthi Insurance PLC has established and maintained the following policies to ensure a robust and comprehensive governance framework. These policies reflect our commitment to maintaining high standards of governance and ethical conduct, supporting the company's strategic objectives, and safeguarding stakeholder interests. ↘ Policy on Matters relating to the Board of Directors ↘ Policy on Board Committees ↘ Policy on Corporate Governance, Re-election, and Nomination ↘ Policy on Remuneration ↘ Policy on Internal Code of Business Conduct and Ethics ↘ Policy on Risk Management and Internal Controls ↘ Policy on Relations with Shareholders and Investors ↘ Policy on Environmental, Social and Governance sustainability ↘ Policy on Control and Management of Company Assets and Shareholder Investments ↘ Policy on Corporate Disclosures ↘ Policy on Whistleblowing ↘ Policy on Anti-Bribery and Corruption The Company has disclosed the existence of these policies and uploaded all approved policies on its official website, providing public access through the relevant web link. No changes were made to the adopted policies during the year under review. https://www.janashakthi.com/about#investor-relations

CORPORATE GOVERNANCE

Reference to Section in IRCSL Direction/ CSE Listing Rule & SEC/ICASL Code	Principle	Compliance Status	Extent of Compliance
Code I.1.4/ CSE 9.2.4	Make available all such policies to shareholders upon a written request	Complied	All approved policies are made available to shareholders upon written request, in accordance with applicable regulatory and corporate governance requirements
CSE 9.17	Additional Disclosures Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Complied	
	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.	Complied	
	Directors are aware of laws, rules and regulations and their changes, particularly to Listing Rules and applicable capital market provisions.	Complied	
	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.	Complied	

Code H.5, H.5.2, H.5.3 - Companies should provide information in relation to the relevance of environmental, social and governance factors to their business models, strategy and how sustainability/ESG related issues may affect their business.

The Company's annual report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognized, measured, managed and reported.

The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organizational culture, code of conduct and business model supports sustainability of the Company in the short, medium and long term.

CONCLUSION

Corporate Governance is of paramount importance to a company and is virtually as important as its major business strategies. It augments a company's image in the public eye as a self-policing company that is accountable and worthy of shareholder and debt holder capital. It dictates the collective philosophy, practices and culture of an organisation and its employees. At JIPLC, Corporate Governance plays a strong role in all its principal activities. JIPLC strives to further enhance its governance structure to identify Corporate Governance practices that can effectively bring about a culture of sustainability within the business entity. In 2025, JIPLC continued to stand strong with a resilient governance structure to face the challenges the year brought about.

During 2025, JIPLC was in compliance with the Direction on Corporate Governance issued by the Insurance Regulatory Commission of Sri Lanka and the Corporate Governance requirements of the Listing Rules of the Colombo Stock Exchange and to a great extent with the Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants.

CORPORATE GOVERNANCE

Compliance Status of Requirements – Janashakthi Insurance PLC

During the year 2025, JIPLC was in compliance with the applicable rules and regulations issued by various regulatory authorities.

Statement/Report	Regulatory Body	Relevant Act	Current Status
Motor Levy	Department of Motor Traffic	Finance Act No 16 of 1995	Complied
SRCC/TC/FUND	Ministry of Finance	Cabinet Memorandum	Complied
VAT	Department of Inland Revenue	VAT Act No 14 of 2002	Complied
Road Safety Fund	National Council of Road Safety	Gazette No:1368/18/_2004.11.24	Complied
Returns to IBSL(Quarterly /Annual / Further Returns / Acturial Returns / Circular / Management Letter)	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Annual Fee to IBSL	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Remittance of CESS	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Reinsurance Arrangements to the Controller	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Copy of Register of Insurance Agents Registered with JIPLC	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Nations Building Tax	Department of Inland Revenue	Nations Building Tax Act No 9 of 2009	Complied
Economic Services Charge	Department of Inland Revenue	Economic Services Charge Act No 13 of 2006	Complied
Stamp Duty	Department of Inland Revenue	Stamp Duty (Special Provisions) Act No 12 of 2006	Complied
Withholding Tax	Department of Inland Revenue	Inland Revenue Act No 10 of 2006	Complied
Dividend Tax	Department of Inland Revenue	Inland Revenue Act No 10 of 2006	Complied
CSE Half Yearly Returns	Colombo Stock Exchange	CSE Listing Rules	Complied
Anti-Money Laundering Statements	Financial Intelligence Unit- Central Bank of Sri Lanka	Financial Transactions Reporting Act No 6 of 2006	Complied
EPF & ETF	Central Bank of Sri Lanka / ETF Board	EPF Act No 15 of 1958 & ETF Act No 46 of 1980	Complied
Renewal of Insurance License with Commissioner for Workmen's Compensation	Commissioner General for Workmen's Compensation	Workmen's Compensation Ordinance of 1934	Complied
Legal Interest	Monetary Board	Civil Procedure Code	Complied
Annual Return to the Registrar of Companies	Registrar General of Companies	Company's Act No 7 of 2007	Complied
Maintenance of Registers (Registers of Charges, Directors, Shareholder Minutes, Directors Interest & Minutes of meetings held)	Registrar General of Companies	Company's Act No 7 of 2007	Complied
Annual reports	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Audited Accounts	Insurance Board of Sri Lanka	Regulation of Insurance Industry Act No 43 of 2000	Complied
Income Tax Return	Registrar General of Companies Department of Inland Revenue	Company's Act No 7 of 2007 Inland Revenue Act No 10 of 2006	Complied
Reporting on Accident,Dangerous Occurrences and Industrial Diseases	Labour Department	Factories Ordinance No 45 of 1942 & Factories Amendment Act No 33 of 2000	Complied
Crop Insurance Levy	National Insurance Trust Fund	Finance Act No 12 of 2013	Complied

COMMITTEE REPORTS

Climbing a mountain requires a multifaceted effort. For Janashakthi Life Insurance PLC, this effort has been spearheaded by a collective of finely moving parts that work in tandem to push the climber forward, and higher. As our guiding light ushers in coordinated efforts to achieve greatness, our journey over the last 31 years reaches a new pinnacle of possibility.



REPORT OF THE BOARD AUDIT COMMITTEE (BAC)



Ms. Warini de Costa
Chairperson
Board Audit Committee

The Board Audit Committee of Janashakthi Life Insurance PLC plays a pivotal role in ensuring the integrity of financial reporting, compliance with regulations, and the robustness of internal controls and risk management processes. This report outlines the Committee's activities during the year and key focus areas moving forward.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

During the year under review, the Board Audit Committee comprised the following Independent Non-Executive Directors and Five meetings of the committee were held.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Ms. Warini de Costa	Independent Non-Executive Director	Chairperson	05/07/2021	05/05
Mr. Sivakrishnarajah Renganathan	Independent Non-Executive Director	Member	24/01/2024	05/05
Mr. Dilip de S. Wijeyeratne	Independent Non-Executive Director	Member	02/04/2024	05/05

Regular Attendees by invitation

- Director/Chief Executive Officer,
- Chief Finance Officer
- Chief Internal Auditor
- Head of Risk & Compliance
- Group Chief Information Officer

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd

ROLE OF THE COMMITTEE

The Board Audit Committee is tasked with assisting the Board of Directors in discharging its oversight responsibilities concerning financial reporting and disclosure processes, risk management, internal controls, and both internal and external audit activities. The Committee plays a pivotal role in ensuring the integrity, accuracy, and transparency of the financial reporting process, which is essential for sustaining investor confidence and guaranteeing compliance with applicable legal and regulatory standards. Additionally, the Board Audit Committee constitutes a vital element of corporate governance, with its work helping to protect and uphold the interests of shareholders, stakeholders, and the wider public, while promoting accountability and sound financial stewardship.

CHARTER OF THE COMMITTEE

The Board Audit Committee Charter, approved by the Board, clearly outlines the committee's Terms of Reference and is reviewed annually to ensure that any new developments related to its responsibilities are incorporated.

The Charter was most recently reviewed and approved by the Board on 10th November 2025.

The Committee receives full cooperation from management, has unrestricted access to relevant information, and may request any Director or executive officer to attend its meetings.

Regulations and Governance Framework Governing the Committee

The Board Audit Committee's composition, responsibilities, and duties are guided by the Corporate Governance framework established under the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, and the Regulation of Insurance Industry Act, No. 43 of 2000. Details of the Company's compliance with these requirements are presented on pages 128-146.

OBJECTIVES

The Committee is empowered by the Board of Directors to:

- Ensure the integrity and reliability of the Company's Financial Statements by making certain that a robust financial reporting system is in place that provides timely information to management, regulators, and shareholders in compliance with applicable standards and regulations.
- Review the appropriateness of the accounting policies and ensure adherence to statutory and regulatory compliance requirements and applicable accounting standards.
- Examine the appropriateness, efficacy, and efficiency of risk management, internal controls, and governance systems established to prevent, mitigate, or transfer present and evolving risks.

- Ensure that the conduct of the business follows the applicable laws and regulations of the country and falls within the policies and procedures of the Company.
- Ensure that the Company upholds strong corporate governance practices, maintains the highest ethical standards, and follows best industry practices in the best interests of all stakeholders.
- Review and discuss with management the internal and external audit reports received by the committee and ensure that the recommendations of the auditors have been followed up and remedial actions initiated.
- Prior to recommending to the Board, review the Company's Interim Financial Statements and Annual Financial Statements to ensure the integrity of the financial statements prepared for disclosure.
- Monitoring and reviewing the activities and performance of the internal and external auditor, including monitoring their independence and objectivity.

2025 Committee Operations

1. Meetings

The Board Audit Committee held 5 meetings during the year. The attendance of each Committee member at these meetings is provided on page 150. Representatives from the Company's External Auditor, Messrs. E&Y, attended 03 meetings by invitation. Additionally, the Committee invited the Senior Management to participate in the meetings as needed.

2. Oversight of Financial Reporting

The Committee, in consultation with the Management and the External Auditors where necessary, reviewed the following areas:

- Examined and discussed the Interim Financial Statements for all four quarters and the Annual Financial Statements for the year 2025 prior to their publication. This included assessing compliance with Sri Lanka Accounting Standards, evaluating the appropriateness and any changes in accounting policies, reviewing material judgemental matters, and ensuring adherence to the Listing Rules, Companies Act No. 7 of 2007, Regulation of Insurance Industry Act, and Statement of Recommended Practice. The Committee also considered the reasonableness of significant estimates and judgments made in the financial statements.
- Reviewed and discussed with the External Auditors and management the matters highlighted by the External Auditors in their reports to the Committee regarding the audit for the year.

Sri Lanka Accounting Standards Compliance

The Committee reviewed the revised policy decisions relating to the adoption of the new and revised Sri Lanka Accounting Standards applicable to the Company and made recommendations to the Board of Directors. The committee would continue to monitor compliance with the relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

Going Concern

The Committee evaluated the Company's going concern status and assessed whether sufficient resources are available to support ongoing business operations in the foreseeable future.

3. Internal Controls & Risk Management

Internal Controls

The Committee, with the support of the External Auditor and the Internal Audit Department, actively monitors the processes and procedures established to maintain a robust internal control framework. These controls are designed to provide reasonable assurance that the Company's operations are conducted effectively, risks are managed appropriately, and regulatory and statutory requirements are consistently met. The Committee ensures that the internal control mechanism remains responsive to emerging risks and continues to support the integrity of the financial reporting process.

In addition, the Committee also evaluated the adequacy of mitigating measures in place to safeguard the Company's assets and operations. Following its review, the Committee approved the Directors' Statement on Internal Controls over Financial Reporting for inclusion in the Annual Report, reaffirming the Company's commitment to strong governance and effective risk management.

Risk Management

The Compliance Officer provides quarterly updates to the Board Audit Committee on the Company's risk management framework and key risk exposures, ensuring that the Board Audit Committee remains fully informed of developments relating to risk management. This enables the Board Audit Committee to effectively discharge its statutory, regulatory, and other oversight responsibilities. The Committee reviews reports on current & emerging risks, including their potential impact on the business and the mitigation actions taken.

Cyber Security Review

Janashakthi Life has deployed a range of required technical solutions and strengthened operational processes to proactively address emerging cyber security threats.

Operational deficiencies risk and Business Continuity Planning

The Board Audit Committee reviewed and discussed operational risk areas, including identified deficiencies, along with the recommendations proposed to address them. In addition, the Committee assessed the adequacy and effectiveness of the Company's Business Continuity Planning and Disaster Recovery arrangements for the year under review to ensure that appropriate measures are in place to maintain operational resilience and safeguard critical business functions.

4. Internal Audit and Control

The Janashakthi Group Internal Audit Department serves as the Internal Auditors of the Company. The Committee closely oversees the effectiveness of the Internal Audit function and monitored and reviewed the scope, extent methodology and effectiveness of the Internal Audit function and was satisfied that the Internal Audit function was independent of the activities it audited and that it is performed with impartiality, proficiency and due professional care. Throughout the year, the Committee reviewed and approved

REPORT OF THE BOARD AUDIT COMMITTEE (BAC)

the Internal Audit plan, recommended necessary adjustments, and monitored its implementation on a continuous basis.

The Internal Audit function provides independent assurance on the adequacy, effectiveness, and efficiency of internal controls across all Head Office operations and branch activities. It evaluates measures designed to mitigate operational and business risks while ensuring compliance with statutory regulations, as well as the Company's accounting, financial, and operational policies.

The committee conducts an annual assessment of independence, resources, and overall effectiveness of the Internal Audit function, while reviewing the Internal Audit Strategy quarterly. These reviews include monitoring progress, analysing key audit findings, evaluating the implementation of recommendations, and considering other strategic initiatives aimed at strengthening governance and risk management.

High -risk audit findings are examined in detail at each Committee meeting, along with management's responses and the proposed corrective actions. During the year, a total of 04 Internal Audit reports prepared by the Internal Audit Department were reviewed by Board Audit Committee. These efforts demonstrate the Committee's ongoing commitment to reinforcing operational integrity, enhancing risk management practices, and supporting a strong governance framework across the organization.

5. External Audit Oversight

The Board Audit Committee supports the Board in overseeing the independence, performance, and effectiveness of the External Auditors, while providing recommendations regarding their appointment, reappointment, and engagement terms.

During 2025, the Board Audit Committee undertook the following key activities:

- Reviewed and discussed the audit plan, scope, and proposed methodology with the External Auditors prior to the commencement of the annual audit, ensuring alignment with the Company's objectives and risk profile.
- Provided the External Auditors with unrestricted access to the Committee and all relevant information necessary for a comprehensive audit, including discussions on the audit scope, key focus areas, and auditors' independence.
- Monitored and reviewed the implementation of management's follow-up actions in response to recommendations outlined in the 2024 Management Letter issued by the External Auditor, Messrs. Ernst & Young (E&Y), aimed at strengthening financial reporting and internal controls.
- Examined the External Auditors' Management Letter and corresponding management responses before submission to the Board and the Insurance Regulatory Commission of Sri Lanka, ensuring that all significant matters were addressed effectively.
- Discussed all significant findings and observations arising from interim and final audits, as well as any additional issues the External Auditors deemed necessary to raise, including matters requiring discussion in the absence of key management personnel.
- Assessed the External Auditor, Messrs. Ernst & Young (E&Y), in terms of audit scope, deliverables, resource allocation, and quality assurance initiatives to ensure a high standard of audit performance and adherence to professional best practices.

Independence and Objectivity of the External Auditors

The Board Audit Committee conducted an annual assessment of the External Auditor's independence, objectivity, and overall effectiveness in executing the audit process. Based on the Committee's review and knowledge, the External Auditors maintain no relationships or interests with the Company other than those arising from their professional audit engagement.

In compliance with the Companies Act No. 07 of 2007 and the 2023 Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, the Committee obtained a formal declaration from Messrs. Ernst & Young (E&Y). This declaration confirms that the firm does not have any relationships or interests that could compromise their independence or impartiality in carrying out the audit.

In line with the Company's governance policies and applicable regulatory requirements, the position of the lead Audit Partner is subject to rotation every five (05) years to safeguard objectivity and independence.

Provision of Non-Audit Services

The Committee closely monitored the provision of non-audit services by the External Auditors to ensure that such services did not compromise their independence. This included a careful assessment of the nature, expertise, and fees of non-audit services relative to the audit fees, while confirming that none of the services fell within the categories prohibited under the Securities and Exchange Commission of Sri Lanka's regulations for listed companies.

Re-Appointment of the External Auditors

The Board Audit Committee is responsible for recommending the appointment, reappointment, or removal of the External Auditors in accordance with applicable professional standards, corporate governance best practices, and statutory requirements.

For the financial year ending 31st December 2026, and the Board Audit Committee has recommended the reappointment of Messrs. Ernst & Young (E&Y), Chartered Accountants, as External Auditors, subject to approval by shareholders at the Annual General Meeting. In addition, the Committee has submitted a recommendation to the Board regarding the remuneration of the External Auditors, ensuring it is fair, reasonable, and commensurate with the scope and complexity of the audit engagement.

6. Ethics, Compliance & Regulatory Matters

Compliance with Rules and Regulations

The Committee reviews the systems and processes established to ensure the Company's compliance with all applicable

regulatory requirements. As part of its oversight, the Committee reviewed the quarterly Compliance Reports, including the finance and operational compliance reports covering key regulatory, financial reporting, and operational requirements prepared by the Compliance Officer.

The Committee obtained and reviewed assurance from the Chief Executive Officer and the Chief Financial Officer that the Company's financial records have been properly maintained and that the Financial Statements present a true and fair view of the Company's operations and financial position. In addition, the Committee obtained assurance from the Chief Executive Officer and other key management personnel responsible that the Company's risk management and internal control systems are adequate and operating effectively.

These reports provide a detailed assessment of the Company's adherence to the Regulation of Insurance Industry Act No. 43 of 2000 and its subsequent amendments, the directives issued by the Insurance Regulatory Commission of Sri Lanka, as well as other relevant statutory and regulatory obligations applicable to the Company.

Implementation of the Data Protection Act

The Board Audit Committee has been pivotal in overseeing the Company's compliance with the Data Protection Act, ensuring the effective implementation of thorough data protection policy, classification policy and robust security protocols that are currently being implemented.

AML CFT Monitoring Status

As part of its oversight mandate, the Committee carried out a thorough review of the Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) monitoring framework to ensure that effective systems are in place to identify, prevent, and report any suspicious activities.

Corporate Governance

The Company maintains full compliance with the relevant corporate governance requirements as set out under the listing rules of the Colombo Stock Exchange (CSE) and Direction 17 issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). In addition, the Company adheres to the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka, ensuring robust governance standards across all operations.

7. Areas of Focus in 2025

Throughout 2025, the Board Audit Committee has proactively overseen and provided strategic direction for the implementation of key governance, compliance, and financial reporting initiatives, ensuring full regulatory compliance, operational resilience, and robust financial integrity. The Committee has played an instrumental role in enhancing internal controls, fortifying risk management frameworks, and strengthening compliance structures across several critical areas, including:

SLFRS 17 Implementation: The Committee carefully monitored the Company's preparedness for the adoption of SLFRS 17 – Insurance Contracts, ensuring smooth system integration, technical alignment, and readiness for accurate and effective financial reporting.

IT Controls & Cybersecurity: Recognising the growing threats in the digital environment, the Committee reviewed the need to, strengthen, and enhance IT security measures to safeguard the Company's digital infrastructure, protect sensitive customer information, and maintain uninterrupted business operations.

Access to Professional Advice

The Committee retains the authority to obtain external professional advice on any matters falling within its scope to ensure informed decision-making and adherence to best practices.

Continuous Professional Development

The Committee acknowledges the importance of continuously updating its knowledge and expertise. Accordingly, members have actively participated in both internal and external training sessions, presentations, and seminars on relevant and emerging themes in corporate governance, risk management, and regulatory compliance.

8. 2026 Focus Areas

In line with its commitment to robust corporate governance, effective risk management, and stringent regulatory compliance, the Board Audit Committee has outlined five strategic focus areas for 2026 to further enhance the Company's financial integrity, operational resilience, and sustainability practices:

1. Strengthening Financial Reporting Transparency and Governance Frameworks.
2. Enhancing Cybersecurity and Data Protection Risk Management Measures.
3. Overseeing SLFRS 17 and SLFRS 09 Implementation.
4. Reinforcing AML/CFT Compliance and Financial Crime Mitigation.
5. Strengthening ESG Oversight, Sustainability, and Regulatory Reporting.
9. Conclusion

The Board Audit Committee affirms the overall effectiveness of the organization's internal control systems, risk management frameworks, and compliance mechanisms, thereby safeguarding assets and ensuring the accuracy and reliability of financial reporting. The Committee also underscores the independence and objectivity of the External and Internal Auditors, while confirming that the accounting policies and practices applied are appropriate, consistently implemented, and provide a true and fair representation of the organization's financial position and performance. This diligent oversight reinforces stakeholder confidence and promotes transparency and accountability in financial management.



Warini de Costa
Chairperson

Board Audit Committee

06th March 2026

REPORT OF THE REMUNERATION COMMITTEE



Dr. Gehan Gunatilleke
Chairman
Remuneration Committee

The Remuneration Committee is tasked with overseeing the Company's talent management, organizational policies, and compensation framework. Its primary responsibilities include setting remuneration and performance objectives for executives and Key Management Personnel (KMP), ensuring competitive and market-aligned pay, managing promotions and succession planning, and handling disciplinary matters. This report highlights the Committee's activities over the past year and outlines its strategic priorities moving forward.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

During the year under review, the Remuneration Committee comprised of the following members. The Committee met five times in 2025.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Dr. Gehan Gunatilleke	Independent Non-Executive Director	Chairman	24/01/2024	05/05
Ms. Annika Senanayake	Independent Non-Executive Director	Member	24/01/2024	05/05
Dr. Nishan de Mel	Independent Non-Executive Director	Member	02/04/2024	03/05
Mr. Ramesh Schaffter	Independent Non-Executive Director	Member	02/04/2024	03/05

Regular Attendees by invitation

- Deputy Chairman
- Chief Executive Officer

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd

CHARTER OF THE COMMITTEE

The Committee is empowered to evaluate, assess, deliberate, and make recommendations to the Board of Directors on any matter affecting the Company's Human Resource Management, with a particular focus on key areas as outlined.

Regulations/Rules Relevant to the Functions of the Committee

The Board established the Remuneration Committee in accordance with Rule 7.10.5 of the Colombo Stock Exchange's Listing Rules, and its composition and powers are in accordance with the Listing Rules.

THE KEY OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

- Determining the remuneration for the Chairman, Deputy Chairman and other members of the Board of Directors, ensuring that no Director participates in determining their own compensation.
- Determining the compensation and benefits of Key Management Personnel (KMP) and establishing performance parameters to guide their individual goals and targets.
- Formulating policies, guidelines, and frameworks for the remuneration structure of all Executive Staff and overseeing their effective implementation.
- Regularly reviewing executive compensation to ensure it remains competitive with market and industry standards and aligns with the Company's strategy.
- Evaluating the performance of the Chief Executive Officer and KMP against pre-agreed targets and objectives.
- Providing recommendations to the Board regarding additional or new expertise required to strengthen the Company.
- Assessing and recommending promotions of KMP, supporting succession planning, and addressing matters related to the organizational structure.
- Approving annual salary increments, bonuses, and adjustments to benefits and incentives.
- Ensuring that employee remuneration packages are linked to individual performance, responsibilities, skills, and contributions to both team and overall Company objectives.
- Recommending, deciding, or providing direction on disciplinary matters involving Key Management Personnel that may result in significant financial impact to the Company.

ACTIVITIES IN 2025

- Reviewed and recommended performance objectives and evaluation outcomes for the Director/CEO in line with the Company's strategic and financial goals.
- Oversaw performance-based remuneration structures, including annual increments, bonus frameworks, and retention initiatives, ensuring alignment with market benchmarks and business performance.
- Considered senior management recruitment, remuneration packages, and succession planning to support leadership continuity and strategic growth.
- Reviewed consultant engagements and employment structures to ensure statutory compliance and sound governance.
- Strengthened transparency and governance in remuneration decisions through structured review processes, validation of performance data, and alignment with regulatory and shareholder expectations.

REMUNERATION POLICY

The Company's Remuneration Policy is designed to attract, motivate, and retain Executive Directors, Key Management Personnel (KMP), and other employees with the professional, managerial, and operational expertise essential for achieving the Company's objectives.

The Committee strives to ensure that the overall remuneration package remains competitive not only within the industry but also to attract top talent from other sectors.

REMUNERATION PACKAGES

The total combined remuneration of all Non-Executive and Executive Directors, including the Chairman, is detailed in Note 33 on page 222 of this report.

1. Directors

Remuneration

No remuneration is paid to Non- Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-Committee meetings.

Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

Share Option Plans for Directors

The Company does not have a share option plan for Directors.

Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Chief Executive Officer and the Chairman is disclosed on Note 33 on page 222 in this report.

2. Chief Executive Officer

The Remuneration Committee Policy is to place the basic salaries broadly around the market median with other variable components which reflect the business of the Company, strategies and the challenges it faces.

The CEO's remuneration is decided by the Board annually on the recommendation of the Remuneration Committee based on the achievement of Company objectives and individual performance. The CEO is entitled to retirement benefits, but not Company loans. The Company also does not have a share option plan for the CEO.

3. Employees

The remuneration packages of employees consist of a fixed component, a variable component and other benefits as noted below:

Fixed Components

Basic salary and fixed allowances are the fixed component in the package which is based on the scope and complexity of the role and this is reviewed annually. Annual performance appraisals are conducted, and increments and promotions are granted based on results of such appraisals. Overall competence and performance are key factors that determine an individual's base pay.

Variable Components

The main component of our variable pay is the annual bonus to employees at all levels based on individual performance as evaluated at the annual performance appraisals and the performance of the Company. Additionally, the distribution management team is entitled to a production and quality incentive scheme based on achievement of business targets under predetermined criteria.

Other Employee Benefits

Benefits provided to employees include examination loans and various insurance benefits.

Retirement Benefits

Permanent employees of the Company are entitled to gratuity, EPF and ETF.

Employee Share Schemes

There are also no Employee Share Schemes for employees.

COMMITTEE EVALUATION

The Committee concluded the 2025 evaluation process through a self-assessment conducted by the Chairman and Committee members, which was considered satisfactory.

PROFESSIONAL ADVICE

The Committee has the authority to engage independent professional advisors on matters within its purview.

THE YEAR AHEAD

The Committee will continue to review the Remuneration Policy, Remuneration structures for its Executive Director, KMP and its other employees and make recommendations on the above mentioned in order to ensure the Company is in a position to attract, motivate and retain the best of human resources.

On behalf of the Remuneration Committee.



Gehan Gunatilleke
Chairman

Remuneration Committee

06th March 2026

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE



Mr. Sivakrishnarajah Renganathan
Chairman
Nominations and Governance Committee

The Nominations and Governance Committee of Janashakthi Life Insurance PLC ensures that Directors satisfy the required fit-and-proper standards to hold office. It evaluates and recommends prospective Director Appointments, offering guidance to the Board and Chairman on the selection of suitable candidates. Through a structured assessment process, the Committee upholds sound governance practices, enhances the Board's composition, and supports effective leadership continuity.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

During the year under review, the Nominations and Governance Committee comprised of the following members. The Committee met two times during the year 2025.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Sivakrishnarajah Renganathan	Independent Non-Executive Director	Chairman	24/01/2024	02/02
Ms. Annika Senanayake	Independent Non-Executive Director	Member	24/01/2024	02/02
Mr. Ramesh Schaffter	Independent Non-Executive Director	Member	02/04/2024	02/02

Regular Attendees by invitation

- Director/Chief Executive Officer

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd

ROLE OF THE COMMITTEE

The Nominations and Governance Committee was formed by the Board of Directors to maintain oversight and authority over the appointment of Directors, the Chief Executive Officer (CEO), and the Company's Key Management Personnel.

It assesses the leadership needs for both executive and non-executive positions, supporting the organization's long-term sustainability, strategic development, and capacity to remain competitive in a dynamic market environment.

THE TERMS OF REFERENCE OF THE COMMITTEE

The Terms of Reference outline the Committee's purpose, composition, authority, scope of work, and meeting requirements.

The Nominations and Governance Committee was formed to review and recommend to the Board the suitability of appointing or re-electing individuals as Directors.

In making recommendations for new appointments, the Committee evaluates factors such as qualifications, professional capabilities, independence, and any relationships that may create potential conflicts of interest.

The Committees maintain an appropriate blend of skills, experience, independence, diversity, and expertise to carry out their responsibilities effectively. For further information on Board diversity, please refer to the Board Leadership in Governance section on pages 120-148 of the Annual Corporate Governance Report.

METHODOLOGY OF THE COMMITTEE

The Committee convenes whenever required to evaluate the suitability of candidates for appointment as Directors and Key Management Personnel, and to undertake any other responsibilities assigned to it under the Committee Charter.

OBJECTIVES, RESPONSIBILITIES AND DUTIES

- To ensure that Directors meet the required fit-and-proper standards to hold office.
- To review and recommend the appointment of new Directors to the Company's Board.
- To provide guidance and recommendations to the Board or the Chairman regarding proposed Board appointments.
- To consider and recommend the re-election of Directors eligible for re-appointment, based on their performance and the value of their contributions to the Board and its Committees.

- To oversee the Board appointment process, which includes identifying Board requirements, assessing and proposing suitable candidates, securing necessary approvals, and issuing formal announcements. This structured process promotes transparency and compliance.
- To establish criteria including qualifications, competencies, experience, independence, potential conflicts of interest, and other key attributes required for eligibility for appointment or promotion to key management positions.
- To review the Board's structure, composition, and competencies (such as skills, knowledge, and experience) and provide recommendations to the Board on any required changes.
- To ensure that any member of the Nominations and Governance Committee abstains from decisions concerning his or her own appointment.
- To consider and recommend succession planning arrangements for retiring Directors and Key Management Personnel.
- To provide recommendations on any additional matters referred to the Committee by the Board of Directors.

ACTIVITIES IN 2025

- Reviewed Board composition, structure, and succession planning to ensure an appropriate balance of skills, experience, independence, and diversity.
- Recommended the appointment, re-election, and continuation of Directors in line with governance requirements and Board renewal considerations.
- Managed leadership continuity planning and monitored Board performance evaluation processes to enhance effectiveness and accountability.
- Reviewed and updated the Committee's Terms of Reference, governance frameworks, and delineation of responsibilities among sub-committees to strengthen governance clarity and regulatory alignment.
- Reinforced high standards of corporate governance, compliance, and transparent disclosure within the Annual Report.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview, whenever required.

THE YEAR AHEAD

The Nominations and Governance Committee oversees the Board appointment process and provides recommendations to the Board. It supports the Board of Directors in meeting its corporate governance obligations relating to the appointment and removal of Directors, as well as their performance evaluations, training, and related matters.



Sivakrishnarajah Renganathan
Chairman

Nominations and Governance Committee

06th March 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE



Ms. Warini de Costa
Chairperson
Related Party Transactions
Review Committee

The Related Party Transactions Review Committee ensures Janashakthi Life Insurance PLC executes transactions with related parties in a manner that upholds transparency and regulatory compliance. The Committee's core duties involve reviewing and scrutinizing related party dealings to determine their equitable nature and establishing appropriate approval protocols.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

During the year under review, the Board Related Party Transactions Review Committee (the BRPTRC) comprised the following Independent Non-Executive and Executive Directors. The Committee met four times during the year 2025.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Ms. Warini de Costa	Independent Non-Executive Director	Chairperson	05/07/2021	04/04
Dr. Gehan Gunatilleke	Independent Non-Executive Director	Member	02/04/2024	04/04
Mr. Ravi Liyanage	Executive Director	Member	02/04/2024	04/04

Regular Attendees by invitation

- Chief Financial Officer
- Risk & Compliance Officer

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd

CHARTER OF THE COMMITTEE

The Related Party Transactions Review Committee comprise 3 Directors, out of which 2 are Independent, in line with CSE listing rule 9.14.2 (1)ensuring both oversight and governance standards are maintained effectively.. The Related Party Transactions (RPT) Review Committee was established by the Board of Directors to assist in overseeing and reviewing all transactions with related parties, in accordance with the Colombo Stock Exchange (CSE) Listing Rules, which have required mandatory compliance since 1st January 2016.

The Committee is tasked with independently reviewing transactions between the Company and its related parties, either prior to the execution of such transactions or, where the transaction is conditional upon such review, before the completion of the transaction, except for those transactions specifically exempted under the CSE Rules.

THE OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

Establish & maintain a clear policy, procedure and process in place for the identification and reporting the related party transactions on an end to end basis across Company's operations.

- Reviewing all transactions between the Company and its Related Parties, either prior to execution or, where the transaction is conditional upon such review, before its completion, to ensure compliance and transparency.
- Assessing whether such transactions are conducted in the best interests of the Company and its shareholders collectively, ensuring fairness and corporate governance.
- Evaluating whether the transactions fall within the scope of ordinary business operations and determining if specific transactions require the approval of the Board or the shareholders.
- Advising the Board on making timely and accurate market disclosures regarding applicable related party transactions, in accordance with Section 9.14.7 of the CSE Listing Rules.
- Guiding the Board on providing appropriate disclosures on related party transactions in the Annual Report, as required under Section 9.14.8 of the CSE Listing Rules, to maintain transparency and regulatory compliance.

METHODOLOGY OF THE COMMITTEE

In line with the Company's guiding principles, self-declarations are obtained from each Director and Key Management Personnel (KMP) to identify parties related to them. Consequently, the Company adopts a disclosure-driven approach for the identification of related parties.

Based on the information provided in these declarations, the Company has established a systematic process that enables the generation of comprehensive data on related party transactions across the Company's entire network.

The Committee is further supported in its review of Related Party Transactions through quarterly confirmation reports prepared by Management, which detail transactions conducted with related parties.

These reports primarily confirm whether the transactions were conducted on an arm's length basis and provide justification for engaging in transactions with related parties.

In instances where a Committee member has a material personal interest in a matter under consideration, or if a related party transaction involves, directly or indirectly, one of the Committee members, the concerned member immediately discloses the conflict, reuses themselves from the meeting, and abstains from participating in discussions or voting on the matter.

ACTIVITIES IN 2025

- The Committee convened four times during the financial year ended 31st December 2025, and the proceedings and outcomes of these meetings were regularly communicated to the Board of Directors throughout the year.
- No recurrent or non-recurrent related party transactions during the year exceeded the respective thresholds prescribed under the CSE Listing Rules.
- The annual review of the Related Party Transactions (RPT) Policy was conducted during 2025 and subsequently submitted for the Board's formal approval.
- All related party transactions for the four quarters were thoroughly reviewed, with the Committee confirming that these transactions were conducted at arm's length prices.
- The Committee also reviewed and approved Management's quarterly confirmation reports on related party transactions for all four quarters.
- The Committee recommended maintaining records of comparative rates for similar services obtained by Management, to serve as a reference for future transactions and enhance governance transparency.

RELATED PARTY TRANSACTIONS/ DISCLOSURES DURING THE YEAR

There were no non-recurrent Related Party Transactions during the year under review.

All recurrent Related Party Transactions entered into during the year have been reviewed by the Committee and are disclosed in the Annual Report.

Further, the total aggregate value of all Related Party Transactions for the year has been appropriately disclosed in Note 37 to the Financial Statements, in compliance with LKAS 24 – Related Party Disclosures, ensuring full transparency and adherence to reporting standards.

PROFESSIONAL ADVICE

The Committee has evaluated and ensured that it has adequate access to both internal and external resources, and may obtain advice from the Company's External Auditors, legal counsellors, or other independent advisers, consultants, or specialists on any matter relating to its powers or responsibilities concerning Related Party Transactions. The Committee has sought such professional advice as and when necessary to support effective oversight and informed decision-making.

GUIDING PRINCIPLES OF THE COMMITTEE

The RPT Review Committee, in ensuring that all transactions with the Company's related parties are conducted fairly and equitably, issues comprehensive guidelines to Senior Management outlining the necessary processes to identify, evaluate, approve, disclose, and monitor all related party transactions. These guidelines also define the applicable threshold limits, as well as the agreed-upon terms and conditions governing such RPTs, to maintain robust governance and consistent oversight.

DECLARATION

A formal declaration by the Board of Directors, affirming full compliance with the Listing Rules relating to related party transactions, is presented on pages 33-36 of the Annual Report of the Board of Directors.

Furthermore, the Company has instituted robust mechanisms to obtain regular declarations from all Directors upon their appointment to the Board, bi-annually, and annually thereafter.

These declarations, submitted to the Company Secretary as the designated primary contact point, provide the Company with essential information on any existing or potential Related Party Transactions (RPT) undertaken by the Directors or their Close Family Members (CFM). Directors are also required to update their declarations on an annual basis to reflect any changes in previously disclosed related party interests or transactions, ensuring continuous accuracy and transparency.

THE YEAR AHEAD

The Committee will continue to diligently review all Related Party Transactions to ensure that the Company remains fully compliant with its established framework and regulatory requirements governing such transactions.



Warini de Costa
Chairperson

Related Party Transactions Review Committee

06th March 2026

REPORT OF THE BROAD STRATEGY AND DEVELOPMENT COMMITTEE



Mr. Dilip de S. Wijeyeratne
Chairman
Board Strategy and
Development Committee

PURPOSE AND INCEPTION

The Board Strategy and Development Committee (BSDC) was established in 2025 as a proactive measure by Janashakthi Insurance PLC to strengthen and secure the Company's long-term strategic resilience. In an era of rapid digital transformation and evolving market dynamics within the insurance sector, the Board recognised the need for a dedicated forum to oversee high-level strategy formulation, policy setting, and directional changes.

The Committee's mandate is built upon two primary pillars:

1. Conformance: Ensuring full adherence to stakeholder expectations and regulatory compliance.
2. Performance: Driving growth across key measurable metrics and maintaining financial stability.

COMPOSITION AND ATTENDANCE

During the year under review, the Committee comprised a majority of Independent Non-Executive Directors, ensuring an objective perspective on the Company's strategic initiatives. The Committee held five meetings during 2025.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Dilip de S. Wijeyeratne	Independent Non-Executive	Chairman	26.07.2024	4/5
Ms. Annika Senanayake	Independent Non-Executive	Member	26.07.2024	5/5
Mr. Prakash Schaffter	Non-Independent Executive	Member	26.07.2024	5/5
Mr. Sivakrishnarajah Renganathan	Independent Non-Executive	Member	10.05.2023	4/5
Mr. Ravi Liyanage	Executive Director/CEO	Member	26.07.2024	5/5

**The total of five (5) meetings in the above table includes four (4) quarterly meetings + 1 special meeting.*

Regular Attendees by invitation

- Head of Strategy and Planning, Chief Financial Officer (CFO), Strategy and Planning Lead, and relevant Departmental Heads.

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd.

Regular Meetings

- The Committee meets quarterly with the Strategy Development Team to ensure continuous alignment.

ROLE AND RESPONSIBILITIES

The BSDC provides structured oversight of the Board's core responsibilities regarding strategic direction and acts as a bridge between Management's execution and the Board's oversight. Key responsibilities include:

- Strategic Planning: Supporting Management in preparing short, medium, and long-term plans, including the Five-Year Strategic Plan.
- Financial Oversight: Validating Annual Budgets prior to Board approval and monitoring execution.
- Industry Adaptation: Monitoring peer changes and industry developments to ensure the Company adapts its market positioning effectively.
- Policy Setting: Guiding Management in formulating the Company's vision and establishing policy frameworks for sustainable development.
- Performance Review: Conducting quarterly assessments of performance against strategic objectives and post-implementation reviews of key initiatives.

GOVERNANCE FRAMEWORK

The Committee's operations are guided by the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance (ICASL), and the Regulation of Insurance Industry Act, No. 43 of 2000. It serves as a vital link for communication with Analysts and Shareholders regarding the Company's strategic health.

2025: YEAR IN REVIEW

In its inaugural full year of operation, the Committee focused on laying a structured foundation for the Company's future.

- Strategic Blueprint: The primary focus was the formulation of a Five-Year Strategic Plan Blueprint, outlining the organisational trajectory through 2030.
- International Consultancy Partnership: To ensure global best practices, the BSDC guided a partnership with a reputed international consultancy firm to co-implement critical growth drivers.
- Budgetary Alignment: The 2026 Budget was meticulously reviewed to ensure total alignment with the Five-Year Strategic Plan, prioritising a strengthened sales ecosystem.
- Quarterly Oversight: The Committee maintained a disciplined review cycle, assessing progress against the Strategic Plan and providing course corrections based on shifting market conditions.

CONCLUSION AND 2026 OUTLOOK

The BSDC is not merely a monitoring body; it is a progressive entity dedicated to industry sensing and contributing to the stability and growth of the insurance industry as a whole. Moving into 2026, the Committee will continue to monitor strategic implementation, optimise resource allocation, and foster innovation to ensure long-term value for all stakeholders.

Dilip de S. Wijeyeratne
Chairman

Board Strategy and Development Committee

06th March 2026

REPORT OF THE ASSETS AND LIABILITIES MANAGEMENT COMMITTEE



Mr. Prakash Schaffter
Chairman
Assets and Liabilities
Management Committee

The Assets and Liabilities Management committee of Janashakthi Insurance PLC is responsible for monitoring of the implementation of Assets and Liabilities management policy of the organization. Further, the committee is also responsible for ensuring the risk exposure of the organization to interest rate risk, liquidity risk, credit risk and equity risk is within the risk appetite of the organization.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

During the year under review, the Assets and Liabilities Management Committee comprised the following Independent Non-Executive Directors and seven meetings of the committee were held.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Prakash Schaffter	Independent Non-Executive Director	Chairman	22/04/2019	06/07
Mr. Ravi Liayanage	Executive Director/ CEO	Member	02/04/2024	07/07
Dr. Nishan de Mel	Independent Non-Executive Director	Member	02/04/2024	06/07
Mr. Ramesh Schaffter	Independent Non-Executive Director	Member	02/04/2024	04/07
Mr. Dilip de S. Wijeyeratne	Independent Non-Executive Director	Member	05/07/2021	07/07

Regular Attendees by invitation

- Chief Financial Officer
- Manager Actuarial
- Representative of FCAM

Secretary to the Committee

- Janashakthi Corporate Services (Pvt) Ltd

CHARTER OF THE COMMITTEE

The committee has the authority to actively participate and monitor the asset and liability portfolios of the organisation and to manage the overall liquidity position to maintain a healthy liquidity level to meet the obligations and regulatory requirements. Further, the committee focuses on the following objectives in discharging its responsibilities:

- Development of an effective ALM policy for the organisation.
- Monitor the liquidity management activities undertaken by the organisation to ensure to ensure all obligations are met in a timely manner.
- Monitor the capital position of the risk appetite of the organization and ensure that adequate capital levels are maintained in accordance with company policies and regulatory requirements.
- Monitor the interest rate risk profile, sensitivity of earnings under varying interest rates and potential changes in market rates.
- Monitor investment activities including performance, maturity profile, liquidity, diversification and actions taken by management to ensure that the risk-return relationship is within the risk appetite of the organisation.
- Review significant financial risks associated with Company's investment portfolio.
- Carry out any other responsibilities and duties delegated by the Board of Directors by time to time.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

ACTIVITIES IN 2025

- The Committee reviewed data on the economic outlook covering Inflation, Interest Rates, Equity markets, Exchange Rates etc.
- The Committee reviewed the Investment Portfolio, Performance of Fixed Income Securities, Performance of Equity Securities, Fund Wise Performance and Strategic Aspects.
- The Committee conducted an evaluation and assessment of the risks associated with the Company's investment portfolio.
- The Committee reviewed the ISB restructuring process in line with external auditors 'recommendations, ensuring compliance with best practices for foreign bond settlements and mitigating financial risks.
- The Committee was apprised of tourism and remittance recovery, highlighting strong arrivals, earnings growth, and sustained remittance inflows supporting economic stability.

THE YEAR AHEAD

The Committee would continue to make decisions and recommendations which meet the risk, ALM and other applicable Parameters for investments and ensure acceptable implementation of risk/reward strategies to achieve budgeted returns for the year. The Committee focus during the year will be on product and fund-wise asset and liability management while maximising the yields on the investments.

CONCLUSION

The committee is satisfied with the adequacy and effectiveness of Asset/ Liability management policy (ALM Policy) of the company and necessary recommendations have been approved within the committee to address the specific circumstances that may arise from time to time.

Prakash Schaffter
Chairman

Assets and Liabilities Management Committee

06th March 2026

BOARD OF DIRECTOR'S STATEMENT ON INTERNAL CONTROLS

The following statement fulfils the requirement to publish the Directors' statement on Internal Controls as per the Code of Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC).

The Board of Directors of Janashakthi Insurance PLC confirms that to the best of their knowledge, the financial reporting and other operational systems have been designed to provide reasonable assurance relating to the reliability of the financial reporting and the preparation of Financial Statements. The Board also confirms that the preparation of financial statements has been done in accordance with relevant accounting principles and regulatory requirements. The Board has obtained these assurances inter-alia through the following:

a) Review of the quarterly reports submitted by the Company's own internal audit department and discussion of the audit findings that are presented by them, based on the organisation wide view of accounting procedures and practices, processes, systems and internal check and controls and discussions with different levels of Management.

b) System of regular ongoing self-assessments by all divisional heads and their line managers for confirmation of statutory and regulatory requirements.

c) The Board through the Board Audit Committee reviews the reports of Branch audits carried out by the Company's own internal audit and investigations unit, to review financial risks and internal control adherence relating to branch operations.

The Board is cognizant of the fact that the Board bears responsibility for the overall effective operation of the Company's procedures and processes of internal checks and internal controls. It needs to be stressed that while the Board appreciates fully, that all such systems are designed to manage and control and ensure orderly operations, these systems do not eliminate risk of fraud or losses or failure to achieve stated company procedures and objectives. The Board stresses that all systems of internal control and procedures of the Company can only provide reasonable and not absolute assurances against material misstatements or fraud or losses. The Board has obtained the assurance of risk management within the organisation partly through the Assets and Liabilities Management Committee (ALCo) and partly through the procedures and practices in place within underwriting and operations departments of the Company and through the risk management function.

Conclusion

Ensuring on the above processes, the Board of Directors confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the applicable accounting standards, requirements of the Companies Act No.7 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments and the listing rules of the Colombo Stock Exchange (CSE).

On behalf of the Board,



Warini de Costa
Chairperson,
Board Audit Committee



Prakash Schaffter
Deputy Chairman

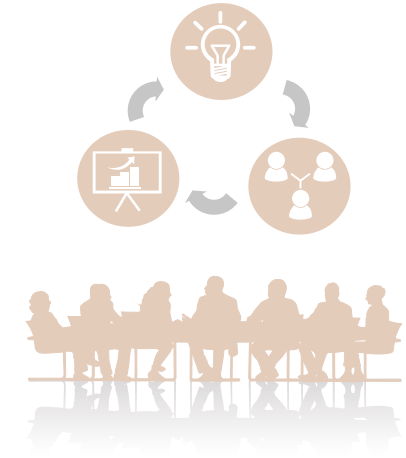
06th March 2026

FINANCIAL STATEMENTS

The success of the climb hinges upon the steadiness of the foundation, and in the year under review, our financial foundation was fortified with commitment, clarity and cohesion. Throughout the 31 years we have served this nation, our dedication to bettering the lives of Sri Lankans has never wavered. Thus, the safety net around those we protect has further strengthened, and will continue to do so with every summit we scale in the future.



FINANCIAL CALENDAR



ANNUAL REPORT AND ANNUAL GENERAL MEETING (AGM)

	2025 Achievement on	2026 Target Date
Annual Report and Accounts for the year to be signed	March 2026	March 2027
Annual General Meeting for the year to be held	March 2026	March 2027



INTERIM FINANCIAL STATEMENTS SUBMISSION TO THE COLOMBO STOCK EXCHANGE (CSE)

	2025 Achievement on	2026 Target Date
1st Quarter (ended 31st March)	14-May-2025	On or Before 15th May 2026
2nd Quarter (ended 30th June)	14-Aug-2025	On or Before 15th August 2026
3rd Quarter (ended 30th September)	10-Nov-2025	On or Before 15th November 2026
4th Quarter (ended 31st December)	27-Feb-2026	On or Before 28th February 2027

STATEMENT OF VALUE CREATION

Indicator	Unit	2025	2024	Change
FINANCIAL CAPITAL				
Financial Performance				
GWP	LKR Mn.	8,650	6,596	2,054
Investment Income	LKR Mn.	3,408	3,715	(307)
Profit After Tax	LKR Mn.	3,466	4,512	(1,046)
Fund Under Management	LKR Mn.	31,507	29,022	2,485
Market Capitalization	LKR Mn.	29,335	12,459	16,876
Returns to Investors				
Shareholders' Fund	LKR Mn.	16,644	16,903	(259)
Return on Equity	%	21	27	(6)
Earnings per share	LKR	15.30	19.92	(5)
Net asset value per share	LKR	73.47	74.62	(1)
Market price per share	LKR	129.50	55.00	75
P/E Ratio	Times	8.5	2.8	6
Human Capital				
Number of Employees		456	372	84
GWP per Employee	LKR Mn.	18.97	17.73	1
Profit per Employee	LKR Mn.	7.60	12.13	(5)
Training hours per Employee	Hours	14.56	17.84	(3)
Employee Turnover	%	16	19	(3)
Social and Relationship Capital				
Commission Expenses	LKR Mn	1,619	1,018	601
Acquisition Cost as a % of GWP	%	5	6	(1)
Customers				
Claims and Benefits	LKR Mn	3,654	3,950	(296)
Manufactured Capital				
Number of Branches	Number	76	76	-
Natural Capital				
Electricity Consumption	Units	849,020	828,594	20,426

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

GENERAL

The Board of Directors take pleasure in presenting its Report together with the audited Consolidated Financial Statements of Janashakthi Insurance PLC, a public limited liability Company incorporated in Sri Lanka on 28 August 1992 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No.7 of 2007.

The Company was listed on the 21st of July 2008. The information provided below meets the requirements of the Companies Act No.7 of 2007 and the Listing rules of the Colombo Stock Exchange (CSE) and are in keeping with recommended best practice.

PRINCIPAL ACTIVITIES

The principal activity of the Company since 1st January 2015 is exclusively life insurance and this has remained unchanged during the financial year under review.

MISSION AND VISION

The Company's vision and mission are provided on page 17. This has been approved by the Board of Directors of the Company and the Directors ensure that the business activities of the Company are conducted with the highest level of ethical standards in achieving its corporate purposes.

REVIEW OF BUSINESS

A review of the Company's performance during the year with an analysis of financial results and future developments is included in the Chairperson's Review (Pages 28-29) and Chief Executive Officer's Review (Pages 30-32) and in the Management Discussion and Analysis (Pages 41-108). These reports provide information on the strategic imperatives of the company and a summary of performance in 2025. These reports and the Financial Statements reflect the state of the affairs of the Company and form an integral part of this report.

FINANCIAL STATEMENTS AND AUDITORS REPORT

The Financial Statements of the Company are prepared in conformity with the Sri Lanka Accounting Standards LKAS/ SLFRS laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL), Companies Act No. 07 of 2007 and comply with the Regulations of the Insurance Industry Act No 43 of 2000 and other rules and regulations of the Insurance Regulatory Commission of Sri Lanka (IRCSL).The formats and disclosures are also in accordance with the Statement of Recommended Practices (SORP) for insurance contracts, adopted by the Institute of Chartered Accountants of Sri Lanka (ICASL). The Financial Statements of the Company for the year ended 31st December 2025 together with the Report of the Auditors are given on pages 175-177, which form an integral part of the Annual Report of the Board.

ACCOUNTING POLICIES

Details of Accounting Policies are discussed in pages 186-231 in the Financial Statements.

There were no material changes in the accounting policies adopted in the current year with those of the previous year.

FUTURE DEVELOPMENTS

An overview of the future developments of the Company is presented in the Chairperson's Review (Pages 28-29) and Chief Executive Officer's Review (Pages 30-32).

GROSS WRITTEN PREMIUM

The Table below depicts the Company's main lines of business and their respective growth for the year 2025. Further details of Financial Performance are shown in the Financial Statements on pages 165-231.

As at 31st December	2025 LKR '000	2024 LKR '000
Life Insurance		
FYP	5,938,143	4,287,681
Renewal	2,712,001	2,308,320
	8,650,144	6,596,001

INSURANCE LIABILITY – LIFE

The appointed Actuary determines the Life Insurance liability of the Company. The value of the Life Insurance Fund of Janashakthi Insurance PLC (JIPLC) as at 31st December 2025 is LKR 18.48 Bn (2024: LKR 16.03 Bn)

In accordance with the Actuary's valuation report for Janashakthi Insurance PLC, a sum of LKR 477 Mn surplus (2024- LKR 1,794 Mn) has been transferred in the year 2025, from the Life Insurance Fund to the Income Statement of Shareholders.

RESULTS

The Company's Net Profit after Tax before Appropriation was at LKR 3,466 Mn for the year 2025 compared with LKR 4,512 Mn for the year 2024.

As at 31st December	2025 LKR '000	2024 LKR '000
Profit Earned Before Interest	4,213,033	6,054,906
Interest	(260,676)	(351,219)
Profit Before Tax	3,952,357	5,703,687
Provision for Income Tax	(486,215)	(1,191,523)
Profit After Tax	3,466,143	4,512,164
Unappropriated Profit Bought Forward from Previous Year	9,935,503	8,426,869
Amount Available for Appropriation	11,798,524	11,731,334
Restricted Regulatory Reserve – One Off Surplus	(1,795,829)	(1,795,829)
Unappropriated Profit Carried Forward	10,002,695	9,935,503

ACTUARY'S REPORT

This Annual Report includes reports from the Life Actuary of Janashakthi Insurance PLC. The Actuary has expressed satisfaction with the progress achieved by the Company to date and of the performance of the Company during the year under review.

Actuarial Reports are provided on pages 170-172.

TAXATION

The tax position of the Company is disclosed in Note 34 to the Financial Statements on page 223-224. Current year, it has generated income tax expense amounting to LKR 486 Mn.

RISK BASED CAPITAL REQUIREMENT (RBC)

The Company have complied with the requirements of the Risk Based Capital (RBC) framework on solvency margin as required by the IRCSL. Total Available Capital (TAC) and Risk based Capital Adequacy Ratio (CAR) of the company were maintained in excess of the minimum requirements as prescribed by the IRCSL throughout the year. Details on RBC of the Company is given in page 242 of the Annual Report.

PROPERTY, PLANT AND EQUIPMENT

The book value of Property, Plant and Equipment of the Company stood at LKR 442 Mn as at the reporting date. Further details and its movement during the year are given in Note 4 (Pages 192-194) to the Financial Statements.

INTANGIBLE ASSETS

The capital expenditure on work-in-progress of Intangible Assets during the year amounted to LKR 72 Mn. The details of intangible assets are shown in Note 7 to the Financial Statements on pages 198-199.

CARRYING VALUE OF FREEHOLD PROPERTIES

The Carrying Value of freehold property is explained in the Note 6.2 to the Financial Statements. (Page 196-197).

FINANCIAL INVESTMENTS

Investments of the Company amounted to LKR 31 Bn. Detailed description of the Investments held as at the reporting date are given in Note 9 to the Financial Statements (Pages 200-208).

DEBT RATIOS

As of the reporting date, the company had long-term borrowings of LKR 1,622 Mn.

	2025 LKR '000	2024 LKR '000
Debt Ratio (LKR)	10%	11%

	2025 LKR '000	2024 LKR '000
Earnings Per Share	15.30	19.92
Net Asset Value Per Share	73.47	74.62
Market Values Per Share		
Highest Price	167.00	57.40
Lowest Price	52.00	32.10
Year End Price	129.50	55.00

RESERVES AND STATED CAPITAL

The movement in reserves during the year is set out in Note 15 to 17 (Pages 211-212) to the Financial Statements.

The stated capital for the Company as at 31st December 2025 LKR 4.85 Bn was (2024- LKR 4.85 Bn) which comprises 226,526,153 Ordinary Shares

SHAREHOLDERS' FUND

The Stated Capital and Reserves amounted to LKR 16.43 Bn as at 31st December 2025. (LKR 16.90 Bn as at 31st December 2024), details of which are provided in Notes 15-17 (Pages 211-212) to the Financial Statements.

CORPORATE GOVERNANCE

The Board of Directors is committed towards maintaining an effective Corporate Governance structure and process. The Company's operations are directed and controlled within the Corporate Governance framework outlined on pages 120-148.

HUMAN RESOURCES

The Company's Human Resource policy is driven to reach its corporate goals and objectives by inculcating a strong value system and ethics in our employees. The Company is focused on developing employee abilities in optimizing and sustaining long term results. More details on our Human Resources are contained in pages 90-97.

ENVIRONMENT

The Company has not engaged in any activity that is harmful to the environment.

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market value per share is available under Shareholder Information on page 246 and Information on share trading is given on page 244 of this report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

SHAREHOLDINGS

There were 6,570 (2024- 5,229) registered shareholders holding ordinary voting shares as at 31st December 2025.

The distribution of shareholding is given on page 245 of this report.

SUBSTANTIAL SHAREHOLDINGS

The list of top twenty shareholders is given on pages 247-248 of this report.

AUDITORS REPORT

The Financial Statements for the year ended 31st December 2025 have been audited by Messrs. Ernst & Young. The Auditor's report on the Financial Statements is on pages 175-177 of this Report.

AUDITORS

The accounts for the year have been audited by Messrs. Ernst & Young, Chartered Accountants who are recommended for reappointment at the forthcoming Annual General Meeting. A sum of LKR 3.5 Mn has been provided as audit fees for the year under review.

Annexure 1	2025 LKR '000	2024 LKR '000
Auditors Remuneration (Fees and Expenses)		
Audit	3,540	3,418
Non- Audit (Including IFRS 17 consutancies)	56,755	23,514

INDEPENDENCE OF AUDITORS

Based on the declaration from Messrs. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the auditors do not have any relationship or interest in the Company other than those disclosed in this Report.

DIRECTORS' INTEREST REGISTER

In terms of the Companies Act No. 7 of 2007 an Interests Register is maintained. The particulars of the entries entered into the Interests Register during the accounting period under review are given below.

a. Directors' interest in contracts with the Company
Directors' interests in contracts of the Company, both direct and indirect interests have been included in Note 37 (Pages 225-227) under the Related Party disclosures to the Financial Statements.

b. Details of the remuneration and fees paid to the Directors are set out in page 222 of the note 33 to the Financial Statements.

c. Indemnity provided to Directors and Officers of the Company.

Terms of the Policy Cover

Limit of Liability	50,000,000
Gross Premium	938,613
Period of Insurance	1st January 2025 – 31st December 2025

DIRECTORATE

As at 31st December 2025, the Board of Directors of Janashakthi Insurance PLC, consisted of nine Directors whose profiles are presented in pages 33-36 of the Annual Report.

The Names of the Directors of the Company who held the office during the year and as at the end of 2025, as required by the Section 168 (1) (h) of the Companies Act No. 07 of 2007, are given below:

Ms. Annika Senanayake
Chairperson (Independent Non-Executive Director)

Mr. Prakash Schaffter
Deputy Chairman (Non-Independent Executive Director)

Mr. Sivakrishnarajah Renganathan
Independent Non-Executive Director

Mr. Ravi Liyanage
Chief Executive Officer (Non-Independent Executive Director)

Mr. Ramesh Schaffter
Non-Independent Non-Executive Director

Ms. Warini de Costa
Independent Non-Executive Director

Dr. Nishan de Mel
Independent Non-Executive Director

Dr. Gehan Gunatilleke
Independent Non-Executive Director

Mr. Dilip de S. Wijeyeratne
Independent Non-Executive Director

BOARD COMMITTEES

The Board while assuming responsibility for the management and the smooth running of the company has established sub committees keeping in line with the Corporate Governance rules, transparency and accountability.

Following Board Committees operated during the year;

- Board Audit Committee
- Remuneration Committee
- Nominations and Governance Committee
- Related Party Transactions Review Committee
- Broad Strategy and Development Committee

RISK MANAGEMENT AND THE SYSTEM OF INTERNAL CONTROLS

The Company has constituted a comprehensive Risk Management policy for the identification and mitigation of operational and financial risk. A detailed report on the risk management process of the Company is given on pages 110-119 of the Annual Report. The Internal Controls of the company on the other hand are established to carry on the business of insurance in an orderly and efficient manner, so as to safeguard its assets and ensure the accuracy and reliability of financial records. Controls over the financial reporting were also reviewed during the year to ensure that the financial reporting process in place is up to date and effective.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and ensuring that the statements are true and fair. The Financial Statements of the Company are prepared in conformity with Sri Lanka Accounting Standards (LKAS) and provide information required by the Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Regulation of Insurance Industry Act No. 43 of 2000 and the Colombo Stock Exchange (CSE) Listing Requirements.

PROVISIONS

The Directors have taken all reasonable steps to ensure adequate provisioning for unearned premiums, unexpired risks and claims, including claims incurred but not reported. The Directors have arranged an external Actuary to value the Life Fund. As at date of the report, the Directors are not aware of any circumstances, which would render as inadequate the amounts provided for in the Financial Statements for the above.

DONATIONS

There were no donations granted during the year under review.

STATUTORY PAYMENTS

The Directors are satisfied to the best of their knowledge and belief that all Statutory Payments to the Government and other Statutory Institutions including employee related payments have been made in time.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company operates in accordance with prevailing laws and regulations. Compliance with provisions in laws and regulations are confirmed to the Board of Directors at Board Meetings. A detailed report on this is available under the Corporate Governance article in pages 120-148 of this report.

OUTSTANDING LITIGATION

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

EVENTS AFTER THE REPORTING DATE

The events after the reporting date are disclosed in Note 41 (Page 231) in financial statements.

GOING CONCERN

The Board of Directors has reviewed the Company's business plan, future prospects, its risk profile and the other requirements such as cash flow and future capital expenditure and is satisfied that the company has adequate resources and the plans to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the going concern concept.

For and on behalf of the Board,



Annika Senanayake
Chairperson



Ravi Liyanage
Director/CEO



Company Secretaries
Janashakthi Corporate Services Limited

06th March, 2026

ACTUARIAL REPORT - JANASHAKTHI INSURANCE PLC

K.A. PANDIT
(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Certification under Section 15 of SLFRS 4

I, Chandan Khasnobis, being the Appointed Actuary for Janashakthi Insurance Plc. (Company), certify that, to the best of my knowledge:

1. I have valued each and every policy on the books of the Company for which data was given to me, with respect to long term insurance liabilities as at **31-12-2025**.
2. Detailed data was provided by the Company for the purpose of valuation. I have asked for clarifications from the Company wherever required, for which I have received satisfactory replies for certain queries. For queries which are in the process of being resolved, adequate data provisions have been held towards observed issues/ inconsistencies.
3. I have taken reasonable steps to ensure the completeness and accuracy of data provided by the Company to the best possible extent. The Company has provided a certification confirming the completeness, accuracy, reasonableness and reliability of the data provided for valuation. An additional Certification has been issued by the Company stating the limited nature of data provided for valuation and that the Company takes accountability of data reconciliations.
4. **In my opinion, adequate and proper reserves have been provided for as at 31-12-2025, for all the liabilities in respect of long-term insurance business of the Company. The total liabilities of the Company as at 31-12-2025 is LKR 16,960 million after taking credit for reinsurance.**
5. An amount of LKR 124 million was locked in the Non-Participating fund in the year 2020 and continues to be locked and restricted for distribution to Shareholders. This amount is locked for distribution on account of the surplus arising as at 31-12-2015 due to change in the valuation methodology for the Universal Life product 'Life Saver' as per the IRCSL guidelines.
6. **I have complied with the relevant provisions of the Act, including the provisions of Section 26 and regulations issued by the Insurance Regulatory Commission of Sri Lanka with respect to Solvency Margin.**

2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.

201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.

509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com

K.A. PANDIT
(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

The statutory reserves for the Company, as at 31-12-2025, using the Gross Premium Valuation Methodology is LKR 16,960 million. The provision made as per the statutory valuation requirement is adequate to meet liabilities and also satisfies Liability Adequacy Test as at 31-12-2025.



Chandan Khasnobis: F.I.A.I. (00097)
Partner
kap@ka-pandit.com

Chandan Khasnobis **Date: 20-02-2026**

Appointed Actuary

2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.

201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.

509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.

Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com

ACTUARIAL REPORT - FORMER NATIONAL INSURANCE CORPORATION LTD

K.A. PANDIT
(ISO9001 : 2015 CERTIFIED)
(ISO27001 : 2013 CERTIFIED)

Certification under Section 15 of SLFRS 4

I, Chandan Khasnobis, being the Appointed Actuary for National Insurance Corporation Limited (Company), certify that, to the best of my knowledge:

1. I have valued each and every policy on the books of the Company for which data was given to me, with respect to long term insurance liabilities as at **31-12-2025**.
2. The detailed data was provided by the Company to be considered for valuation, and I have asked for clarifications from the Company wherever required, for which I have received satisfactory replies.
3. I have taken reasonable steps to ensure the completeness and accuracy of data provided by the Company.
4. **In my opinion, adequate and proper reserves have been provided for as at 31-12-2025 for all the liabilities in respect of long-term insurance business of the Company. The written liabilities of the Company as at 31-12-2025 are LKR 12.91 million.**
5. **I have complied with the relevant provisions of the Act, including the provisions of Section 26 and regulations issued by the Insurance Regulatory Commission of Sri Lanka with respect to Solvency Margin.**

The statutory reserves for the Company, as at 31-12-2025, using the Gross Premium Valuation Methodology is LKR 12.91 million. The provision made as per the statutory valuation requirement is adequate to meet the liabilities towards policyholders and also satisfies Liability Adequacy Test as at 31-12-2025.

Chandan Khasnobis: F.I.A.I. (00097)
Partner
kap@ka-pandit.com

Chandan Khasnobis
Appointed Actuary

Date: 20-02-2026

2nd Floor, Churchgate House, Veer Nariman Road, Fort, Mumbai - 400 001.
201/C, Remi Bizcourt, Off. Veera Desai Road, Andheri (W), Mumbai - 400 058.
509, Golden Triangle, Near Sardar Patel Stadium, Navrangpura, Ahmedabad - 380 014.
Tel: (91-22) 4292 2231
kap@ka-pandit.com
www.ka-pandit.com

STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING

The responsibility of the Directors in relation to the Financial Statements is set out in the following statement. As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare, for each financial year and place before a general meeting, Financial Statements which comprise of;

- Statement of Profit or Loss and Other Comprehensive Income of the Company which present a true and fair view of the profit or loss of the Company for the financial year and
- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year and
- Statement of Changes in Equity and
- Statement of Cash Flows for the year ended and Notes to the Financial Statements

The Directors have ensured that, in preparing these Financial Statements;

- the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained and
- all applicable accounting standards in accordance with the Sri Lanka Accounting Standards (SLFRSs / LKASs) as relevant have been applied and
- reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected and
- it provides the information required by and otherwise complies with the Companies Act No. 7 of 2007, Regulation of Insurance Industry Act No. 43 of 2000 and subsequent amendments thereto and the Listing Rules of the Colombo Stock Exchange (CSE) and requirements of any other regulatory authority as applicable to the Company.

The Directors have also ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions levies and taxes payable on behalf of and in respect of the employees of the Company, and all other known statutory dues, as were due and payable by the Company, as at the reporting date have been paid or, where relevant provided for, except as detailed in Note 39 to the Financial Statements, relating to contingent liabilities.

By order of the Board



Janashakthi Corporate Services Limited
Company Secretaries

06th March, 2026

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The Financial statements of Janashakthi Insurance PLC as at 31st December 2025 are prepared and presented in compliance with the following;

- Regulations and Guidelines of Insurance Regulatory Commissions of Sri Lanka (IRCS)
- Listing rules of the Colombo Stock Exchange (CSE)
- Requirements of the Companies Act No. 7 of 2007
- Sri Lanka Accounting Standards (SLFRSs / LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL)
- Sri Lanka Accounting and Auditing Standards Act No 15 of 1995
- Statement of Recommended Practice (SORP) issued by the ICASL
- Code of best practice on corporate governance issued by the ICASL

Accordingly, the Company has prepared the financial statements which comply with SLFRSs / LKASs and related interpretations applicable for the year ended 31st December 2025, together with the comparative data as at and for the year ended 31st December 2024, where required, as described in the accounting policies.

The accounting policies used in the preparation of the financial statements are appropriate and are consistently applied, unless otherwise stated in the notes accompanying the financial statements. There have been no changes in the accounting policies adopted by the Company during the year under review.

Significant accounting policies and estimates relating to Financial Statements that involve a high degree of judgement and complexity were made on a prudent and reasonable basis and discussed with our external auditors and the Board Audit Committee (BAC).

The Board of Directors of the Company is responsible for preparation and presentation of these Financial Statements which give a true and fair view of the financial performance and position of the Company.

We confirm that to the best of our knowledge, the financial statements and other financial information included in this annual report, fairly present in all material respects the financial position, results of operations and cash flows of the Company as of, and for, the periods presented in this Annual Report. We are responsible for establishing and maintaining internal controls and procedures to be designed under our supervision, and procedures. We have designed such controls and procedures, or caused such controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us and for safeguarding the Company's assets and preventing and detecting fraud and error. We have evaluated the effectiveness of the Company's internal controls and procedures and are satisfied that the controls and procedures were effective as of the end of the period covered by this annual report and on an ongoing basis.

We confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and any significant fraud that involves management or other employees.

The Internal audit function of the Company continuously conducts internal audits and reviews to ensure that the internal controls and procedures are consistently followed.

The Financial Statements were audited by Messrs Ernst & Young, Chartered Accountants, the External Auditors.

The BAC pre- approves the audit and non - audit services provided by Messrs. E & Y, in order to ensure that the provision of such services does not impair E & Y independence. The BAC also reviews the external audit plan, the internal audit plan, all internal audit reviews and management letters and follows up on any issues raised during the statutory audit as well as the internal audits. The BAC also meets with the external and internal auditors to review the effectiveness of the audits.

We confirm that the Company has complied with all applicable laws and regulations and guidelines and that there are no material litigations that are pending against the Company other than those arising in the normal course of conducting insurance business.



Ravi Liyanage
Director/Chief Executive Officer



Jude Shanmugam
Chief Financial Officer

06th March, 2026

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JANASHAKTHI INSURANCE PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Janashakthi Insurance PLC ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Assessing the Carrying Value of Life Insurance Contract Liabilities Life Insurance Contract Liabilities amounting to Rs. 18 .4 Bn represent 78% of total liabilities of the company as at 31 December 2025 are estimated by management using actuarial methodologies as described in Note 18 to the financial statements. The Life Insurance Contract Liabilities were determined by the management specialist engaged by the company. This was a key audit matters due to: • Materiality of the reported Life Insurance Contract Liabilities; • The degree of management judgements, assumptions and estimation uncertainties associated with the actuarial methodologies used to estimate life insurance contract liabilities and perform the liability adequacy test used to determine the adequacy of the carrying value of Life insurance contract liabilities. Key areas of significant judgements, assumptions and estimates made by management include mortality rate, morbidity rate, lapses ratio and surrenders ratio, loss ratios, bonus, interest rates, discount rates and related claim handling expenses, as disclosed in Note 18 to the financial statements.	To assess the reasonableness of the Life Insurance Contract Liabilities, our audit procedures included amongst others the following: • Assessed the competency, capability and objectivity of the management specialist engaged by the company. • Obtained an understanding of the liability valuation process. • Agreed key information used in estimating insurance contract liabilities to source documents and accounting records. • With the support of an expert, we assessed the reasonableness of the key judgements, assumptions and estimates made and actuarial methodology used to estimate the value of life insurance contract liabilities, and the liability adequacy test. Reasonableness was assessed by reference to market data and policyholder experience. We assessed the adequacy of the disclosures in note 18 to the financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Shape the future with confidence

Other information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Shape the future with confidence

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

As required by Section 47(2) of the Regulation of Insurance Industry Act, No.43 of 2000, and amendments thereto as far as appears from our examination, the accounting records of the Company have been maintained in the manner required by the rules issued by the Insurance Regulatory Commission of Sri Lanka, so as to clearly indicate the true and fair view of the financial position of the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

Ernst & Young

06th March 2026
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31st December	Note	2025 LKR '000	2024 LKR '000
Assets			
Property, Plant and Equipment	4	441,258	296,551
Right of Use Assets	5	322,598	251,291
Investment Property	6	1,966,436	1,958,607
Intangible Assets	7	72,168	56,856
Investment in Associate	8	4,140,212	4,572,006
Financial Investments	9	31,507,466	29,022,052
Loans to Life Policyholders & Others	10	320,067	279,404
Reinsurance Receivable	11	34,613	19,620
Premium Receivables	12	654,180	320,075
Other Assets	13	566,611	663,466
Cash & Cash Equivalents	14	340,740	456,903
Total Assets		40,366,349	37,896,831
Equity and Liabilities			
Equity			
Stated Capital	15	4,853,752	4,853,752
Revenue Reserves	16.1	10,002,695	9,935,503
Available For Sale Reserve	16.2	(8,313)	317,481
Restricted Regulatory Reserve	17	1,795,829	1,795,829
Total Equity		16,643,962	16,902,565
Liabilities			
Insurance Liability- Life	18	18,482,314	16,031,420
Retirement Benefit Obligation	19	98,067	72,484
Long term Borrowing	20	1,622,512	2,163,566
Reinsurance Creditors		101,487	70,983
Lease Creditor	5	378,587	298,692
Other Liabilities	21	2,937,949	2,313,814
Bank Overdraft	22	101,471	43,307
Total Liabilities		23,722,387	20,994,266
Total Equity and Liabilities		40,366,349	37,896,831

The accounting policies and notes on pages 186-231 are an integral part of these Financial Statements.

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



Jude Shanmugam
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by,



Annika Senanayake
Chairperson



Ravi Liyanage
Director/ Chief Executive Officer

Colombo
06th March, 2026

STATEMENT OF PROFIT OR LOSS

For the Year Ended 31st December	Note	2025 LKR '000	2024 LKR '000
Gross Written Premium	23	8,650,143	6,596,001
Premium Ceded to Reinsurers		(276,242)	(249,286)
Net Written Premium		8,373,901	6,346,715
Other Revenue			
Fee and Commission Income	24	34,667	21,704
Investment Income	25	3,408,202	3,715,121
Net Realised Gains/(Losses)	26	656,457	2,072,193
Fair Value Gains/(Losses)	27	1,124,471	829,852
Other Operating Revenue	28	155,891	279,818
Total Other Revenue		5,379,688	6,918,689
Net Income		13,753,589	13,265,404
Benefits and Claims			
Gross Claims and Benefits	29.1	(3,883,423)	(4,221,043)
Claims Ceded to Reinsurers	29.2	215,633	162,130
Gross Change in Claims Liabilities	29.3	(1,581)	115,864
Change in Claims Liabilities Ceded to Reinsurers	29.4	14,992	(7,193)
Change in Contract Liabilities- Life	18.3	(2,412,605)	(1,376,912)
Underwriting & Net Acquisition Cost	30	(2,527,249)	(1,662,726)
Total Benefits, Claims & Net Acquisition Cost		(8,594,233)	(6,989,881)
Other Expenses			
Operating and Administrative Expenses	31	(1,885,545)	(1,552,152)
Finance Cost	32	(260,676)	(351,219)
Total Other Expenses		(2,146,221)	(1,903,372)
Share of Profit from equity accounted investee	8	939,223	1,331,534
Profit before Taxation	33	3,952,357	5,703,686
Income Tax Expense	34	(486,215)	(1,191,523)
Profit for the year		3,466,143	4,512,163
Basic Earnings Per Share (LKR)	35	15.30	19.92

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year Ended 31st December	Note	2025 LKR '000	2024 LKR '000
Profit for the year		3,466,143	4,512,163
Other Comprehensive (Loss) / Income			
Items that are or may be reclassified to Profit or Loss			
Net Changes in Fair Value of Investments classified as Available for Sale Financial Assets- Shareholders	16.2	403,396	431,975
Net Changes in Fair Value of Investments classified as Available for Sale Financial Assets- Life fund	18.3	50,912	110,121
Available for Sale Financial Assets transferred to Statement of Profit or Loss	16.2	(725,455)	(625,382)
Share of OCI from equity accounted Investee (Net of Tax)	8	(4,793)	(8,105)
Items that will never be reclassified to Profit or Loss			
Actuarial Gains on Defined Benefit Plans	19	12,622	418
Transferred to Long term Fund		(12,622)	(418)
Total Other Comprehensive Income		(275,940)	(91,391)
Total Comprehensive Income for the year		3,190,203	4,420,772
Total Comprehensive Income attributable to:			
Equity holders of the Company		3,190,203	4,420,772
		3,190,203	4,420,772

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st December	Note	Revenue Reserves					
		Stated Capital LKR '000	Restricted Regulatory Reserve LKR '000	Retained Earnings LKR '000	Available-for sale Reserve LKR '000	Total LKR '000	Total LKR '000
Balance as at 31 December 2023		4,853,752	1,795,829	8,426,870	515,466	8,942,334	15,591,917
Profit for the year		-	-	4,512,163	-	4,512,163	4,512,163
Other Comprehensive Income							
Net Change in Fair Value of Available for Sale Financial Assets	16.2	-	-	-	431,975	431,975	431,975
Impairment of Available for Sale Financial Assets transferred to Statement of Profit or Loss	16.2	-	-	-	(625,382)	(625,382)	(625,382)
Actuarial Gain on Defined Benefit Plans	19	-	-	(418)	-	(418)	(418)
Share Of Other Comprehensive Income From Equity Accounted Investee				(3,528)	(4,578)	(8,106)	(8,106)
Total Comprehensive Income for the Year		-	-	(3,946)	(197,985)	(201,931)	(201,932)
Transactions with owners recorded directly in equity						-	
Dividend Paid to equity holders for 2023		-	-	(3,000,000)	-	(3,000,000)	(3,000,000)
Transfers to Life Insurance Fund		-	-	418	-	418	418
Balance as at 31 December 2024		4,853,752	1,795,829	9,935,503	317,481	10,252,984	16,902,565
Profit for the year		-	-	3,466,143	-	3,466,143	3,466,143
Other Comprehensive Income							
Net Change in Fair Value of Available for Sale Financial Assets	16.2	-	-	-	403,396	403,396	403,396
Net Change in Available for Sale Financial Assets transferred to Statement of Profit or Loss	16.2	-	-	-	(725,455)	(725,455)	(725,455)
Actuarial loss on Defined Benefit Plans	19			(12,622)	-	(12,622)	(12,622)
Share Of Other Comprehensive Income From Equity Accounted Investee		-	-	(1,058)	(3,735)	(4,793)	(4,793)
Total Comprehensive Income for the Year		-	-	(13,680)	(325,794)	(339,474)	(339,474)
Transactions with owners recorded directly in equity							
Dividend Paid to equity holders for 2025		-	-	(3,397,893)	-	(3,397,893)	(3,397,893)
Transfers to Life Insurance Fund		-	-	12,622	-	12,622	12,622
Balance as at 31 December 2025		4,853,752	1,795,829	10,002,695	(8,313)	9,994,385	16,643,962

The accounting policies and notes on pages 186-231 are an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2025 LKR '000	2024 LKR '000
Cash Flows From Operating Activities			
Premium Received from Customers		8,316,038	6,544,130
Reinsurance Premium Paid		(16,080)	(25,823)
Claims Paid		(3,883,423)	(4,221,043)
Reinsurance Receipt in Respect of Claims		8,256	10,675
Interest Received		2,036,605	2,030,354
Dividends Received		931,763	89,409
Other Operating Cash (Payments)/Receipts		(2,098,764)	1,194,437
Cash Flows from Operating Activities	A	5,294,394	5,622,139
Gratuity Paid		(1,839)	(3,745)
Income Taxes Paid		(689,136)	(1,140,365)
Net Cash Generated From Operating Activities		4,603,420	4,478,029
Cash Flows Used in Investing Activities			
Net Purchase of Investments		(1,694,566)	(157,484)
Dividends received from Associate	8	1,366,223	506,009
Addition to Investment property		-	(13,121)
Proceeds from of Investment properties		-	164,464
Purchase of Property, Plant & Equipment	4	(285,105)	(204,566)
Proceeds from Disposal of Property, Plant and Equipment		-	1,200
Purchase of Intangible Assets	7	(23,780)	(24,553)
Net Cash Generated From/(Used in) Investing Activities		(637,227)	271,950
Net Cash Flows Before Financing Activities		3,966,192	4,749,979
Cash Flows Used in Financing Activities			
Proceeds from Borrowings		750,000	3,151,733
Repayment of Borrowings		(1,291,055)	(4,318,294)
Rent Advance paid for right of use assets		(483)	(10,921)
Finance Cost	32	(201,089)	(309,411)
Dividends Paid	16.1	(3,397,893)	(3,000,000)
Net Cash Used in Financing Activities		(4,140,520)	(4,486,893)
Net Increase/(Decrease) in Cash and Cash Equivalents	B	(174,327)	263,083

NOTES TO THE STATEMENT OF CASH FLOWS

For the Year Ended 31st December		Note	2025 LKR '000	2024 LKR '000
A	Cash Flows from Operating Activities			
	Profit Before Tax		3,952,357	5,703,685
	Finance Cost	32	201,089	309,411
	(Gain)/Loss on Financial Investments	27	(1,116,643)	(821,913)
	Gain on Fair Valuation of Investment Properties	27	(7,829)	(7,939)
	Share of Profit of Equity Accounted Investee	8	(939,223)	(1,331,534)
	Share of OCI of Equity Accounted Investee		3,735	4,578
	Loss on Derecognition/Disposal of Property, Plant & Equipment		30,975	952
	Provision for Retirement Benefit	19	14,800	14,389
	Gain from pre-mature Derecognition of ROUA		(26,671)	
	Retirement benefit (Liability)/Asset Transfer Out	19	-	(3,024)
	Interest Expense on Operating Leases	32	59,587	41,808
	Depreciation and Amortisation Expenses		207,311	176,097
	Changes in Working Capital			
	(Increase)/Decrease in Premium and Other Receivables		(289,973)	9,187
	Increase/(Decrease) in Life Insurance Fund		2,463,517	1,486,615
	Increase/(Decrease) in Creditors		741,360	39,826
	Net Cash Flows from Operating Activities	A	5,294,394	5,622,139
B	Increase/(Decrease) in Cash and Cash Equivalents			
	Cash in Hand and Balance at Bank	14	340,740	456,903
	Bank Overdrafts	22	(101,471)	(43,307)
	Net Cash and Cash Equivalents as at end of the Period - Continued Operations		239,269	413,596
	Net Cash and Cash Equivalents as at beginning of the Period		413,596	150,513
	Increase/(Decrease) in Cash and Cash Equivalents During the Period		(174,327)	263,083

ACCOUNTING POLICY

Statement of Cash Flows

The Statement of Cash Flows has been prepared by using both "Direct Method" and "Indirect Method" in accordance with the Sri Lanka Accounting Standard LKAS 07 : Statement of Cash Flows.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investment or financing cash flows.

For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

STATEMENT OF FINANCIAL POSITION - SUPPLEMENTAL

(Life Insurance Fund of the former National Insurance Corporation Ltd)

As at 31st December	2025 LKR '000	2024 LKR '000
Assets		
Financial Investments	152,060	139,595
Loans to Life Policyholders	21,845	34,788
Other Assets	215	215
Cash in Hand and Balance at Bank	2,343	1,362
Total Assets	176,463	175,959
Equity and Liabilities		
Equity		
Available for Sale Reserve Fund of Life Policyholders	-	-
Total Equity	-	-
Liabilities		
Insurance Provision- Life	77,375	77,711
Other Liabilities	99,088	98,248
Bank Overdraft	-	-
Total Liabilities	176,463	175,958
Total Equity and Liabilities	176,463	175,958

The above Life Insurance Statement of Financial Position should be read in conjunction with the Company's Statement of Financial Position on page 178. Accounting Policies and Notes to the Financial Statements from pages 186-231.

UNDERWRITING RESULTS - SUPPLEMENTAL

For the Year Ended 31st December	2025 Life Insurance LKR '000	2024 Life Insurance LKR '000
Gross Written Premium	8,650,143	6,596,001
Less: Premium Ceded to Reinsurers	(276,242)	(249,286)
Net Earned Premium	8,373,901	6,346,715
Benefits and Claims		
Gross Claims and Benefits Paid	(3,883,423)	(4,221,043)
Claims Ceded to Reinsurers	215,633	162,130
Gross Change in Claims Liabilities	(1,581)	115,864
Change in Claims Liabilities Ceded to Reinsurers	14,992	(7,193)
Underwriting & Net Acquisition Costs	(2,527,249)	(1,662,726)
Total Benefits, Claims & Net Acquisition Cost	(6,181,628)	(5,612,968)
Underwriting Results	2,192,273	733,747

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

Janashakthi Insurance PLC ("the Company") is a limited liability company incorporated and domiciled in Sri Lanka and is listed on the Diri Savi Board of the Colombo Stock Exchange (CSE). The registered office of the Company is at 1st Floor, Bishop's Gate Building, No.338, T.B. Jayah Mawatha, Colombo 10. The Company is regulated by the Insurance Industry Act, No. 43 of 2000 and amendments thereto.

1.2 Principal Activities and Nature of Operations

Janashakthi Insurance PLC provides Life Insurance solutions for both individual and corporate customers and there was no significant change in the nature of the principal activities of the Company.

1.3 Parent Entity

In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Janashakthi Limited which is incorporated in Sri Lanka. The Financial year of the Parent ends on 31st of March.

1.4 Date of authorization of issue

The Financial Statements of the Company for the year ended 31st December 2025 were approved and authorized for issue by the Board of Directors on 06th March 2026.

1.5 Responsibility for Financial Statements

The Board of Directors are responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards.

1.6 Number of Employees

The staff strength of the Company as at 31st December 2025 was 449. (372 as at 31st December 2024)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Financial Statements for the year ended 31st December 2025 are prepared in accordance with Sri Lanka Accounting Standards comprising LKASs and SLFRSs as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with requirements of Companies Act No.07 of 2007. The presentation of the Financial Statements is also in compliance with the requirements of the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto. These Financial Statements also provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE).

The Company did not adopt any inappropriate accounting treatments, which are not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of these Financial Statements.

The Financial Statements include the following components:

Component	Description	Page No
Statement of Financial Position	Provides information on the financial position of the Company as at the end of the year.	178
Income Statement and Other Comprehensive Income Statement	Provides information of the financial performance of the Company for the period.	179-180
Statement of Changes in Equity	Provides all changes in the Shareholders' Fund during the period under review.	181
Statement of Cash Flows	Provides information on the ability of the Company to generate cash and cash equivalents and the needs of the entity to utilize those Cash flows.	182-183
Notes to the Financial Statements	Consists accounting policies and other explanatory Information.	186-231

2.1.2 Basis of Measurement

The Financial Statements have been prepared on an accrual basis under the historical cost convention and applied consistently with no adjustment being made for inflationary factors affecting the Financial Statements except for the financial assets Available For Sale and financial assets designated at Fair Value through Profit or Loss which are measured at fair value. The land and buildings are measured at revalued amounts, Investment Properties are valued at fair value, the Insurance Contract Liability- Life is determined using actuarial valuation and Defined Benefit Obligations are recognized at present value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Statement of Financial Position has been prepared in the order of liquidity.

The Statement of Financial Position has been prepared in the order of liquidity.

2.1.3 Use of Materiality and Offsetting

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka Accounting Standard: LKAS 01 on 'Presentation of Financial Statements'. Assets and liabilities and income and expenses are not set off unless permitted by Sri Lanka Accounting Standards.

2.1.4 Functional and Presentation Currency and Rounding

The Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest thousand (LKR '000), unless otherwise stated as permitted by the LKAS 01 Presentation of Financial Statements.

2.1.5 Financial Period

The Financial Statements are prepared for the twelve months period from 1st January to 31st December.

2.1.6 Comparative Information

The Financial Statements provide comparative information in respect of the previous financial year. The presentation and classification of assets and liabilities in the Financial Statements of the previous financial year have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements in conformity with SLFRSs/LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future reporting periods. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively. Management has considered and made significant judgments, estimates and assumptions in preparing these Financial Statements.

2.2.1 Judgment

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in these Financial Statements is included in the following notes.

2.2.1.1 Classification of Financial Assets and Liabilities

The significant accounting policies of the Group provide scope for assets to be classified upon initial recognition into different accounting categories under certain circumstances. The Company has classified assets as "Loans and Receivables", "Fair Value Through Profit or Loss" (FVTPL), and "Available For Sale" (AFS).

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. At initial recognition, financial liabilities within the scope of LKAS 39 are classified as financial liabilities at Fair Value Through Profit or Loss or financial liabilities at amortized cost.

2.2.2 Assumptions and Estimation Uncertainties

The following notes include information about Assumptions and Estimation Uncertainties that have a significant risk of resulting in material adjustments for the year ended 31st December 2025.

2.2.2.1 Going Concern

The Management has made an assessment of the Company's ability to continue as a Going Concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a Going Concern. Therefore, the Financial Statements continue to be prepared on a Going Concern basis.

2.2.2.2 Revaluation and Fair Valuation of Property, Plant and Equipment and Investment Properties

The Land and Buildings are measured at revalued amounts with changes in fair value being recognized in the Statement of Changes in Equity. The Investment Properties are measured at fair value, with changes in fair value being recognized in the Income Statement.

2.2.2.3 Life Insurance Contract Liabilities

The liability for life insurance contracts is based on assumptions established at inception of the contract, reflecting the best estimate at the time. All contracts are subject to a Liability Adequacy Test, which reflects the best current estimates of future cash flows.

The main assumptions used relate to mortality, longevity, and discount rates. The Company bases mortality on standard tables published by the Institute of Actuaries of United Kingdom (A 67/70 and A 49/52).

Discount rates are based on the guidelines provided by the Insurance Regulatory Commission of Sri Lanka (IRCSL), and are in line with SLFRS 4 Insurance Contracts.

2.2.2.4 Fair Value of Financial Instruments

The determination of fair values of financial assets and financial liabilities recorded in the Statement of Financial Position for which there is no observable market price are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish their fair values. This judgment may include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of the financial instruments.

2.2.2.5 Valuation of Defined Benefit Obligation – Gratuity

The cost of Defined Benefit Plans is determined using actuarial valuations. The actuarial valuation involves making assumptions for discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and the long-term nature, such estimates are subject to significant uncertainty and the obligation is highly sensitive to any changes in these estimates and assumptions.

All assumptions are reviewed at each reporting date. Details of the key assumptions used by the Actuary and sensitivities there on the estimation is contained in Note 19.

2.2.2.6 Deferred Tax Assets and Liabilities

Deferred Tax Assets are recognized if sufficient future taxable income, including income from the reversal of existing taxable temporary differences and available tax planning strategies, is available for realization. The utilization of deferred tax assets arising from temporary differences depends on the generation of sufficient taxable profits in the period in which the underlying asset or liability is recovered or settled.

Certain management judgments are involved when determining the amount of Deferred Tax to be recognized based on timing and future taxable profits.

The accumulated tax losses of the Company are disputed by the Department of Inland Revenue through assessments issued, the details of which are disclosed in Note 39.2. These Tax Assessments have been common assessments for all Life Insurance companies in the insurance industry. The Company has appealed against the assessments issued in consultation with its Tax Consultants, as detailed in Note 39.2. The Company is of the firm view that these assessments will not materialize against the Company and the tax losses will be available to set off against future taxable income.

2.2.2.7 Impairment of Financial Assets

Impairment evaluation is a complex process that involves significant judgments and uncertainties that may have a significant impact on the Company's Financial Statements. The identification of impairment is an inherently uncertain process involving various assumptions and factors including, financial condition of the counter-party, expected future cash flows, statistical loss data, discount rates, observable market prices, etc. Estimates and assumptions are based on management's judgment and other information available prior to the issuance of the Financial Statements.

Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry performance, financing and operational cash flows and changes in technology.

2.2.2.8 Impairment of Non-Financial Assets

The Company assesses whether there are any indicators of impairment for an asset or a cash generating unit at each reporting date or more frequently, if events or changes in circumstances necessitates to do so. This requires the estimation of the 'value in use' of such individual assets or the cash generating units. Estimating 'Value in Use' requires Management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select suitable discount rates in order to calculate the present value of the relevant cash flows. This valuation requires the Company to make estimates about expected future cash flows and discount rates and hence, they are subject to uncertainty.

2.2.2.9 Provisions for liabilities and contingencies

The Company is subject to legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding when making provisions. The time for concluding legal claims and the amount of possible outflow of economic benefits are uncertain. Timing and cost ultimately depend on due process in the respective legal jurisdictions.

2.2.2.10 Useful Life-time of Property, Plant and Equipment

The Company reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. Refer Note 4 on pages 192-194.

Following table provides references to the different locations in this report where each estimates are discussed in more detail.

Estimate/Judgment	Note No.	Page No.
Going Concern	2.2.2.1	187
Insurance Contract Liability- Life	18	213-215
Liability Adequacy Test	18	213-215
Valuation of Defined Benefit Obligation	19	215-217
Assessment of Impairment	4	192-194
Fair Value of Financial Instruments	9	200-208
Provision for Liabilities and Contingencies	39	228-230

3 ACCOUNTING POLICIES

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparation and presentation of Financial Statements.

Significant Accounting Policies

Significant Accounting policies adopted by the Company have been applied consistently for all financial periods unless otherwise stated.

3.1 Statement of Financial Position

3.1.1 Reinsurance Contracts Held

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. These assets consist of short-term balances due from reinsurers, as well as long term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance is recorded gross in the financial position unless a right to offset exists.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the Statement of Other Comprehensive Income.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

3.2 Foreign Currency Translation/ Transactions

All transactions in currencies other than the functional currency are recorded in Sri Lankan Rupees (LKR), using the exchange rates prevailing at the time the transactions were effected.

At each date of the Statement of Financial Position, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan Rupee equivalents at the exchange rate prevailing on the date of the Statement of Financial Position. Exchange differences arising on settlement of monetary items and re-translation of monetary items, are recognized in the Income Statement in the year in which they arise. Foreign exchange gains and losses arising from monetary assets designated as Available For Sale is recognized in the Statement of Other Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees using the exchange rate prevailing at the date of transaction.

3.3 Proposed Dividend

There has not been any dividend proposed for 2025 for the date of reporting.

3.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using both the "Direct Method" and "Indirect Method" in accordance with the Sri Lanka Accounting Standard LKAS 07: Statement of Cash Flows. The primary segments are identified on the basis of the core business of the Company which is Life Insurance. The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investment or financing cash flows.

For the purpose of the Statement of Cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.5 Standards issued but not yet effective

The new and amended accounting standards issued by Institute of Chartered Accountants of Sri Lanka (CASL) up to the date these financial statements are authorized for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

- SLFRS 17 Insurance Contracts Scope

SLFRS 17 applies to all types of insurance contracts—including life, non-life, direct insurance, and reinsurance—regardless of the type of entity that issues them. The Standard also covers certain financial guarantees and financial instruments that contain discretionary participation features.

However, a limited number of scope exceptions apply.

Key requirements

The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike SLFRS 4, which largely relied on grandfathered local accounting policies, SLFRS 17 introduces a comprehensive and consistent model that addresses all key aspects of insurance contract accounting.

The core of SLFRS 17 is the general measurement model, supported by:

- The variable fee approach (VFA): an adaptation for contracts with direct participation features.
- The premium allocation approach (PAA): a simplified method primarily intended for short-duration contracts.

The key features of SLFRS 17's insurance contract accounting model include:

- Fulfilment cash flows: Measurement of the present value of future cash flows, including an explicit risk adjustment, remeasured at every reporting date.
- Contractual Service Margin (CSM): A liability representing unearned profit, equal and opposite to any day-one gain in the fulfilment cash flows of a group of contracts. It is recognised in profit or loss as insurance services are provided over the coverage period.
- CSM adjustments: Certain changes in expected future cash flows are offset against the CSM and recognised in profit or loss over the remaining coverage period
- Discount rate effects: Changes in discount rates are recognised either in profit or loss or in other comprehensive income, based on the entity's accounting policy choice
- Revenue and expense presentation: Insurance revenue and service expenses are presented based on the concept of services provided during the reporting period
- Non-distinct investment components: Amounts payable to policyholders regardless of an insured event are excluded from the income statement and recognised directly on the balance sheet.
- Separate presentation of results: Insurance service results (earned revenue minus incurred claims) are shown separately from insurance finance income or expense.
- Reinsurance loss-recovery component: A loss-recovery asset is recognised in profit or loss when reinsurance covers losses from onerous underlying contracts and is subsequently remeasured as recoveries occur.
- Balance sheet presentation: Entities must separately present portfolios of insurance contracts issued that are assets and those that are liabilities; the same applies to reinsurance portfolios held.
- Enhanced disclosures: Extensive disclosures are required on recognised amounts and the nature and extent of risks arising from insurance contracts.

Transition

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required.

Estimated impact of the adoption of SLFRS 17

The Company is in the process of assessing and finalizing its accounting policies, transition approach—including the impact on comparative information—and the implications for current practices, as well as determining the appropriate implementation methodology. Consequently, the financial impact of the initial application of SLFRS 17 has not been disclosed in these financial statements, as it is not yet reasonably estimable.

Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements

In May 2025, the Institute of Chartered Accountants of Sri Lanka issued a Statement of Alternative Treatment (SoAT) relating to the figures in interim financial statements for entities reporting under LKAS 34 Interim Financial Reporting. The SoAT provides temporary conditional reliefs for the first, second, and third quarters of 2026, as detailed in the SoAT. The fourth-quarter interim financial statements and the annual financial statements must be prepared in accordance with SLFRS 17 and SLFRS 9, including comparative information for 2025 in line with the applicable transition requirements.

We will apply the provisions in the Statement of Alternative Treatment when preparing interim financial statements under LKAS 34 in 2026.

- SLFRS 9 Financial Instruments

SLFRS 9 replaced LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Company / Group elected, under the amendments to SLFRS 4 to apply the temporary exemption from SLFRS 9, deferring the initial application date of SLFRS 9 to align with the initial application of SLFRS 17.

Temporary exemption from SLFRS 9

An insurer that meets the criteria in paragraph 20B of SLFRS 4 (amended) provides a temporary exemption that permits, but does not require, the insurer to apply LKAS 39 – Financial Instruments: Recognition and Measurement rather than SLFRS 9 for annual periods beginning before 1st January 2026.

An insurer may apply the temporary exemption from SLFRS 9 if, and only if:

(a) it has not previously applied any version of SLFRS 9, other than only the requirements for the presentation of gains and losses on financial liabilities designated as at Fair Value Through Profit or Loss in paragraphs 5.7.1(c), 5.7.7–5.7.9, 7.2.14 and B5.7.5– B5.7.20 of SLFRS 9; and

(b) its activities are predominantly connected with insurance, as described in paragraph 20D, at its annual reporting date that immediately precedes 1 April 2016, or at a subsequent annual reporting date as specified in paragraph 20G of SLFRS 9.

Having considered the above criteria, since Janashakthi Insurance PLC is predominantly connected with Insurance activities, the Company may continue to apply LKAS 39: Financial Instruments Recognition and Measurement rather than SLFRS 9 which will be adopted for annual periods beginning after 1st January 2026.

Classification and measurement

SLFRS 9 requires all financial assets—other than equity instruments and derivatives—to be evaluated based on both the entity's business model for managing those assets and the contractual cash flow characteristics of the instruments. The measurement categories under LKAS 39 have been replaced with the following: Fair Value through Profit or Loss (FVPL), Fair Value through Other Comprehensive Income (FVOCI), and Amortised Cost.

Impairment

SLFRS 9 will fundamentally change the loan loss impairment methodology. The standard replaces the incurred loss model under LKAS 39 with a forward-looking Expected Credit Loss (ECL) approach. Under SLFRS 9, it is required to recognise an allowance for expected credit losses on all loans and other debt instruments not measured at fair value through profit or loss, as well as on loan commitments and financial guarantee contracts.

The impairment model under SLFRS 9 is based on a three-stage approach.

- Stage 1: For financial assets that have not experienced a significant increase in credit risk since initial recognition, impairment is measured based on a 12-month Expected Credit Loss (12-month ECL). This represents the portion of lifetime expected losses that result from default events possible within the next 12 months.
- Stage 2: Under SLFRS 9, financial assets are classified into Stage 2 when there has been a significant increase in credit risk since initial recognition. For these assets, it is required to recognise a loss allowance based on lifetime Expected Credit Losses (lifetime ECL).
- Stage 3: Financial assets are categorized into Stage 3 when there is objective evidence that the asset is credit-impaired. For Stage 3 assets, impairment continues to be measured based on lifetime ECL, and interest income is generally recognised on a net-carrying-amount basis, reflecting the credit-impaired status of the asset.

Hedging

SLFRS 9 introduces a more principles-based and risk-management-aligned hedge accounting model compared with LKAS 39. It aims to reflect an entity's actual risk management activities in its financial statements.

Estimated impact of the adoption of SLFRS 9

The Company is in the process of evaluating the impact. Consequently, the financial impact of the initial application of SLFRS 9 has not been disclosed in these financial statements, as it is not yet reasonably estimable.

- **SLFRS 18 Presentation and Disclosure in Financial Statements**

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

- **SLFRS 19 Subsidiaries without public accountability: Disclosures**

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The entity is not eligible to apply SLFRS 19.

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

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments- particularly features such as sustainability-linked terms and nature-dependent electricity contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The impact of these amendments is currently being identified and evaluated.

- **Annual improvements to Sri Lanka Accounting Standards**

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

4 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

The Company applies the requirements of the Sri Lanka Accounting Standard- LKAS 16 'Property, Plant & Equipment' in accounting for its assets which are held for and used in the provision of services or for administrative purposes and are expected to be used for more than one year.

Basis of Recognition

Property, Plant & Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and if the cost of the asset can be reliably measured.

Basis of Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of computer equipment.

When parts of an item of Property, Plant or Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Cost Model

The Company applies the cost model to Property, Plant and Equipment except for freehold land and buildings and records them at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

Subsequent cost

The subsequent cost of replacing a component of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be reliably measured. The costs of day to day servicing of Property, Plant and Equipment are charged to Income Statement as incurred. Costs incurred in using or redeploying an item are not included under the carrying amount of an item.

Depreciation

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation is calculated by using the straight-line method on the cost of all Property, Plant and Equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets.

The estimated useful lives of Property, Plant & Equipment are as follows:

The Class of Tangible Assets	Percentage per annum	Useful life
Buildings	2.50%	40 years
Improvements on buildings under lease	10%- 20%	5-10 years
Equipment	25%	04 years
Furniture & fixtures	20%	05 years
Motor vehicles	25%	04 years

After the recognition of an impairment loss, the depreciation charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), using a straight-line method over its remaining useful lives.

Useful lives, depreciation method and residual amounts of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively if appropriate. Such a review takes into consideration the nature of the assets, their intended use including but not limited to the closure of operations and the evolution of the technology and competitive pressures that may lead to technical obsolescence.

De-recognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no Future Economic Benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, Plant and Equipment which is calculated as the difference between the carrying amount and the net disposal proceeds is included in profit or loss when the item is derecognized.

When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

For the year ended 31 December	Note	2025 LKR '000	2024 LKR '000
Cost or Valuation	4.1	987,077	808,811
Accumulated Depreciation	4.2	(545,819)	(512,260)
Net Book Value		441,258	296,551
Carrying Amounts of:			
Land & Building		78,227	78,725
Improvements to Building under Lease		134,758	41,301
Equipment		137,773	146,257
Furniture & Fittings		64,222	6,968
Motor Vehicles		26,274	23,300
		441,258	296,551

4.1 Cost or Valuation

For the year ended 31 December	Land & Building LKR '000	Improvements to Building under Lease LKR '000	Equipment LKR '000	Furniture & Fittings LKR '000	Motor Vehicles LKR '000	Work-in-Progress LKR '000	Total LKR '000
As at 1 January 2024	80,663	250,256	203,830	74,350	-	52,474	661,574
Additions	-	-	175,431	5,835	23,300	-	204,567
Transfers to Investment Property	-	-	-	-	-	(52,474)	(52,474)
Revaluation Gain/Loss	-	-	-	-	-	-	-
Disposal	-	-	(4,857)	-	-	-	(4,857)
As at 31 December 2024	80,663	250,256	374,402	80,185	23,300	-	808,811
Additions	-	152,405	44,346	77,454	10,900	-	285,105
De-recognition/Disposal	-	(106,840)	-	-	-	-	(106,840)
As at 31 December 2025	80,663	295,821	418,749	157,639	34,200	-	987,077

4 PROPERTY, PLANT AND EQUIPMENT (Contd.)

4.2 Accumulated Depreciation

For the year ended 31 December	Land & Building LKR '000	Improvements to Building under Lease LKR '000	Equipment LKR '000	Furniture & Fittings LKR '000	Motor Vehicles LKR '000	Work-in-Progress LKR '000	Total LKR '000
As at 1 January 2024	1,473	172,054	195,105	72,866	-	-	441,498
Depreciation charge for the year	464	36,900	35,748	353	-	-	73,465
Disposal	-	-	(2,705)	-	-	-	(2,705)
As at 31 December 2024	1,938	208,954	228,148	73,219	-	-	512,260
Depreciation charge for the year	498	25,039	52,828	20,199	7,926	-	106,490
De-recognition/Disposal	-	(72,929)	-	-	-	-	(72,929)
As at 31 December 2025	2,437	161,064	280,976	93,418	7,926	-	545,819
Net Book Value							
As at 31 December 2024	78,726	41,302	146,256	6,967	23,300	-	296,554
As at 31 December 2025	78,227	134,758	137,773	64,222	26,274	-	441,258

4.3 Temporarily Idle Property, Plant and Equipment

There were no idle property, plant and equipment as at 31st December, 2025.

4.4 Title Restriction on Property, Plant & Equipments

There were no restrictions on title or Property, Plant and Equipment pledged as security for liabilities during the year.

4.5 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of Property, Plant and Equipment during the year.

4.6 Assessment of Impairment of Property, Plant & Equipments

The Board of Directors has assessed the potential impairment indicators of Property, Plant & Equipments as at 31 December 2025.

4.7 Fully Depreciated Property, Plant & Equipment in Use

There were LKR 233.4 Mn depreciated Property, Plant and Equipments in use as at 31st December, 2025 (2024- LKR 127.4 Mn).

5 RIGHT OF USE ASSETS

ACCOUNTING POLICY

SLFRS 16 "Leases" supersedes LKAS 17 "Leases", IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. The Company has adopted SLFRS 16 using modified retrospective method from 1st January 2019, without restating comparatives for 2018 reporting period, as permitted under the specific transitional provisions in the standard.

Recognition

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- Contract involves the use of an identified asset.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Company has the right to direct the use of the asset. The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use assets of the Company consist of branch premises which were previously recognised as operating leases under LKAS 17.

Measurement

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability (present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined Company's incremental borrowing rate) adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. Where the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. Right of use assets are subject to impairment.

The movement of Right of Use Assets of the Company is as follows;

	2025 LKR '000	2024 LKR '000
Cost of Right of Use Assets		
Right of Use Assets (PV of Future Lease Payment) on initial application of SLFRS 16 as at 1st January	229,804	207,736
Opening Balance of Advance Payments for the Right of use Assets as at 1st January	21,487	24,464
Additions of Right of Use Assets during the Year	212,778	93,260
Premature Derecognition lease asset	(49,602)	-
Advances Paid for Right of Use Assets during the Year	483	10,920
Total Cost of Right of Use Asset (a)	414,950	336,380
Accumulated Amortisation		
Amortisation of Right of Use Assets	78,461	71,192
Amortisation of Rent Advance for Right of Use Assets	13,891	13,897
Total Accumulated Amortisation (b)	92,352	85,089
Net Right of Use Assets as at 31st December (a-b)	322,598	251,291
Lease creditor		
Lease creditor on initial application of SLFRS 16 as at 1st January	298,692	262,115
Addition to the lease creditor during the year	212,778	93,261
Interest Expense of lease creditor during the year	59,587	41,809
Pre-mature Derecognition Lease Creditor	(76,273)	-
Rental paid for lease creditor during the year	(116,197)	(98,493)
Lease creditor as at 31st December	378,587	298,692

5 RIGHT OF USE ASSETS (Contd.)

Short-term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term. The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determine using the company incremental borrowing rate. Generally the company uses the market lending as its borrowing rate. (AWPLR+1.5%)

6 INVESTMENT PROPERTY

ACCOUNTING POLICY

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They are not properties held for sale in the ordinary course of business, used in the production or supply of goods or service or for administrative services.

Basis of recognition

Investment property is recognized as an asset if it is probable that future economic benefits that are associated with the investment property will flow to the Company and if the cost of the investment property can be measured reliably.

Measurement

An Investment Property is measured initially at its cost. The cost of a purchased Investment Property comprises its purchase price and any directly attributable expenditure. The carrying amount includes the cost of replacing part of an existing Investment Property at the time that the cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of an Investment Property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the year in which they arise.

The Company revalues Investment Properties at the end of each financial year.

De-recognition

Investment Properties are de-recognised when either they have been disposed of or when the Investment Property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the retirement or disposal of an Investment Property are recognised in the Income Statement in the year of retirement or disposal.

	LKR '000
Fair Value	
As at 1 January 2024	2,049,537
Additions during the year	13,121
Transfers from work in progress during the year	52,474
Cost recovered during the year	(32,464)
Disposals during the year	(132,000)
Fair Value Gain	7,939
As at 31 December 2024	1,958,607
Additions during the year	-
Fair Value Gain	7,829
As at 31 December 2025	1,966,436

6.1 Location wise Investment Properties

Location	Details	Type	Fair Value LKR'000	
			2025 LKR '000	2024 LKR '000
No. 24,-133, Main Street, Killinochchi	22.03	Freehold	46,500	48,500
No. 233/1, Ehambaram Road, Trincomalee	40.70	Freehold	77,431	76,806
No. 143, Colombo Road, Galle	10.40	Freehold	80,500	79,500
No. 13 1/1, Bailey Road, Badulla	12.50	Freehold	29,177	28,880
No. 83, Kings Street, Matale	15.00	Freehold	40,828	39,921
No. 675, Dr. Danister de Silva Mw, Colombo 09	37.06	Freehold	1,692,000	1,685,000
			1,966,436	1,958,607

6.2 The Fair Value hierarchy of the Investment Properties for the Company 31st December, 2025 is as follows.

Location	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total fair value LKR '000
Freehold Land	-	-	1,166,366	1,166,366
Freehold Building (5 buildings)	-	-	800,070	800,070
	-	-	1,966,436	1,966,436

6.3 Investment Properties re-stated at fair value which have been determined based on a valuation performed by Deshamanya, H.B. Manjula Basnayaka AIV (SL), JP (WI), using the Income Approach Method of valuation except for Kilinochchi land which was valued on Market approach as of 31st December 2025.

	Significant Unobservable Input	Estimates for Unobservable Inputs
No. 24-133, Main Street, Kilinochchi	Estimated Price per perch	LKR 2,225,000
No. 233/1, Ehambaram Road, Trincomalee	Estimated Annual Rental Income	LKR 7,560,000
No. 143, Colombo Road, Galle	Estimated Annual Rental Income	LKR 6,720,000
No. 13, R. H. Gunawardena Mawatha, Badulla	Estimated Annual Rental Income	LKR 6,360,000
No. 83A, King street, Matale	Estimated Annual Rental Income	LKR 5,400,000
No. 675, Dr. Danister de Silva Mw, Colombo 09	Estimated Annual Rental Income	LKR 141,000,000

6.4 The rental income earned from the above properties during the year 2025 is LKR 134.8 Mn (2024-LKR 92.7 Mn).

7 INTANGIBLE ASSETS

ACCOUNTING POLICY

Basis of recognition

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38 : Intangible Assets.

Computer software

Purchased software which is not an integral part of the related hardware is treated as an intangible asset and measured on initial recognition at cost.

De - Recognition

An Intangible Asset is de-recognised on disposal or when no future economic benefits are expected from it. Then gain or loss arising from de-recognition of such Intangible Assets is included in Profit or Loss when the item is de-recognised.

Useful Economic Life & Amortisation

Amortisation is recognised in Profit or Loss on a straight-line basis over the estimated useful life of the software, from the date that is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years.

As at 31st December	2025 LKR '000	2024 LKR '000
Cost	218,152	194,371
Accumulated Amortization and Impairment	(145,984)	(137,514)
Net Book Value	72,168	56,856

Company	Software		
Cost (LKR'000)	In - Use	WIP	Total
As at 1 January 2024	131,927	37,892	169,819
Additions	6,425	18,128	24,553
Transfers	26,901	(26,901)	
As at 31 December 2024	165,253	29,119	194,372
Additions	6,613	17,167	23,780
As at 31 December 2025	171,866	46,287	218,152

Accumulated Amortization & Impairment (LKR'000)

Company	Software		
Cost (LKR'000)	In - Use	WIP	Total
As at 1 January 2024	119,973	-	119,973
Amortization charge for the year	17,542	-	17,542
As at 31 December 2024	137,515	-	137,515
Amortization charge for the year	8,469	-	8,469
As at 31 December 2025	145,984	-	145,984

7.1 Nature of Intangible Assets

Intangible assets consist of computer software which are in the use and to be used of normal business activities.

7.2 Title Restriction on Intangible Assets

There were no restrictions on title of intangible assets as at the reporting date.

7.3 Assessment of Impairment of Intangible Assets

The Board of Directors has assessed the potential impairment indicators of Intangible Assets as at 31 December 2025. Based on the assessment, no impairment indicators were identified for the year 2025.

8 INVESTMENT IN ASSOCIATE

ACCOUNTING POLICY

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associates impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the Income Statement.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in income statement.

The company has acquired 25% equity stake (101,201,799 Shares) in First Capital Holdings PLC at LKR 37.10 per share on 29th December 2023. The registered office of the associate company is No 02, Deal Place Colombo 03.

The fair value of Equity Accounted Associate as of 31 st December 2025 was LKR 6,285 Mn (LKR 62.1 per share)

Reconciliation of the carrying amount of Investment in associate is as follows;

As at 31st December	2025 LKR '000	2024 LKR '000
Opening balance at the beginning of the year	4,572,006	3,754,587
Share of profit during the year	939,223	1,331,534
Share of other comprehensive income during the year	(4,793)	(8,105)
Dividends received	(1,366,224)	(506,009)
Closing balance at the end of the year	4,140,212	4,572,006

The following table summarises the financial information of First Capital Holdings PLC as included in its own financial statements.

8 INVESTMENT IN ASSOCIATE (Contd.)

As at 31st December	2025 LKR '000	2024 LKR '000
Percentage of ownership	25%	25%
Summarised Profit or Loss and other Comprehensive Income		
Revenue	15,283,996	16,534,510
Profit / (loss) After Tax	3,756,890	5,326,138
Other Comprehensive Income (OCI)	(19,173)	(32,421)
Total Comprehensive Income	3,737,717	5,293,717
Profit/loss Allocated to NCI	237,910	377,195
OCI Allocated to NCI	237,911	377,020
Summarised Statement of Financial Position		
Assets	88,100,682	94,153,536
Total Assets	88,100,682	94,153,536
Liabilities	78,483,573	81,680,543
Total Liabilities	78,483,573	81,680,543
Net Assets	9,617,109	12,472,993
Net Assets Attributable to NCI	822,301	1,083,686

9 FINANCIAL INVESTMENTS

ACCOUNTING POLICY

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial measurement and classification of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised immediately in the Income Statement.

Financial Assets

Financial assets are classified into the following specified categories:

- Fair Value Through Profit or Loss (either as Held for Trading or designated at Fair Value Through Profit or Loss) (FVTPL)
- Loans and Receivables
- Held to Maturity Financial Assets (HTM)
- Available For Sale Financial Assets (AFS)

(a) The financial investments of the Company are summarised by measurement category in the table below.

As at 31st December	Note	2025 LKR '000	2024 LKR '000
Financial Assets at Fair Value Through Profit or Loss	9(c)	22,083,994	20,942,019
Loans and Receivables	9(d)	7,582,378	5,775,626
Available For Sale Financial Assets	9(e)	1,841,094	2,304,407
Total Financial Investments		31,507,466	29,022,052

(b) The following table compares the fair values of the financial investments with their carrying values:

As at 31st December	Note	2025		2024	
		Carrying Value LKR '000	Fair Value LKR '000	Carrying Value LKR '000	Fair Value LKR '000
Financial Assets at Fair Value Through Profit or Loss	9(c)	22,083,994	22,083,994	20,942,019	20,942,019
Loans and Receivables	9(d)	7,582,378	7,527,412	5,775,626	5,722,390
Available For Sale Financial Assets	9(e)	1,841,094	1,841,094	2,304,407	2,304,407
		31,507,466	31,452,499	29,022,052	28,968,816

The Company's existing types of financial assets and their possible classifications are shown in the table below.

Financial Asset	Category
Treasury Bond	Fair value through Profit or Loss
Quoted Shares	Fair value through Profit or Loss/Available for Sale
Unit Trust	Fair value through Profit or Loss
Corporate Debt	Loans & Receivable/Available for Sale
Fixed Deposit	Loans & Receivable
Reverse Repurchase Agreements	Loans & Receivable
Loans to Policyholders	Loans & Receivable
Staff Loans	Loans & Receivable
Reinsurance Receivable	Loans & Receivable
Premium Receivable	Loans & Receivable
Cash & Cash Equivalent	Cash & Cash Equivalent
Other Assets	Loans & Receivable

(c) Financial Assets at Fair Value Through Profit or Loss

ACCOUNTING POLICY

a) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or held as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by the Sri Lanka Accounting Standard-LKAS 39 : Financial Instruments Recognition and Measurement.

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. The changes in fair value are recognized in profit or loss, and interest and dividend income is recorded in 'Net trading income' according to the terms of the contract, or when the right to receive the payment has been established. The Company evaluates its financial assets Held for Trading, other than derivatives, to determine whether the intention to sell them in the near-term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets in rare circumstances.

9 FINANCIAL INVESTMENTS (Contd.)

b Financial Assets designated at Fair Value Through Profit or Loss

Financial Assets and Financial Liabilities classified in this category are those that have been designated by the Management on initial recognition. Management may only designate an instrument at Fair Value Through Profit or Loss upon initial recognition when the following criteria's are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Net gain or loss on financial assets designated at Fair Value Through Profit or Loss. Interest earned is accrued in 'Interest income', using the Effective Interest Rate (EIR), while Dividend Income is recorded in 'Net Trading Income' when the right to the payment has been established.

As at 31st December	Note	2025		2024	
		Carrying Value LKR '000	Fair Value LKR '000	Carrying Value LKR '000	Fair Value LKR '000
Equity Securities	9.1	5,936,675	5,936,675	3,727,247	3,727,247
Investment in Unit Trust		2,646,936	2,646,936	3,362,972	3,362,972
Investment in Government Securities		13,500,383	13,500,383	13,851,800	13,851,800
Total		22,083,994	22,083,994	20,942,019	20,942,019
Held-For-Trading Purposes		22,083,994	22,083,994	20,942,019	20,942,019
Total		22,083,994	22,083,994	20,942,019	20,942,019

(d) Loans and Receivables

ACCOUNTING POLICY

ACCOUNTING POLICY

'Loans and receivables, include non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, 'Loans and Advances to Customers' are subsequently measured at Amortized Cost using the EIR, less allowance for Impairment. Amortized Cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest Income' in the Income Statement.

Gains and losses are recognized in the Income Statement when the investments are derecognized or impaired and also through the amortization process.

Effective Interest Method

The Effective Interest Method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The Effective Interest Rate(EIR) is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an Effective Interest Basis for debt instruments other than those financial assets classified as at FVTPL.

As at 31st December	2025 Carrying Value LKR '000	2025 Fair Value LKR '000	2024 Carrying Value LKR '000	2024 Fair Value LKR '000
Reverse Repurchase Agreements	-	-	1,511,598	1,511,454
Debentures- Listed	1,225,647	1,170,680	1,841,920	1,788,828
Placements with Banks and Financial Institutions	4,902,766	4,902,766	-	-
Commercial Papers	1,453,965	1,453,965	2,422,108	2,422,108
Total	7,582,378	7,527,412	5,775,626	5,722,390

LKR 1,796 Mn has been specially reserved from Government securities (Treasury Bonds) (In 2024 LKR 1,796 Mn from Government securities) for the purpose of supporting Regulatory Restricted Reserve.

(e) Available for Sale Financial Assets

ACCOUNTING POLICY

(a) Available for Sale Financial Investments

Available For Sale Investments include equity and debt securities. Equity Investments classified as Available For Sale are those which are neither classified as Held for Trading nor designated at Fair Value Through Profit or Loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, Available For Sale financial investments are subsequently measured at fair value.

Unrealized gains and losses are recognized directly in equity (Other Comprehensive Income) in the 'Available For Sale Reserve'. When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the Income Statement under 'Net Realised Gains/Losses'. Interest earned whilst holding Available For Sale financial investments is reported as 'Interest Income' using the EIR.

Dividends earned, whilst holding Available For sale Financial investments are recognized in the Income Statement as 'Net Trading Income', when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the Income Statement in 'Impairment losses on financial investments' and removed from the 'Available For Sale Reserve'.

(b) Held-to-Maturity financial assets

Held-to-Maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

After initial measurement, held to maturity financial assets are measured at amortized cost, using the EIR, less impairment. The EIR amortization is included in 'Investment Income' in the Income Statement.

In the case of an impairment, it is being reported as a deduction from the carrying value of the investment and recognized in the Income Statement as 'Net gains/losses on investment securities'.

If the Company were to sell or reclassify more than an insignificant amount of Held to Maturity investments before maturity (other than in certain specific circumstances permitted in the Sri Lanka Accounting Standard LKAS 39 : Financial Instruments Recognition and Measurement), the entire category would be tainted and would have to be reclassified as Available For Sale. Furthermore, the Company would be prohibited from classifying any financial asset as Held to Maturity during the following two years.

Gains and losses are recognized in the Income Statement when the investments are derecognized or impaired and also through the amortization process.

9 FINANCIAL INVESTMENTS (Contd.)

Reclassification

As per Sri Lanka Accounting Standard LKAS 39 : Financial Instruments Recognition and Measurement the Company is permitted to reclassify financial instruments in the Held for Trading category as Available For Sale, Loans and Receivables or Held to Maturity categories.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortized cost and no reversals of fair value gains or losses are recorded before reclassification date.

The Company evaluates whether the ability and the intention to sell the Available For Sale financial assets in near future would still be applicable and if in case the Company is unable to sell these assets in the near future the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to Loans and Receivable is permitted if the financial assets meet the definition of Loans and Receivables and Management has the ability and intention to hold these assets for a foreseeable future or until maturity, whereas reclassification of instruments to Held to Maturity is permitted only if the entity has the ability and intention to hold these financial assets until maturity.

When a financial asset with a fixed maturity in the 'Available For Sale' category is reclassified, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. In the case of a financial asset that does not have a fixed maturity, the gain or loss is recognized in the profit or loss when such financial asset is sold or disposed of. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the Income Statement.

The Company may reclassify a non–derivative trading asset under the 'Held for Trading' category as one under 'Loans and Receivables' category if it meets the definition of Loans and Receivables and if the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management and is determined on an instrument by instrument basis. The Company does not reclassify any financial instrument under the Fair Value Through Profit or Loss category after initial recognition.

As at 31st December	Note	2025		2024	
		Carrying Value LKR '000	Fair Value LKR '000	Carrying Value LKR '000	Fair Value LKR '000
Equity Securities	9.1	-	-	810,734	810,734
Corporate Debts		1,841,094	1,841,094	1,493,673	1,493,673
Total		1,841,094	1,841,094	2,304,407	2,304,407

De-recognition of Financial Assets and Financial Liabilities

Financial Asset

The Company derecognises a financial asset when;

- The rights to the cash flows from the financial asset has expired.
- It transfers the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership.
- It does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Company is recognized as a separate asset or liability in the Statement of Financial Position. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

Financial Liability

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the Income Statement.

Offsetting financial instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under LKASs/SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

(f) Determination of Fair Value and Fair Value Hierarchy

ACCOUNTING POLICY

Determination of fair value

The Fair Value for Financial Instruments traded in active markets as at the date of Statement of Financial Position is based on their quoted market price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using valuation models with the Company's best estimate of the most appropriate model assumptions.

The following Table provides an analysis on the different bases used by the Company in assessing the Fair Value of Financial Instruments.

Instrument	Fair Value Basis	Fair Value Hierarchy
Government Securities		
Treasury Bond	Valued using the CBSL yield curve	Level 1*
Treasury Bill	Valued using the CBSL yield curve	Level 1*
Investment in Quoted Shares	Closing market prices	Level 1
Unit Trust	Unit selling price	Level 2
Commercial Papers	Amortised Cost	Level 2
Corporate Debt		
Listed Debentures	If within 3 months traded, Last Traded price if not, Comparable Market Yield (Government Securities)	Level 2*
Unlisted Debentures	Comparable market yield (Government Securities)	Level 2
Fixed Deposit	Carrying Value (Amortised Cost)	Level 2
Reverse Repurchase Agreements	Carrying Value (Amortised Cost)	Level 2

* The fair values of treasury bills and bonds have been derived using the market yields published by Central Bank of Sri Lanka.

** Listed debentures have been classified under level 2 in the fair value hierarchy since there is no market trades and values based on comparable government securities' yields for these instruments even though such instruments are listed.

9 FINANCIAL INVESTMENTS (Contd.)

Impairment of Financial Assets

The Company assesses at each date of a Statement of Financial Position whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter the bankruptcy or other financial reorganization, default or delinquency in interest or principal payments and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets carried at Amortized Cost

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the 'Impairment charges for loans and other losses'.

The Company has not experienced any indication of impairment and thus no impairment losses were Recognised during the financial year.

Assets classified as Available For Sale

For Available For Sale Financial Investments, the Company assesses at each date of Statement of Financial Position whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as Available For Sale, the Company assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the Income Statement. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The Interest Income is recorded as part of 'Interest and similar income'. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized in the Income Statement, the impairment loss is reversed through the Income Statement.

In the case of equity investments classified as Available For Sale, objective evidence would also include a 'Significant' or 'Prolonged' decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'Prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the Available For Sale reserve is removed from equity and recognized in the Income Statement. Impairment losses on equity investments are not reversed through the Income Statement; increases in the fair value after impairment are recognized in Other Comprehensive Income.

The following table shows an analysis of financial investments recorded at fair value by level of fair value hierarchy.

As at 31 December 2025	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total fair value LKR '000
Financial Assets at Fair Value Through Profit or Loss				
Equity Securities	5,936,675	-	-	5,936,675
Investment in Unit Trust	-	2,646,936	-	2,646,936
Investment in Government Securities	13,500,383	-	-	13,500,383
	19,437,058	2,646,936	-	22,083,994
Loans and Receivables				
Debentures- Listed	-	1,170,680	-	1,170,680
Placements with Banks & Financial Institutions	-	4,902,766	-	4,902,766
Commercial Papers	-	1,453,965	-	1,453,965
	-	7,527,412	-	7,527,412
Available For Sale Financial Assets				
Equity Securities	-	-	-	-
Debentures- Listed	-	1,841,094	-	1,841,094
Debentures- Unlisted	-	-	-	-
	-	1,841,094	-	1,841,094
Total Financial Assets (Fair Value)	19,437,058	12,070,408	-	31,452,499

As at 31 December 2024	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total fair value LKR '000
Financial Assets at Fair Value Through Profit or Loss				
Equity Securities	3,727,247	-	-	3,727,247
Investment in Unit Trust	-	3,362,972	-	3,362,972
Investment in Government Securities	13,851,800	-	-	13,851,800
	17,579,047	3,362,972	-	20,942,019
Loans and Receivables				
Reverse Repurchase Agreements	-	1,511,454	-	1,511,454
Coporate Debts	-	1,788,828	-	1,788,828
Commercial Papers	-	2,422,108	-	2,422,108
	-	5,722,390	-	5,722,390
Available For Sale Financial Assets				
Equity Securities	810,734	-	-	810,734
Debentures- Listed	-	1,283,629	-	1,283,629
Debentures- Unlisted	-	-	210,044	210,044
	810,734	1,283,629	210,044	2,304,407
Total Financial Assets (Fair Value)	18,389,781	10,368,992	210,044	28,968,816

9 FINANCIAL INVESTMENTS (Contd.)

(g) Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 Inputs: Unobservable inputs for the assets or liabilities.

During the reporting period ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

9.1 INVESTMENT IN EQUITY SECURITIES

Quoted Shares - Sector Analysis

As at 31st December	2025 Fair Value LKR '000	2024 Fair Value LKR '000
Quoted Shares at Fair Value Through Profit or Loss		
Banks, Finance and Insurance	5,717,128	3,727,247
Diversified Holdings	219,547	-
	5,936,675	3,727,247
Quoted Shares at Available For Sale		
Banks, Finance and Insurance	-	738,956
Land & Property	-	71,778
	-	810,734
Total	5,936,675	4,537,981

10 LOANS TO LIFE POLICYHOLDERS & OTHERS

ACCOUNTING POLICY

Policyholder Loans are recognised as a financial asset as Loans and Receivables. Please refer Note 9 of page 190-191 for Accounting Policy of Loans and Receivables.

Policyholder Loans are granted up to 90% of the surrender value of a Life Insurance Policy at a rate equivalent to market rate. Policyholder Loans are initially measured at Fair value of loan amount granted and subsequently measured at the amortised cost. If the policyholder demises before the full repayment of the loan, the loan balance is deducted from the death benefit. If the total receivable of the loan, including interest due and accrued, exceeds the cash surrender value, the policy terminates and becomes void. The Company has a first lien on all policies which are subject to Policy Loans. Policyholder Loans are reviewed for impairment at each reporting date.

As at 31st December	2025 LKR '000	2024 LKR '000
Loans recoverable from Life Policyholders	296,228	261,680
Other receivable from staff and agents	23,839	17,724
Total Policyholder & Other Loans	320,067	279,404

11 REINSURANCE RECEIVABLE

ACCOUNTING POLICY

Reinsurance receivables are recognised as a financial asset as Loans and Receivables.

The Company cedes insurance risk in the normal course of business with recognised reinsurers through formal reinsurance arrangements.

Reinsurance receivables include the balances due from reinsurance companies for unpaid losses and loss adjustment expenses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision associated with the reinsurer's policies and are in accordance with the related reinsurance contract

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss, if any is recorded in Income Statement.

Ceded reinsurance arrangements do not relieve the Company from its obligations to Policyholders.

Reinsurance assets are de-recognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

As at 31st December	2025 LKR '000	2024 LKR '000
Reinsurance Receivable on Outstanding Claims	34,613	19,620
Total Reinsurance Receivable	34,613	19,620

12 PREMIUM RECEIVABLES

ACCOUNTING POLICY

Premium Receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of Premium Receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment losses on Premium Receivables are the difference between the carrying amount and the present value of the estimated discounted cash flows. The impairment losses are recognized in the Income Statement. Premium Receivables are derecognised when the de-recognition criteria for financial assets have been met.

As at 31st December	2025 LKR '000	2024 LKR '000
Premium Receivables	654,180	320,075
Total Premium Receivables	654,180	320,075

Premium Receivables as disclosed above include amounts that are over due at the end of the reporting period. The allowance has been recognised for impairment loss where the receivables are beyond the extended credit period.

13 OTHER ASSETS

ACCOUNTING POLICY

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, Taxation Receivable, Inventory and Amounts Receivable from Related Companies.

(a) Advances, Deposits and Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) Taxation Receivable

Taxation receivable is recognised at recoverable amount less impairment loss.

(c) Inventories

Inventories include all consumable items that are stated at the lower of cost and net realisable value.

(d) Other Debtors and Amounts Receivable from Related Companies

Other debtors and dues from related parties are recognised at cost less allowances for bad and doubtful receivables.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

As at 31st December	Note	2025 LKR '000	2024 LKR '000
Other Debtors and Receivables		305,319	348,695
Advances, Deposits and Prepayments		43,336	70,034
Tax Receivable	13.1	210,439	234,853
Inventory		7,517	9,884
Total Other Assets		566,611	663,466

13.1 Tax Receivable

As at 31st December	2025 LKR '000	2024 LKR '000
Current Tax Assets		
Withholding Tax Recoverable	197,166	195,445
VAT recoverable	13,273	39,408
Total Tax Receivables	210,439	234,853

14 CASH IN HAND AND BALANCE AT BANK

ACCOUNTING POLICY

Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

For the purpose of Cash Flow Statement, Cash and Cash Equivalents consist of cash in hand and deposits in the banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents. In the Consolidated Statement of Financial Position, the bank overdrafts are shown within borrowings under current liabilities.

As at 31st December	Note	2025 LKR '000	2024 LKR '000
Cash and Bank Balances	14.1	340,740	456,903
		340,740	456,903

14.1 In the preparation of Cash Flow Statements, Cash and Cash Equivalents include Cash in Hand and Balance at Bank net of outstanding Bank Overdrafts. Cash Equivalents at the end of the Financial Year as shown in the Cash Flow Statement can be reconciled to the related items in the Statement of Financial Position as follows:

As at 31st December	2025 LKR '000	2024 LKR '000
Cash and Bank Balances	340,740	456,903
Bank Overdraft (Note 23)	(101,471)	(43,307)
Net Cash and Cash Equivalents at the Year End	239,269	413,596

15 STATED CAPITAL

As at 31st December	2025 LKR '000	2024 LKR '000
Stated Capital of the Company	4,853,752	4,853,752
Number of Fully paid Ordinary shares as at year end ('000)	226,526	226,526

16 REVENUE RESERVES

16.1 Retained Earnings

	2025 LKR '000	2024 LKR '000
Balance as at 1 January	9,935,503	8,426,870
Profit for the year	3,466,143	4,512,163
Actuarial Losses on Defined Benefit Plans	12,622	418
Share Of Other Comprehensive Income From Equity Accounted Investee	(1,058)	(3,528)
Transfer to Life Insurance fund	(12,622)	(418)
Dividend Paid to equity holders for 2023/2022	(3,397,893)	(3,000,000)
Balance as at 31 December	10,002,695	9,935,503

16 REVENUE RESERVES (Contd.)

16.2 Available For Sale Reserve

	2025 LKR '000	2024 LKR '000
Balance as at 1 January	317,481	515,466
Changes in fair value of Available For Sale Assets	403,396	431,975
Available For Sale Transferred to Income Statement	(725,455)	(625,382)
Share Of Other Comprehensive Income From Equity Accounted Investee	(3,735)	(4,578)
Balance as at 31 December	(8,313)	317,481

17 RESTRICTED REGULATORY RESERVE

	2025 LKR '000	2024 LKR '000
Change in contract liability due to transfer of One-off Surplus	1,795,829	1,795,829
Balance as at 31 December	1,795,829	1,795,829

17.1 The one-off Surplus is defined as the excess of total policy liabilities under the NPV regime as at 31 December 2015 over the total policy liabilities under the RBC regime as at 01.01.2016 where, the total policy liabilities under NPV regime is computed as per the solvency basis, which is the same as minimum regulatory basis. The total policy liabilities under RBC regime is computed as per distribution basis. Under the distribution basis, we have used the risk free rate for discounting of liabilities, zeroised liabilities at a product level and valued the Universal life portfolio and the Optional Rider portfolio using GPV methodology. Further, we have reported Total Benefits Liability for the Participating portfolio under the Distribution basis. The distribution basis is more prudent compared to the Solvency basis (defined in the Solvency Margin Risk Based Capital Rules 2015 RBC guide lines).

17.2 The distribution of One-off Surplus to shareholders, held as part of the Restricted Regulatory Reserve, is subject to meeting governance requirements stipulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL) and can only be released upon receiving approval from the IRCSL. The One off Surplus in the Shareholder Fund (SHF) will remain invested in assets in note 4 (e) as per the directions of IRCSL. As of 31 st December 2025 the company has met governance requirements as per IRCSL.

17.3 Composition of Investments supporting the Restricted Regulatory Reserve

Subsequent to the transfer of One-off Surplus from Policyholder Fund other than Participating business to Shareholder Fund the Company will maintain investments in "Government Debt Securities" and "Deposits with Banks & Financial Institutions" to fully support the amount of One-off Surplus at any given time on a market value basis. The composition of those investments are represented below.

Security Category

	2025 LKR '000	2024 LKR '000
Government Debt Securities	1,795,829	1,795,829
	1,795,829	1,795,829

18 INSURANCE CONTRACT LIABILITY - LIFE

ACCOUNTING POLICY

Product Classification

Insurance contracts

According to Sri Lanka Accounting Standards SLFRS 4, Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company determines whether it has significant insurance risk, by comparing benefits paid against benefits payable if the insured event did not occur.

Investment contract

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Subsequent Classification and Reconciliation

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can however be reclassified as insurance contracts after inception if the insurance risk becomes significant. All of the insurance policies issued by the Company transfer significant insurance risk and have been classified as insurance contracts in accordance with SLFRS 4 : Insurance Contracts. The Company does not have any investment contracts as the reporting date.

Insurance contracts with Discretionary Participating Features (DPF)

Certain insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- That are likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the discretion of the Company.
- That are contractually based on:

Local statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the amounts on which the additional discretionary benefits are based (the DPF eligible surplus) and within which the Company may exercise its discretion as to the quantum and timing of payment to contract holders. At least 90% of the eligible surplus must be attributed to contract holders as a group (which can include future contract holders). The amount and timing of the distribution to individual contract holders is at the discretion of the Company, subject to the advice of the relevant appointed actuary.

Insurance Contract Liabilities

Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured by using the gross premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet the future cash outflows based on the valuation assumptions used.

The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case a margin for risk and adverse deviation is generally included.

Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet being reported to the Company. Adjustments to the liabilities at each reporting date are recorded in the Income Statement. Profits originating from margins of adverse deviations on run-off contracts are recognised in the Income Statement over the life of the contract, whereas losses are fully recognised in the Income Statement during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled.

18 INSURANCE CONTRACT LIABILITY - LIFE (Contd.)

Liability Adequacy Test- Life Insurance Contract Liabilities

At each reporting date, an assessment is made of whether the recognised long-term business provisions are adequate using current estimates of future cash flows. If that assessment shows that the carrying amount of the liabilities (less related assets) is insufficient in light of the estimated future cash flows, the deficiency is recognised in the Income Statement by creating an additional provision in the Statement of Financial Position as required by SLFRS 4 : Insurance Contracts.

According to the Section 67(2) of new Inland Revenue Act No.24 of 2017 which is effective from 1 April 2018, the surplus distributed to a life insurance policyholder who shares the profit of a person engaged in the business of a life insurance, as provided in the Regulation of Insurance Industry Act No. 43 of 2000, shall be deemed as gains and profits of the business and shall be taxed at a concessionary rate of 30% for three years of assessment after the commencement of the Act.

Long duration contracts included in the Life Insurance Fund result primarily from traditional participating & non-participating Life Insurance products. Short duration contract liabilities are primarily accident & health insurance products. The insurance provision has been established based on the following criteria.

- Interest rates which vary by product & year of assurance.
- Mortality rates based on published mortality tables adjusted for actual experience by geographic area & modified to allow the variations in policy form
- Surrender rates based upon actual experience by geographic area and modified to allow for variation in policy form.

The amount of policyholder bonus to be paid is determined annually by the Company on the recommendation of the Actuary. The bonus includes Life policyholders' share of net income that is required to be allocated by the Insurance Contract or by Insurance Regulations.

Janashakthi Insurance PLC – Insurance Liability - Life

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2025 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of Janashakthi Insurance PLC. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2025 was LKR16,960 Mn after taking credit for reinsurance. In the opinion of the Consultant Actuary, the provision is adequate to cover the liabilities pertaining to Life Insurance business.

As recommended by the Consultant Actuary, the Board of Directors have resolved that a sum of LKR 477 Mn has been transferred to the Life Shareholders' Fund from Life Insurance Fund (Non participating) as for the year 2025.

Janashakthi Insurance PLC – Insurance Liability - Life
[former National Insurance Corporation Ltd]

The valuation of the Insurance Liability of Life Insurance Business as at 31 December 2025 was done by M/S K. A. Pandit Consultants & Actuaries, India, for and on behalf of former National Insurance Corporation Ltd. In accordance with the Consultant Actuary's report, the total liabilities of the Life Insurance business of the Company as at 31 December, 2025 was LKR 12.91 Mn.

18.1 An internal assessment has been carried out to assess the Adequacy of the provision of Life Insurance Liabilities in keeping with SLFRS 4 requirement and has determined that existing provision levels are adequate as at 31 December, 2025. Accordingly, no further provision or adjustment was deemed as being necessary to be effected.

18.2 Insurance Liability - Life

As at 31 st December	2025 LKR '000	2024 LKR '000
Insurance Fund- Life	18,482,314	16,031,420
Claims Outstanding	874,709	589,640
	19,357,023	16,621,060

18.3 The movement of the Insurance Fund- Life is as follows:

As at 31 st December	2025 LKR '000	2024 LKR '000
Insurance Fund - Life		
Balance as at 1 January	16,072,757	14,696,263
Increase in Life Fund before Surplus distribution to Shareholders	2,889,176	3,170,639
Actuarial Losses on Defined Benefit Plans	(12,622)	(418)
Surplus distributed to Shareholders	(476,571)	(1,793,727)
Insurance Fund balance as at 31 December	18,472,740	16,072,757
Available For Sale Reserve - Life Policy Holders		
Balance as at 1 January	(41,338)	(151,459)
Changes in Fair Value of Available For Sale Assets	50,912	110,121
Balance as at 31 December	9,574	(41,338)
Insurance Fund balance as at period end including AFS Reserve	18,482,314	16,031,420

19 RETIREMENT BENEFIT OBLIGATIONS

ACCOUNTING POLICY

Defined Contribution Plans

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Other Comprehensive Income in the periods during which related services are rendered by employees.

Employees' Provident Fund

All employees of the Company are members of the Employees' Provident Fund (EPF). The Company and employees contribute 12% and 8% respectively of the salary to the Employees' Provident Fund managed by the Central Bank of Sri Lanka and have no legal or constructive obligation to pay any further amounts.

Employees' Trust Fund

All employees of the Company are members of the Employees' Trust Fund (ETF). The Company contributes 3% of the salaries of each employee to the Employees' Trust Fund.

Defined Benefit Plans

Gratuity is a Defined Benefit Plan. Provision has been made in the accounts for retiring gratuities. An actuarial valuation of the retirement benefit is performed by a qualified actuary as at the date of Statement of Financial Position using the Projected Unit Credit (PUC) method in terms of Sri Lanka Accounting Standards 19 : Employee Benefits. The provision is not externally funded.

Actuarial gains and losses are recognized in full in the period in which they occur in Other Comprehensive Income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods. The past service cost is recognized as an expense on a straight line basis over the period until the benefits become vested.

However, as per the Payment of Gratuity Act No.12 of 1983, the liability arises only upon completion of five years of continued service.

The actuarial valuation involves making assumptions on the discount rate, salary increment rate and balance service period of the employees. Due to the long term nature of the plans these assumptions and estimates are subject to significant uncertainty.

19 RETIREMENT BENEFIT OBLIGATIONS (Contd.)

As at 31 st December	2025 LKR '000	2024 LKR '000
Retirement Benefit Obligations - Gratuity		
At 1 January	72,485	64,446
Provision made during the year	14,800	14,389
Net (Liability)/Asset Transfer Out	-	(3,024)
Actuarial Loss on Obligation	12,622	418
Payments during the Year	(1,839)	(3,745)
As at 31 December	98,067	72,484
Expense Recognized in the Income Statement		
Net Interest Cost	6,609	5,689
Current Service Cost	8,191	8,700
Amount recognized in the Income Statement	14,800	14,389
Expense Recognized in the Other Comprehensive Income Statement		
Actuarial (Gain) / Loss recognized for the Period	12,622	418
	12,622	418

As at 31 December 2025, the Gratuity liability of the Company was actuarially valued under the Project Unit Credit Method by M/S K.A. Pandit Consultants and Actuaries, India.

Principal actuarial assumptions used:

		2025	2024
(a)	Discount rate	10.00%	11.30%
(b)	Salary Increase	8.00%	10.00%
(c)	Attrition rate		
	For services up to 4 years	30%	30%
	For services of 5 years and above	4%	4%
(d)	Retirement Age	60 Years	60 Years

Sensitivity of assumptions used

A one percentage point change in the assumptions used would have the following effects

	2025 LKR '000	2024 LKR '000
Effect on the defined benefit obligation liability:		
Discount Rate		
Increase by one percentage point	(5,236)	(4,531)
Decrease by one percentage point	5,932	5,128
Salary Increment		
Increase by one percentage point	5,990	5,143
Decrease by one percentage point	(5,373)	(4,621)
Employee Turnover		
Increase by one percentage point	516	261
Decrease by one percentage point	(608)	(310)
Projected benefits payable in future years from the date of reporting		
1st Following Year	23,871	7,514
2nd Following Year	3,576	6,034
3rd Following Year	5,608	3,810
4th Following Year	10,076	4,167
5th Following Year	4,423	7,495
Sum of Years 6 To 10	28,034	19,522
Sum of years 11 and above	22,478	23,942
	98,067	72,484

20 LONG TERM BORROWING

As at 31st December	2025 LKR '000	2024 LKR '000
Term Loan	1,622,512	2,163,566
	1,622,512	2,163,566

Long Term Borrowing includes 5 year term loan obtained from Seylan bank PLC in 2023 for LKR 2.7Bn. The applicable interest rate is AWPLR+1.5%. Shares of the Associate Company(First Capital Holdings PLC) has been pledged against the said loan.

The movement of the term loan is as follows:

	2025 LKR '000	2024 LKR '000
Balance as at 1 January	2,163,566	2,705,411
Interest accured during the year	201,043	309,330
Repayments during the year	(742,097)	(851,175)
Balance as at 31 December	1,622,512	2,163,566

21 OTHER LIABILITIES

ACCOUNTING POLICY

Financial Liabilities

Classification And Subsequent Measurement Of Financial Liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss (held for trading or designated at fair value through profit or loss) and financial liabilities at amortised cost. Financial liabilities of the Company include amounts due to banks, customer deposits, etc.

The subsequent measurement of financial liabilities depends on their classification.

(a) Financial Liabilities At Fair Value Through Profit Or Loss

Financial liabilities at Fair Value Through Profit or Loss include financial liabilities Held for Trading and financial liabilities designated upon initial recognition as Fair Value Through Profit or Loss.

Financial liabilities are classified as Held for Trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the Income Statement. The Company has not designated any financial liabilities upon initial recognition as at Fair Value Through Profit or Loss.

(b) Financial Liabilities at Amortised Cost

Financial liabilities not classified as Fair Value Through Profit or Loss are classified as liabilities at Amortised Cost. Such financial liabilities are subsequently measured at Amortised Cost using the EIR method.

Amounts due to the banks are recorded under financial liabilities at amortized cost.

Provisions (excluding Insurance contracts)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Other Liabilities

Other liabilities include payables to life insurance policyholders (claims payable), Agents/Brokers (commission payable), reinsurers and other creditors (including accrued expenditure). These are stated at their historical values which are deemed to be their fair value.

As at 31 st December	2025 LKR '000	2024 LKR '000
Policyholder Advance Payments	271,694	188,521
Agency Commission Payable	15,010	7,897
Taxes Payable	654,329	761,935
Other Creditors including Accrued Expenses	1,122,207	765,821
Outstanding Claims- Life Insurance	874,709	589,640
	2,937,949	2,313,814

22 BANK OVERDRAFT

As at 31 st December	2025 LKR '000	2024 LKR '000
Bank Overdraft	101,471	43,307
	101,471	43,307

Bank Overdraft includes unpresented cheques as of the reporting date.

23 GROSS WRITTEN PREMIUM

ACCOUNTING POLICY

Income Recognition

Gross Premium

Life Insurance

Gross recurring premiums on life and investment contracts with Discretionary Participating Feature (DPF) are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective. Any premium received in advance is not recorded as revenue at time of receipt but recorded as a liability until the premium is due and transferred to the revenue.

Reinsurance Premium

Reinsurance Premiums are recognized as an expense on the earlier of the due date or on the date on which the policy is effective.

	2025 LKR '000	2024 LKR '000
Life Insurance		
First Year Premium	5,938,142	4,287,681
Renewal Premium	2,712,001	2,308,320
Total Life Premium	8,650,143	6,596,001

24 FEE AND COMMISSION INCOME

ACCOUNTING POLICY

Policyholders are charged for policy administration services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed.

	2025 LKR '000	2024 LKR '000
Policy Fees	18,332	20,391
Profit Commission	16,335	1,313
	34,667	21,704

25 INVESTMENT INCOME

ACCOUNTING POLICY

Income Recognition

Interest Income

Interest income is recognised within 'investment income' in the Income Statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument.

25 INVESTMENT INCOME (Contd.)

ACCOUNTING POLICY

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established. For equity securities this is the ex-dividend date.

	2025 LKR '000	2024 LKR '000
Financial Assets at Fair Value Through Profit or Loss		
Interest income	2,136,841	2,485,872
Dividend income	66,691	93,059
Available For Sale Financial Assets		
Interest income	184,986	190,505
Dividend income	182,823	1,089
Loans and Receivables Interest Income	836,861	944,596
Total Investment Income	3,408,202	3,715,121

26 NET REALISED GAINS/ (LOSSES)

ACCOUNTING POLICY

Income Recognition

Realised gains and losses

Realised gains and losses on investments recorded in the Income Statement, include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on the occurrence of the sale transaction.

	2025 LKR '000	2024 LKR '000
Financial Assets at Fair Value Through Profit or Loss Assets		
Government Securities	(20,900)	1,286,085
Equity securities	6,030	14,379
Available For Sale Financial Assets		
Equity securities	601,257	771,729
Investment in Debentures	70,070	-
Total Net Realised Gains/(Losses)	656,457	2,072,193

27 FAIR VALUE GAINS / (LOSSES)

	2025 LKR '000	2024 LKR '000
Gain / (Loss) on Fair Valuation of Investment Properties	7,828	7,939
Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss	1,116,643	821,913
Total Fair Value Gains/(Losses)	1,124,471	829,852

The Company assesses at each reporting date, whether there is objective evidence that an investment is impaired. In the case of equity investments classified as Available-For-Sale, objective evidence includes: A 'significant' or 'prolonged' decline in the fair value of the investment below its cost and/ or other information about the issuer that may negatively affect an equity issuer's performance. Based on the assessment, no impairment indicators were identified during the year 2025 & 2024.

28 OTHER OPERATING REVENUE

ACCOUNTING POLICY

Other income is recognised on an accrual basis and it includes profit on disposal of Property, Plant and Equipment/Investment Property, rent income, etc.

	2025 LKR '000	2024 LKR '000
Rent Income	134,826	92,702
Late Fee Recovery	4,677	3,600
Sundry Income	16,388	183,516
	155,891	279,818

29 INSURANCE CLAIMS & BENEFITS

Benefits, claims & expenses recognition

Life Insurance

Claims of Life insurance include claims on death or maturity and are charged against revenue on notification of death or on expiry of the term. Claims on participating business include bonus payable and interest.

Survival benefit payments are recognised on the due date or on notification and surrenders are accounted for only at the time of settlement.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

	2025 LKR '000	2024 LKR '000
29.1 Gross Benefits and Claims Paid		
Life Insurance Contracts	(3,883,423)	(4,221,043)
Total Gross Benefits and Claims Paid	(3,883,423)	(4,221,043)
29.2 Claims Ceded to Reinsurers		
Life Insurance Contracts	215,633	162,130
Total Claims Ceded to Reinsurers	215,633	162,130
29.3 Gross Changes in Claim Liabilities		
Changes in Life Insurance Claim Liabilities	(1,581)	115,864
Total Gross Change in Claim Liabilities	(1,581)	115,864
29.4 Changes in Contract Liabilities Ceded to Reinsurers		
Changes in Life Insurance Contract Liabilities	14,992	(7,193)
Total Change in Contract Liabilities Ceded to Reinsurers	14,992	(7,193)
Net Benefits and Claims	(3,654,379)	(3,950,242)

30 UNDERWRITING & NET ACQUISITION COST

	Note	2025 LKR '000	2024 LKR '000
Commission Expenses for Insurance Contracts		1,619,403	1,017,900
Staff Cost- Marketing		907,846	644,826
		2,527,249	1,662,726

31 OTHER OPERATING AND ADMINISTRATION EXPENSES

	Note	2025 LKR '000	2024 LKR '000
Staff Expenses	31.1	800,993	635,056
Administration & Establishment Expenses		800,125	644,147
Selling Expenses		136,172	64,917
Government Levies		28,136	93,726
Depreciation & Amortisation		114,913	91,006
Others		5,206	23,300
		1,885,545	1,552,152

31.1 Staff Expenses

	Note	2025 LKR '000	2024 LKR '000
Wages and Salaries		396,222	344,875
Compulsory Social Security Contributions		53,304	46,661
Contribution to Defined Contribution Plans		7,132	8,691
Bonuses		221,449	143,047
Other Expenses		122,886	91,782
		800,993	635,056

32 FINANCE COST

	Note	2025 LKR '000	2024 LKR '000
Interest Expense on Bank Overdrafts		136	80
Interest Expense on Borrowings		200,953	309,331
Interest Expense on Lease Creditor		59,587	41,808
		260,676	351,219

33 PROFIT BEFORE TAX

	Note	2025 LKR '000	2024 LKR '000
Auditors' Remuneration (Fees and Expenses)			
Audit		3,540	3,418
Non-Audit (Including IFRS 17 consultancies)		56,755	23,514
Legal Fees		19,400	19,152
Depreciation and Amortisation		207,311	176,097
Directors' Emoluments		17,251	14,116

34 INCOME TAX EXPENSE

ACCOUNTING POLICY

Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in these Financial Statements.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

From 1st April 2018 onwards the gains and the profits from the Life Insurance Business are ascertained in terms of Section 67 of the Inland Revenue Act No.24 of 2017. As per this section, the gains and profits on which tax is payable is the aggregate of,

- Surplus distributed to shareholders from the Life Insurance Policyholders Fund as certified by the actuary at the rate of 30%;
- Investment income of the shareholder fund less any expenses incurred in the production of such income at the rate of 30%;
- Surplus distributed to the Life Insurance policyholder who shares the profits of a person engaged in the business of life insurance at the rate of 30%.

Current income tax relating to items recognised directly in Equity or Other Comprehensive Income is recognised in Equity or Other Comprehensive Income and not in the Income Statement.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities in the Statement of Financial Position and their tax values, with deferred tax liabilities recognized for all taxable temporary differences and deferred tax assets recognized for all deductible temporary differences, unutilized tax credits, and tax losses carried forward to the extent that taxable profits are probable, except when the temporary differences arise from the initial recognition of an asset or liability in a transaction that does not create equal taxable and deductible temporary differences at the time of the transaction.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realized or the liability is settled, based on tax rates proposed and tax laws that have been enacted or substantively enacted at the reporting date. Changes in deferred tax as a result of changes in tax rates are also recognized in the Statement of Profit or Loss.

	2025 LKR '000	2024 LKR '000
Current Tax Charge		
Income Tax on Current Year's Profits	526,472	990,885
Under/(Over) Provision of Current Taxes in Respect of Prior Years	(40,257)	200,638
Total Income tax (expense)/ income recognised in the current year	486,215	1,191,523

34.1

The Income tax expense for the year can be reconciled to the accounting profit as follows:

For the Year Ended 31 December	2025 LKR '000	2024 LKR '000
Profit for the year	3,952,357	5,703,684
Income Tax Expense	1,185,708	1,711,105
Under/(Over) Provision of current taxes in respect of prior years	40,257	200,638
Effect on Exempt Gains	(809,543)	(845,964)
Effect on Disallowable Expenditure	69,792	125,744
	486,215	1,191,523

35 EARNINGS PER SHARE

35.1 Basic Earnings per Share

ACCOUNTING POLICY

The Company presents basic Earnings per Share (EPS) based on profit or loss attributable to the ordinary shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

For the Year Ended 31 December	2025 LKR '000	2024 LKR '000
Amount Used as the Numerator		
Net Profit Attributable to Equity holders	3,466,143	4,512,163
Number of Ordinary Shares Used as Denominator		
Weighted Average Number of Ordinary Shares in Issue	226,526	226,526
	226,526	226,526
Basic earnings per share (LKR)	15.30	19.92

35.2 Restated Earnings per Share

Subsequent to the reporting date, the company announced a sub division of ordinary shares on a 1:3 basis. The restated earnings per share after the sub division would be as follows.

For the Year Ended 31 December	2025 LKR '000
Net profit attributable to equity shareholders	3,466,143
Number of Ordinary Shares after sub division	679,578
Restated Earnings per Share	5.10

36 DIVIDEND PER SHARE

36.1 Proposed Dividend

ACCOUNTING POLICY

There has been no final dividend declared for 2025 as at the reporting date.

For the Year Ended 31 December	2025 LKR '000	2024 LKR '000
Proposed Dividend per Share- Final (LKR)	-	-

For the Year Ended 31 December	2025 LKR '000	2024 LKR '000
Average Number of Ordinary Shares in Issue	226,526	226,526
Proposed Dividends to Shareholders	-	-

36.2 Dividend Paid During the Year

For the Year Ended 31 December	2025 LKR	2024 LKR
Dividend per Share- Final 2024	-	13.24
Dividend per Share- Interim 1 for 2025	5.00	-
Dividend per Share- Interim 2 for 2025	10.00	-

For the Year Ended 31 December	2025 LKR '000	2024 LKR '000
Number of Ordinary Shares in Issue	226,526	226,526
Dividend Paid for the Year	3,397,893	3,000,000

37 RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of business with parties who are defined as related parties as per Sri Lanka Accounting Standard 24 "Related Party Disclosures". This note provides details of the Company's ("Janashakthi Insurance PLC") related parties and the transactions which have taken place between the company and its related parties.

(a) Transactions with the Ultimate Controlling Party of the Company.

Janashakthi Limited is the parent/ ultimate controlling party of Janashakthi Insurance PLC. Dunamis PLC amalgamated with Janashakthi Limited effectively from 6th December 2019. The Company has transactions with its parent as follows.

Recurrent Transactions- For the year ended 31st December

Nature of Transaction	2025 LKR '000	2024 LKR '000
Recurrent Transactions		
Insurance Premium Received	1,452	858
Claim Paid	1,507	599
Investment in Commercial paper in Janashakthi Limited	400,000	1,747,025
Interest on Commercial paper	171,557	260,043
Corporate Guarantees received	350,000	350,000
Shared Service cost	93,574	44,737

(b) Transactions with the Other Related companies of the Company.

Recurrent Transactions- For the year ended 31st December

First Capital Holdings PLC & related companies

Nature of Transaction	2025 LKR '000	2024 LKR '000
Insurance premium	4,330	7,393
Claim paid	2,230	1,537
Investment in Corporate Debts	250,000	260,000
Interest on Corporate Debts	22,883	32,965
Investment in Commercial papers	-	618,208
Interest on Commercial papers	15,260	73,269
Share of profit and OCI from Equity Accounted Investee	934,430	1,323,429
Dividend Received from the Equity Accounted Investee	1,366,224	506,009

37 RELATED PARTY TRANSACTIONS (Contd.)

Management of Company Investment Portfolio

The Company (Janashakthi Insurance PLC) has outsourced the management of its' Investment Portfolio to First Capital Asset Management Limited during the year 2020.

The fee structure agreed with First Capital is as follows:

Structure	LKR Mn	Remarks
Fixed Fee	22 p.a.	Payable monthly in equal installments
Performance Based	30 p.a.	Based on fund performance , capped at LKR 30 Mn

Janashakthi Finance PLC (former Orient Finance)

Nature of Transaction	2025 LKR '000	2024 LKR '000
Insurance premium	31,698	22,494
Claim paid	15,989	8,034
Rent Income	1,127	1,066
Investment in Fixed Deposit	500,000	-
Interest Income	4,274	-

Janashakthi Corporate Services Limited

Nature of Transaction	2025 LKR '000	2024 LKR '000
Insurance premium	825	272
Secretarial Fees	1,200	1,200

Janashakthi Business Services (Pvt) Ltd

Nature of Transaction	2025 LKR '000	2024 LKR '000
Insurance premium	992	2,072
Claim paid	961	1,723

Disclosures in relation to related party transactions in accordance with the Continuing Listing Requirements of the Colombo Stock Exchange.

Recurrent transactions

Name of the Related Party	Relationship	Nature of the Transactions	Aggregate value of related party transaction(s) entered into during the Financial year (LKR'000)	Aggregate value of Related Party transactions as a % of Gross Revenue / Income	Terms and conditions of Related Party Transaction(s)
Janashakthi Limited	Parent Subsidiary Relationship	Insurance Premium and Claims	2,959	7%	Premium and Claims at commercial terms
		Investments made in Commercial papers, Intrest income and shared service cost	1,015,131		Investments made and shared service cost incurred at commercial terms
		Total	1,018,090		
First Capital Holdings PLC	Fellow Subsidiary Relationship	Insurance Premium and Claims	6,560	9%	Premium and Claims at commercial terms
		Investments made in Commercial papers, interest income and share of profit and Equity Accounted Investee	1,222,572		Investments made and share of profit recorded at commercial terms
		Total	1,229,132		

The pricing, terms & conditions applicable to transactions with Other Related Parties mentioned above are similar to those applicable to arms length transactions between JIPLC and its unrelated customers.

(c) Transactions with Key Management Personnel (KMP) of the Company.

According to the Sri Lanka Accounting Standards (LKAS) 24 Related Party Disclosure, Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the JIPLC. Accordingly, the Directors of the Company have been classified as KMP of the JIPLC. The close members of the family of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the JIPLC.

- The Key Management Personnel (KMP)and Close Family Members (CFM) premiums for the period ended 31st December 2025 amount to LKR 54,756.
- The Directors' fee for the period ended 31st December 2025 amount to LKR 17.21 Mn.
- There are no post-employment benefits or termination benefits linked to the remuneration of the Directors.

38 ASSETS PLEDGED

The following assets have been pledged as security against liabilities.

Nature of Asset	Nature of Liability	Amount 2025 LKR Mn	Amount 2024 LKR Mn
Treasury Bond	Pledged against Bank Guarantees	100	100
Shares of Associate Company	Pledged against Long Term Borrowings (No of Shares)	53,000,000	101,201,799

39 COMMITMENTS AND CONTINGENCIES

39.1 In the opinion of the Directors in consultation with the Company's Lawyers and advisors, litigation and claims currently pending against the company will not have material impact to the reported financial results or future operations of the Company.

All pending litigations for claims have been evaluated and adequate provisions have been made in the Financial Statements.

39.2 Contingent Liabilities

ACCOUNTING POLICY

Contingent Liabilities are possible obligations that may arise only on the occurrence of uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard- 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed as a Note to the Financial Statements unless its occurrence is remote.

VAT on Re-Insurance

The Department of Inland Revenue (IRD) has issued assessments in relation to the years 2003, 2004 & 2005 imposing VAT on reinsurance commissions and claim recoveries. The Company has filed cases in the Court of Appeal with the consultation of Tax Consultant and the Company's lawyers. As such no provisions are made in the Financial Statements for the taxes in dispute and penalties. The status of each case is provided in the below table.

Year of Assessment	Status of Assessment (VAT on RI)
2002/2003	An appeal to tax appeals commission (TAC) has been made against the determination made by the commissioner general of inland revenue (CGIR). Appeal is pending before the Court of Appeal. The impact on present value of contingent liability is LKR 33 Mn. The case was called on 01st of April 2025 for Argument. When the matter was called on this date the case was rescheduled for Argument on 05th of June 2025. The matter was mentioned on 01/08/2025 and rescheduled for argument on 10/10/2025. On that date, the case was fixed for the Appellant's written submissions, to be mentioned on 02/12/2025. When the matter was called on that date, the CGIR filed its written submissions, and the case was rescheduled for argument on 19/02/2026.
2004/2005	The company made an appeal to Court of Appeals seeking its opinion which has been decided in IRD's favour previously. Then the Company appealed to Supreme Court against the Court of Appeals order. Judgement was delivered by Supreme Court in favour of Janashakthi Insurance PLC and the Court of Appeal (CA) judgement was set aside. The matter was reverted to Court of Appeals to rehear based on the SC judgement. The Court directed the State Counsel to submit the questions and set a date for JIPLC's objections. Following this, the CGIR filed new questions of law, and JIPLC submitted objections. The case has undergone several hearings and delays between 2022 and 2025. The matter was mentioned on 09/09/2025, rescheduled on 13/10/2025 for the purpose of fixing arguments, and subsequently fixed for argument on 13/11/2025 & 19/02/2026. The impact on the present value of contingent liability has been assessed at LKR 615 Mn.

Status of Assessment - Income Tax - JIPLC

The Company has received Income Tax assessments for the years of assessment 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2016/17, and 2017/18, in which the Department of Inland Revenue has disallowed management expenses relating to the Life Insurance Business, including capital allowances.

Further, for the years of assessment 2018/19, 2019/20, 2020/21, 2021/22, and 2022/23, the Department has disallowed the claimed brought-forward tax losses generated during the (I–E) period, as well as other brought-forward tax credits.

The Company has appealed against these assessments, and the appeals were filed following due process. These Income Tax assessments have been issued as common assessments applicable to all Life Insurance Companies within the insurance industry.

It is the view of both the industry and the Company's Tax Consultant that these assessments will not materialise. Accordingly, no additional provisions have been made in the Financial Statements. This position has been reinforced by a recent decision of the Court of Appeal (CA) in favour of another participant in the industry in CA Appeal No. CA/TAX/26/2018, delivered on 19 February 2026, as well as a previous decision in CA/TAX/019/2019.

Further, the Tax Appeals Commission (TAC) has also determined in favour of the Company for the year of assessment 2018/19. The TAC held that the assessment for this period was inconsistent with Section 92 of the Inland Revenue Act No. 10 of 2006. Being aggrieved by the decision of the TAC, the Commissioner General of Inland Revenue (CGIR) has filed an appeal before the Court of Appeal.

The status of each Income Tax Assessment is provided in the below table in present value terms.

Year of Assessment	Status of Assessment	Nature of Contingent Impact to the Company	Measurement of Contingent Impact to the Company
2010/2011	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss).	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 40 Mn.
2011/2012	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 55 Mn.
2012/2013	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 92 Mn.
2013/2014	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 164 Mn.
2014/2015	Following a determination by the TAC in favour of the Commissioner General of Inland Revenue, the Company has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 196 Mn.
2016/2017	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 101 Mn.
2017/2018	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 54 Mn.
2018/2019	Following a determination by the TAC in favour of the Company, Commissioner General of Inland Revenue has appealed to the Court of Appeal.	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 38 Mn.
2019/2020	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 88 Mn.
2020/2021	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 85 Mn.
2021/2022	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 86 Mn.
2022/2023	Pending Decision from Tax Appeals Commission	Loss Adjustment (Decrease in Brought Forward Tax Loss) and Additional Tax Liability.	Loss Adjustment (Decrease in Brought Forward Tax Loss) Tax loss reduced by LKR 187 Mn.

39 COMMITMENTS AND CONTINGENCIES (Contd.)

Status of Assessment - VAT on FS - JIPLC

Value Added Tax (VAT) on Financial Services represent a broader concern impacting all life insurance companies within the insurance sector. The industry has recently obtained a favourable decision from the Court of Appeal (CA). As a result, no additional provisions have been recorded in the Financial Statements.

Year of Assessment	Status of Assessment VAT on FS
2016	CGIR has confirmed the Assessment and issued its determination. Company being aggrieved by the determination has appealed to the TAC. The present value of the contingent liability is estimated to be LKR 21 Mn.
2021/2022	CGIR has issued the Assessment and company has appealed to that assessment. The present value of the contingent liability is estimated to be LKR 52 Mn.

Status of Assessment - Income Tax - JGIL

Janashakthi Insurance PLC has indemnified the purchaser with respect to pending tax matters of its subsidiary Janashakthi General Insurance Limited (JGIL). IRD has issued Tax Assessments for JGIL for the years 2015/16, 2016/17 & 2017/18. The amount cannot be quantified at this time due to pending finalization of tax credits.

Status of Assessment - VAT & NBT - JGIL

Year of Assessment	Status of Assessment VAT & NBT - JGIL
2016-Q1- VAT	Assessment issued by CGIR and Allianz has lodged an objection. The present value of the contingent liability is estimated to be LKR 23 Mn.
2016- NBT	Assessment issued by CGIR and Allianz has submitted an appeal. Administrative review to be initiated by the CGIR. The present value of the contingent liability is estimated to be LKR 0.26 Mn
2017-Q3- VAT	Assessment issued by CGIR and Allianz has submitted an appeal. The appeal was invalidated by the CGIR and Allianz did a re-submission. The present value of the contingent liability is estimated to be LKR 75 Mn

Status of Assessment - Income Tax & PAYE – Former AIA GI

Year of Assessment	Status of Assessment - Income Tax & PAYE – Former AIA GI
2015/16 CIT	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR 12 Mn.
2015/16 PAYE	IRD has issued a default notice. JIPLC filed an objection. The present value of the contingent liability is estimated to be LKR 0.7 Mn.

Status of Assessment - VAT - JIPLC

Year of Assessment	Status of Assessment - VAT - JIPLC
2010 December	IRD has issued a default notice and the Company filed a Writ Application in the Court of Appeal on 24th September 2025. The present value of the contingent liability is estimated to be LKR 47 Mn.

40 TRANSFER PRICING

Provision on transfer pricing under sections 104 and 104A of the Inland Revenue Act, No.10 of 2006 covers the transactions with associated undertakings since compliance reporting is enforced from the year of assessment 2015/16.

During the financial year, certain transactions including provisions of insurance solutions have taken place with the associated enterprises. Company is of the view that the transactions with the associated enterprises have taken place at arms length pricing".

As the aggregate value of transactions of each company with the associated undertaking is more than LKR 200 Mn, both companies are required to maintain separate documentation as prescribed by Transfer Pricing Regulations issued by Inland Revenue Department (IRD). The companies have prepared and maintained the relevant documentation and filings to comply with transfer pricing regulations.

41 EVENTS OCCURRING AFTER THE REPORTING DATE

ACCOUNTING POLICY

Events after reporting periods are those events, favourable or unfavourable, that occur between the reporting date and the date when Financial Statements are authorised for issue.

The Directors give due consideration to and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post Statement of Financial Position events as appropriate.

Proposed Sub-division of shares

On 12th February, the Board of Directors approved 1:3 sub-division of the Company's ordinary shares. The total stated capital remains unchanged at LKR 4,853,751,661. The sub division will be resulted in an increase in the number of shares from 226,526,153 to 679,578,459.

The sub-division will be subject to the following;

(a) The Company receiving the concurrence of the Colombo Stock Exchange (CSE) to proceed with such sub-division of ordinary shares.

(b) The increase of shares by way of a sub-division, as stated, being approved by the Shareholders of the Company at an Extraordinary General Meeting.

Proposed dividend

There has been no final dividend declared as at the reporting date.

Any other material event has not occurred that needs to be adjusted or disclosed in the Financial Statements other than the events disclosed above.

RISK MANAGEMENT

RISK MANAGEMENT REVIEW

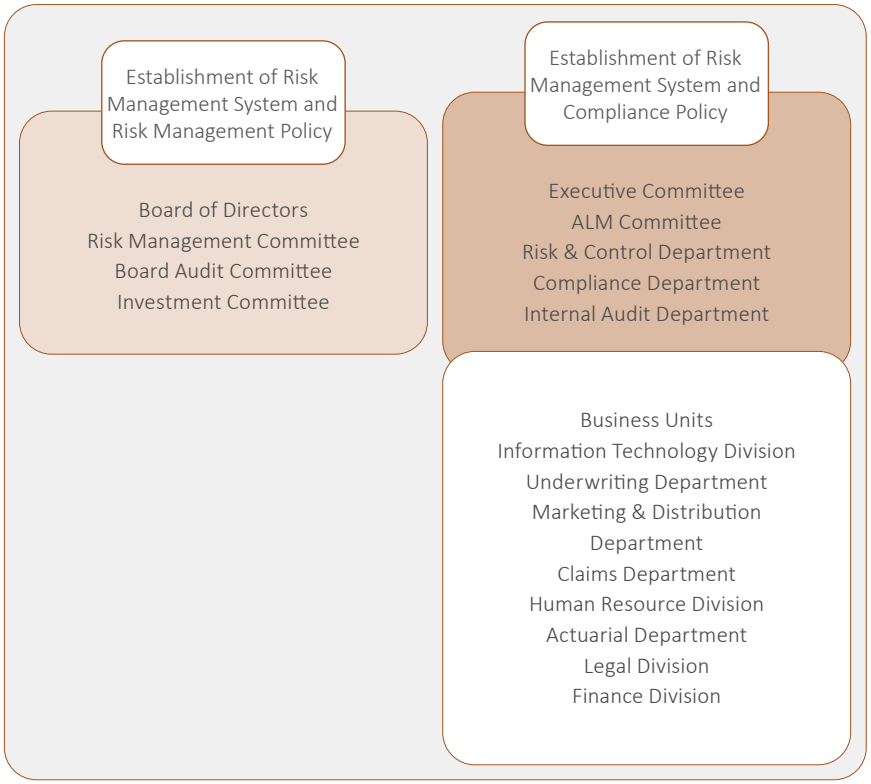
Risk management is a process that allows individual risk events and overall risk to be understood and managed proactively, optimizing success by minimizing threats and maximizing opportunities. The Company's risk framework and the management of the risk, including those attached to the Company's financial statements including financial assets, financial liabilities and insurance liabilities, together with the inter- relationship with the management of capital have been included in the Company Risk and Compliance Officer's Report on the risks facing our business and how these are managed.

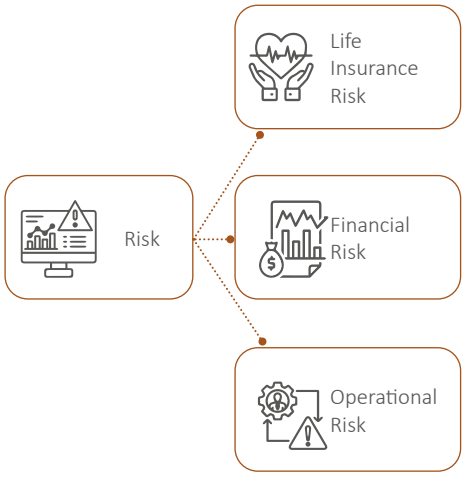
The financial and insurance assets and liabilities on the Company's balance sheet are to varying degrees, subject to market and insurance risk and other changes of experience assumptions that may have a material effect on IFRS/ SLFRS basis profit or loss and shareholders' equity. The market and insurance risks, including how they affect Company's operations and how these are managed are discussed in the Risk report referred to above.

Following note provides the detail discussion about risk as a whole in a Company according to SLFRS 7 and SLFRS 4.

RISK MANAGEMENT FRAMEWORK

The Company have a Risk Management Framework (RMF) to provide a structure to identify current and emerging risks, measure, formulate response strategies, implement and continuously monitor effectiveness of responses. The primary role of RMF is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. It is also intended to protect the interests of policyholders and other key stakeholders. An effective RMF is the key to avoid the financial and reputational damage that arises from inadequate or ineffective controls in the business.





The primary responsibility of establishment and oversight of the RMF lies with the Board of Directors of the Company. The Board has delegated their authority to the Risk Management

Committee which is responsible for review and oversight of the RMF, policies and processes.

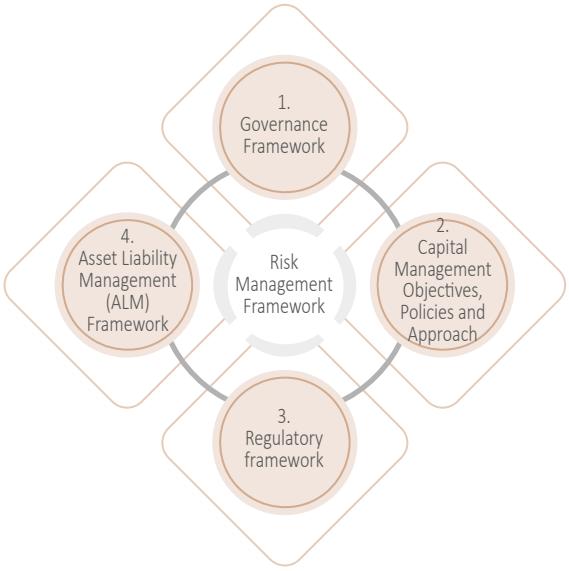
An Asset and Liability Management Committee (ALMC), comprising the Chief Executive Officers, senior management

and representatives from the Finance, Investment, Actuarial and Risk and Compliance Department monitors the asset, liability and liquidity positions of the Company and subsidiary. The Company's risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and products offered.

The Board of Directors approves the company's risk management policies and any commercial, regulatory and organizational requirements of such policies. These policies are defined based on the company's identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

The following diagram depicts the accountable and responsible parties for the company's established risk management process which underlines the principal risk management and control responsibilities.

Risk Management Framework



1. Governance Framework

Governance Framework act as a supporting structure to entity management and compliance by providing the trunk from which the various branches of compliant operations can grow. It is through governance that companies and other organisations stay on the right side of regulators, not just in terms of filing requirements, but in terms of such aspects as Company culture, remuneration methods and transparency of operations. The primary objective of the Company's financial risk management is to manage financial risks within its risk appetite and provide reasonable assurance on the achievement of financial objectives. This framework span across the Company with clear objectives, duties and responsibilities specified at each level. Overall responsibility for establishment and oversight of the risk management framework popped up by the Board of Directors and the Board of Risk Committee. Then developing, facilitating and monitoring the framework is done by the Executive Risk Management Committee. Also, they execute proper risk management strategies. The responsibility for day to day risk management is borne by the line management.

2. Capital Management Objectives, Policies and Approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of solvency of the Company in order to provide a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that return on capital employed meets the requirements of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent to the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximize shareholders' value

The Company has complied with all these regulatory requirements throughout the financial period under review. The Company maintains capital, investments and solvency as per the regulations prescribed by the Insurance Regulatory Commission of Sri Lanka (IRCSL). New changes in regulations are timely adopted and necessary changes are made to the internal processes.

Approach to Capital Management

The Company allocates sufficient capital to corroborate ample returns to main stakeholders who are shareholders and policyholders. Capital management oversees the assets and liabilities by establishing required liquidity level. This is managing the risks in a coordinated manner by assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. The primary source of capital used by the Company is equity shareholders' funds. The capital adequacy ratios are computed monthly and reviewed to ensure that there is no constraint in regulatory compliance and in the Company's ability to write new businesses. The Company has no significant changes in its policies and processes to its capital structure during the past year from previous years.

1. Regulatory Framework

Insurance Regulatory Commission of Sri Lanka (IRCSL) protects Policyholders rights through supervision of both life and general insurance companies in line with the requirements of the Regulation of Insurance Industry Act No 43 of 2000 (RII Act) and subsequent amendments thereto. During the financial year the Company and the Subsidiary maintained appropriate levels of solvency and admissible assets as per the Risk-Based Capital Rules (RBC) issued by the IRCSL and in compliance with Section 26 of the RII Act and approved assets complying with Section 25 of the RII Act and Determination 1 issued by the IRCSL, to meet unforeseeable events. The Company and Subsidiary each maintained

adequate Total Available Capital (TAC) levels to support the Risk-Based Capital Requirements (RCR) throughout the year thereby maintained Capital Adequacy Ratios (CAR) well above the regulatory minimum of 120% and regulatory intervention level of 160%.

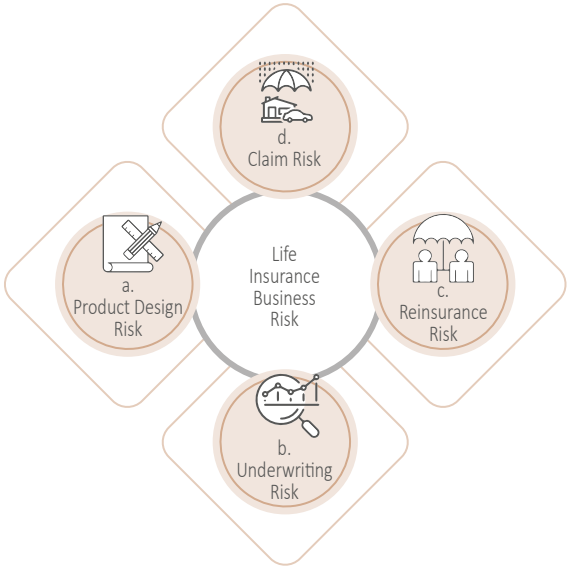
Total Available Capital (TAC) and Risk-based Capital Adequacy Ratio (CAR)

Janashakthi Insurance PLC	31 December 2025	31 December 2024
Total Available Capital (TAC) LKR Mn	14,272	12,805
Risk Based Capital Adequacy Ratio (CAR)%	284%	277%
Regulatory Minimum CAR Ratio %	120%	120%

RISK MANAGEMENT OBJECTIVES

- Adapt mitigation strategies to changing external and internal environments
- Setting the framework, strategy and policy and procedures for Risk Management
- Building a risk awareness culture and disseminating the culture across the organization
- Establishing the company's risk appetite annually and aligning it with the company's strategy
- Integrating environmental and social risk into effective reporting framework
- Aligning risk management with core competencies and business directives
- Strengthening systems, policies, processes, and tools for effective risk mitigation
- Implementing a rigorous process for continuous risk identification, control, and mitigation
- Adapt mitigation strategies to changing external and internal environments

4. Asset Liability Management (ALM) Framework



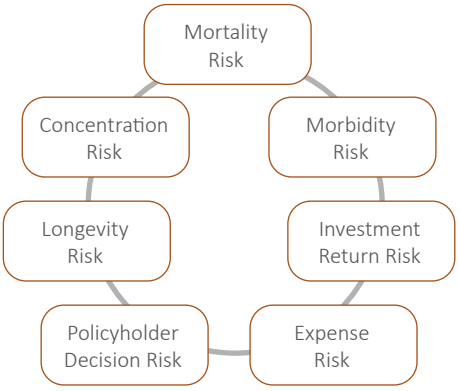
ALM framework is a process of formulating, implementing, monitoring and revising strategies related to our assets and liabilities. Also, it is used to manage the risks arising from mismatch of investment and liability cash flow. Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces, due to the nature of its investments and liabilities, is interest rate risk. The Company manages these positions prudently, within a strategically crafted ALM framework that has been developed to achieve long term investment returns in excess of its obligations under insurance and investment contracts.

Life Insurance Risk

A life insurance contract is an agreement between the policyholder and Company where the Company agrees to compensate the policyholder or his/her beneficiaries in the event of a specified event occurring such the policyholder's policy maturity, death, disability, illness etc., in exchange for a premium. The Company issues life Insurance contracts, which include term assurance, endowment plans, annuity plans and Life plans. Endowment and term assurance are conventional regular or single premium products, where lump sum benefits are payable on death, maturity or in some cases, permanent total disability

a. Product Design Risk

Product design risk occurs when life insurance products become unprofitable due to the futuristic assumptions and judgments used in designing the product being inappropriate. The fundamental assumptions used in product development are as follows;



Risk	Description	Risk Response
Mortality risk	Risk of loss arising due to policyholder's death experience being different from expected	Using standard mortality table with sensitivity to Company's mortality experience
Morbidity Risk	Risk of loss arising due to policyholder's health experience being different from expected	Decisions made based on reinsurance tables and adjustments made when appropriate to reflect the Company's own risk experience
Investment Return Risk	Risk of loss arising from actual returns being different from expected	The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy
Expense Risk	Risk of loss arising from the expense experience being different from expected	Expense assumptions reflect the projected costs of maintaining and servicing in policies and associated overhead expenses
Policyholder Decision Risk	Risk of loss arising due to policyholders' experiences (lapses and surrenders) being different from expected	Lapse and surrender rates are projected according to the Company's past experience
Longevity Risk	Risk of loss arising due to the annuitant living longer than expected	Terms and conditions included in insurance applications have been designed to address nonstandard and unpredictable risks
Concentration Risk	Risk of losses due to not maintaining a balanced product portfolio	Developing a proper product mix in line with the Company strategy

PARTICIPATING FUND VS. NON-PARTICIPATING FUND

The following analysis depicts the concentration of the Participating and Non- Participating fund positions of the Company.

Janashakthi Insurance PLC	31 December 2025 LKR Mn	%	31 December 2024 LKR Mn	%
Participating	1,761	10	1,695	11
Non-Participating	16,721	90	14,336	89
Total	18,482	100	16,031	100

b. Underwriting Risk

Premiums received from policyholders being insufficient to cover claims due to inaccurate assessment when issuing the policy. This can give rise to losses for the Company which is underwriting risk. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Company. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims than expected. The Company limits exposure on any singe life by way of retention limits agreed with the reinsurers.

Life Underwriting Risk Management

Separate life underwriting division headed by a well-qualified management along with a trained staff is in place in order to closely monitor the life underwriting functions of the Company. Pricing decisions of the products are reviewed and guided by a qualified actuary to facilitate the management to make accurate pricing decisions. Reinsurers' advices are obtained before deciding on the terms and conditions of the products in order to assist the proper pricing strategies. The Company carefully analyses the current health condition and the family medical history of the proposal holder before deciding on the premiums.

c. Reinsurance Risk

Although reinsurance is used as a risk transfer strategy, it also gives rise to certain risks for the Company. These include legal risk, liquidity risk, counterparty risk, residual insurance risk and operational risk. Some of the specific actions made by the Company to mitigate Reinsurance Risks are shown below.

- Outstanding reinsurance receivables are viewed on a monthly basis to ensure that all dues are collected or set off against payables on time.
- A very close and professional relationship is maintained with all reinsurers.
- No cover is issued without a confirmed reinsurance in place.
- Only a globally trusted and stable portfolio of reinsurance companies is used, and they are rated highly by A.M Best.

The Company reinsures approximately 3% of gross written premium.

For the year ended 31 December	2025 LKR Mn	2024 LKR Mn
Gross Written Premium	8,650	6,596
Reinsurance	(276)	(249)
Net Written Premium	8,374	6,347

Reinsurance Credit Ratings

The following table shows the credit ratings of reinsurance companies with whom the Company has entered in to reinsurance arrangements as of 31 December 2025.

Re insurer	Rating		
	Financial Strength	Credit	Rating Agency
Partner Reinsurance ASIA Pte Ltd	AA-	A	Fitch Rating
Hannover-Life Reinsurance Co. Ltd	AA-	A+	Fitch Rating
SCOR SE Singapore Branch	A+	A	Fitch Rating
Munich Re India Branch	AA	AA-	Fitch Rating

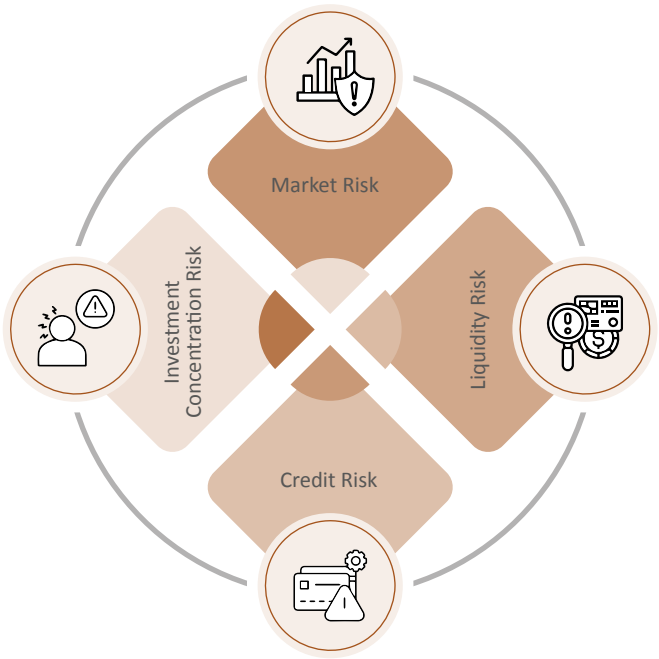
d. Claim Risk

The risk arising due to experiencing higher level of claims cost than expected at product development and pricing resulting in losses to the Company. Some of the specific actions taken by the Company to mitigate the claims risks are as follows;

- Strict claim review policies to assess all new and ongoing claims.
- Regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims.
- Obtaining adequate reinsurance covers.
- A qualified actuary is employed within the Company in order to assist the management to review the life insurance business.
- Life fund valuation is carried out by a qualified independent actuarial valuer on a regular basis.
- Claims are reserved immediately at the intimation or on the availability of information of the death or injury of an insured.

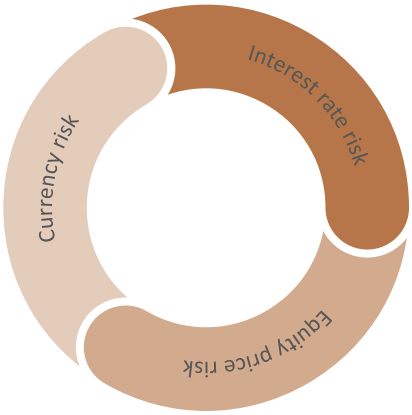
Financial Risk

The company is exposed to different types of financial risks as a result of investing in financial instruments. The company's Senior Management has established appropriate policies and procedures to identify financial risks, measure and manage in accordance with the company's policies and risk objectives.



Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risks.



a. Interest Rate Risk

Interest rate risk is the risk that market value or future cash flows of a financial instrument will fluctuate due to changes in the absolute level of interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

Our interest rate risk is mitigated by the Investment Committee, as they keep regular track of macroeconomic scenarios and their likely impact on interest rates. Also, initial recognition of investments is closely monitored. Further, the Company always proactively evaluate and execute forward purchases to lock in future cash flows at favorable interest rates.

The following table presents the financial assets and liabilities which are subject to interest rate risk.

31 December 2025 LKR Mn	Fixed Interest Rate	Non-Interest Bearing	Total
Fair Value Through Profit and Loss	-	22,084	22,084
Loans and Receivables	7,582	-	7,582
Available for Sale	1,841	-	1,841
Total Financial Assets	9,423	22,084	31,507
Total Percentage	30%	70%	100%

31 December 2024 LKR Mn	Fixed Interest Rate	Non-Interest Bearing	Total
Fair Value Through Profit and Loss	-	20,942	20,942
Loans and Receivables	5,776	-	5,776
Available for Sale	1,493	811	2,304
Total Financial Assets	7,269	21,753	29,022
Total Percentage	25%	75%	100%

b. Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company's principal transactions are carried out in Sri Lankan rupees and its exposure to foreign exchange risk is very minimal. The Company's financial assets are primarily denominated in the same currencies as its insurance liabilities. The Company has no significant concentration of currency risk.

c. Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices (Other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The equity price risk is relatively negligible due to our low exposure to the equity market. However, the Company maintains a closer watch on movements in stock prices and indicators. The Company mitigates the equity price risk, since all equity investment decisions are based on fundamentals rather than on assumptions.

The following table represents the diversification of equity investments of the Company in different industries.

For the year ended 31 December

Sector	2025 LKR Mn	%	2024 LKR Mn	%
Banks Finance and Insurance	5,717	96	4,466	98
Diversified Holdings	220	4	-	-
Land & Property	-	-	72	2
Total	5,937	100	4,538	100

Liquidity Risk

Liquidity risk is the risk that Janashakthi Life may not have sufficient liquid financial resources to meet efficiently, both expected and unexpected current and future cash flow and collateral needs, without affecting either daily operations or financial conditions.

To mitigate the Company's exposure to liquidity risk, the Company uses the following policies and procedures.

- The Company liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the management.
- An investment guideline is in place to review the asset allocations, duration allocations and the asset liability mismatches on a regular basis.
- Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company has pre-approved overdraft facilities to meet sudden cash requirements.

Maturity Profile

The following table summarizes the maturity analysis of the Company's financial investments.

31 December 2025	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Fair Value Through Profit or Loss	8,584	2,673	6,216	4,611	22,084
Loans & Receivables	1,554	5,204	824	-	7,582
Available for Sale	28	-	1,290	522	1,841
Total	10,166	7,877	8,330	5,134	31,507
Total Percentage	32%	25%	26%	16%	100%

31 December 2024	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Fair Value Through Profit or Loss	7,090	4,134	4,604	5,114	20,942
Loans & Receivables	4,605	100	1,071	-	5,776
Available for Sale	1,345	53	459	448	2,305
Total	13,040	4,287	6,133	5,562	29,022
Total Percentage	45%	15%	21%	19%	100%

The following table summarizes the maturity analysis of the Company's financial assets and liabilities.

31 December 2025	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Financial Investments	1,604	7,877	8,330	13,696	31,507
Right of Use Lease Assets	71	151	57	44	323
Premium Receivable	654	-	-	-	654
Reinsurance Receivable	34	-	-	-	34
Other Assets	567	-	-	-	567
Cash in Hand and Balance at Bank	341	-	-	-	341
Total	3,271	8,028	8,387	13,740	33,426
Total Percentage	10%	24%	25%	41%	100%
Reinsurance Creditors	101	-	-	-	101
Lease Creditor	55	180	115	29	379
Gratuity Payable	98	-	-	-	98
Other Liabilities	2,938	-	-	-	2,938
Bank Overdraft	101	-	-	-	101
Total	3,293	180	115	29	3,617
Total Percentage	91	5%	3%	1%	100%

31 December 2024	Less than 1 year LKR Mn	1 to 3 year LKR Mn	3 to 5 year LKR Mn	More than 5 Years LKR Mn	Total LKR Mn
Financial Investments	13,040	4,287	6,133	5,562	29,022
Right of Use Lease Assets	70	144	34	4	251
Premium Receivable	320	-	-	-	320
Reinsurance Receivable	20	-	-	-	20
Other Assets	218	195	35	215	663
Cash in Hand and Balance at Bank	457	-	-	-	457
Total	14,125	4,626	6,202	5,781	30,734
Total Percentage	46%	15%	20%	19%	100%
Reinsurance Creditors	70				
Lease Creditor	78	167	48	6	299
Gratuity Payable	72	-	-	-	72
Other Liabilities	2,313	-	-	-	2,313
Bank Overdraft	43	-	-	-	43
Total	2,576	167	48	6	2,797
Total Percentage	92%	6%	2%	0%	100%

Credit Risk

Credit risk means the risk that is associated with a loss or potential loss from counterparties failing to fulfil their financial obligations. Credit risk to the Company could arise from following.

- Financial investments in debt securities
- Cash and cash equivalent
- Premium receivables
- Reinsurance receivables
- Other financial receivables

The Company's credit risk exposure is depicted in the below table using carrying values as at the Statement of Financial Position date.

As at 31 December	2025 LKR Mn	%	2024 LKR Mn	%
Government Securities	13,500	42	15,363	52
Corporate Debt	5,937	18	3,336	11
Unit Trust	2,647	8	3,363	11
Investment in Shares	3,067	10	4,538	15
Fixed Deposits	4,903	15	-	-
Commercial Papers	1,454	5	2,422	8
Reinsurance Receivables	35	-	19	1
Premium Receivables	654	2	320	2
Total	32,197	100	29,361	100

The following table shows the credit risk exposure of the Company based on credit rating. AAA is considered the highest possible rating, while assets that fall outside the range of AAA to BBB- are classified as speculative grade.

31 December 2025	Government Guarantee LKR Mn	AAA+ to AA-	A+ to A-	BBB+ to BBB-	Unrated	Total
Fair Value Through Profit or Loss	13,500	-	-	-	8,584	22,084
Loans and Receivables	-	-	5,722	1,357	504	7,582
Available for Sale Financial Assets	-	-	1,029	783	28	1,841
Total	13,500	-	6,751	2,140	9,116	31,507

31 December 2024	Government Guarantee LKR Mn	AAA+ to AA-	A+ to A-	BBB+ to BBB-	Unrated	Total
Fair Value Through Profit or Loss	13,852	-	-	-	7,090	20,942
Loans and Receivables	1,512	-	1,835	2,429	-	5,776
Available for Sale Financial Assets	-	-	740	676	888	2,304
Total	15,364	-	2,575	3,105	7,978	29,022
	53%	-	9%	11%	27%	100%

The Company's credit risk exposure is depicted in the above table using carrying values as at the Statement of Financial Position date.

31 December	Rating	Rating Agency	2025 LKR'000	2024 LKR'000
Bank of Ceylon	AA-	Fitch rating	12,649	31,382
Sampath Bank PLC	AA-	Fitch rating	181,280	134,696
Hatton National Bank PLC	AA-	Fitch rating	491	89,734
Commercial Bank of Ceylon PLC	AAA	Fitch rating	34,135	13,972
Nations Trust Bank PLC	A	Fitch rating	28,808	17,187
Union Bank	BBB-	Fitch rating	6,533	2,660
Sanasa development Bank PLC	BB+	ICRA	14	14
Regional Development Bank	A-	ICRA	1,978	25,293
Seylan bank	A	Fitch rating	10,902	21,567
Pan Asia Banking Corporation PLC	BBB-	Fitch rating	906	10,251
Peoples Bank	AA-	Fitch rating	2,895	3,144
Cargills Bank	AA-	Fitch rating	5,582	5,221
National Development Bank	A+	Fitch rating	50,476	88,961
DFCC Bank PLC	A+	Fitch rating	740	1,562
Sarvodaya Bank	B+	ICRA	1,753	5,384
Total Exposure to credit Risk			339,142	455,528
Cash in hand			1,598	1,375
Cash and Cash Equivalents			340,740	456,903

Some of the specific actions undertaken by the Company to mitigate credit risk in investments are shown below.

- Check the creditworthiness of the institutions and the instruments before placing an investment
- Investment Committee continuously evaluates the credit risk of the Company arising from investments
- The Company gives more concentration on investing in high rated instruments or in high rated institutions

The Company is exposed to a credit risk through premium receivables where the policyholder or any other intermediary party are in default the payment. In certain life insurance policies issued under single premium mode the credit risk is minimal when compared to other policies.

The following table summarizes the aging analysis of premium receivable balances in relation to Life Insurance.

31 December 2025	< 30 Days LKR Mn	31 to 60 Days LKR Mn	61 to 90 Days LKR Mn	> 91 Days LKR Mn	Total LKR Mn
Premium Receivable	507	28	34	85	654
Total Percentage	78%	4%	5%	13%	100%

31 December 2024	< 30 Days LKR Mn	31 to 60 Days LKR Mn	61 to 90 Days LKR Mn	> 91 Days LKR Mn	Total LKR Mn
Premium Receivable	243	48	10	19	320
Total Percentage	76%	15%	3%	6%	100%

Investment Concentration Risk

Investment concentration risk is the risk when the investor's investment portfolio is not diversified. This risk might arise when the investor invests too heavily in one industry, one geographical area or one type of security. It may also be defined as the risk of loss due to over exposure to one investment, asset class, risk factor, etc. To mitigate the risk, the Company's Asset Liability Committee (ALCO) sets an overall asset allocation target at the beginning of the year. The decision is based on a number of factors including an analysis of the macroeconomic environment, regulatory requirements, liquidity position and return expectations during the planned period.

Also, ALCO sets sectorial asset allocation limits for equity investments as well as related party exposure limits. The Company limits the maximum cash amount that can be deposited with a single counterparty.

Operational Risk

Operational risk emanates from inadequate or failed internal processes, people and systems or from external events which may result in direct or indirect business impact. The Board of Directors have delegated responsibility of the operational risk to risk owners and managers who are responsible for the development and implementation of controls to address operational risks.

The Company diminishes the aforementioned risks by performing the following.

- Preparing and using the procedure manual for the controls and processes of the Company
- Segregation of duties by including independent authorisation of transactions
- Reconciling and monitoring transactions
- Complying with regulatory and Company standards and policies
- Internal audit reviews performed periodically
- Conducting training and professional development programmed to the employees of the Company

STATEMENT OF SOLVENCY

Long Term Insurance Business

	2025 LKR '000	2024 LKR '000
01. Janashakthi Insurance PLC		
Total Available Capital (TAC)	14,271,649	12,805,038
Formula Risk-based Capital Required (RCR)	5,017,539	4,616,127
Surrender Value Capital Charge (SVCC)	-	-
Risk Based Capital requirement(RCR)	5,017,539	4,616,127
Risk-based Capital Adequacy Ratio (CAR)	284%	277%
Required Ratio	120%	120%
02. Former National Insurance Corporation Ltd		
Total Available Capital (TAC)	165,462	165,426
Formula Risk-based Capital Required (RCR)	19,617	23,989
Surrender Value Capital Charge (SVCC)	-	-
Risk Based Capital requirement(RCR)	19,617	23,989
Risk-based Capital Adequacy Ratio (CAR)	843%	690%
Required Ratio	120%	120%

SUPPLEMENTARY

In a year of remarkable growth and strong momentum, Janashakthi Life Insurance PLC surveys our surroundings - all that has contributed to our rise to the summit of possibility. As we venture beyond the summit and scale larger, more formidable mountains, our collective cohesion forges a pathway of success through which our light of life shines.

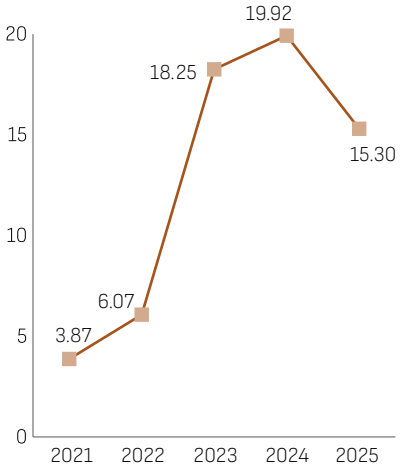


SHAREHOLDER INFORMATION

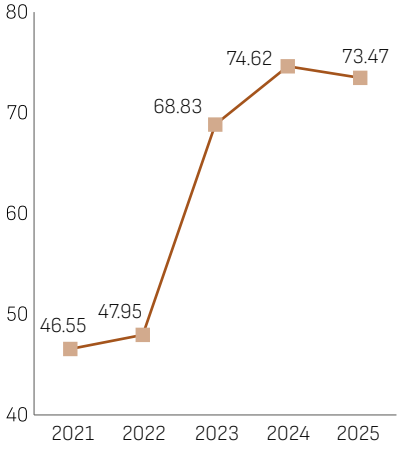
Valuation

31st December		2025	2024
Earning Per Share (EPS)	LKR	15.30	19.92
Net Assets per Share	LKR	73.47	74.62
Price Earning Ratio	Times	8.46	2.76
Price/Book Value	Times	1.76	0.737

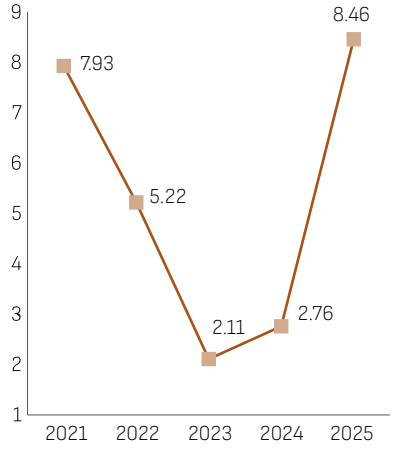
EPS



NAPS



PE Ratio



MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

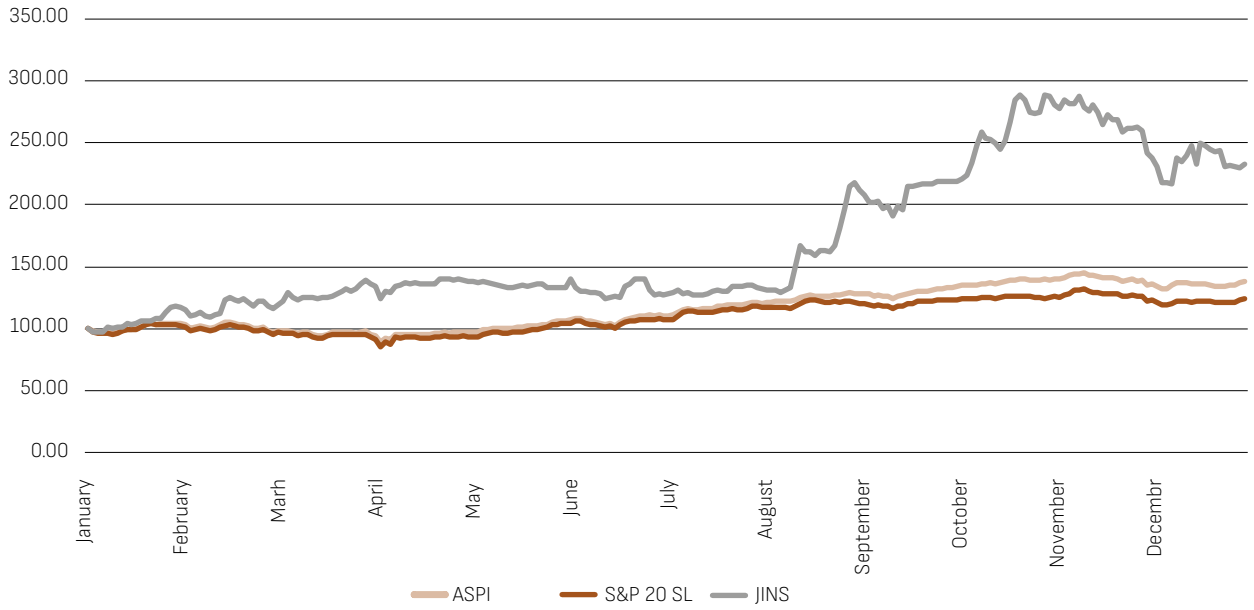
Market Value

	2025		2024	
	Value LKR	Date	Value LKR	Date
Highest Price	167.00	11/11/2025	57.40	26/12/2024
Lowest Price	52.00	03/01/2025	32.10	26/01/2024
Year end Price	129.50	31/12/2025	55.00.	31/12/2024

Trading statistics

31st December		2025 LKR '000	2024 LKR '000
Number of Transactions		45,488	23,543
Number of Shares Traded		50,104,115	43,062,468
Public shareholding (No. of shares)		45,241,375	45,241,375
Public shareholding (No. of percentage)		19.97%	19.97%
Value of Shares Traded	LKR	4,519,283,837	2,064,772,108
Market Capitalisation	LKR	29,335,136,814	12,458,938,415
Float Adjusted Market capitalization		5,858,226,822	2,488,050,001

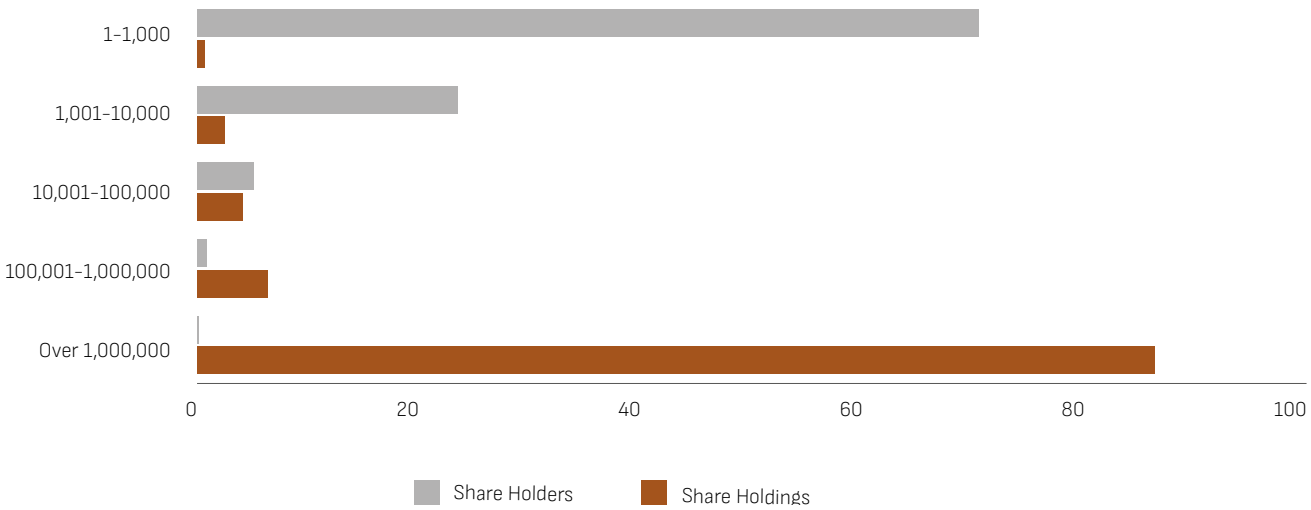
CSE Indicators Vs Janashakthi Insurance PLC Share prices LKR



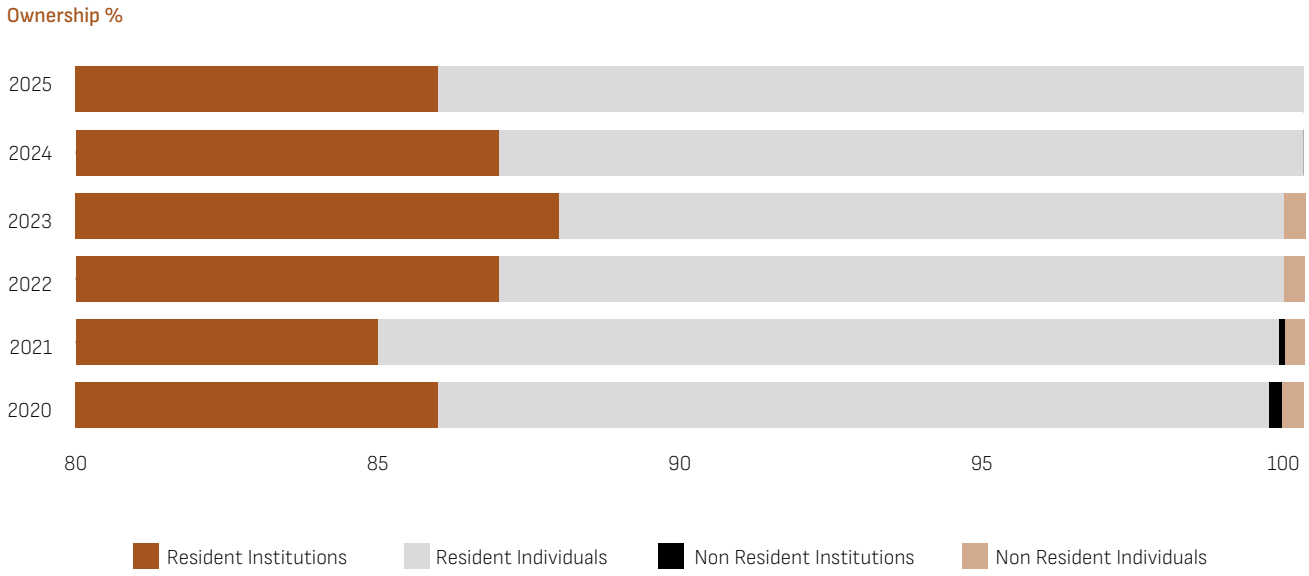
Distribution of Shareholders

Number of Shares	2025 No of Holders	%	Total Holding	%	2024 No of Holders	%	Total Holding	%
1 - 1,000	4,629	70.46%	1,478,624	0.65%	3,389	64.81%	1,240,717	0.55%
1,001 - 10,000	1,540	23.44%	5,685,818	2.51%	1,406	26.89%	5,429,431	2.40%
10,001 - 100,000	332	5.05%	9,372,353	4.14%	367	7.02%	10,430,525	4.60%
100,001 - 1,000,000	57	0.87%	14,485,948	6.39%	56	1.07%	15,461,878	6.83%
Over - 1,000,000	12	0.18%	195,503,410	86.31%	11	0.21%	193,963,602	85.63%
Total	6,570	100.00%	226,526,153	100.00%	5,229	100.00%	226,526,153	100.00%

Shareholders Vs Shareholding- 2025- LKR



SHAREHOLDER INFORMATION



Composition of Shareholders

Shares	2025 No of Holders	2025 %	2025 Total Holding	2025 %	2024 No of Holders	2024 %	2024 Total Holding	2024 %
Resident :								
Individuals	6,315	96.12%	30,150,541	13.31%	5,004	95.70%	33,982,563	15.00%
Institutions	212	3.23%	195,062,088	86.11%	187	3.58%	191,572,060	84.57%
Non Resident :								
Individuals	41	0.62%	837,893	0.37%	35	0.67%	715,755	0.32%
Institutions	2	0.03%	475,631	0.21%	3	0.06%	255,775	0.11%
Total	6,570	100.00%	226,526,153	100%	5,229	100.00%	226,526,153	100.00%

Twenty Largest Shareholder

	2025		
	No of Shares	% of Top Twenty	% of Total
Janashakthi Limited	168,144,497	82.65%	74.23%
First Capital Limited	13,099,471	6.44%	5.78%
Mr. Y.S.H.I. Silva	7,281,572	3.58%	3.21%
Seylan Bank Plc/S.R. Fernando	2,778,327	1.37%	1.23%
Suhada Gas Distributors (Pvt) LTD	3,071,526	1.51%	1.36%
Perera And Sons Bakers Pvt Limited	2,000,000	0.98%	0.88%
J.B. Cocoshell (Pvt) Ltd	852,894	0.42%	0.38%
Mr. B.C.H. Mendis	740,000	0.36%	0.33%
Hatton National Bank Plc/Sri Dhaman Rajendram Arudpragasam	630,266	0.31%	0.28%
Dialog Finance Plc/Fors Investment (Private) Limited	550,000	0.27%	0.24%
Mrs.. M. Mathews	510,000	0.25%	0.23%
Mr. N. Balasingam	492,600	0.24%	0.22%
BNYM Re Acadian Frontier Markets Equity Fund	475,630	0.23%	0.21%
Devi Holding Pvt LTD	475,000	0.23%	0.21%
Mr. M.B. Herath	450,000	0.22%	0.20%
Mr. W.K.G.N. Perera	425,000	0.21%	0.19%
Miss. R.S.M. Mohideen	424,115	0.21%	0.19%
MR. T. Amirthalingam	400,000	0.20%	0.18%
MR. P. Vijendran	350,000	0.17%	0.15%
Mrs. S. Vasudevan	301,079	0.15%	0.13%
	203,451,977	100%	90%
Others	23,074,176		10%
Total	226,526,153		100%

SHAREHOLDER INFORMATION

Twenty Largest Shareholder

	2024		
	No of Shares	% of Top Twenty	% of Total
Janashakthi Limited	168,144,497	83.52%	74.23%
First Capital Limited	13,099,471	6.51%	5.78%
Mr. Y.S.H.I. Silva	7,281,572	3.62%	3.21%
J.B. Cocoshell (Pvt) Ltd	1,756,751	0.87%	0.78%
Perera And Sons Bakers Pvt Limited	1,500,000	0.75%	0.66%
Mr. G.B.D. Thilakaratne	1,100,000	0.55%	0.49%
Seylan Bank Plc/S.R. Fernando	1,081,311	0.54%	0.48%
Mr. M.A. Jafferjee	801,561	0.40%	0.35%
Mr. B.C.H. Mendis	740,000	0.37%	0.33%
Mr. G.S.N. Peiris	712,906	0.35%	0.31%
Mr. K.R.E.M.D.M.B. Jayasundara	700,000	0.35%	0.31%
Mr. S. Senthilnathan	600,000	0.30%	0.26%
Mr. K.A.R. Ranasinghe	550,000	0.27%	0.24%
Mrs.. M. Mathews	510,000	0.25%	0.23%
Hatton National Bank Plc/Sri Dhaman Rajendram Arudpragasam	500,000	0.25%	0.22%
Mr. N. Balasingam	492,600	0.24%	0.22%
Merchant Bank Of Sri Lanka Ltd/C. Sathkumara	458,659	0.23%	0.20%
Mr. M.B. Herath	450,000	0.22%	0.20%
Deutsche Bank Ag-Namal Growth Fund	436,510	0.22%	0.19%
Dialog Finance Plc/Fors Investment (Private) Limited	403,500	0.20%	0.18%
	201,319,338	100%	89%
Others	25,206,815		11%
Total	226,526,153		100%

Directors Shareholding

31st December	2025 No of Shares	2024 No of Shares
Ms. Annika Senanayake (Non Executive Chairperson)	-	-
Mr. Prakash Schaffter (Executive Deputy Chairman)	-	-
Ms. Warini de Costa	-	-
Mr. Ravi Liyanage	-	-
Mr. Nishan de Mel	-	-
Mr. Sivakrishnarajah Renganathan	-	-
Mr. Ramesh Schaffter	-	-
Mr. Dilip de S. Wijeyeratne	-	-
Mr. Gehan Gunatileke	-	-

Record of Share Issue/Repurchase

	Issue/Repurchase	Basis	No of Shares
2006	31st December 2006		27,500,011
2007	Bonus Issue-30th March2007	1:3	82,500,033
2008	Share Split-28th March 2008	1:2	220,000,088
2008	Initial Public Issue-16th June 2008		33,000,000
2015	Rights Issue-30th November 2015	2:1	181,500,066
2018	Share-repurchase- 18th April 2018	3:5	(317,974,045)
			226,526,153

DECADE AT A GLANCE - INCOME STATEMENT

(Values to the nearest rupees thousand)

For the year ended 31st December	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Life Insurance - Income Statement										
Gross Written Premium	8,650,143	6,596,000	4,584,822	4,867,011	5,460,892	3,819,817	3,511,660	3,008,842	2,902,873	2,943,963
Net Earned Premium	8,373,901	6,346,714	4,364,639	4,609,048	5,248,931	3,697,637	3,373,691	2,893,752	2,803,868	2,853,371
Other Revenue	5,379,688	6,918,689	9,296,162	2,074,590	1,919,098	2,598,051	2,242,625	1,877,046	1,299,867	1,362,363
Gain on Disposal of Subsidiary	-	-	-	-	-	-	-	9,200,155	-	-
Total Revenue	13,753,589	13,265,404	13,660,800	6,683,638	7,168,029	6,295,688	5,616,316	13,970,953	4,103,735	4,215,734
Net Acquisition Cost	(2,527,249)	(1,662,727)	(1,162,592)	(1,684,008)	(1,864,486)	(860,858)	(900,029)	(893,099)	(662,326)	(691,739)
Net Claims and Benefits	(3,654,379)	(3,950,242)	(3,411,483)	(2,781,329)	(2,134,248)	(1,758,226)	(1,924,424)	(1,560,644)	(1,118,843)	(1,103,408)
Other Expenses	(2,146,221)	(1,903,372)	(1,333,373)	(1,661,698)	(1,198,038)	(1,070,747)	(1,060,197)	(1,383,940)	(679,184)	(634,685)
Share of Profit from equity accounted investee	939,223	1,331,534	-	-	-	-	-	-	-	-
Change in Contract Liability due to transfer of One-off surplus	-	-	-	-	-	-	-	-	1,795,829	-
Increase in Life Insurance Fund	(2,412,605)	(1,376,912)	(2,502,624)	1,280,062	(791,920)	(1,584,947)	(1,199,295)	(241,982)	(1,747,577)	(832,885)
Profit/(Loss) before Taxation	3,952,357	5,703,686	5,250,728	1,836,664	1,179,338	1,020,911	532,370	9,891,288	1,691,635	953,016
Income Tax Expense	(486,215)	(1,191,523)	(1,115,900)	(460,962)	(303,164)	(261,586)	(136,040)	1,306,596	-	-
Profit After Taxation	3,466,143	4,512,163	4,134,828	1,375,702	876,174	759,325	396,330	11,197,884	1,691,635	953,016

DECADE AT A GLANCE - STATEMENT OF FINANCIAL POSITION

(Values to the nearest rupees thousand)

For the year ended 31st December	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assets										
Financial Assets	31,507,466	29,022,052	28,240,640	20,368,155	21,545,101	19,374,743	16,961,520	15,657,029	12,375,224	11,115,417
Property, Plant and Equipment	441,258	296,551	220,078	194,307	257,550	354,972	442,502	257,742	-	-
Right of Use Asset	322,598	251,291	232,200	191,634	173,532	224,524	261,812	-	-	-
Investment in Associate	4,140,212	4,572,006	3,754,587	-	-	-	-	-	-	-
Other Assets and Receivables	3,614,074	3,298,028	3,391,135	4,109,264	3,302,280	3,959,816	4,100,170	4,145,182	7,453,609	7,469,151
Cash and Cash Equivalents	340,740	456,903	353,570	282,387	404,634	282,891	268,280	223,268	192,120	180,311
Total Assets	40,366,349	37,896,832	36,192,210	25,145,748	25,683,097	24,196,946	22,034,284	20,283,221	20,020,953	18,764,879
Liabilities and Shareholders Equity										
Shareholders' Equity										
Stated Capital	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752	4,853,752
Restricted Regulatory Reserve	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	1,795,829	-
Revenue Reserves	9,994,382	10,252,986	8,942,336	4,211,496	3,895,352	3,417,569	2,917,052	2,671,460	2,811,297	3,294,882
Total Shareholders' Equity	16,643,962	16,902,566	15,591,916	10,861,076	10,544,933	10,067,150	9,566,633	9,321,041	9,460,878	8,148,634
Liabilities										
Insurance Provision-Life	18,482,314	16,031,420	14,544,804	12,193,639	13,473,701	12,681,780	11,096,474	9,897,807	9,651,593	9,699,136
Other Liabilities	5,240,073	4,962,846	6,055,489	2,091,032	1,664,463	1,448,016	1,371,177	1,064,373	908,482	917,109
Total Liabilities	23,722,386	20,994,266	20,600,293	14,284,672	15,138,164	14,129,796	12,467,651	10,962,180	10,560,075	10,616,245
Total Liabilities and Shareholders' Equity	40,366,349	37,896,832	36,192,210	25,145,748	25,683,097	24,196,946	22,034,284	20,283,221	20,020,953	18,764,879

HORIZONTAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

As at 31st December	2025		2024		2023		2022		2021	
	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%
Assets										
Financial Assets	31,507,466	9%	29,022,052	3%	28,240,640	39%	20,368,155	-5%	21,545,101	11%
Property, Plant and Equipment	441,258	49%	296,551	35%	220,078	13%	194,307	-25%	257,550	-27%
Right of Use Asset	322,598	28%	251,291	8%	232,200	21%	191,634	10%	173,532	-23%
Investment in Associate	4,140,212	-9%	4,572,006	22%	3,754,587	-	-	-	-	-
Other Assets and Receivables	3,614,074	10%	3,298,028	-3%	3,391,135	-17%	4,109,264	24%	3,302,280	-17%
Cash and Cash Equivalents	340,740	-25%	456,903	29%	353,570	25%	282,387	-30%	404,634	43%
Total Assets	40,366,349	7%	37,896,832	5%	36,192,210	44%	25,145,747	-2%	25,683,097	6%
Liabilities and Shareholders Equity										
Shareholders' Equity										
Stated Capital	4,853,752	0%	4,853,752	0%	4,853,752	0%	4,853,752	0%	4,853,752	0%
Restricted Regulatory Reserve	1,795,829	0%	1,795,829	0%	1,795,829	0%	1,795,829	0%	1,795,829	0%
Revenue Reserves	9,994,382	-3%	10,252,986	15%	8,942,336	112%	4,211,496	8%	3,895,352	14%
Total Shareholders' Equity	16,643,962	-2%	16,902,566	8%	15,591,916	44%	10,861,077	3%	10,544,933	5%
Liabilities										
Insurance Provision-Life	18,482,314	15%	16,031,420	10%	14,544,804	19%	12,193,639	-10%	13,473,701	6%
Other Liabilities	5,240,073	6%	4,962,846	-18%	6,055,489	190%	2,091,032	26%	1,664,463	15%
Total Liabilities	23,722,386	13%	20,994,266	2%	20,600,294	44%	14,284,671	-6%	15,138,164	7%
Total Liabilities and Shareholders' Equity	40,366,349	7%	37,896,832	5%	36,192,210	44%	25,145,748	-2%	25,683,097	6%

VERTICAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

As at 31st December	2025		2024		2023		2022		2021	
	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%
Assets										
Financial Assets	31,507,466	78%	29,022,052	77%	28,240,640	78%	20,368,155	81%	21,545,101	84%
Property, Plant and Equipment	441,258	1%	296,551	1%	220,078	1%	194,307	1%	257,550	1%
Right of Use Asset	322,598	1%	251,291	1%	232,200	1%	191,634	1%	173,532	1%
Investment in Associate	4,140,212	10%	4,572,006	12%	3,754,587	10%	-	-	-	-
Other Assets and Receivables	3,614,074	9%	3,298,028	9%	3,391,135	9%	4,109,264	16%	3,302,280	13%
Cash and Cash Equivalents	340,740	1%	456,903	1%	353,570	1%	282,387	1%	404,634	2%
Total Assets	40,366,349	100%	37,896,832	100%	36,192,210	100%	25,145,747	100%	25,683,097	100%
Liabilities and Shareholders Equity										
Shareholders' Equity										
Stated Capital	4,853,752	12%	4,853,752	13%	4,853,752	13%	4,853,752	19%	4,853,752	19%
Restricted Regulatory Reserve	1,795,829	4%	1,795,829	5%	1,795,829	5%	1,795,829	7%	1,795,829	7%
Revenue Reserves	9,994,382	25%	10,252,986	27%	8,942,336	25%	4,211,496	17%	3,895,352	15%
Total Shareholders' Equity	16,643,962	41%	16,902,566	45%	15,591,916	43%	10,861,077	43%	10,544,933	41%
Liabilities										
Insurance Provision-Life	18,482,314	46%	16,031,420	42%	14,544,804	40%	12,193,639	48%	13,473,701	52%
Other Liabilities	5,240,073	13%	4,962,846	13%	6,055,489	17%	2,091,032	8%	1,664,463	6%
Total Liabilities	23,722,386	59%	20,994,266	55%	20,600,293	57%	14,284,671	57%	15,138,164	59%
Total Liabilities and Shareholders' Equity	40,366,349	100%	37,896,832	100%	36,192,210	100%	25,145,748	100%	25,683,097	100%

HORIZONTAL ANALYSIS - STATEMENT OF PROFIT AND LOSS

For the year ended 31st December	2025		2024		2023		2022		2021	
	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%
Life Insurance - Income Statement										
Gross Written Premium	8,650,143	31%	6,596,001	44%	4,584,822	-6%	4,867,011	-11%	5,460,892	43%
Net Earned Premium	8,373,901	32%	6,346,715	45%	4,364,639	-5%	4,609,048	-12%	5,248,931	42%
Other Revenue	5,379,688	-22%	6,918,689	-26%	9,292,331	348%	2,074,590	8%	1,919,098	-26%
Total Revenue	13,753,589	4%	13,265,404	-3%	13,660,800	104%	6,683,638	-7%	7,168,029	14%
Net Acquisition Cost	(2,527,249)	52%	(1,662,727)	43%	(1,162,592)	-31%	(1,684,008)	-10%	(1,864,486)	117%
Net Claims and Benefits	(3,654,379)	-7%	(3,950,242)	16%	(3,411,483)	23%	(2,781,329)	30%	(2,134,248)	21%
Share of Profit from equity accounted investee	939,223	-29%	1,331,534		-		-		-	
Other Expenses	(2,146,221)	13%	(1,903,372)	43%	(1,329,542)	-20%	(1,661,698)	39%	(1,198,038)	12%
Increase in Life Insurance Fund	(2,412,605)	75%	(1,376,912)	-45%	(2,502,624)	-296%	1,280,062	-262%	(791,920)	-50%
Profit/(Loss) before Taxation	3,952,357	-31%	5,703,686	9%	5,250,728	186%	1,836,664	56%	1,179,337	16%
Income Tax Expense	(486,215)	-59%	(1,191,523)	7%	(1,115,900)	142%	(460,962)	52%	(303,164)	16%
Profit/(Loss) After Taxation	3,466,143	-23%	4,512,163	9%	4,134,828	201%	1,375,702	57%	876,173	15%

VERTICAL ANALYSIS - STATEMENT OF PROFIT AND LOSS

For the year ended 31st December	2025		2024		2023		2022		2021	
	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%	LKR '000	%
Life Insurance - Income Statement										
Gross Written Premium	8,650,143	100%	6,596,000	100%	4,584,822	100%	4,867,011	100%	5,460,892	100%
Net Earned Premium	8,373,901	97%	6,346,715	96%	4,364,639	95%	4,609,048	95%	5,248,931	96%
Other Revenue	5,379,688	62%	6,918,689	105%	9,296,162	203%	2,074,590	43%	1,919,098	35%
Total Revenue	13,753,589	159%	13,265,404	201%	13,660,800	297%	6,683,638	137%	7,168,029	131%
Net Acquisition Cost	(2,527,249)	-29%	(1,662,727)	-25%	(1,162,592)	-25%	(1,684,008)	-35%	(1,864,486)	-34%
Net Claims and Benefits	(3,654,379)	-42%	(3,950,242)	-60%	(3,411,483)	-74%	(2,781,329)	-57%	(2,134,248)	-39%
Share of Profit from equity accounted investee	939,223	11%	1,331,534	20%	-		-		-	
Other Expenses	(2,146,221)	-40%	(1,903,372)	-28%	(1,329,542)	-29%	(1,661,698)	-34%	(1,198,038)	-22%
Increase in Life Insurance Fund	(2,412,605)	-28%	(1,376,912)	-21%	(2,502,624)	-55%	1,280,062	26%	(791,920)	-15%
Profit/(Loss) before Taxation	3,952,357	46%	5,703,685	86%	5,250,728	115%	1,836,664	38%	1,179,337	22%
Income Tax Expense	(486,215)	-6%	(1,191,523)	-18%	(1,115,900)	-24%	(460,962)	-9%	(303,164)	-6%
Profit/(Loss) After Taxation	3,466,143	23%	4,512,162	68%	4,134,828	90%	1,375,702	28%	876,173	16%

SIMPLIFIED FINANCIAL STATEMENTS

01. Income Statement

31st December	Note	2025 LKR '000	2024 LKR '000
Gross Written Premium	23	8,650,143	4,584,822
Premium Ceded to Reinsurers		(276,242)	(220,183)
Gross Claims and Benefits Paid	29.1	(3,883,423)	(3,443,465)
Underwriting & Net Acquisition Cost	30	(2,527,249)	(1,162,592)
Operating and Administrative Expenses	31	(1,885,545)	(1,220,975)

Gross Written Premium (GWP)

GWP represents the total revenue of a Manufacturing or trading organization, which is basically the amount charged for the service provided under the Life Insurance policy.

Premium Ceded to Reinsurers

The premium ceded to reinsurers is the premium paid to reinsurers to transfer a part of the insurance risk undertaken by Janashakthi Life to respected third-party insurers. The Company continues to evaluate the re-insurance process against the risk that the re-insurers cover.

Net Insurance Claims & Benefits

The most important customer success factor is the speedy claim settlement and the fair payment of claims. As per the reinsurance agreement, the insurance company has the right to recover part of its claim expense from its reinsurers. Net benefit and claims refers to the difference between the amount of claim expense for policyholder and the amount recovered from the reinsurance partner.

Underwriting and Net Acquisition Cost

Underwriting and acquisition cost is a direct cost incur by the company to acquire premiums. This includes sale's staff salaries, commissions and incentives to acquire business.

Operating and Administration Expenses

Other operating, investment-related, and administration expenses mainly include staff cost and administration, selling, and marketing expenses; which incurred during the normal cause of business.

O2. Statement of Financial Position

Life Insurance Fund

The Company's insurance contract liabilities (referred to as Life Fund) is the fund maintained by the Company for the long-term insurance business in accordance with the Insurance Industry Act, No. 43 of 2000, as amended. The size of the life fund indicates the financial strength and stability of a life insurer. The larger the life fund, the stronger the insurance company.

Capital Adequacy Ratio

Capital Adequacy Ratio, also known as capital to risk-weighted asset ratio, measures the financial strength of an organization using its capital and assets portfolio.

GRI DISCLOSURES

GRI Standards	Disclosure	Location	Page Numbers
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us	16
	2-3 Reporting period, frequency and contact point	Our Integrated Report Summarized	6
	2-5 External assurance	Limited Assurance Report	42-43
	2-6 Activities, value chain and other business relationships	Business unit overview of performance	56
	2-7 Employees	Human Capital Report	90
	2-9 Governance structure and composition	Corporate Governance	120-148
	2-10 Nomination and selection of the highest governance body	Corporate Governance	120-148
	2-11 Chair of the highest governance body	Corporate Governance	120-148
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	120-148
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	120-148
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	120-148
	2-15 Conflicts of interest	Corporate Governance	120-148
	2-16 Communication of critical concerns	Corporate Governance	120-148
	2-17 Collective knowledge of the highest governance body	Corporate Governance	120-148
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	120-148
	2-19 Remuneration policies	Corporate Governance	120-148
	2-20 Process to determine remuneration	Corporate Governance	120-148
	2-21 Annual total compensation ratio	Corporate Governance	120-148
	2-22 Statement on sustainable development strategy	Deputy Chairman's Message. CEO's Review	28-32
	2-23 Policy commitments	Human Capital Report	92
	2-25 Processes to remediate negative impacts	Social and Relationship Capital Report	85
	2-27 Compliance with laws and regulations	Social and Relationship Capital Report	87, 107
	2-29 Approach to stakeholder engagement	Stakeholder Analysis	50-52
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis	53
	3-2 List of material topics	Materiality Analysis	53
	3-3 Management of material topics	Materiality Analysis	53
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Materiality Analysis	54
	201-4 Financial assistance received from government	Materiality Analysis	54
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Human Capital Report	91-92
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investment and services updated – enhancing – Brand awareness	An Intellectual Capital Report	100
GRI 204: Procurement Practices	204-1 Proportion of spending's on local suppliers- Establishing Fair and Collaborative Partnership with suppliers	Social and Relationship Capital Report	86

GRI DISCLOSURES

GRI Standards	Disclosure	Location	Page Numbers
GRI 205: Anti-corruption 2016	Disclosure 205-1 Operations assessed for risks related to corruption	An Intellectual Capital Report	100
GRI 301: Materials	301-1 Minimizing paper usage	Natural capital Report	106
	301-2 Recycled input materials used	Natural capital Report	106
	301-3 Reclaimed products and their packaging materials	Natural capital Report	106
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural capital Report	104
	302-2 Energy consumption outside of the organization	Natural capital Report	105
	302-4 Reduction of energy consumption	Natural capital Report	105
GRI 303: Water and Effluents 2018	303-5 Water Consumption	Natural capital Report	107
GRI 304: Biodiversity 2016	304- Environmental Compliance, Bio- diversity Conservation	Natural capital Report	107
GRI 305: Emission 2016	305-3 Other indirect GHG emissions	Natural capital Report	106
GRI 306: Waste Management	306-4 Waste diverted from disposal	Natural capital Report	106
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital Report	90
	401-2 Benefits provided to full-time employees that are not provided to temporary or part time employees	Human Capital Report	94, 95, 96
GRI 403: Ocupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital Report	92, 96
	403-6 Promotion of worker health	Human Capital Report	96
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Report	92, 94, 95, 102
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital Report	95
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Report	93, 95
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital Report	92, 96
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital Report	92, 97
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital Report	92
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Social and Relationship Capital Report	88
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital Report	86
GRI 415: Public Policy 2016	415-1 Political contributions	Social and Relationship Capital Report	88
GRI 417: Marketing and Labelling 2016	415-1 Requirements for product and service information and labelling	Intellectual Capital Report	101
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital Report	85, 100

GLOSSARY OF INSURANCE TERMS

ACTUARY

An expert concerned with the application of probability and statistical theory to problems of Insurance, Investment, financial management and demography.

ACTUARIAL VALUATION

A determination by an actuary at a specific date of the value of a life Insurance company's assets and its liabilities. The purpose of a valuation is to determine if the Company holds adequate assets to fund the Company's liabilities.

ANNUITY

A contract that provides an annual income for a specific period.

AVAILABLE FOR SALE (AFS)

Securities that have been acquired neither for short term sale nor to be held to maturity. These are shown at fair value on the statement of financial position and changes in value are taken straight to equity instead of the Profit or Loss statement.

BANCASSURANCE

An arrangement whereby banks sell Insurance and Investment products to their customers on behalf of other financial providers

BENEFICIARY

A person or financial institution named by the policyholders as the recipient of the sum insured and other benefits due in the event of the policyholder's death.

BONUS

Bonus is a method of distribution of surplus amongst the participating policyholders of a life insurance company. A bonus is an enhancement to the basic sum assured under a contract, and is declared as percentage of the sum assured.

BROKER

A sales and service representative who handles Insurance for clients, generally selling Insurance of various kinds and for several companies.

CASH FLOW STATEMENT

Statement on the origin and utilization of cash and cash equivalents during the accounting period. It shows the changes in liquid funds separated to cash flows from operating, investing and financing activities.

CLAIMS

The amount payable under a contract of insurance arising from the occurrence of an insured event such as destruction or damage of property and related death or injuring of hospital or medical bills, death or disability of the insured and gratuity claims.

CLAIMS INCURRED

The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.

CLAIMS OUTSTANDING- LONG TERM INSURANCE

The amounts provided to cover the estimated ultimate cost of setting claims arising out of an event which have been notified by date of Statement of Financial Position, being sums due to beneficiaries together with claims handling expenses, less amounts already paid in respect of those claims.

COMMISSION

Remuneration to an intermediary for services such as selling and servicing and insurer's products. This is one component of acquisition expenses.

CORPORATE GOVERNANCE

Serves to ensure responsible management and supervision of enterprises and is intended to foster the trust of investors, clients, employees and the general public in companies.

DEPOSIT PREMIUM

A premium paid on the inception of a contract of Insurance or re-insurance, which is subject to adjustment at a later date. A deposit premium may represent the minimum amount payable.

EARNINGS PER SHARE

Ratio calculated by dividing the consolidated net income/(loss) by the weighted average number of shares outstanding.

EXPENSE RESERVE

Expenses which vary with and are primarily related to the acquisition of new Insurance contracts and renewal of existing contracts, which are deferred as they related to a period of risk subsequent to the date of Statement of Financial Position.

ENDOWMENT

Life Insurance payable to the policyholder if living on the maturity date stated in the policy or to a beneficiary if the insured dies before that date.

FAIR VALUE

The price that a reasonable buyer would be willing to pay and reasonable seller would be willing to accept for a product on the open market.

GROSS WRITTEN PREMIUM – LIFE

Premium to which the insurer is contractually entitled and received in the accounting period.

INSURANCE

Insurance is a contract whereby one party the insurer, in return for a consideration i.e. the premium, undertakes to pay the other party – the insured, a sum of money or its equivalent in kind, upon the happening of a specified event that is contrary to the interest of the insured.

INSURANCE PROVISION – LONG TERM

The fund or funds to be maintained by an insurer in respect of its Long Term Insurance business in accordance with the Regulation of Insurance Industry Act No. 43 of 2000.

INTERIM PAYMENTS

Periodic payments to the policyholders on a specific type of policy.

JIPLC

Janashakthi Insurance PLC

GLOSSARY OF INSURANCE TERMS

LIFE SURPLUS

The excess of the assets over the liabilities as determined by the actuary (taking into account solvency requirements) and after distribution of dividends to policyholders.

LONG TERM INSURANCE

Commonly referred to as Life Insurance contracts, as opposed to annual Non-Life Insurance policies.

MATURITY

The time at which payment of the sum insured under a Life Insurance policy falls due at the end of its term.

NET EARNED PREMIUM

Gross Written premium adjusted for the re-insurance incurred and for the increase or decrease in unearned premium.

NET WRITTEN PREMIUM

Gross written premium less re-insurance premium payable.

NET CLAIMS INCURRED

Claims incurred less re-insurance recoveries.

POLICY LOAN

A loan given to the policyholder on the security of the surrender value of a life Insurance policy. The loan is limited to a percentage of the current surrender value of the policy and interest is charged on such loan.

PREMIUM

The consideration payable by the insured for an Insurance contract.

PROFIT COMMISSION

Commission received from the reinsurer based on the net profit of the reinsurer as defined in the agreement between the insurer and the reinsurer.

REVENUE ACCOUNT

An account which shows a financial summary of the Insurance related revenue transactions for the accounting period.

RE-INSURANCE

Transfer of all or part of the risk assumed by an insurer under one or more Insurances to another insurer, called the reinsurer.

RE-INSURANCE COMMISSION

Commission received or receivable in respect of premium paid or payable to the reinsurer.

SEGMENT

Constituent business units grouped in terms of nature and similarity of operations.

SOLVENCY MARGIN - LIFE

The difference between the value of assets and the value of liabilities, required to be maintained by the insurer who carries on Long Term Insurance business as defined in the Regulation of Insurance Industry Act No.43 of 2000.

SURRENDER

Termination of an Insurance policy by the insured before the expiry of its term.

SURRENDER VALUE

The sum payable by an Insurance company upon the surrender of a Life Insurance policy before it has run its full course.

CORPORATE INFORMATION

NAME OF COMPANY

Janashakthi Insurance PLC

Incorporated as a Public Company on 28 August 1992 under the provisions of the Companies Act No.17 of 1982. Subsequently re-registered under the Companies Act No.7 of 2007 on 6 May 2008.

Insurance Company licensed by the Insurance Board of Sri Lanka in terms of Section 113 (2) (a) of the Regulation of Insurance Industry Act No.43 of 2000 on 01 January 2002.

COMPANY REGISTRATION NUMBER

PB 307 / PQ

STOCK EXCHANGE LISTING

The Shares of the Company are listed on the Colombo Stock Exchange (CSE), Diri Savi Board.

REGISTERED OFFICE

1st Floor, Bishop's Gate Building,
No. 338, T.B.Jayah Mawatha,
Colombo 10,
Sri Lanka.
P.O. Box 1672

CONTACT DETAILS

Telephone Number:
+94 11 2636636

Fax Number:
+94 11 2094019

E-mail:
insurance@janashakthi.com

Corporate Website:
http://www.janashakthi.com

ACCOUNTING YEAR-END

December 31

TAX PAYER IDENTIFICATION NUMBER (TIN)

134003642

VAT REGISTRATION NUMBER

134003642 – 7000

BOARD OF DIRECTORS

Ms.Annika Senanayake
(Chairperson / Independent Non-Executive Director)

Mr. Prakash Schaffter
(Executive Deputy Chairman)

Mr. Ravi Liyanage
(Executive Director/ Chief Executive Officer)

Mr. Sivakrishnarajah Renganathan
(Independent Non-Executive Director)

Ms. Warini de Costa
(Independent Non-Executive Director)

Dr Nishan de Mel
(Independent Non-Executive Director)

Mr. Ramesh Schaffter
(Non-Independent Non-Executive Director)

Dr. Gehan Gunatilleke
(Independent Non-Executive Director)

Mr. Dilip de S. Wijeyeratne
(Independent Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Mr. Ravi Liyanage

STEERING COMMITTEE

Mr. Ravi Liyanage
Chief Executive Officer

Mrs. Namalee A. Silva
Chief Business Officer

Dr. Jude Shanmugam
Chief Financial Officer

Mr. Shankar Dharmaratne
Chief Digital Officer

Mr. Jude Silva
Head of Marketing

Mr. Danushka Samarasinghe
Head of Human Resources Department

Mr. Sujeeva Fernando
Head of Actuarial

COMPANY SECRETARY

Janashakthi Corporate Services Limited
Level 39
No.324, Havelock Road
Colombo 06
Tel: +94 11 2145030

COMPANY REGISTRAR

SSP Corporate Services (Private) Limited
No.101
Inner Flower Road
Colombo 03
Tel: +94 11 2573894

EXTERNAL AUDITORS

M/s. Ernst and Young
Chartered Accountants,
Rotunda Towers,
No 109, Galle Road,
Colombo 03
Tel: +94 11 2463500

CONSULTANT ACTUARY

M/S K. A. Pandit, Consultants and Actuaries, India.
2nd Floor, Churchgate House,
Veer Nariman Road, Fort,
Mumbai- 400 001

RE-INSURANCE PANEL

Partner Reinsurance ASIA Pte Ltd
Hannover Rueck SE-Malaysian Branch
SCOR SE Singapore Branch
Munich Re India Branch

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon
DFCC Bank
Hatton National Bank
Nations Trust Bank
National Savings Bank
NDB Bank
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank
Seylan Bank
Cargills Bank
SDB Bank
Regional Development Bank
Union Bank

BRANCHES

No	Branches	Branch Contact Number	Branch Address
1	Akuressa	041-2117228	No.124, Matara Road, Akuressa
2	Aluthgama	034-2117229	No. 140, Galle Road, Kaluwamodara, Aluthgama.
3	Ambalangoda	091-2117212	No. 14, Galle Road, Ambalangoda
4	Ambalantota	047-2117200	No.76 A, Mallika Building, Tangalle Road, Ambalantota.
5	Ampara	063-2117232	No. 32, Indrawansa Building, 6th Lane, D.S Senanayaka Mw, Ampara
6	Anamaduwa	032-2117228	No.9, Maha Uswewa Road, Anamaduwa.
7	Anuradhapura	025-2117233	No.36, Maithreepala Senanayake Mawatha, Anuradhapura
8	Avissawella	036-2117240	No. 125, Colombo Road, Ukwatta, Avissawella.
9	Badulla	055-2117244	13 1/1, R.H. Gunawardena Mawatha, Badulla
10	Balangoda	045-2117237	No. 58 B, Kalthota Road, Balangoda.
11	Bandarawela	057-2117200	No.348/1, Badulla Road, Bandarawela.
12	Batticaloa	065-2117200	No.38 , 38 1/1, 38 ½, New Road , Batticaloa
13	Chilaw	032-2117220	No. 81/A, Kurunegala Road, Chilaw
14	Dambulla	066-2117242	No. 632, Anuradhapura Road,Dambulla
15	Dehiattakandiya	027-2117200	No. 59E, Shopping Complex, New Town, Dehiattakandiya.
16	Elpitiya	091-2117216	No.40 A, Ambalangoda Road, Elpitiya
17	Embilipitiya	047-2117204	No.115, New Town Road, Embilipitiya
18	Galewela	066-2117246	No. 59 F, Kurunegala Road, Galewela
19	Galgamuwa	037-2117200	No.37, Anuradhapura Road, Galgamuwa
20	Galle	091-2117220	No. 153 1/1, Colombo Road, Kaluwella, Galle
21	Gampaha	033-2117200	No. 163/1/1, Ja Ela Road, Gampaha
22	Gampola	081-2117216	No. 68/A/1/1, Gangasiri Road (T. B Panabokka Mawatha), Gampola.
23	Giriulla	037-2117204	Hemamaliya, Sirimangala, Circular Road, Giriulla
24	Hanwella	011-2127328	Disagewatta, Hanwella.
25	Hettipola	066-2117236	Hettipola, Wilgamuwa, Matale
26	Hatton	051-2225412	No. 184, Colombo Road, Hatton.
27	Hingurakgoda	027-2117204	No. 25, Airport Road, Hingurakgoda
28	Horana	034-2117234	No. 138 B, Anguruwathota Road, Horana.
29	Ja-Ela	0112-127340	No. 356 2/1, Colombo Road, Weligampitiya, Ja-Ela.
30	Jaffna I	021-2117212	No. 171A, Manipay Road, Jaffna.
31	Kadawatha	011-2127344	No. 1/430 C, Ganemulla Road, Kadawatha
32	Kalmunai	067-2117204	No. 312, Main Street, Pandirippu 2 C.
33	Kalubowila	011-2127300	No. 247, Hospital Road, Kalubowila
34	Kalutara	034-2117225	No. 195/4, Galle Road, Kalutara South, Kalutara.
35	Kandy I	081-2117212	163, D.S. Senanayake Street, Kandy
36	Kegalle	035-2117224	No. 190/ 004- 1/2, Kandy Road, Kegalle
37	Kilinochchi	021-2117224	A9 Road, Karadippokku, Kilinochchi.
38	Kiridiwela	033-2117204	No. 65/G/5, Nugahenawatta, Kiridiwela.
39	Kotahena (Pettah)	011-2127332	No.295 1/3, George R. De Silva Mawatha, Colombo 13
40	Kuliyapitiya	037-2117232	No. 107, Kurunegala Road, Kuliyapitiya.

No	Branches	Branch Contact Number	Branch Address
41	Kurunegala	037-2117236	No. 140, Colombo Road, Kurunegala
42	Maharagama	011-2127312	223 1/1, High Level Road, Maharagama
43	Mahiyanganaya	055-2117240	No. 40/41, Kandy Road, Mahiyanganaya
44	Malabe	011-2127348	No. 411/A, Athurugiriya Road, Malabe.
45	Matale	066-2117220	83, King Street, Matale
46	Matara	041-2117224	No. 38, Station Road, Matara
47	Matugama	034-7424989	No.52B, Neboda Road, Matugama
48	Medawachchiya	025-2117241	No.167, Jaffna Road, Medawachchiya
49	Medirigiriya	027-2117238	Yamuna Hotel, Pola Asala, Medirigiriya
50	Melsiripura	037-2117208	No.328, Dambulla Road, Melsiripura
51	Monaragala	055-2117208	No.38 and 40, Wijesuriya Building, Wellawaya Road, Monaragala
52	Moratuwa	011-2127304	No. 492 1/1 (Formally 435 1/1), Galle Road, Rawathawatta, Moratuwa
53	Negombo	031-2117212	No.129, 2nd Floor, St. Joseph Street, Negombo
54	Nelliyadi	021-2117228	Vickneswara College Rd, Karaveddy, Nelliyadi.
55	Nikawaratiya	037-2117240	No. 31 A, Heelogama Road, Nikaweratiya
56	Nittambuwa	033-2117208	No. 195/2, Colombo Road, Nittambuwa
57	Nugegoda	011-2127320	No. 19, Railway Avenue, Nugegoda.
58	Nuwara Eliya	052-2117216	No.86, Kandy Road, Nuwara-Eliya
59	Padukka	011-2127324	No. 35/C 1/2, M. D. H Jayawardana Mawatha, Padukka
60	Panadura	038-2117233	No.21/1-A Grace Peiris Mawatha, Panadura
61	Pilimathalawa	081-2117228	No. 207/1/2, Colombo Road, Pilimathalawa
62	Piliyandala	011-2127308	No.14/A, Hospital Road, Piliyandala
63	Polonnaruwa	027-2117208	No.46, Shanas Bldg, Main Street, Kaduruwela, Polonnaruwa
64	Puttalam	032-2117224	No. 126 C, Kurunegala Road, Puttalam.
65	Rathnapura	045-2231800	No. 37/1/3, Bandaranayaka Mawatha, Rathnapura
66	Ruwanwella	036-2117232	No.195 A, Avisawella Road, Ruwanwella.
67	Tambuttegama	025-2117237	No. 271A, Anuradhapura Road, Thambuttegama
68	Tangalle	011-3673446	No.104, Beliatha Road, Tangalle.
69	Tissamaharama	047-2117208	No.75/1/1, Jayaweera Bld, Main Street, Tissamaharamaya
70	Trincomalee	026-2117208	No.323/1, Ehambaram Road, Trincomalee
71	Urubokka	041-3040917	K.A.D. Oil Mart Building, Udahavave Waththa. Urubokka
72	Vavuniya	024-2117236	No.72, 2nd Cross Street, Vavuniya
73	Welimada	057-2117204	No. 19, Hemapala Munidasa Mawatha, Welimada
74	Wellawatta	011-2127336	No.416, Galle Road, Colombo 06
75	Wellawaya	055-2117224	Monaragala Road, Wellawaya
76	Wennappuwa	031-2253671	No.31, Main Street, Wennappuwa.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 33rd Annual General Meeting ("AGM") of Janashakthi Insurance PLC will be held, as a virtual meeting on 30th March 2026 at 10.00 a.m. for the following purposes:

1. To receive the Annual Report and the Audited Financial Statements of the Company for the year ended 31st December 2025 together with the Report of the Auditors thereon.
2. To re-elect Mr. Ramesh Schaffter who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers himself for re-election as a Director.
3. To re-elect Mr. Sivakrishnarajah Renganathan who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers himself for re-election as a Director.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED THAT the continuation in office of Ms. Warini de Costa as an Independent Non-Executive Director of the Company, upon her attaining the age of seventy (70) years on 9th November 2026, be and is hereby approved in terms of Section 211 of the Companies Act No. 07 of 2007, Rule 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, and the applicable requirements of the Insurance Regulatory Commission of Sri Lanka."
5. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company for the ensuing year and authorize the Board of Directors to determine their remuneration.
6. To authorize the Directors to determine and make donations.

By order of the Board,



Janashakthi Corporate Services Limited
Secretaries

6th March 2026

Notes:

1. The Shareholders are requested to register with their first names and last names via the below link before 4.00 p.m, on 25th March 2026, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on 30th March 2026.

   https://tiikm.com/JIPLC-AGM2026
2. A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.
3. A Proxy need not be a member of the Company.
4. A Form of Proxy is enclosed for this purpose.
5. The completed Form of Proxy must be forwarded by email to secretaries@jcsl.lk, WhatsApp on +94 773647178 or directly deposited at the Office of the Janashakthi Insurance PLC.

   No registration of proxies will be accommodated after this deadline.
6. Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/her/its proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries as specified above in order that their vote may be identified and recorded as if he/she/it were present at the Meeting.

FORM OF PROXY

I/We.....

of .....

being a member/s of the above named Company, hereby appoint Mr/Mrs/Miss .....

..... (holder of N.I.C. No .....)

..... failing him/her

1. Ms. Annika Senanayake failing her
2. Mr. Prakash Schaffter failing him
3. Mr. Sivakrishnarajah Renganathan failing him
4. Mr. Ramesh Schaffter failing him
5. Ms. Warini de Costa failing her
6. Dr. Nishan de Mel failing him
7. Dr. Gehan Gunatilleke failing him
8. Mr. Dilip de S. Wijeyeratne failing him
9. Mr. Ravi Liyanage

as my/our Proxy to represent me/us and vote on my/our behalf for/or against the resolution and/or to speak at the 33rd Annual General Meeting of the Company to be held as a virtual meeting on 30th March 2026 at 10.00 a.m. and at any adjournment thereof for the following purposes;

Please indicate your preference by placing a 'X' in the box of your choice against each Resolution

		For	Against
1.	Receiving of the Annual Report and the Audited Financial Statements of the Company for the year ended 31st December 2025 together with the Report of the Auditors thereon.		
2.	Re-election of Mr. Ramesh Schaffter who retires by rotation in terms of Article 25 of the Articles of Association of the Company.		
3.	Re-election of Mr. Sivakrishnarajah Renganathan who retires by rotation in terms of Article 25 of the Articles of Association of the Company.		
4.	Continuation in office of Ms. Warini de Costa as an Independent Non-Executive Director upon attaining the age of seventy (70) years. Ordinary Resolution:		
5.	Re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company for the ensuing year and authorizing the Board of Directors to determine their remuneration.		
6.	Authorizing the Directors to determine and make donations.		

Signed this ..... day of 2026

Signature

.....
N.I.C. Number of the Shareholder

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the form of Proxy overleaf, after filling in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.
2. The completed form of Proxy must be forwarded to the Company Secretaries by email secretaries@jcsl.lk, WhatsApp on +94 773647178 or directly deposited at the office of Janashakthi Insurance PLC, 1st Floor, Bishop's Gate Building, 338, T.B. Jayah Mawatha, Colombo 10 not less than 48 hours before the time fixed for the Meeting. No registration of proxies will be accommodated after this deadline.
3. If an Attorney has signed the form of Proxy, the relative Power of Attorney should also accompany the completed form of Proxy for registration if such Power of Attorney has not already been registered with the Company.
4. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to require evidence of the authority of any such attorney or officer.
5. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the form of Proxy has been completed, no vote will be recorded by the form of Proxy.

STAKEHOLDER FEEDBACK FORM

To request information or submit a comment/query to the Company, please complete the following and return this page to,

Janashakthi Corporate Services Limited
Level 39
No. 324, Havelock Road
Colombo 06
Sri Lanka.
WhatsApp on +94 773647178
Email: secretaries@jcsl.lk

Name : .....

Permanent Mailing Address : .....

Contact Numbers (Tel) : ....
Country Code Area Code Number

Contact Numbers (Tel) : ....
Country Code Area Code Number

(Fax) : ....
Country Code Area Code Number

Name of Company (If Applicable) : .....

Designation (If Applicable) : .....

Company Addres (If Applicable) : .....

Comments/Queries

Designed & produced by
emagewise
Printed by Softwave Printing & Packaging (Pvt) Ltd


JANASHAKTHI
Life


JXG
JANASHAKTHI GROUP