Smart Finance, Smarter Future

FINTREX finance

YOUR TRUSTED FINANCE PARTNER

FINTREX FINANCE PLC
ANNUAL REPORT 2024/25

FINTREX finance

YOUR TRUSTED FINANCE PARTNER

Smart Finance Smarter Future

At Fintrex Finance PLC, we believe the future is not a distant horizon, it is a vision we actively shape today. In a world where change is constant and innovation is relentless; we recognize that the foundation of a smarter tomorrow lies in the financial decisions we make today. That's why we are committed to delivering smart financial solutions that are not only responsive to the present but also resilient for the future.

Guided by a strong legacy of expertise and a forward-looking mindset, we are redefining the role of finance in people's lives. Our approach blends technological innovation with deep financial acumen, ensuring that every product, service, and interaction is designed to deliver clarity, confidence, and convenience. Whether it's empowering individuals to achieve their aspirations or enabling businesses to scale new heights, our solutions are crafted to unlock potential and drive sustainable growth.

Over the past year, we have made significant strides in enhancing our digital infrastructure, introducing smarter, faster, and more secure platforms that elevate the customer experience. These advancements are not merely about digitization, they are about democratizing access, enhancing financial literacy, and enabling informed decision-making. Through data-driven insights, automation, and customer-centric innovation, we are building a financial ecosystem that is agile, inclusive, and future-ready.

At Fintrex, smart finance is more than a strategy, it is a commitment to progress. It is about anticipating needs, embracing change, and delivering value that endures. As we look ahead, we remain steadfast in our mission to lead with purpose, innovate with integrity, and build a smarter, more resilient future for all our stakeholders.

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Introduction to Our Integrated Report

We are pleased to present the 4th integrated annual report of Fintrex Finance PLC (FFL or the Company) for the year ended 31 March 2025, under the theme 'Smart Finance Smarter Future' emphasising our steadfast commitment to building a smarter future through smarter financial solutions. Since it is our first financial year as a public quoted company, FFL is committed to enhance transparency by reporting not only on its financial performance but also on its non-financial performance, including Environmental, Social and Governance (ESG) impact. The report offers a balanced and unbiased portrayal of the Company's financial and operational performance during 12 months ending 31 March 2025, highlighting its value creation philosophy encompassing strategy, sustainability focus, stakeholder engagement and value generation aligning with the six-capital reporting structure outlined in the Integrated Reporting Framework. The report primarily intends to meet the information requirements of investors and other stakeholders.

Report Scope & Boundary

GRI 2-2, 2-3

This report presents a complete view of the Company's operations for the financial year 2024/25, covering the reporting period from 1st April 2024 to 31 March 2025 (herein referred to as FY 2024/25) in correspondence with the Company's financial reporting cycle. The key objective of this report is to provide shareholders with the necessary information and comply with regulatory standards, while offering a comprehensive overview of the Company's operations to all the stakeholders. The report outlines Fintrex's own business operations as a proactive financial service provider within the domestic market.

The report takes into consideration both internal operations and external factors that affect the organisation's value-creation process and covers the material areas that are most relevant to stakeholders, providing a comprehensive and transparent view of the organisation's performance and impact. FFL has no other affiliated entities, and all of our financial information is fully included in the audited financial statements.

Target Audience

The integrated annual report of FFL for FY 2024/25 is designed to meet the needs of a diverse group of stakeholders encompassing shareholders and investors, customers, employees, suppliers and business partners, regulators, and the community and environment.

Accessing this report

The Annual Report will be published on CSE web site as well as our corporate web site on June 6th, 2025. The Annual Report for FY 2024/25 as well as the previous reports are available under the "Investor Relations" tab on the corporate website https://www.fintrexfinance.com/

This report can be downloaded from our website
www.fintrexfinance.com

Key Improvements in FY 2024/25 Annual Report

- Reporting in accordance with the GRI standards. This allows users to make informed assessments and decisions about the organisation's impact and its contribution to sustainable development.
- Independent Assurance on sustainability reporting.
- Significant enhancement in the qualitative data provided through the six capitals, including the integrated reporting information flow for each capital report.
- Voluntary disclosure on Gender Parity Reporting issued by CA Sri Lanka.

Our Integrated Reporting Journey

This section illustrates the evolution of FFL's annual report since its inception, showcasing the company's ongoing efforts to enhance the quality and transparency of its reporting.

Reporting Frameworks

Integrated Reporting

- The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)
- A Preparer's Guide to Integrated Reporting issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

ESG & Sustainability Reporting

- Global Reporting Initiative (GRI) standards - 'In Accordance with the GRI Standards', issued by the Global Sustainability Standards Board
- United Nations Sustainable Development Goals (SDGs)
- Guideline on Environmental, Social and Governance (ESG) Reporting issued by the Colombo Stock Exchange (CSE)
- Disclosure on Gender Parity Reporting issued by CA Sri Lanka

Financial Reporting

- Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) and Lanka Accounting Standards (LKASs) issued by CA Sri Lanka
- Companies Act No. 07 of 2007
- Finance Business Act No. 42 of 2011
- Listing Rules of the Colombo Stock Exchange (CSE)

Corporate Governance Practices

- Finance Business Act Direction No. 05 of 2021on Corporate Governance issued by Central Bank of Sri Lanka
- Listing Rules of the Colombo Stock Exchange (CSE), including the revised Section 9 which was issued in August 2023
- Companies Act No. 07 of 2007 and amendments thereto
- Directions issued under Finance Business Act No. 42 of 2011

Assurance

- Sri Lanka Auditing Standards (SLAuSs)
- Sri Lanka Standard on Assurance Engagements (SLSAE) 3000; Assurance Engagements other than Audits or Review of Historical Financial Information, issued by CA Sri Lanka

Applying Integrated Thinking

The report emphasises our application of integrated thinking in organisational activities, adopting a cohesive approach to value creation that drives informed and balanced decision-making. In this regard, the Company aligns its stakeholder interests with its strategies, capitals, business model, risk management, governance, performance, inputs, outputs, and outcomes, aiming to understand the interdependencies of these activities thereby exploring our business operations from a broader perspective in ensuring a more connected, resilient and future focused organisation.

Introduction to Our Integrated Report

Guiding Principles

FFL has applied the below guiding principles in preparing this integrated report to ensure that it provides a holistic and credible review of our performance.

Connectivity	This report provides a holistic view of the Company's value creation overtime by utilising unique capitals in its own business model.
Strategic Focus and Future Orientation	The report provides a comprehensive review of the Company's strategy and its impact on long-term value creation, emphasising future prospects.
Stakeholder Engagement	The report provides insight into how the Company engages with its stakeholders and manages their concerns.
Materiality	The Company has identified matters that significantly influence its ability to create value over the short, medium and long term.
Conciseness	The report provides a clear, focused, and easy to understand narration, providing the essential information in a way that is accessible to stakeholders.
Reliability and Completeness	The report provides timely and accurate information, including both positive and negative impacts and outcomes for the financial year. This is confirmed by the internal and external assurance of our financial statements and information.
Consistency and Comparability	The report showcases information that is consistent over a period of time and thus, comparable from year to year.

Assurance

GRI 2-5

The Company has adopted a combined assurance approach to verify the accuracy and completeness of the financial and non-financial information contained in this integrated report. The contents included herein have been first verified by the respective department heads. All financial information has been further reviewed by the Audit Committee before submission to the Board of Directors for approval. External assurance for the financial statements has been provided by Messrs Ernst & Young. Their comprehensive report detailing this assurance can be found on page 248 of the report. Furthermore, Messrs Ernst & Young have also provided an independent assurance on the adherence to the Global Reporting Initiative (GRI) Standards, with their detailed findings presented on page 150.

Forward-looking statements

This integrated report may contain "forward-looking statements" which have been included to enhance the future orientation of the report. These are based on information available at the time of preparation of the report sourced from reliable and publicly available information, internal information and our perceptions and opinions. Furthermore, considering the unpredictable and volatile nature of the financial markets and industry, which can lead to unforeseen events, FFL recognises that future milestones may diverge from those outlined in the Report. Therefore, these statements may carry a significant level of uncertainty where actual results may differ from their current expectations. FFL acknowledges such disruption to the roadmap may be inevitable and while every effort is made to provide assurance, it cannot be guaranteed that the envisioned future will precisely align with the path ahead. Hence, readers are advised not to place excessive reliance on forward-looking statements, as these statements involve risks and uncertainties that may cause actual results to differ significantly from what is anticipated.

Restatements of information

GRI 2-4

There are no restatements of financial or non-financial information which was audited in the previous year.

Feedback and Queries;

GRI 2-3

Your comments and queries on this report are welcome and we invite you to communicate your feedback to the designated person below.

Name : Mr. Yenuka Geemal
Designation : Head of Treasury
Address : Fintrex Finance PLC,
No. 851,
Dr Danister De Silva Mawatha, Colombo 14.
E-mail : yenukag@fintrexfinance.com
Telephone : 0117200100

Board Responsibility Statement

The Board of Directors of Fintrex Finance PLC, bearing ultimate responsibility for the accuracy of the Integrated Annual Report, affirms to all stakeholders that due consideration of materiality was a paramount focus during the report's preparation. While we have presented the Company's value creation process through the six-capital reporting framework, we have also voluntarily adhered to the GRI standards, UN SDGs and several other sustainability standards in disclosing our sustainability commitment during the reporting period. Therefore, the report presents a comprehensive review of the matters that are most material to the Company, stakeholder considerations and the strategies in place to drive sustainable progress.

The Board is committed to ensuring that this report provides an honest and comprehensive reflection of FFL's progress during FY 2024/25, a year marked by rebuilding efforts and strategic planning. This dedication to transparency and accountability underscores the Company's ethos of the reporting of its performance without omissions. In addition, independent assurance on the Financial Statements for the year ended 31 March 2025 has been provided by the Company's external auditors, Messrs. Ernst & Young, Chartered Accountants which form an integral part of this report.

Mr. Jayathilake Bandara
Chief Executive Officer

Navigation Icons

Capital Icons

Financial Capital

Manufactured Capital

Human Capital

Social & Relationship Capital

Intellectual Capital

Natural Capital

Stakeholders

Customers

Employees

Shareholders & Investors

Regulators

Suppliers & Partners

Community & Environment

About Fintrex Finance

GRI 2-1

Incorporated in 2007 as a limited liability company under the Companies Act No. 07 of 2007, Fintrex Finance PLC (the Company / FFL) has emerged as a visible player within the country's non-banking financial sector within a short period of time. It is a registered finance Company under the Central Bank of Sri Lanka. Further, the Company is duly registered under the Finance Business Act No. 42 of 2011 and Finance Leasing Act No. 56 of 2000. These registrations collectively ensure that the company operates within the bounds of national financial regulations, maintaining legitimacy and regulatory compliance in all its financial dealings and services.

FFL owned by a Special Purpose Entity (SPE) Bluestone 1 (Pvt) Limited, which comprises a consortium of world-class investors including Fairfax Holdings, a global insurance giant that is the largest shareholder (70%). While Amaliya (Pvt) Ltd and Rosewood (Pvt) Ltd together hold 24% of the equity shareholding, the remaining 6% is held by other shareholders. The investors of the Company are represented on the Board by Mr. Ajit Gunewardene (Chairman), Mr. Ronnie Peiris and Mr. Shantanu Nagpal, who are well-known professionals in the corporate arena. Fintrex was formerly known as Melsta Regal Finance Ltd and was a fully owned subsidiary of Melstacorp PLC. Its registered office is located at No. 851, Dr. Danister De Silva Mawatha, Colombo 14. Presently, the Company conducts its activities and services exclusively within local boundaries.

Fintrex has achieved a remarkable milestone in FY 2024/25 by successfully issuing Sri Lanka's first-ever high yield bond, valued at an impressive Rs. 1 Billion, on the very first day of its launch. This groundbreaking event not only highlights the company's innovative approach and financial acumen but also sets a new benchmark in the country's financial sector, showcasing Fintrex's leadership and commitment to pioneering financial solutions. The bond has been officially listed on the Colombo Stock Exchange (CSE) as of March 11, 2025. This significant event marks a pivotal moment in Fintrex's history, symbolizing its transition into a Public Limited Company (PLC) and changed its name as **"Fintrex Finance PLC"**

The Company's brand name 'Fintrex' resonates with the meaning of 'financial entrepreneurs' and 'experts', affirming what we stand for and underscoring the dynamic blend that distinguishes the Company from its competitors. This also reflects the team's ability to maximise impact and deliver meaningful value to customers by leveraging our strong drive for action, swift decision-making, and adaptability.

With a perpetual effort to cater to the evolving needs of the customers through developing innovative financial solutions, the Company strives to support the economic well-being of the customers – individuals and businesses – ensuring their long-term financial health and social upliftment.

Driven by a steadfast commitment to becoming one of Sri Lanka's leading financial service providers, the Company has established a strong presence in the sector, offering customised financial solutions to meet the evolving needs of its diverse clientele. Its comprehensive portfolio includes leasing, savings, fixed deposits, SME loans, Mobile Loans and green loans, with a strategic focus on empowering the SME sector widely recognised as the cornerstone of a resilient and adaptable economy. Through dedicated financial support aimed at fostering the growth and development of this crucial segment, FFL continues to play a meaningful role in advancing societal well-being and driving national economic progress.

In response to the evolving demands of the digital banking era, the Company continuously enhances its digital presence by leveraging advanced technologies to improve operational efficiency and meet the expectations of today's tech-savvy customers. Embracing digital innovation has also been instrumental in driving the Company's commitment to environmental sustainability, assisting in reducing its ecological footprint.

A core strength of the Company is its strong and capable workforce who are equipped with the industry know-how that is necessary to thrive in the modern tech-driven financial landscape. While this expertise is further sharpened through training and education, the Company further implements a range of activities to empower this significant stakeholder group through engagement, benefits, and growth prospects including leadership opportunities to support their professional evolution. They in turn contribute to the Company's value creation, with greater understanding of customer mindset and behaviours thereby assisting them in realising their financial dreams.

Vision

Be within the top 5 financial solution providers by creating value to everyone we engage with.

Mission

Create Value to:

* Our customers by offering services at their convenience through innovative technology.
* Our staff by developing and empowering to offer superior service.
* Our shareholders by optimizing returns.
* Our society by committing good governance.
* Our nation by contributing to their wellbeing.

Values

Fairness	We treat people equitably
Innovation	We seek creativity in everything we do
Nurture	We develop our employees and customers
Transparent	We will be open and honest in all our dealings
Respect	We treat all individuals with dignity
Elevate	We help in uplifting the social wellbeing of our nation
Xenial	We are sincere to all our stakeholders

Key Historical Milestones

2012

FEBRUARY
Received the finance license from Central Bank of Sri Lanka to commence finance business

OCTOBER
Opening of the Head office premises by Governor of Central Bank of Sri Lanka A N Cabral & Group Chairman D H S Jayawardena & commenced business operations

2013

MAY
The Company was rated Fitch A+(lka)

SEPTEMBER
Opening of first Branch in Kurunegala by Group Chairman - Deshamanya D H S Jayawardena

NOVEMBER
Opening of Matara branch

2014

MARCH
Opening of Kandy branch
Rights Issue of Rs. 650 Mn
SLITAD People Development Award 2014 Bronze Winner

JULY
Opening of Negombo branch

OCTOBER
First Foreign Currency Loan of USD 10Mn

2015

MARCH
Recorded PBT of Rs. 100 Mn and Total Assets reached to Rs. 5 Bn

AUGUST
Opening of Kiribathgoda Service Center
Opening of Kegalle branch

OCTOBER
Relocation of Kandy branch

2016

MARCH
Opening of Kuliyapitiya Branch

NOVEMBER
Opening of Gampaha Branch

DECEMBER
Opening of Kaluthara Branch

2018

APRIL
Change of ownership- Acquired by Bluestone 1 (Pvt) Ltd

SEPTEMBER
Name changed to Fintrex Finance Limited

2019

JANUARY
Opening of Dambulla Branch

MARCH
Recorded PBT of Rs. 200 Mn and Total Assets reached to Rs. 8 Bn

2020

FEBRUARY
Opening of City Branch

JUNE
Rating upward from Fitch B (lka) to B+ (lka)

2022

Awarded 'Great Place to Work' Certification

Opening of Nugegoda Branch - June 2022

Won the Bronze Award (NBFI -Total group assets up to 20 Bn) at the Annual Reports TAGS awards.

Recognized as Most Respected Entities - LMD August 2022

New products launched- Dream Planner, Over Drive, Flexy Fix and Gold Purchase loan

2021

MAY
Branch relocation - Kiribathgoda

JUNE
The Fastest Growing Finance Company
Awarded 'Great Place to Work' Certification

MARCH
Recorded PAT of Rs. 327.5 Mn and Total Assets reached to Rs. 12.6 Bn

New Branches
Galle - November 2021
Malabe - February 2022
Maharagama - February 2022
Pettah - March 2022

2023

AUGUST
Recognized as Most Respected Entities - LMD

DECEMBER
Won the Bronze Award (NBFI Sector - total group asset up to Rs. 20Bn) at the Annual Report TAGS Awards.

MARCH
Awarded Great Place to Work Certification.

Relocation of Kurunegala Branch.

Relocation of City Branch and renamed as "Signature Branch".

Recorded PAT of Rs. 110Mn and total asset and deposit base reached to Rs. 15Bn and Rs. 6.3Bn respectively.

Introduced new product Fintrex Smart Phone Loan, Fintrex Study Pulse, Fintrex Solar Loan and re-branded agriculture loan scheme as Fintrex AgriNex.

2024

MAY 2024
Launched Island-Wide Mobile Financing Solution

August 2024
Credit rating was upgraded from B+ to BB- by Fitch Ratings

September 2024
Relocation of Kuliyapitiya Branch

November 2024
Relocation of Gampaha Branch

December 2024
Honored with the Silver Award at Annual Report Tags Awards Ceremony (NBFI Sector -Total Group Assets up to Rs. 25 Bn).

January 2025
Credit rating was upgraded from BB- to BB by Fitch Ratings

February 2025
Issued Sri Lanka's First High-Yield Bond worth of Rs. 1Bn

March 2025
High Yield Bonds are listed on the Debt Board of Colombo Stock Exchange on 11th March 2025

Legal Status of the Company has been changed to "Public Limited Company (PLC)" on 26th March 2025.

Recorded PAT of Rs. 183.9Mn and total assets and deposit base reached Rs. 21.7Bn and Rs. 9.7Bn respectively.

Snapshot of the Year

Paving the Way for a Smarter Financial Future

In a year marked by transformation and resilience, Fintrex Finance PLC achieved several strategic milestones that reflect our commitment to innovation, financial strength, and stakeholder value creation. These accomplishments underscore our journey toward becoming a future-ready financial institution, aligned with our theme Smart Finance, Smarter Future.

Capital Market Breakthrough

Issued Sri Lanka's First High-Yield Bond

In a landmark move, we successfully issued the country's first high-yield bond valued at Rs. 1 billion, which was listed on the Colombo Stock Exchange (CSE). This milestone not only enhanced our capital base but also positioned Fintrex as a pioneer in innovative financial instruments within the NBFI sector.

Strengthened Financial Standing

Fitch Ratings Upgraded Twice

Reflecting our improved financial performance and governance, Fitch Ratings upgraded Fintrex Finance PLC twice during the year from B+ to BB- in August 2024, and subsequently to BB in January 2025. These upgrades affirm our growing credibility and financial resilience.

Recognition for Excellence

Silver Award at TAGS Annual Report Awards Ceremony

We were honored with the Silver Award in the NBFI Sector (Total Group Assets up to Rs. 25 Bn) at the prestigious Annual Report TAGS Awards organized by the Institute of Chartered Accountants of Sri Lanka. This recognition reflects our commitment to transparency, accountability, and excellence in corporate reporting.

Innovation in Financial Access

Launched Island-Wide Mobile Financing Solution

In line with our digital-first strategy, we introduced a nationwide mobile financing solution, expanding access to financial services across urban and rural communities. This initiative supports financial inclusion and enhances customer convenience through smart, on-the-go financing.

Record-Breaking Financial Performance

Second Highest Profit in Company History

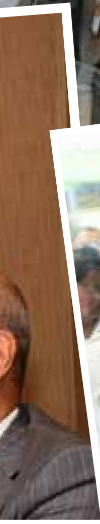
Demonstrating operational efficiency and strategic agility, we recorded the second highest profit in our history, reinforcing our ability to deliver sustainable value even in a dynamic economic environment.

Highest Growth in Assets and Deposits in NBFI Sector

Fintrex achieved the highest percentage growth in both assets and deposits within the Non-Banking Financial Institution (NBFI) sector, a testament to our robust business model and customer trust.



CSE

COMMEMORATING
THE INAUGURAL
ISSUANCE OF
HIGH YIELD BOND



"WE BUILD TRUST
YOU BUILD WEALTH"

THE DIGITAL AGE


Investors’ Forum 2025: A Strategic Dialogue on Growth and Innovation

Fintrex Finance PLC successfully hosted its Investors’ Forum on 09th January 2025 at the Ramada Hotel, Colombo, marking a significant milestone in its journey toward financial innovation and strategic growth. The event brought together a diverse group of corporate and individual investors to engage in an open dialogue on the company’s future direction and the High Yield Bond.

The forum provided a unique platform for investors to interact directly with the Board of Directors and senior management, gaining insights into Fintrex’s innovative product portfolio and long-term growth strategy. The event was further enriched by a detailed presentation from Mr. Yaveen Jayasekara, Chief Strategic Officer of Acuity Partners, the Manager to the Issue, who outlined the key features of the bond.

Mr. Dilshan Wirasekara, Chairman of the CSE, emphasized the significance of this being Sri Lanka’s first high yield bond and endorsed the the yield as highly attractive in the prevailing low-interest environment.

The forum also featured a dynamic Q&A session, where stakeholders including Experienced Banking and Finance professional, Mr. Roshan Nayanayakkara and Veteran Actor, Mr. Kamal Addararachchi raised pertinent questions on growth, acquisitions, and geographic expansion. Chairman Mr. Ajit Gunewardene and CEO Mr. Jayathilake Bandara addressed these with clarity, reaffirming Fintrex’s commitment to organic growth, strategic acquisitions, and technology-driven expansion beyond traditional branch networks.

The event concluded on a high note, leaving participants confident in Fintrex’s vision and its role as a forward-thinking financial institution in Sri Lanka’s evolving financial landscape.






Bell Ringing Ceremony at CSE: Marking a Historic Milestone in Sri Lanka's Capital Market

Fintrex Finance PLC proudly marked a historic achievement with the successful conclusion and listing of Sri Lanka's first-ever High Yield Bond, valued at LKR 1 Billion. The bond issue, which was oversubscribed on its opening day of 25th February 2025, demonstrates the strong investor confidence in Fintrex's financial strength and strategic direction.

To commemorate this landmark event, a Bell Ringing Ceremony was held at the Colombo Stock Exchange (CSE) on 14th March 2025, following the official listing on 11th March 2025. The ceremony celebrated not only the success of the bond issue but also the pioneering role Fintrex Finance plays in shaping the future of Sri Lanka's capital markets.

The event was graced by distinguished guests including Mr. Dilshan Wirasekara, Chairman - CSE, Mr. Rajeeva Bandaranaike, CEO - CSE, Mr. Renuke Wijayawardhane, Chief Regulatory Officer - CSE, Mr. Ajit Gunewardene, Chairman - FFL, Mr. Jayathilake Bandara, CEO - FFL, Mr. Ray Abeywardena, Managing Director - HNB Investment Bank (HNBIB) & Senior officials from CSE, FFL & HNBIB, the Managers to the Issue.

Our Product Lines

Leasing

Fintrex Easy Leasing

Fintrex Easy Leasing is tailored to provide financing for brand new, reconditioned, registered or unregistered, petrol, hybrid or electric motor vehicles such as cars, dual purpose vehicles, vans, medium commercial vehicles, three wheelers and two wheelers. This service aims to cater to different borrowers while ensuring quick processing and delivery of the financing, ensuring a seamless and efficient leasing experience.

Fintrex Easy Leasing provides facilities to various types of borrowers, including salaried employees, individuals engaged in business, SMEs, and corporate clients.
The minimum tenor (duration) of the facility offered is 12 months, with a maximum tenor of 60 months, offering borrowers a range of repayment periods to choose from.

Fintrex Smart Cash

Fintrex Smart Cash is designed to provide swift and versatile financing options for brand new, reconditioned, or registered motor vehicles like cars, vans, and SUVs. This service caters to a diverse clientele by offering quick processing times and a variety of repayment terms, ensuring that borrowers can meet their financial needs promptly and efficiently.

Fintrex Smart Draft

Fintrex Smart Draft facility is designed as a flexible vehicle finance option for the customers. The product aims to provide the short-term funding requirement of customers with flexible re-payment options.

The loan will be granted for a maximum period of 18 months and the customers can re-pay the interest monthly with the capital to be paid at any point within the approved period

Fintrex Over Drive (Revolving Draft)

Fintrex Over Drive facility enables the customer to access an additional cash reserve for any requirement. By comprehending the customers' borrowing needs which vary throughout the year, Over Drive facility gives flexible funds to manage cash flow, take advantage of timely bargains, meeting unexpected emergencies and much more, all with just a one-time application. Customers can make multiple drawdowns-based requirements within the pre-approved credit limit, and it allows capital repayments bringing the liability down, during the tenor, making it an ideal financial tool for both individuals and businesses.

Business Loans

We are deeply committed to supporting the SME sector by facilitating quick access to financing for the entrepreneurial SMEs offering them a range of financing options that would suit the cash flows of their business and help them grow their enterprise. We provide two types of business loans including short terms loans and long-term loans to purchase stocks and raw material, meet the recurring expenditure, and invest in capital goods, respectively.

Long-term loans

FFL is dedicated to empowering businesses by offering long-term loan facilities specifically designed to support major investments and drive growth.

The long-term loan facility is available to purchase property, vehicles and machinery. While personal guarantees can be offered as security, it provides a repayment period between 13 months to 60 months along with a grace period based on the business cash flows and nature of projects.

Short-term loans

Fintrex provides customized short-term loans aimed at fulfilling the immediate working capital needs of businesses.These loans are structured to provide quick access to funds, enabling businesses to manage their day-to-day operations efficiently and capitalize on short-term opportunities. With flexible repayment period of 12 months or less, our short-term loans are an ideal financial tool for maintaining smooth operational flow and addressing urgent financial needs.

Fixed Deposits

"Vishvasa" Fixed Deposit presents a secure and rewarding way for individuals to grow their savings with competitive interest rates, providing a higher return, particularly in challenging economic environments.

Backed by reputable global investors and a robust governance and risk management system, we guarantee reliable investment plans that prioritize our clients' convenience and financial well-being.

Clients may select from a variety of flexible deposit terms, with options available from as short as 1 month to as long as 60 months while receiving the interest payments either monthly or upon maturity. This flexibility allows individuals to tailor their investments according to their financial goals and liquidity needs.

Moreover, we provide a cashback facility against fixed deposits, granting access up to 90% of the value of their investment. This feature provides liquidity and financial flexibility, subject to terms and conditions .

Our Product Lines

Saving Deposits

In order to encourage the practice of saving among our customers, especially among SME entrepreneurs of the SME sector that represent the future of the nation, FFL offers three savings products; 'Vishishta' savings account for those who are above the age of 18 years, 'Shreshta' senior citizens' savings account for those who are above the age of 60 years and 'Pravishta' children's savings account for children who are below the age of 18 years.

These savings products provide customers with easy access to services such as cash deposits, withdrawals, and fund transfers through the island-wide network with a standing order facility.

All three savings products come with attractive interest rates, calculated on a daily basis and credited monthly, giving customers both flexibility and rewarding returns on their savings.

Ran Shakthi Gold Loan

Ran Shakthi Gold Loan facility offers our customers swift access to highest cash advances against gold, especially during times of urgent financial need, with accurate assessment and flexibility in repayment and redeeming. We guarantee the most accurate assessment with the help of the latest technology and quick service while ensuring maximum security for the assets.

Continuous increase of gold prices in the Sri Lankan market, local citizen finds it difficult to make an outright purchase of Gold. Therefore, "Ranshakthi Gold Purchasing Loan" offers customers with the opportunity to buy gold jewellary of their choice from reputed gold jewellers in Sri Lanka by paying in instalments with minimal pressure on their cash flow.

Flexy Fix – Money Market Savings Account

Fintrex Flexy Fix Money Market Savings Account is aimed for corporate and high net worth individuals, SMEs who seek a product that offers better fund management capabilities for short term investments, assuring direct returns. Promising 'higher returns for shorter period', Flexy Fix Money Market Savings provides the flexibility needed to manage short term investments at their own convenience while enjoying enhanced interest rates ,daily interest accrual and the freedom to make withdrawals at any time.

Dream Planner- Investment Planner Account

Dream Planner is an innovative savings plan created to help individuals turn their financial dreams into reality. It enables customers to commit to a fixed monthly savings amount, ensuring disciplined savings towards their desired financial goals.

This product offers a unique opportunity for individuals to plan and achieve their aspirations, whether aiming to buy a dream home, cover education expenses, or building a retirement fund. Customers can set a target amount they wish to achieve by the end of the agreed target period. Whether it's saving for a down payment on a house or accumulating funds for a dream vacation, Dream Planner helps customers stay focused on their objectives. Dream Planner offers flexibility in choosing the target period, ranging from a minimum of 1 year to a maximum of 5 years. This allows customers to align their savings plan with their specific timeline and financial objectives.

Fintrex AgriNEX

In line with our commitment to sustainable development, AgriNEX offers tailored financial support to address the specific needs of farmers and agricultural entrepreneurs.

Derived from the words "Agri" for agriculture and "NEX" for Nexus AgriNEX represents the vital link between diverse agricultural sectors. With attractive installment options and flexible repayment terms, Fintrex AgriNEX is poised to alleviate financial constraints and empower agricultural stakeholders to invest in their enterprises for sustainable growth.

Fintrex Mobile Loan

Fintrex Mobile Loan scheme was introduced in the last quarter of 2023/24, presently demonstrated a remarkable growth in the mobile financing.

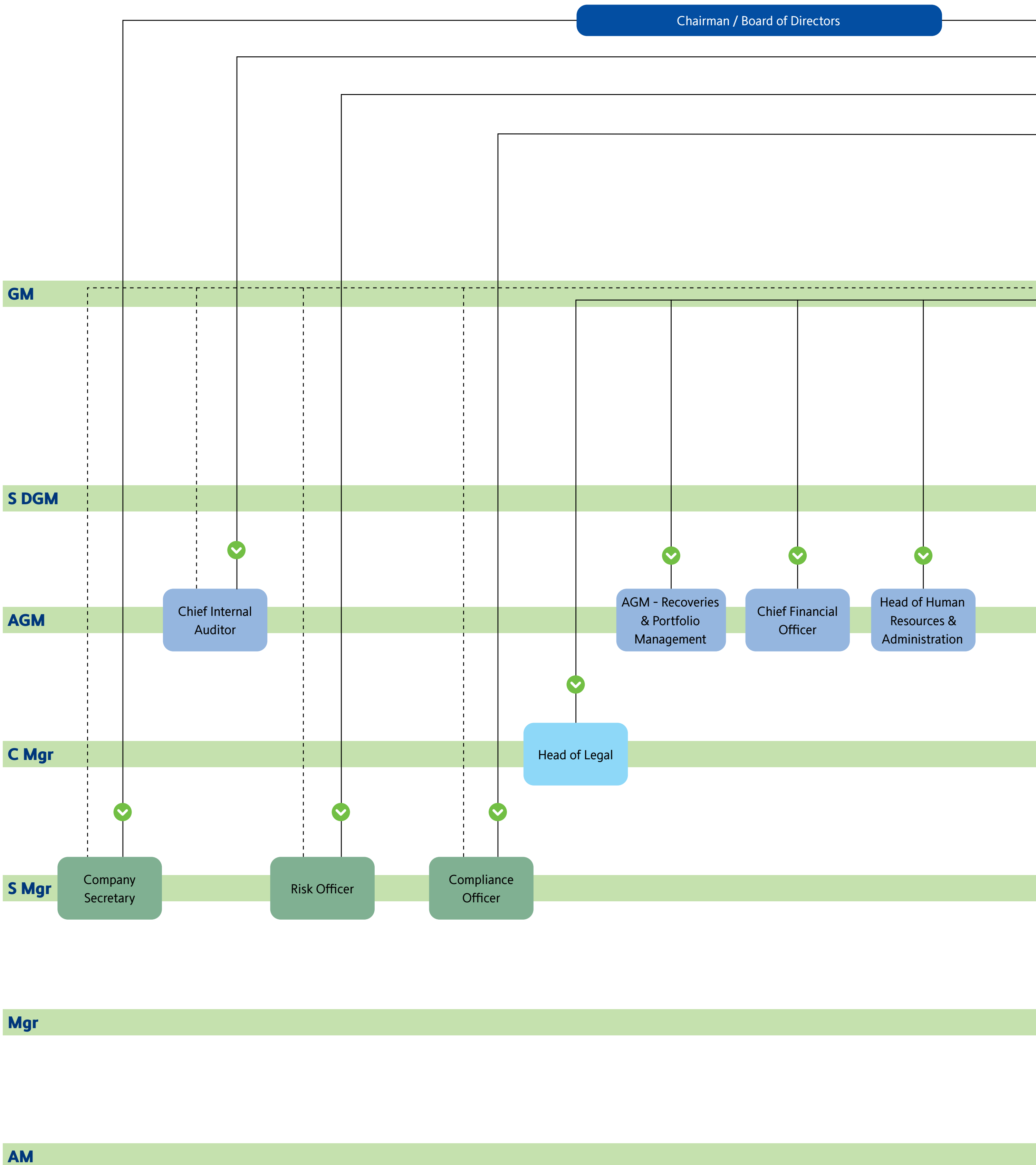
Recognizing the growing importance of mobile connectivity in daily life, Fintrex Mobile Loan was designed to provide seamless financing experience in collaboration with our network of authorized dealers. This product enables customers to purchase the latest Samsung android smartphones with ease, swift approval process, using affordable installment plans and minimal upfront payments.

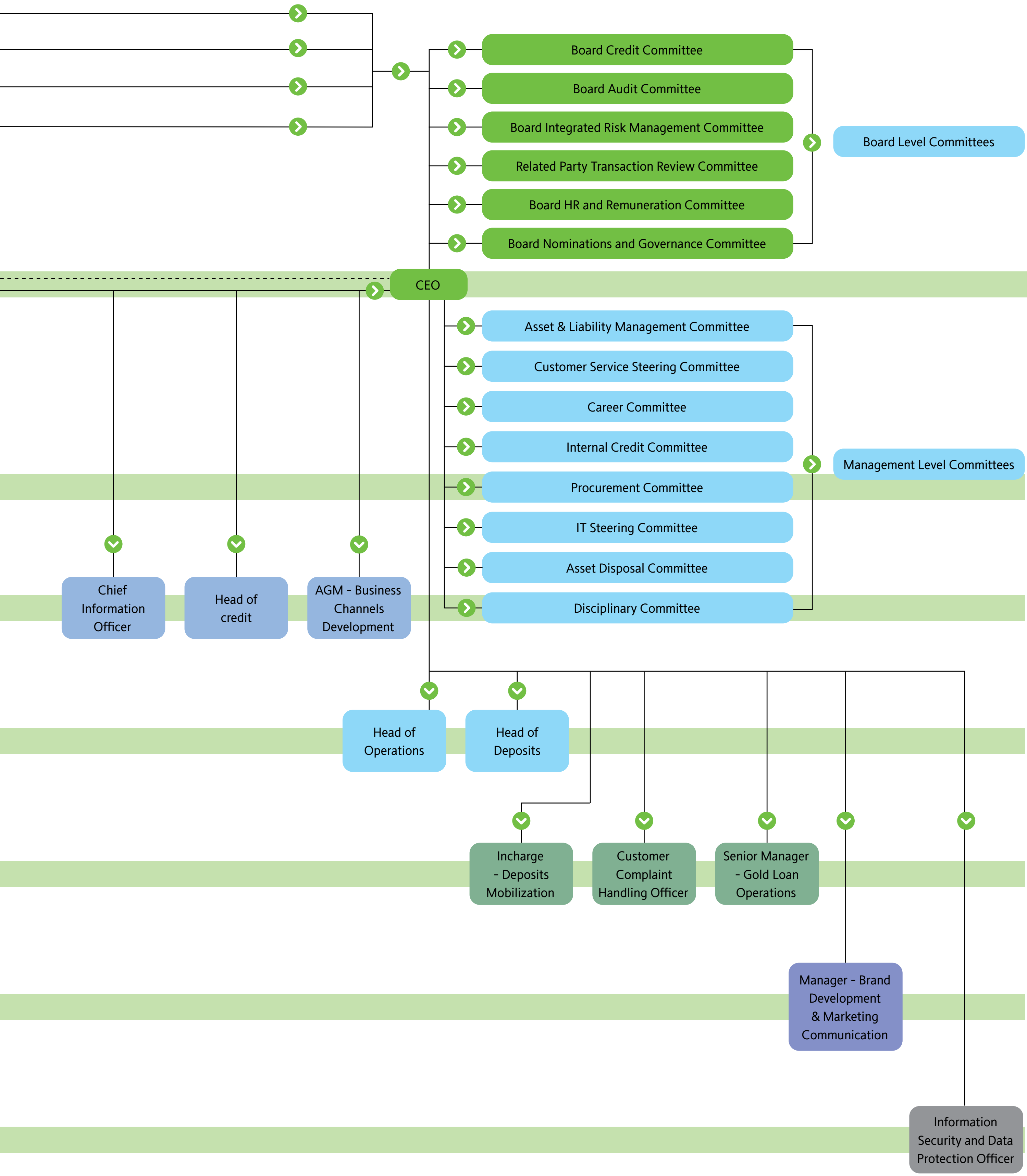
With an initial payment, customers can walk away with their chosen smartphone and repay the balance over flexible terms ranging from 3 to 24 months.

Fintrex Solar Loan

Fintrex Solar Loan caters to residential consumers, corporate entities and extended its reach to Small and Medium Enterprises (SMEs), recognizing their pivotal role in driving sustainable development. SMEs' and corporations can leverage the Fintrex Solar Loan to invest in solar energy solutions, not only to reduce operational costs but also to bolster their Corporate Social Responsibility (CSR) efforts.

Organizational Structure




Board Credit Committee
Board Audit Committee
Board Integrated Risk Management Committee
Related Party Transaction Review Committee
Board HR and Remuneration Committee
Board Nominations and Governance Committee
Board Level Committees
CEO
Asset & Liability Management Committee
Customer Service Steering Committee
Career Committee
Internal Credit Committee
Procurement Committee
IT Steering Committee
Asset Disposal Committee
Disciplinary Committee
Management Level Committees
Chief Information Officer
Head of credit
AGM - Business Channels Development
Head of Operations
Head of Deposits
Incharge - Deposits Mobilization
Customer Complaint Handling Officer
Senior Manager - Gold Loan Operations
Manager - Brand Development & Marketing Communication
Information Security and Data Protection Officer

Smart People Smarter Partnerships

At the heart of every transformative journey lies a powerful partnership. As the Managing Director and Founder of TradeCo Lanka Pvt Ltd., I take immense pride in the strategic alliance we've built with Fintrex Finance, an alliance that exemplifies how smart thinking and shared vision can drive meaningful change.

Recognizing a gap in the market where many Sri Lankans aspired to own quality smartphones but were held back by high upfront costs, I proposed a fintech-driven solution. Fintrex Finance immediately saw the potential. Together, we co-created an innovative installment-based payment platform that empowers customers to access the technology they need, affordably and flexibly.

The results have been extraordinary. In just over a year, this initiative has not only gained strong market traction but has also advanced financial inclusion by reaching a previously underserved segment. Thousands now enjoy digital connectivity, thanks to a solution born from insight, innovation, and trust.

This success is a testament to the forward-thinking leadership of CEO, Mr. Jayathilake Bandara and the dynamic, customer-focused team at Fintrex Finance. Their openness to innovation and unwavering commitment to impact have made this partnership both seamless and inspiring.

As we look to the future, we are excited to scale this solution across new product categories, continuing to redefine what's possible through smart collaboration.

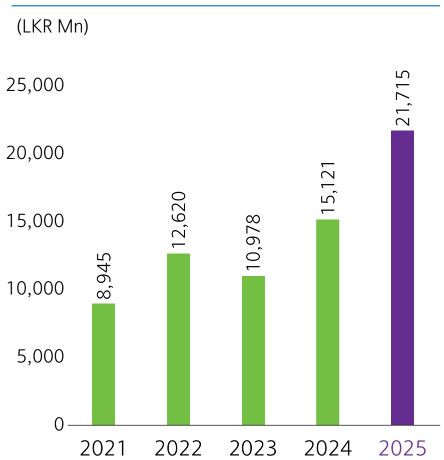
Keshan Fernando
MD & Founder, TradeCo Lanka Pvt Ltd.


SERANDIB
SnapPay

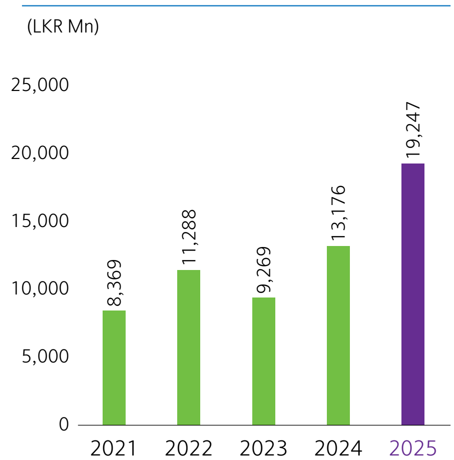
Financial Highlights

For the Year Ended 31 March,	2025	2024	Change %
Results for the year (LKR '000)			
Gross Income	3,755,154	2,882,334	30%
Interest Income	3,498,928	2,761,979	27%
Interest Expenses	1,755,645	1,739,683	-1%
Impairment (Charge)/Reversal	(271,672)	168,833	-261%
Operating Expenses	1,207,876	941,719	-28%
Profit before tax	321,236	215,405	49%
Profit after income tax	183,994	110,112	67%
Financial Position (LKR '000)			
Shareholder's fund	3,230,446	3,048,880	6%
Deposits from customers	9,736,479	6,295,627	55%
Leases,loans and advances	19,246,766	13,175,790	46%
Debt issued and other borrowed funds	7,534,651	4,856,684	55%
Total Assets	21,715,360	15,120,892	44%
Investor Information (LKR)			
Earnings per share	0.78	0.46	67%
Net assets per share	13.63	12.87	6%
Financial Indicators (%)			
Return on shareholders' funds	5.86	3.68	59%
Return on average assets	1.00	0.84	18%
Net interest margin	9.70	8.00	21%
Cost to income ratio	60.41	82.42	27%
Gross non performing loan	8.63	11.24	23%
Net non performing loan	6.09	8.89	31%
Statutory Ratios (%)			
Core Capital Ratios - (Minimum requirement- 8.5%)	13.55	16.07	-16%
Total Risk Weighted Capital Ratio - (Minimum requirement - 12.5%)	18.32	16.07	14%
Capital Funds to Deposit Liabilities Ratio - (Minimum Requirement -10%)	33.18	48.43	-31%

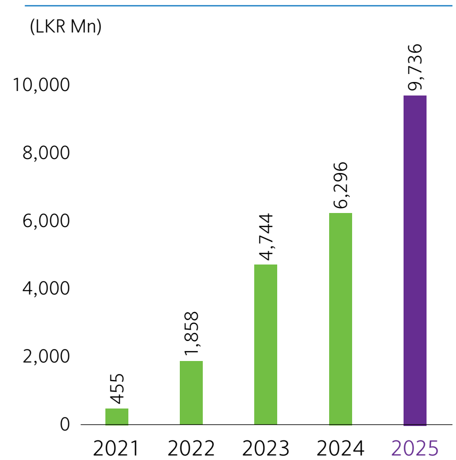
Total Assets



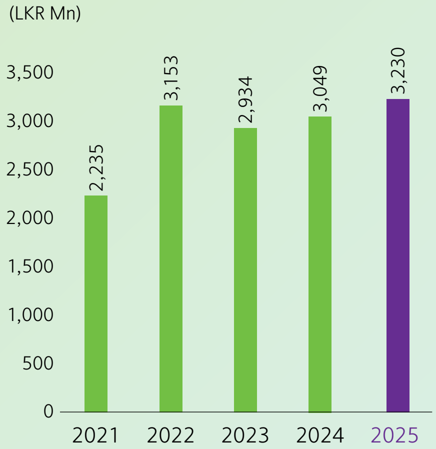
Total Portfolio



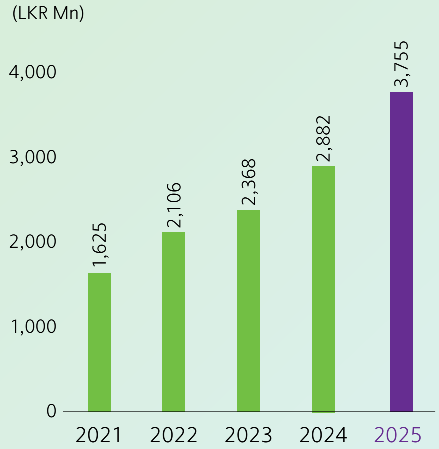
Deposits Base



Total Equity



Gross Income

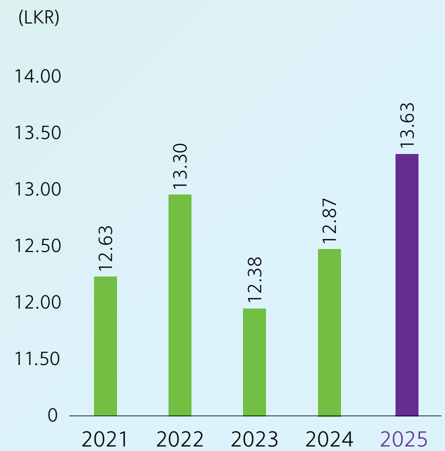


Net Interest Income

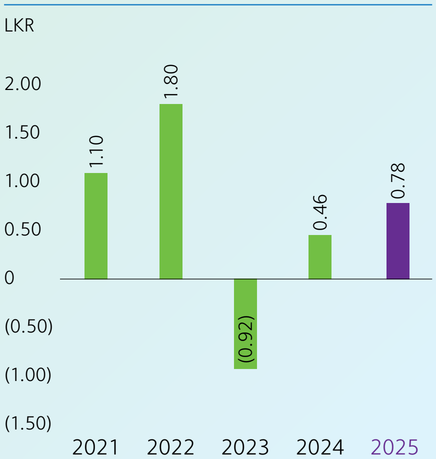
Profit Before Tax

Profit After Tax

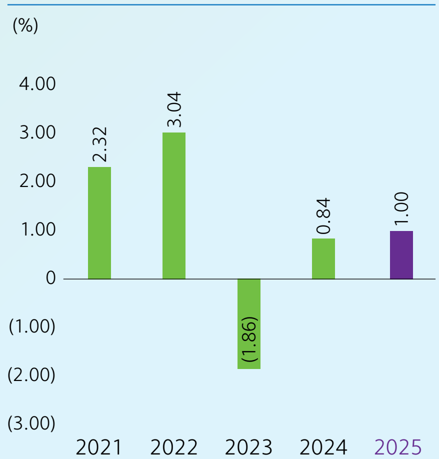
Net Assets Per Share (NPS)



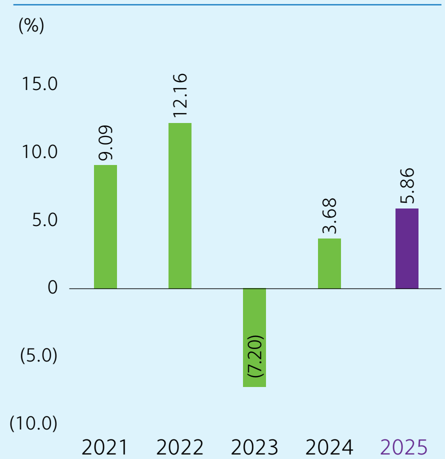
Earnings Per Share (EPS)



Return on Assets (ROA)



Return on Equity (ROE)



Non-Financial Highlights

Human Capital

309 (2024/25)
265 (2023/24)
Total Workforce (No.)

201 (2024/25)
181 (2023/24)
Male (No.)

108 (2024/25)
84 (2023/24)
Female (No.)

21.5 (2024/25)
17.76 (2023/24)
Average Training hours per employee (Hours)

166 (2024/25)
163 (2023/24)
New Recruitments (No.)

1.01 (2024/25)
2.06 (2023/24)
Staff turnover ratio (%)

Natural Capital

1,184.31 (2024/25)
1,124.14 (2023/24)
Electricity Consumption (GJ)

10.54 (2024/25)
12.13 (2023/24)
Water Consumption (ML)

1,580 (2024/25)
1,193 (2023/24)
A4 Paper Consumption (Packs)

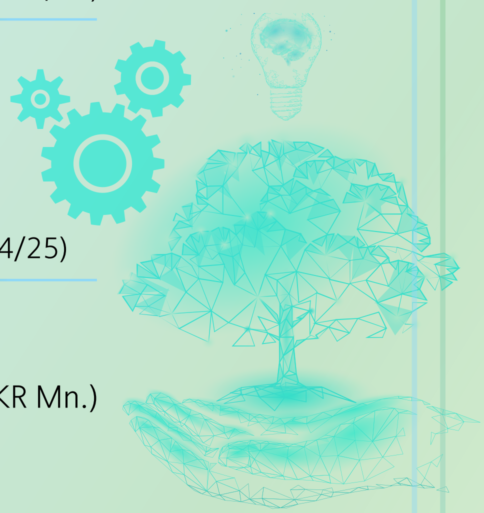
Social and Relationship Capital

50,180 (2024/25)
14,172 (2023/24)
Customers (No.)

318 (2024/25)
278 (2023/24)
Suppliers (No.)

Intellectual Capital

BB(lka) (2024/25)
B+(lka) (2023/24)
Credit Rating



79.96 (2024/25)
37.41 (2023/24)
Investment in IT Development (LKR Mn.)

Manufactured Capital

16 (2024/25)
16 (2023/24)
Branches (No.)

16 (2024/25)
16 (2023/24)
Gold loan centres (No.)

11 (2024/25)
11 (2023/24)
Branches outside Colombo District (No.)

85.11 (2024/25)
23.35 (2023/24)
Investment in Property Plant and Equipment (LKR Mn.)

Celebrating Excellence in Financial Reporting

Fintrex Finance PLC proudly continues its journey of recognition at the prestigious Annual Report Awards organized by the Institute of Chartered Accountants of Sri Lanka. From securing the Bronze Medal in 2022 and 2023 to achieving the Silver Medal in 2024, our consistent performance reflects our unwavering commitment to transparency, accountability, and innovation in financial reporting. These accolades are a testament to our pursuit of excellence as we shape a smarter financial future.

Smart Insights Smarter Outcomes

When I reflect on the journey of Empire Lands, one of Sri Lanka's premier land sale companies, I can confidently say that some of our smartest decisions were shaped by the insights and support we received from Fintrex Finance PLC.

My relationship with Fintrex began on a note of trust and vision. Mr. Jayathilake Bandara, a seasoned banking professional and a personal friend, introduced me to the potential of the real estate industry years ago. When he took the helm at Fintrex in 2020, it felt natural for us to align our business aspirations with a financial partner who understood both the industry and our ambitions.

Over the past five years, our collaboration with Fintrex has grown into a strategic partnership. With financial facilities currently nearing Rs. 200 million, we've been able to drive forward several key projects that have expanded our footprint in the real estate sector. But what truly sets Fintrex apart is not just the capital they provide it's the intelligence behind their approach.

Fintrex's credit evaluation process is a blend of precision and pragmatism. They combine quantitative metrics with qualitative insights, ensuring decisions are made swiftly and with minimal bureaucracy. This efficiency has been crucial in a fast-paced industry like ours.

What impressed me most was their ability to tailor financial solutions to our specific needs. Unlike many institutions that offer rigid, one-size-fits-all products, the Fintrex team took the time to understand our business model and crafted offerings that aligned with our cash flow cycles and project timelines.

Moreover, their role has extended far beyond lending. The Fintrex team has consistently provided us with valuable financial advice helping us optimize our cash flows, manage risks, and plan for sustainable growth. Their insights have translated into smarter outcomes for our business, enabling us to make informed decisions with confidence.

As we look to the future, I have no doubt that Fintrex will continue to be a key enabler of our success. Their commitment to innovation, agility, and partnership makes them more than just a financier they are a trusted ally in our journey toward a smarter future.

Mr. Vishva Menikdiwela
Chairman, Empire Land and Property Developers (Pvt) Ltd


EMPIRE LANDS
EMPIRE LANDS

Chairman's Message

Dear Stakeholders,
I am pleased to present the Annual Report and Financial Statements of Fintrex Finance for the financial year ended 31 March 2025. The year under review marked a period of commendable performance, driven by strategic foresight and operational agility. Fintrex is well-positioned to build upon this momentum as we look ahead.

Improving Macroeconomic Environment

The Sri Lankan economy demonstrated signs of resilience and recovery in 2024, following one of the most challenging periods in its recent history. The timely and coordinated policy interventions by the Government and Central Bank were instrumental in stabilizing macroeconomic fundamentals. As a result, key indicators such as inflation, interest rates, foreign reserves, and the exchange rate improved significantly within a relatively short period.

Sri Lanka's GDP was valued at LKR 29.89 trillion in 2024, reflecting a real economic growth rate of 5.0% - a noteworthy rebound from the contraction experienced during the 2022 crisis. In parallel, the country made tangible progress on external debt restructuring efforts, with guidance and support from the IMF and other multilateral development partners. These developments not only contributed to improved investor confidence but also laid the foundation for a more stable and predictable operating environment for financial institutions.

Against this evolving backdrop, Fintrex demonstrated resilience and agility. We capitalized on emerging opportunities while reinforcing our internal capabilities to respond quickly to market dynamics. Strategic investments in digitalization, process efficiency, and client convenience enabled us to enhance service delivery and position ourselves for accelerated growth as economic conditions continue to improve.

Commendable Financial Performance

Fintrex delivered strong financial results during the year. Total advances grew by 46.1% to LKR 19.2 billion, while net interest income rose by 70.5% to LKR 1.7 billion, up from LKR 1.0 billion in the previous year. The decline in interest rates supported a recovery in net interest margins, which improved from 8.4% in FY 2023/24 to 9.7% in the current year.

Our asset quality also benefitted from sustained recovery efforts, close engagement with borrowers, and a more favourable macroeconomic environment. As a result, Non-Performing Loans (90+ DPD) improved to 8.63% of total advances by year-end. We responded proactively to increased credit demand with value-added services and competitive lending solutions.

Pioneering High-Yield Bond Issuance and Transition to Public Limited Company

A key milestone during the year was our successful issuance of Sri Lanka's first-ever high-yield bond, amounting to LKR 1 billion. The issue, initially launched at LKR 500 million with an option to raise an additional LKR 500 million, was oversubscribed on the opening day. The bonds were listed on the Colombo Stock Exchange, marking our transition into a Public Limited Company (PLC).

The strong investor response from both institutional and retail segments is a testament to the market's confidence in Fintrex's strategic direction, governance practices, and financial strength. This achievement enhances our visibility and positions Fintrex as a significant player in Sri Lanka's non-bank financial services sector.

Credit Rating Upgrades by Fitch Ratings

During the year, Fitch Ratings upgraded Fintrex's credit rating twice- from B+ to BB- in August 2024 and subsequently to BB in January 2025. These upgrades reflect our sustained improvement in asset quality, reduced delinquency ratios, and a strengthened deposit franchise with lower dependence on secured borrowings. The narrowing credit gap with higher-rated peers highlights the progress we have made in improving our risk profile and operational resilience.

Sustainability

GRI 2-22

At Fintrex, we remain committed to embedding sustainable practices into our core business strategy. Our sustainability agenda is guided by a strong governance framework, ensuring clarity of roles and responsibilities across the organization. We have integrated environmental, social, and governance (ESG) considerations into our decision-making processes, with a focus on delivering long-term economic value while contributing to the well-being of the communities we serve.

Governance

Our governance structure is anchored in accountability, transparency, and ethical leadership. The Board comprises eminent business leaders who set the tone at the top and ensure robust oversight through independent Board subcommittees, including the Audit Committee, Risk Management Committee, and Related Party Transactions Review Committee. These bodies play a vital role in maintaining a sound internal control environment and safeguarding stakeholder interests.

Changes at Board Level

During the year, Mr. Kapila Ariyaratne, Independent Non-Executive Director, resigned from the Board to assume an executive role at a bank. Additionally, Mr. Kathirgamar Sivaskantharajah retired upon reaching the age of 70. On behalf of the Board, I extend our heartfelt appreciation to both Mr. Ariyaratne and Mr. Sivaskantharajah for their invaluable service and contributions to the growth and governance of Fintrex.

We are pleased to welcome Mr. J F R De Fonseka and Mr. Indrajith Wickramasinghe as Non-Executive Directors. Mr. De Fonseka brings over 35 years of experience in IT leadership, digital transformation, and systems integration across diverse industries. Mr. Wickramasinghe, a veteran banker with over three decades of experience, most recently served as Director/CEO of Union Bank of Colombo PLC until his retirement in August 2024. We look forward to their insights and strategic guidance as we continue our growth journey.

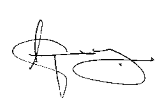
Appreciations

I wish to place on record my sincere appreciation to our CEO, Mr. Jayathilake Bandara, and the entire leadership team for their dedication and strategic direction that have been pivotal in positioning Fintrex as a formidable force in the non-bank financial institution (NBFI) sector. I also extend my gratitude to all employees for their commitment and performance.

To my fellow Directors, thank you for your wisdom and counsel throughout a transformative year. I also acknowledge the contributions of our external auditors, Ernst & Young, for their diligence and professionalism.

Finally, I express my deepest appreciation to the Governor and officials of the Central Bank of Sri Lanka, our loyal customers, business partners, and all stakeholders. Your trust and support continue to inspire us as we shape a future that is financially sound, inclusive, and sustainable.

We look forward to your continued partnership as we work together to redefine possibilities and deliver shared prosperity for generations to come.



Ajit Gunewardene
Chairman

CEO's Review

Dear Stakeholder,
I am pleased to report that Fintrex posted excellent financial results for FY 2024/25 as demonstrated by our financials. I am confident the current growth momentum will launch Fintrex onto an accelerate growth trajectory in the new financial year, boosted also by the country's economic revival and projected GDP growth for 2025 and beyond owing to the opening of motor vehicle imports.

A Commendable Financial Performance

Our bottom-line has surged by 67.1% for a profit of LKR 183.9Mn, and the balance sheet has swelled by 43.6%, to LKR 21.7Bn, re-enforcing Fintrex as one of the fastest growing Non-Bank Financial Institution (NBFI) in Sri Lanka. In another notable milestone we boosted capital through a listed unsecured high yield bond which accounts for our tier 2 capital and boosted our CAR to 18.32% also supported by our current year profits. In the financial year, our revenue increased by 30.3% to reach LKR 3.8Bn, while the net interest income grew by 70.5%. The Profit Before Taxes reached LKR 321.2 Bn and the Profit After Tax grew by 67.1% against last year, recording LKR 183.9Mn. Customer deposits reached LKR 9.7Bn, which is a growth of 54.7%, and we maintained the Deposit to Debt ratio at 2.1. Our liquidity recorded a ratio of 161.7%, well above the statutory requirements. The loan and lease disbursement pattern during the year reflected the uptick in the economy. The loan book grew by 46.1%, to LKR 19.2Bn, with new loan disbursements increasing by 86.3%, to LKR 23.1Bn. This is a monthly average of 1.9Bn compared to last year's LKR 1.0 Bn, indicating the pace of lending growth. The gold loan portfolio accounted for 7.8% of the loan book at LKR 1.5Bn, by the year end. We also introduced a unique tech innovative product to finance the purchase of mobile phones through a flexible and faster technological platform. This is expected to become our spearheading product in the next financial year.

Our focus on portfolio quality has reduced the 'under 90 DPD' (Days Past Due) ratio to 8.63%, from 11.2%, while the net NPA also declined to 6.1%, from 8.9% in 2023/24. We are extremely happy to note that our NPL ratio stands amongst the best in the industry. Capital ratios were above statutory minimum levels with Tier I at 12.5%, and Tier II at 18.3%, by year end. Regular cash and income generating assets were maintained above 97.6%. The Cost to Income ratio improved to 60.4%, from 82.4%, both due to improvements in the net interest income, and stringent management of cost efficiency.

During the year, Fitch ratings upgraded Fintrex twice, from B+ to BB- in August 2024 and to BB in January 2025.

With policy rates declining by 0.5% since April 2024 to March 2025, and the Prime Lending Rate (PLR) also falling by approximately 2%, credit demand is now on an upward trajectory. Therefore, we anticipate sustained growth in our lending book in the new financial year. As we expand our balance sheet and loan book, we are also taking precautions against asset and liability maturity mismatch risks, and interest rate risks. Market volatility of the underlying loan asset prices is another key focus area.

Regulatory Environment

We have taken many measures to comply with regulatory changes targeted at enhancing the resilience of the sector, amidst a dynamic risk environment. The focus of the regulator includes credit risk management, IT risk resilience, consumer protection regulations and good governance. We consider these regulatory requirements not simply as regulations, but as critically important for public deposit taking institutions by setting industry standards, and fostering a culture of risk management, compliance and assurance. Therefore, as a responsible corporate citizen, we are fully committed to the highest level of compliance.

Creating A Sustainable Impact in Our Communities

Our approach to sustainable development revolves around people and the positive impact we strive to create in their lives. Therefore, a vital component of our sustainability agenda is to provide access to affordable finance, enabling individuals and businesses to achieve their financial freedom. Additionally, we have embedded sustainability principles into our strategies, operations, and decision-making processes to minimize the Company's environmental footprint and empower communities while reinforcing the Company’s governance framework in managing the overall sustainability plan.

Contribution to Our Society

Considering the heightened concern over dengue during the year, we conducted a Dengue Awareness Campaign displaying Dengue Warnings on Hoardings in 10 key locations. We believe this would be instrumental in educating the public about dengue fever and seeking help for prevention. Sponsorships were also offered to Foxhill, a premier motor sport event in Sri Lanka. Further, Fintrex Finance proudly extended its support to Kushalya Ariyadasa, one of Sri Lanka’s most distinguished female car racers. Her bold determination, electrifying presence, and unwavering passion for motorsport brought an extraordinary energy to the event. Also, we are co-sponsored both the Rugby and Hockey teams of Sri Lanka’s pioneering sports club CR&FC for the development and promotion of these sports.

Nurturing A Winning Team

Our employees are more than just a workforce – they are the heart of our success. We nurture a winning team by focusing on their holistic well-being, providing a comprehensive employee value proposition that caters to both personal and professional goals. This includes providing targeted training and development opportunities, modern communication tools, recognition programs, and a commitment to work-life balance. Our goal is to empower our employees, creating a culture of collaboration, innovation, and engagement that drives our continued success. Endorsing the effectiveness of this approach, Fintrex was certified as a Great Place To Work for 3 consecutive years by the prestigious GPTW the global authority on workplace culture.

Recognitions and Awards

Fintrex has been honored with the Silver Award at the 2024 TAGS Awards, organized by CA Sri Lanka, in the Finance Companies, Leasing Companies, and Other Financial Institutions Category (Total Assets up to 25BN). This remarkable achievement marks testament to our dedication to delivering exceptional financial services and innovative solutions. A heartfelt thank you to our passionate team and loyal customers who continue to believe in us.

Way Forward

Building agility, a culture of courage and fast adaptation, and continuing to move ahead, is the only way forward. Within a short period, our country has bounced back with all economic indicators pointing out positive. With the restructuring of external private credit, and a positive revision of Sri Lanka’s sovereign rating, coupled with continued reforms and the International Monetary Fund (IMF) program, our country has the potential for rapid growth. The upbeat tourism outlook, with hitherto untapped opportunities, adds to this growth prospect. Against this backdrop, we intend to accelerate from our current position and fast track the targets and aspirations we have set for Fintrex.

Appreciations

I extend my appreciation to the Fintrex team, who have worked tirelessly to achieve the success we enjoy today. The quality of leadership we receive from the Chairman and Board of Directors has been crucial for our continued success and has steadily guided the Company to a stronger standing. Our customers and valued business partners have been our strength, and as we move into a new phase of growth, our objective is to enhance value creation for them in multiple ways. I am confident our journey together will bring us even greater returns in the new financial year.

Jayathilake Bandara
General Manager/ Chief Executive Officer

Board of Directors

Mr. Ajit Gunewardene
Chairman
Non-Independent
Non-Executive Director

Mr. Ronnie Peiris
Non-Independent
Non-Executive Director

Mr. Shantanu Nagpal
Non-Independent
Non-Executive Director

Mr. Ahamed Sabry Ibrahim
Senior Director /
Independent Non-Executive
Director

Mr. Shrihan B. Perera
Non-Independent
Non-Executive Director

Mr. Nilam Jayasinghe
Independent Non-Executive
Director

Mr. J. F. R. De Fonseka
Independent Non-Executive
Director

Mr. Indrajit Asela Wickramasinghe
Non-Independent
Non-Executive Director

Mr. Ajit D Gunewardene

Chairman

Non-Independent Non-Executive Director

Mr. Ajit Gunewardene is the Chairman and CEO of Bluestone Capital Private Limited. He was the Deputy Chairman of John Keells Holdings PLC and was a member of the Board for over 24 years. In addition, he was the Chairman of Union Assurance PLC, a leading life insurance provider in Sri Lanka, and Nations Trust Bank. He is currently the Chairman of Digital Mobility Solutions, the leading ride hailing service provider (Pick Me) in the Country. He is also the Chairman of Ingame Entertainment Ltd which is a pioneer in esports in Sri Lanka. He was a member of the Council of the University of Colombo. He has also served as the Chairman of the Colombo Stock Exchange from 2000 to 2003, and a member of the Board of the BOI. He is current Chairman of Teejay Lanka PLC. Mr. Gunewardene has a degree in Economics and brings over 40 years of management experience.

Mr. Ronnie Peiris

Non-Independent Non-Executive Director

Mr. Peiris was, till end December 2017, an Executive Director on the Board of John Keells Holdings PLC (JKH) and was its Group Finance Director. He was also a Director in several Listed and Non-Listed Companies involved in Leisure/Hoteliering, Food and Beverage Manufacturing/ Retailing, Financial Services including Banks, Insurance and Brokering, Property Development/ Real Estate, Information Technology, Plantations/Plantation Services and Transportations, Logistics and Ports. Prior to JKH, he was the Managing Director, Anglo American Corporation (Central Africa) Limited, a subsidiary of Anglo American Plc, a company listed in the UK Stock Exchange. Mr. Peiris has 52 plus years of Finance and General Management experience with more than 47 of them at Senior Management level in Sri Lanka, Zambia, Zimbabwe and South Africa.

Mr. Peiris was an active member of the Ceylon Chamber of Commerce (CCC) during the period 2004 to 2017 and was the Chairman of its Taxation Sub Committee for several years. He is a Past President of the Sri Lanka Institute of Directors and was recognized by the Chartered Institute of Management Accountants, Sri Lanka, as its Business Icon of 2014.

In addition to holding a Masters in Business Administration (MBA) from the University of Cape Town, South Africa with specialisation in Marketing and Human Resource Management, Mr. Peiris is a Fellow of the Chartered Institute of Management Accountants (FCMA), UK, a Fellow of the Chartered Association of Certified Accountants (FCCA), Scotland, a Fellow Member of the Society of Certified Management Accountants (FSCMA), Sri Lanka and a Fellow of the Zambia Institute of Certified Accountants (FZICA), Zambia. Mr. Peiris is now a Coach/Mentor to many C-Suite Executives since his formal retirement from JKH. He consults on strategic issues at many prominent organisations. He has been, and is a presenter of Papers on various topics at Workshops, Seminars and other forums and is the author of “Tough Journey Great Destination” – a behavioural guide for Professionals and Leaders.

Mr. Shantanu Nagpal

Non-Independent Non-Executive Director

Mr. Nagpal is a Co-Founder of Bluestone. Mr. Nagpal worked in asset management and equity research for 20 years, in Hong Kong and London before he moved to Sri Lanka. He has worked as portfolio manager for UBS Asset Management, Ellerston Asset Management and Brevan Howard Asset Management. He holds a Bachelor’s degree in Philosophy, Politics and Economics from Oxford University where he was a Chevening Scholar, and an MBA with Distinction from INSEAD where he was a Misys Scholar. Mr. Nagpal started his career at the Tata Administrative Service, where he worked with several CEOs of various Tata Group companies on strategic projects. Mr. Nagpal started working in UBS Hong Kong in 1995 in the equity research department and was responsible for three sectors where he covered the automobile, metal and shipping sectors in the region. Mr. Nagpal’s move to asset management took place in London, where he moved to UBS Asset Management, O’Connor and was subsequently posted to Hong Kong where, as Portfolio Manager, he covered Japan, China, Hong Kong, India and the sub-continent. In 2011, Mr. Nagpal moved to Sri Lanka with his family and joined the Expolanka Group, specifically to restructure their holdings and find an exit for the largest shareholders, which after a two- year restructure, culminated in a strategic sale of the Company to Sagawa, Japan.

Mr. Ahamed Sabry Ibrahim

Independent Non-Executive Director

Mr. Ahamed Sabry Ibrahim was appointed as a Director at Fintrex Finance PLC with effect from 14th June 2021. Prior to this appointment, he was Chief Executive Officer/General Manager at Peoples Leasing and Finance PLC. Mr. Ibrahim has over 37 years of banking experience, primarily in the areas of corporate banking, treasury management and risk management and has held very senior positions both locally and internationally including Senior Deputy General Manager, Wholesale Banking (October 2014 to September 2016) and Senior Deputy General Manager, Risk Management (August 2007 to October 2014) of People’s Bank, Deputy General Manager, Head of Treasury, Head of Corporate Banking and Recoveries, Chief Risk Officer and Chief Credit Officer of Hatton National Bank PLC (2004 to July 2007) and Head of Credit and GSAM, Standard Chartered Bank (2002 to 2004). Mr. Ibrahim is also a Director of Union Bank of Colombo and Regal Images International Ltd. He has also been a Director of HNB Securities Ltd. (2005 to 2007) and People’s Merchant Bank PLC (2009 to 2011). In addition, he held the positions of Director of People’s Insurance PLC, People’s Micro-commerce Ltd., People’s Leasing Fleet Management Limited, People’s Leasing Property Development Limited and People’s Leasing Havelock Properties Limited, and Lankan Alliance Finance Limited. He holds an Honours Degree (B.Sc) from the University of Colombo and is a Fellow of the Chartered Institute of Bankers – UK (FCIB).

Board of Directors

Mr. Shrihan B. Perera

Non-Independent Non-Executive Director

Mr. Perera holds B.Sc. Mechanical Engineering (Honors) degree from University of Moratuwa and is also a Fellow Member of the Chartered Institute of Management Accountants/CGMA, UK. Mr. Perera was named CEO of Teejay Group in May 2018. With a decade of experience in the apparel industry, Mr. Shrihan started his career as a Management trainee at Dankotuwa Porcelain. He has served in Al Mulla Group in Kuwait followed by a 13-year tenure at Unilever Sri Lanka, before joining Brandix Apparel Solutions as CEO of its Intimate Apparel Division in 2010. Mr. Perera has counted many years of experience as CEO and senior management level in diverse sectors encompassing Apparel, Fast Moving Consumer Goods, Porcelain and Service Industry in the corporate sector.

He serves as an Independent Director of Teejay Lanka PLC and its subsidiaries, Colombo Fort Land and Building PLC and it subsidiaries including Lankem Ceylon PLC, C.W. Mackie PLC, E.B. Creasy PLC, Leisure, Plantation & Packaging Sector companies.

Mr. Nilam Jayasinghe

Independent Non-Executive Director

Mr. Nilam Jayasinghe was appointed as a Director of Fintrex Finance PLC with effect from 01st October 2021. He is presently an Independent Consultant and was Group Director Finance of the CBL Group (Ceylon Biscuits) and an Executive Director of CBL Investments Limited, the Holding Company, and until his retirement in July 2021and subsidiary Boards until December 2024. Prior to joining CBL, he was a Vice President, NDB Bank for sixteen years and also served on the Boards of subsidiary companies of the NDB Group. He was the Group Treasurer of the Aitken Spence Group and a Director of Aitken Spence Corporate Finance Ltd and was responsible in introducing the Corporate Treasury concept in Sri Lanka and certain financial instruments including derivatives. Prior to this, he was Finance and Commercial Manager of Lanka Tiles PLC, when the company was originally set up in 1984.

He is an alumnus of KPMG. Mr. Jayasinghe is a Fellow of the Chartered Institute of Management Accountants UK, a Past President of CIMA Sri Lanka Division and served on the Global Board of CIMA UK and was the Vice Chair of the Global Markets Committee. Under his Presidency at CIMA, he was instrumental for the visit of Professor Robert Kaplan of the Harvard University which introduced the Balance Scorecard and Activity Based Costing in Sri Lanka. He was a past Chairman of the Industrial Association of Sri Lanka affiliated to the Ceylon Chamber of Commerce and has served on the Main Committee of the Ceylon Chamber of Commerce, the Company Law Reforms Commission, and on the Board of the Sri Lanka Accounting and Auditing Standards Monitoring Board. In 2019, he also served as an Independent Director, Bank of Ceylon and chaired its Audit Committee. Mr Jayasinghe possesses over 35 years of experience in the areas of Board Governance, General Management, Finance & Planning, Corporate Finance, Banking, Treasury, Risk, Audit and Compliance.

Mr. J. F. R. De Fonseka

Independent Non-Executive Director

Mr. De Fonseka has over 30 years of professional experience in the field of Information Technology. He held the positions of Director, John Keells Software Technologies, and was Assistant Vice President of the Group IT Division prior to moving to MAS Holdings to head the IT function of the swimwear cluster. Mr De Fonseka has broad experience in Information Technology, Cyber Security, Enterprise Resource Planning, Manufacturing and Retail Systems, Project Management, and Process Improvement. Mr De Fonseka has an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and is a Certified SAP Consultant.

Mr. Indrajit Asela Wickramasinghe

Non-Independent Non-Executive Director

Mr. Indrajit A. Wickramasinghe was the former Director/Chief Executive Officer of Union Bank for over nine years up to his retirement on 15th August 2024. He counts over 35 years of management experience having worked in both the financial services and FMCG sectors in local and multinational companies. He holds a MBA from the Post Graduate Institute of Management ,University of Sri Jayewardenepura, and is a Fellow of the Chartered Institute of Marketing UK. He has been exposed to Executive Education Programmes at the National University of Singapore, The Said Business School of the University of Oxford UK and INCEAD (France). He is a member of the Oxford Business Alumni, University of Oxford UK.

Prior to his appointment as Director/CEO of Union Bank he served as the Chief Operating Officer of NDB Bank where he was responsible for all business areas including Retail Banking, Corporate Banking, SME Banking and Project Finance. Prior to joining the financial services sector, he was with the leading Multi National Company Reckitt and Colman where he held numerous senior management positions.

Mr. Wickramasinghe has also served on a number of boards as an Executive Director and Non-Executive Director. He was the Chairman of the Financial Ombudsman Sri Lanka (Guarantee) and a Director of the Credit Information Bureau of Sri Lanka.
He currently also serves on the boards of AIA Insurance Lanka ,NDB Securities (Pvt) Ltd, Three Acre Farms Plc, Ceylon Grain Elevators Plc, C.W. Mackie Plc, The Colombo Fort Land and Building Plc and Overseas Realty Ceylon Plc.

Corporate Management

Mr. Jayathilake Bandara
General Manager/ Chief Executive Officer

Mr. Nishantha Hettiarachchi
Chief Information Officer

Mr. Manjula Tennakoon
Chief Financial Officer

Mr. Sanjeewa Buwanakabahu
Head of Human Resources & Administration

Mr. Kamal Kumarasinghe
AGM - Recoveries & Portfolio Management

Mr. Namal Sumanaratne
Head of Credit

Mr. Dinesh Gunasekara
AGM - Business Channels Development

Mr. Niroshan Karunathilaka
Chief Internal Auditor

Corporate Management

Mr. Jayathilake Bandara

General Manager/ Chief Executive Officer

Mr. Jayathilake Bandara is one of the most respected professionals in the Banking and Finance industry. He possesses over 35 years' worth of extensive experience in SME Banking, Corporate/Wholesale Banking, Factoring, Leasing and Hire Purchase and other areas of banking. He commenced his banking career at Seylan Bank PLC in 1989. He later joined Emirates Bank International PJSC, Dubai, UAE in 1998, as Officer Credit Administration. Working his way up the legendary ladder in his banking career, he joined Nations Trust Bank (NTB) as the Branch Manager – Kurunegala and progressed to the position of Deputy General Manager - SME Banking. At the time of leaving NTB he was designated as Senior Executive Vice President Commercial Banking, Member of the Corporate Management and several other management and Board committees. He is a results-oriented professional with a strong analytical capability to understand business drivers and implement appropriate business and marketing strategies to create unparalleled value delivery to ensure sustainable stakeholder value. Mr. Bandara's valued contribution is considered noteworthy in the progressive journey of Nations Trust Bank.

Mr. Bandara holds an MBA from American City University, Wyoming, USA.

He is a diploma holder in Financial Management from Wigan and Leigh College, UK and holds Banking qualifications from Institute of Bankers of Sri Lanka. A strong believer of Training and Development he was exposed to some of the renowned leadership and strategic management training programs both locally and internationally. Mr Bandara also holds directorship of the Finance House Association (FHA) and is the Vice Chairman of the FHA Council.

Mr. Nishantha Hettiarachchi

Chief Information Officer

Mr. Hettiarachchi has been a part of Fintrex since 2018, bringing with him over 26 years of rich experience in the Information Technology domain. Within this period, he has dedicated 19 years to the banking sector and 6 years to the non-banking financial sector. His professional journey encompasses 14 years in Corporate Management, with 9 years in Banking and 6 years in non-banking financial sector.

Prior to joining Fintrex Mr. Hettiarachchi served as the Assistant Vice President (AVP) of Information Technology department at the National Development Bank. He has demonstrated proficiency in managing IT environments by providing value addition to the business operation. He has provided leadership for many technical and software projects and implemented them successfully. A specialist in Core Banking Transformation, Mr. Hettiarachchi has spearheaded numerous successful implementation projects in this area. His expertise extends to international setting, having served as a core banking implementation consultant for an overseas bank in Nigeria.

He has been instrumental in driving digital transformation initiatives within business environments. His contributions include the re-engineering business process, the implementation of efficient software solutions, the adoption of data driven business models, and setting up IT governance, formulation of necessary policies and procedures.

Mr. Hettiarachchi holds an MSc in IT from the University of Colombo, B.Sc (Hons) in Industrial Management from the University of Kelaniya, and a Diploma in Business Administration from ICFAI University in India. He is a member of the British Computer Society (BCS).

Mr. Manjula Tennakoon

Chief Financial Officer

Mr. Tennakoon is a member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and a member of the Institute of Certified Management Accountants of Sri Lanka (CMA). He holds a Bachelor of Business Administration Special Degree from the University of Colombo and an MBA Degree from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura. He also holds a Diploma in Taxation from the Sri Lanka Institute of Taxation while being a Certified Information System Auditor.

He commenced his career as a Management Trainee at George Steuart & Co. Ltd and has over 15 years of experience in non-bank financial institutions including both managerial and senior managerial positions in The Finance Company PLC, Prime Finance PLC, HNB Finance PLC and Orient Finance PLC.

Mr. Sanjeewa Buwanakabahu

Head of Human Resources & Administration

Mr. Sanjeewa Buwanakabahu brings over 18 years of diverse experience spanning the banking and finance, manufacturing, and service sectors. He has served as a strategic HR business partner for esteemed organizations, including People's Bank, Modern Pack Lanka (Pvt) Ltd, CBL Foods International (Pvt) Ltd, Siyapatha Finance PLC, and Renuka Group of Companies. His expertise lies in securing top talent, fostering a positive and safe work environment, and driving a performance-oriented culture that enhances employee engagement and productivity.

Mr. Buwanakabahu holds an MBA from the University of Colombo, where he was recognized as a Human Resources Management Gold Medalist. He also earned a BSc. in Business Administration (Special) from the University of Sri Jayewardenepura. His professional credentials include certifications as a Lean Black Belt Practitioner, Advanced 5S Lead Auditor/Instructor, and OHSAS 18001/Health & Safety Lead Auditor from IRCA/UK. Additionally, he is a Certified Corporate Trainer.

Passionate about training, development, and continuous improvement, Mr. Buwanakabahu has contributed significantly to the fields of HR and general management. He has served as a visiting lecturer and trainer at leading institutions, including the University of Sri Jayewardenepura, the University of Kelaniya, and the Vocational Training Authority of Sri Lanka.

Mr. Kamal Kumarasinghe

Assistant General Manager - Recoveries & Portfolio Management

Mr. Kamal Kumarasinghe has over 22 years of diverse experience in the Finance & Leasing industry, with expertise spanning branch operations, deposit mobilization, leasing business, and recoveries. He has held progressive leadership roles, including nearly 10 years at Fintrex and over 12 years at Asian Finance Ltd, where he served in various capacities. Throughout his career, Mr. Kumarasinghe has developed specialized skills in business development and sales, while playing a key role in driving business growth.

He is highly recognized for his proven track record in developing and executing targeted recovery strategies that have significantly enhanced bottom-line profits. His leadership in mentoring teams and implementing core recovery objectives has been instrumental in achieving business goals. Mr. Kumarasinghe's ability to communicate effectively and build long-standing relationships with internal and external stakeholders has further contributed to his success as a leader.

In addition to his extensive professional experience, Mr. Kumarasingha holds an MBA from London Metropolitan University, which complements his strong foundation in business management and strategy, equipping him to navigate the complexities of the Finance & Leasing industry.

Mr. Namal Sumanaratne

Head of Credit

Mr. Namal Sumanaratne carries with him over 30 years of experience in the Banking & Finance Sectors. His banking and financial sector career spans over 21 years' experience in credit management and 9 years' experience in operations, portfolio management and branch banking.

Mr. Namal gained hands on experience in credit management for specialized products such as Leasing and Factoring over a considerable period and has gained experience in SME/MME credit management. He started his career at Seylan Bank as a Banking Assistant and held different positions in Mercantile Leasing Ltd and Nations Trust Bank as Operations Executive, Portfolio Manager and Manager Credit for Leasing, Factoring and SME/MME.

Prior to joining Fintrex Finance PLC, he was attached to Softlogic Finance PLC and held Positions as a Head of Factoring & Business Loans and later promoted to the position of Head of Credit.

Mr. Dinesh Gunasekara

Assistant General Manager - Business Channels Development

Mr. Dinesh Gunasekara's career exemplifies a commitment to excellence and a depth of expertise in the finance and banking industry, particularly in the specialized field of leasing. Over his 23 years of experience, he has consistently demonstrated his ability to drive market share, enhance brand positioning, and increase revenue.

With a diverse background in leasing, Mr. Gunasekara has refined his skills in developing and executing targeted business initiatives that foster customer growth, achieve sales objectives, and boost profitability. His leadership qualities shine through as he effectively communicates and leads teams, building long-term relationships both internally and externally.

During his tenure at Nations Trust Bank, spanning 17 years, Mr. Gunasekara held various positions, showcasing his upward trajectory within the organization. Starting as an Assistant Manager in Corporate Leasing, he ascended to the role of Vice President in Leasing.

Mr. Gunasekara holds an MBA from Cardiff Metropolitan University, complemented by certification as a Management Accountant from CMA Australia. His active involvement in the Colombo Toastmasters Club underscores his commitment to personal and professional development, particularly in communication and leadership skills.

Niroshan Karunathilake

Chief Internal Auditor

With over 14 years of professional experience, including more than 11 years in the financial services sector and 3+ years in external auditing, Mr. Niroshan Karunathilake is a seasoned professional in the field. He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CASL) and the Association of Accounting Technicians of Sri Lanka (AATSL).

Mr. Karunathilake holds a Bachelor's degree in Business Management from the University of Kelaniya. Additionally, he has earned a Diploma in Bank Integrated Risk Management with a Merit Pass from the Institute of Bankers of Sri Lanka (IBSL).

Prior to joining Fintrex Finance PLC, Mr. Karunathilake served as Manager – Internal Audit at Siyapatha Finance PLC. He also gained expertise in external and internal auditing during his tenure as Senior Auditor at VS & Associates, Chartered Accountants, for over three years.

Senior Management

Mrs. Theja Malawaarachchi
Head of Legal

Mr. Weranga Jayasekara
Head of Operations

Mr. Yenuka Geemal
Head of Treasury

Ms. Dulmani Jayasekara
Risk Officer

Mr. Salika Wijesekara
Senior Manager - Credit

Mr. Aruna Fernando
Senior Manager - Recoveries

Mr. Upul Ranjan
Senior Manager - Gold Loan Operations

Mr. Indika Bogala
Senior Manager - IT

Mr. Maduka De Silva
Senior Manager - Recoveries

Mr. Sameera Indrajith
Regional Manager-Business Development

Mr. Adrian Philip
Regional Manager-Business Development

Mr. Nihal Ekanayake
Senior Manager - Finance

Mrs. Aruni Gunawardena
Company Secretary

Mrs. Apeksha Perera
Compliance Officer

Mr. Nalin Perera
Senior Manager - Administration

Mr. Samila Imbulana
Senior Manager - Deposits Mobilization

Mr. Lasantha Hettiarachchi
Senior Manager-Business Development

Mr. Amila Sandaruwan
Senior Branch Manager

Smart Systems Smarter Service

As a dealer managing four Perera & Sons outlets across Wattala to Ragama, my daily routine is a constant balancing act. From monitoring sales and ensuring food quality to managing end-of-day cash reconciliation and supporting my staff every task demands my presence and attention across multiple locations.

Reliable transportation was essential not just for my business operations, but also to ensure the safety and convenience of my team, especially those working late hours. However, without a lump sum in hand, purchasing a vehicle felt out of reach.

That's when I encountered the Fintrex Finance team during one of their outreach campaigns. They introduced me to their leasing solutions, which were not only simple and flexible but also completely digital. From the initial onboarding to the final approval and even the repayment process, everything was handled seamlessly online. I never had to step into a branch.

What truly stood out was the personalized support I received. The Fintrex team patiently guided me through every step, clarifying all my questions and making the entire experience stress-free.

Today, thanks to Fintrex, I have the mobility I need to run my business more efficiently and confidently. Their smart systems and smarter service have made a real difference in my journey as an entrepreneur.

Ms. Nayomi Ariyathilake
Dealer at Perera & Sons

Input

Financial Capital

- Total Assets:Rs. 21.72 Bn
- Total Liabilities:Rs. 18.48 Bn
- Total Net Portfolio:Rs. 19.25 Bn
- Shareholder Equity: Rs. 3.23 Bn
- Total Borrowings:Rs. 7.53 Bn
- High-Yield Bond Issuance:Rs. 1.00 Bn

Natural Capital

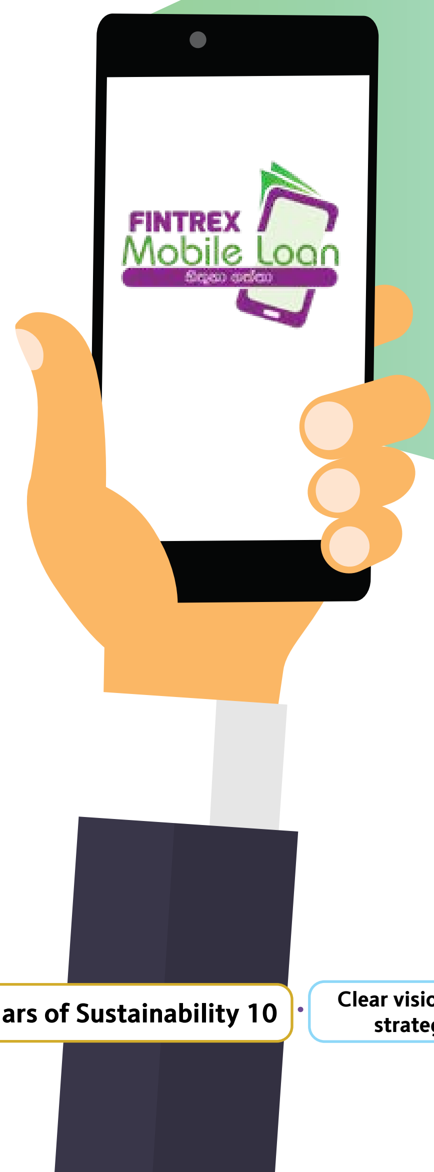
- Electricity Consumption:1,184.31 GJ
- Water Consumption:10.54 ML
- A4 Paper Consumption:1,580 packs
- Green Lending Initiatives:Mobile Loan, AgriNEX
- Energy Efficiency Measures:LED lighting, AC optimization

Social & Relationship Capitals

- Total Customers:50,180
- CSR Campaigns:Dengue Awareness, Orphanage Meals
- Sports Sponsorships:Foxhill, CR&FC
- Customer Complaints Resolved:100% (24/24)
- Social Media Campaigns:20+ campaigns FY 2024/25

Human Capital

- Total Workforce:309
- Female Representation:35%
- Training Hours Delivered:6,642 hours
- New Recruits:166
- GPTW Certification:4th Consecutive Year



FFL's Business Model

Intellectual Capital

- Investment in IT Development: Rs. 79.96 Mn
- Credit Rating Upgrade:BB (Fitch, Jan 2025)
- Cybersecurity Enhancements:Firewall, DLP, CISO appointed
- Digital Loan Origination:Turnaround time reduced by 35%
- Data-Driven Decision Tools:Dashboards, MIS, Analytics

Manufacturing Capital

- Total Branches: 16
- Branches Outside Western Province:9
- Gold Loan Centres:16
- Investment in Property, Plant & Equipment:Rs. 85 Mn
- Digital Lending Platform:Launched FY 2024/25
- Fintrex Hub Mobile App:Soft-launched FY 2024/25

pillars of Sustainability 10

Clear vision and strategy | Focus on core | Market Leadership | Innovative customer solutions

Our Product Lines | Activity | Strategic Focus Area | Outcomes

Our Core Activities

- Smart Lending Solutions
- Digital Transformation
- Risk Management
- Stakeholder Engagement
- Sustainability Integration

Strategic Focus Area

Short Term

- Invest in employee capacity development
- Upgrade HR systems
- Promote work-life balance
- Strengthen performance management
- Enhance employee engagement

Medium Term

- Build leadership capabilities
- Institutionalize learning culture
- Automate HR processes
- Foster inclusive culture
- Strengthen employee wellbeing

Long Term

- Establish a Learning & Development Academy
- Implement AI-driven HR strategy
- Create a future-ready workforce
- Institutionalize succession planning
- Strengthen employer brand

Outcomes

Value Delivered to Customers

- Rs. 23.07 Bn in loans disbursed during FY 2024/25
- Rs. 1.07 Bn in interest paid to depositors
- Enhanced access to financial services through digital platforms and mobile lending
- Introduction of innovative products such as smartphone financing and AgriNEX

Value Delivered to Employees

- Total Salaries Paid: Rs. 447.06 Mn
- Performance Bonus Allocated: Rs. 13.7 Mn
- Gratuity Paid: Rs. 3.92 Mn
- Training & Development: 6,642 hours of training delivered
- Recognition: Certified as a Great Place to Work for the 3rd consecutive year

Value Delivered to Communities

- Economic Upliftment: Through SME financing and inclusive lending
- Education Support: Financial literacy programs and school partnerships
- Health & Well-being: Dengue awareness campaigns and orphanage meal donations
- Sports Development: Sponsorships for Foxhill Supercross and CR&FC

Value Delivered to Shareholders

- Net Asset Value per Share: Rs. 13.63
- Earnings per Share (EPS): Rs. 0.78
- Return on Equity (ROE): 5.88%
- Return on Assets (ROA): 1.00%

Value Delivered to the Environment

- Carbon Footprint Reduction: Through digitalization and energy-saving initiatives
- Water Consumption: Reduced by 13% YoY
- Energy Efficiency: Energy usage per employee reduced by 6.39%
- Paper Reduction: Digitization of workflows and document management

Value Delivered to the Government

- Total Tax Contribution: Rs. 335.97 Mn
- Includes corporate income tax, VAT on financial services, and social security levies
- Regulatory Compliance: Full adherence to CBSL, GRI, and ESG frameworks

Competitive employees | Decisive management | Environmental and social legitimacy | Values and ethics | Corporate governance | Learning organization

Operating Landscape

Global Economic Environment and Its Impact on Sri Lanka

The global economic landscape during the financial year 2024/25 was shaped by a complex interplay of recovery momentum, geopolitical tensions, and evolving monetary policy dynamics. For Sri Lanka, these global developments presented both external shocks and strategic opportunities, influencing the trajectory of its post-crisis recovery.

External Shocks and Global Headwinds

During the financial year 2024/25, Sri Lanka's economic landscape was significantly influenced by a series of external shocks and global headwinds. One of the most persistent challenges stemmed from ongoing geopolitical tensions, particularly the prolonged Russia-Ukraine conflict and renewed instability in the Middle East. These developments continued to disrupt global energy markets and trade routes, leading to heightened volatility in commodity prices and supply chain uncertainties that reverberated across import-dependent economies like Sri Lanka. In parallel, the global monetary environment remained relatively tight, despite a deceleration in interest rate hikes by major central banks such as the US Federal Reserve and the European Central Bank. This cautious stance, aimed at anchoring inflation, resulted in constrained global liquidity and reduced capital flows to emerging markets, including Sri Lanka. Adding to these pressures were climate-related disruptions, as extreme weather events and environmental shocks adversely affected global agricultural output. These disruptions contributed to food price volatility and posed additional challenges for countries reliant on food imports, further straining household budgets and economic resilience in Sri Lanka.

Opportunities for Sri Lanka

Amidst a challenging global environment, Sri Lanka was able to leverage several emerging opportunities that contributed positively to its economic recovery during the financial year 2024/25. A notable driver was the robust rebound in tourism, as global travel demand surged in the post-pandemic era. This resurgence led to a remarkable 66.1% increase in tourism receipts during the first eight months of 2024, significantly enhancing foreign exchange inflows and revitalizing employment in the hospitality and services sectors. In parallel, worker remittances experienced an encouraging 11% growth, buoyed by improved labor market conditions in host countries and greater confidence in the domestic currency, which had stabilized following earlier volatility. Another critical development was the successful negotiation of a comprehensive debt restructuring agreement amounting to USD 17.5 billion. This, coupled with continued financial and technical support from multilateral institutions such as the International Monetary Fund (IMF) and key bilateral partners—most notably India—played a pivotal role in stabilizing Sri Lanka's external sector and restoring investor confidence.

Risks and Structural Challenges

While Sri Lanka's macroeconomic outlook showed signs of improvement during the financial year 2024/25, several underlying risks and structural vulnerabilities continued to pose significant challenges to sustain recovery. Chief among these is the issue of debt sustainability. Although the country successfully negotiated a substantial debt restructuring agreement, the overall debt burden remains elevated. Without steadfast fiscal discipline and the implementation of deep structural reforms, there is a risk of slipping back into financial distress. Social vulnerabilities also persisted, with a notable portion of the population still facing hardship. As of early 2024, approximately 23.7% of households were classified as food insecure, highlighting the lingering effects of the economic crisis on household welfare. Additionally, labor force participation declined to 47.1%, reflecting both economic dislocation and demographic shifts. On the external front, global demand uncertainty remains a pressing concern. A potential slowdown in major export markets could dampen Sri Lanka's trade performance and stall the momentum of its fragile recovery, underscoring the need for diversification and resilience-building in the country's economic strategy.

Outlook and Forecast

According to the Asian Development Bank, Sri Lanka's economy is projected to grow by 3.9% in 2025 and 3.4% in 2026, following a stronger-than-expected rebound in 2024. The World Bank also forecasts a 4.4% growth rate in 2024, driven by industrial recovery and tourism. However, the medium-term outlook hinges on the successful implementation of structural reforms, improved governance, and sustained investor confidence.

Sri Lanka – Economy in FY 2024/25

The financial year 2024/25 marked a pivotal period in Sri Lanka's economic journey, characterized by cautious optimism amid a fragile recovery. Following one of the most severe economic crises in its post-independence history, Sri Lanka has made notable strides in stabilizing its macroeconomic environment. Supported by an International Monetary Fund (IMF) program and a series of structural reforms, the country has begun to rebuild confidence in its fiscal and monetary institutions.

Real GDP growth rebounded to 5.0% in 2024, driven by a resurgence in industrial activity and a gradual revival in services, particularly tourism. Inflation, which had soared to unprecedented levels in 2022, was brought under control through decisive monetary policy actions, falling to 1.2% by the end of 2024. The Central Bank of Sri Lanka responded with a calibrated easing of interest rates, fostering a modest recovery in private sector credit and investment.

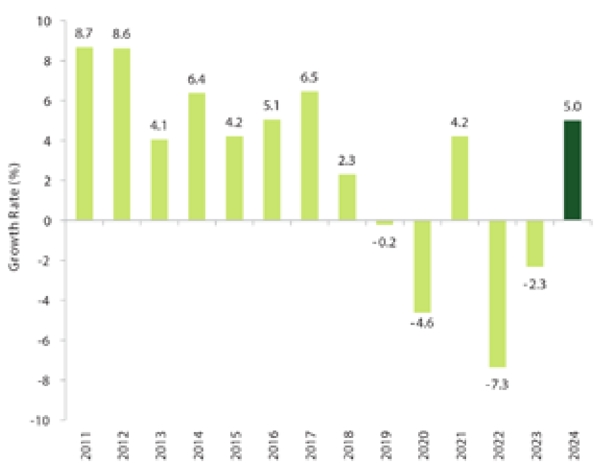
Despite these improvements, the economic landscape remains complex. Fiscal consolidation efforts have yielded a primary surplus, yet public debt levels remain elevated. External sector stability has improved, with reserves strengthening and the rupee appreciating, but vulnerabilities persist due to global uncertainties and domestic structural rigidities.

Social indicators reflect the lingering impact of the crisis. Poverty remains significantly above pre-crisis levels, and labor market participation has yet to fully recover. These challenges underscore the importance of inclusive growth strategies and sustained policy discipline.

Economic Growth

Sri Lanka's economy demonstrated a notable recovery during the financial year ending 31 March 2025, building on the momentum gained in 2024. According to the World Bank, the country recorded a real GDP growth rate of 5.0% in 2024, exceeding the earlier projection of 4.4%. This growth was primarily driven by robust performances in the industry and services sectors, with significant contributions from construction and tourism-related services.

Annual Real GDP Growth



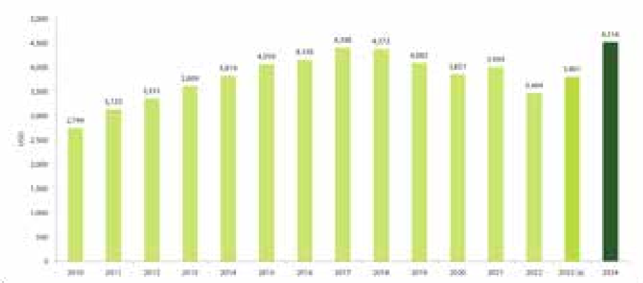
Quarterly Real GDP Growth

Source: CBSL

Macroeconomic indicators released by the Central Bank of Sri Lanka for the period ending March 2025 reflect a cautiously optimistic trajectory for the national economy. One of the key highlights was the modest increase in per capita GDP, signaling a gradual recovery in household incomes and economic activity following years of contraction. Inflation remained relatively subdued throughout the year, supported by the Central Bank's easing monetary policy stance and improved domestic supply conditions, particularly in food and energy sectors. This stability in prices contributed to enhanced consumer confidence and purchasing power. Additionally, the external sector showed signs of strengthening, with export earnings and tourism receipts rebounding significantly. The resurgence in tourism played a vital role in boosting foreign exchange inflows, while improved global demand and competitiveness supported export performance. Together, these developments underscored a broader stabilization of the economy and laid the groundwork for more sustained growth in the coming years.

Operating Landscape

Per Capita GDP

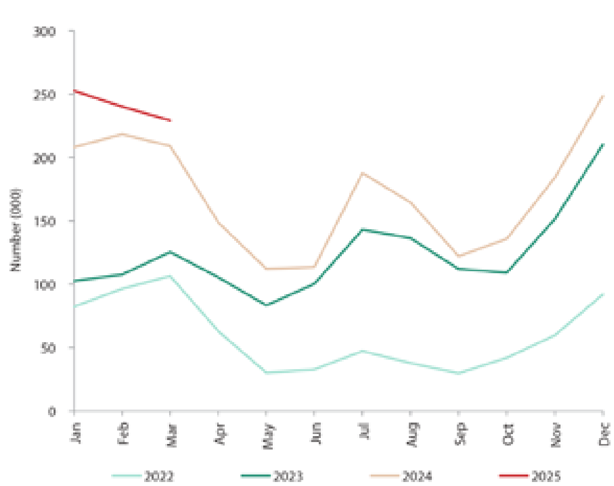


Source: CBSL

Tourism: Arrivals and Earnings

Source: CBSL

Tourism: Monthly Arrivals



Source: CBSL

Looking ahead, the World Bank projects a moderation in growth to 3.5% in 2025, citing global headwinds and domestic structural constraints. To sustain and accelerate economic growth, the country must focus on:

1. Enhancing macroeconomic stability

- Macroeconomic stability is foundational for sustainable growth. For Sri Lanka, this involves:
- Maintaining low and stable inflation through prudent monetary policy by the Central Bank.
- Reducing fiscal deficits by improving tax collection, rationalizing public expenditure, and enhancing fiscal discipline.
- Stabilizing the exchange rate and rebuilding foreign reserves to ensure external sector resilience.
- Managing public debt through restructuring and improved debt sustainability frameworks.

These measures help restore investor confidence, reduce economic volatility, and create a predictable environment for business and investment.

2. Implementing structural reforms to boost productivity and competitiveness

Structural reforms are essential to unlock long-term growth potential. Key areas include:

- Improving the business climate by simplifying regulations, reducing red tape, and enhancing ease of doing business.
- Modernizing state-owned enterprises (SOEs) to improve efficiency and reduce fiscal burdens.
- Investing in infrastructure, especially in transport, energy, and digital connectivity, to lower transaction costs.
- Promoting innovation and technology adoption in agriculture, manufacturing, and services to raise productivity.

These reforms can help Sri Lanka diversify its economy, attract foreign direct investment (FDI), and integrate more effectively into global value chains.

3. Expanding job opportunities, especially for youth and women

Inclusive growth requires broad-based employment generation. Strategies include:

- Enhancing vocational and technical education to align skills with market demand.
- Supporting entrepreneurship and SMEs, which are major job creators, through access to finance and business development services.
- Encouraging female labor force participation by addressing barriers such as childcare, workplace safety, and flexible work arrangements.
- Promoting regional development to reduce urban-rural disparities and create jobs outside major cities.

These efforts can reduce unemployment, especially among youth, and ensure that economic growth translates into improved livelihoods.

4. Strengthening social safety nets to protect vulnerable populations.

To ensure that no one is left behind, Sri Lanka must:

- Expand targeted cash transfer programs to support low-income households.
- Improve the efficiency of social protection systems through digital platforms and better beneficiary targeting.
- Enhance healthcare and education access for marginalized communities.
- Build resilience to climate and economic shocks, especially for those in informal sectors and rural areas.

A strong social safety net not only reduces poverty but also enhances social cohesion and economic resilience.

As a financial institution, we remain committed to supporting Sri Lanka's economic transformation by facilitating access to capital, promoting financial inclusion, and aligning our strategies with national development priorities.

Interest Rates

During the financial year ended 31 March 2025, Sri Lanka's interest rate landscape experienced a period of stabilization following significant monetary tightening in previous years. The Central Bank of Sri Lanka (CBSL) maintained a cautious yet supportive monetary policy stance, aiming to balance inflation control with economic recovery.

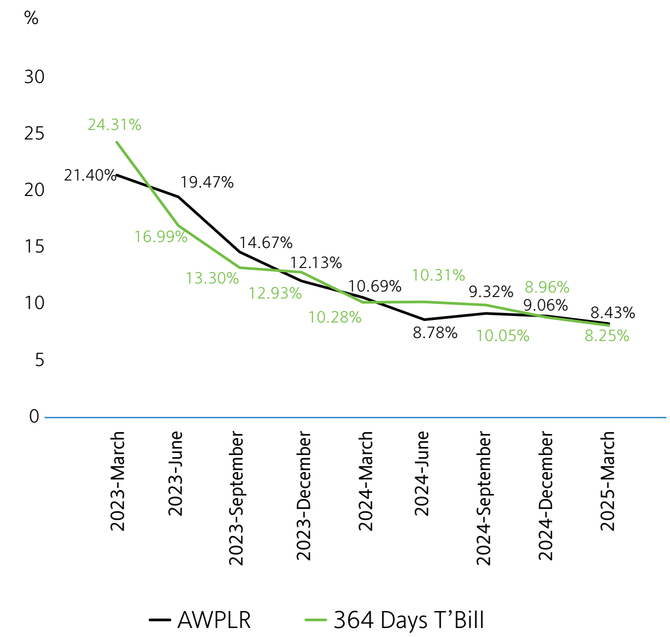
The CBSL cut policy rates by 150 basis points in 2024 (beyond the 650 basis points cut in 2023) and has maintained rates so far in 2025. Policy rates movements during the financial year can be summarized as follows.

- April 2024: The Standing Lending Facility Rate (SLFR) stood at 8.5%, while the Standing Deposit Facility Rate (SDFR) was 7.5%.
- July 2024: CBSL initiated a modest rate cut, reducing the SLFR to 8.25%, reflecting easing inflationary pressures and a need to stimulate credit growth.
- October 2024 to March 2025: The policy rates were further reduced and then held steady at 8.0% (SLFR) and 7.0% (SDFR), as inflation remained subdued and economic indicators pointed to a sustained recovery.

The easing of policy rates had a direct impact on market interest rates:

- Average Weighted Prime Lending Rate (AWPLR): Declined steadily throughout the year, falling into single-digit territory by mid-2024. By March 2025, the AWPLR hovered around 8.4%, reflecting improved liquidity and reduced credit risk premiums.
- Treasury Bill Yields: Yields across all maturities (3-month, 6-month, and 12-month) dropped significantly. For instance, 12-month T-bill yields fell to 8.25%, down by over 200 basis points from earlier in the year. This decline was driven by strong demand for government securities and expectations of continued monetary easing.

Movements in AWPLR and Treasury Bill Yields



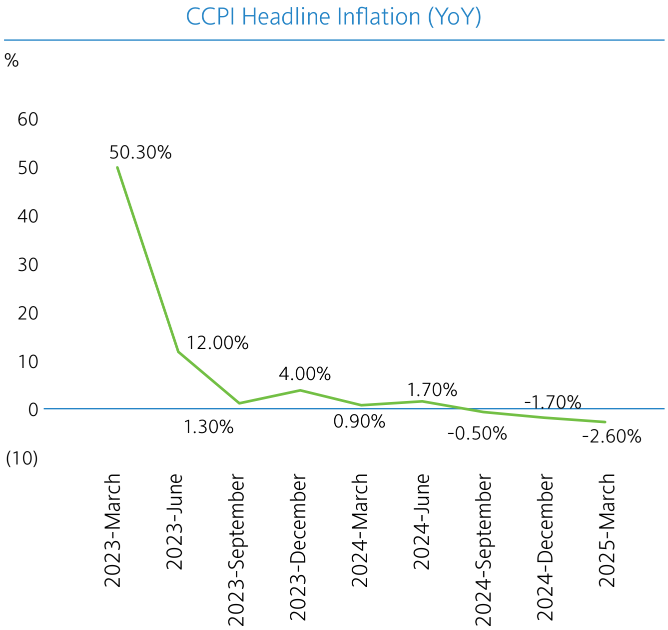
Several key factors influenced the interest rate trajectory during the year:

- Disinflationary Trends: Inflation remained low throughout the year, even turning negative at times due to reductions in electricity tariffs and fuel prices. This provided room for the CBSL to ease monetary policy.
- Economic Recovery: After two years of contraction, Sri Lanka's economy rebounded in 2024, supported by improved tourism, remittances, and domestic demand. Lower interest rates were instrumental in supporting this recovery.
- Global and Domestic Stability: A relatively stable global interest rate environment and improved domestic fiscal discipline contributed to a more predictable monetary policy framework.

Looking ahead, CBSL has signaled a data-driven approach to future policy decisions. Inflation is expected to return to the target range of around 5% by the end of 2025, and interest rates are likely to remain stable or adjust gradually in response to inflation dynamics and global economic conditions.

Operating Landscape

Inflation



During the financial year ending 31 March 2025, Sri Lanka experienced a rare and prolonged period of deflation, marking a significant shift from the high inflationary environment of the previous years. According to the Colombo Consumer Price Index (CCPI), headline inflation remained in negative territory for seven consecutive months, culminating in a deflation rate of -2.6% in March 2025, compared to -4.2% in February 2025.

This deflationary trend was largely driven by:

- Base effects from the high inflation in 2022–2023,
- Tight monetary policy by the Central Bank of Sri Lanka,
- Improved supply conditions, especially in food and energy,
- Subdued domestic demand amid ongoing economic adjustments.

The National Consumer Price Index (NCPI) also reflected similar trends, with core inflation (excluding volatile items) slightly decreasing to 193.3 in March 2025 from 193.4 in February2. Despite the deflation, the general price level remains significantly elevated compared to the 2021 base year, indicating that while prices are falling year-on-year, they are still high in absolute terms.

While deflation may appear beneficial to consumers in the short term, it poses several risks:

- Reduced business revenues and profits, potentially leading to lower investment and employment.
- Increased real debt burdens, as the value of money rises.
- Delayed consumer spending, as households anticipate further price drops.

However, the easing of deflation in March 2025 suggests a potential turning point, aligning with the Central Bank's projections for a gradual return to price stability.

External Sector Performance

Sri Lanka's external sector showed signs of resilience and gradual recovery during the financial year ending 31 March 2025, supported by improved foreign exchange inflows, a stable exchange rate, and a strengthening balance of payments position.

Exchange Rate Dynamics

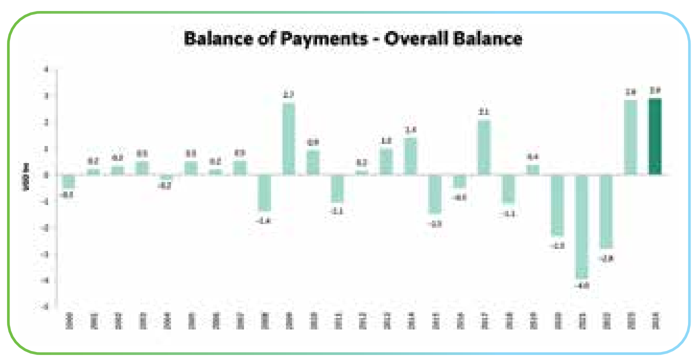
The Sri Lankan Rupee (LKR) remained relatively stable throughout the year. As of end-March 2025, the exchange rate stood at LKR 299.62 per USD, reflecting a year-to-date depreciation of 2.3% by end-April 2025. This mild depreciation was managed effectively by the Central Bank through active intervention and foreign exchange purchases, which helped maintain market stability.

Foreign Reserves

Sri Lanka's Gross Official Reserves (GOR) increased to USD 6.5 billion by end-March 2025, up from USD 5.4 billion in mid-2024 This improvement was driven by:

- The receipt of the fourth tranche under the IMF's Extended Fund Facility (EFF),
- Net purchases of USD 402 million by the Central Bank from the domestic forex market,
- Continued inflows from workers' remittances and tourism.
- The reserve level provided an import coverage of approximately 4.1 months, indicating a healthier external buffer compared to previous years.

Balance of Payments (BoP)



The current account recorded a surplus for the third consecutive month in March 2025, the highest monthly surplus since the Central Bank began monthly reporting in 2023 1. Key highlights include:

- Merchandise Trade: Exports grew by 8.1% year-on-year to USD 1,242 million in March 2025, while imports rose by 8.6% to USD 1,637 million. Despite the widened trade deficit, the increase in export volumes and prices helped cushion the impact.

- Services Account: Net earnings from services improved, supported by:
  - Tourism earnings of USD 354 million in March 2025 (up from USD 338 million in March 2024),
  - Transport services growth of 4.4% year-on-year.

- Workers' Remittances: Reached USD 693 million in March 2025, marking a 21.1% year-on-year increase, the highest monthly inflow recorded in recent years.
- Capital and Financial Account: Foreign investments in government securities recorded a net inflow of USD 49 million, while the Colombo Stock Exchange (CSE) saw a net outflow of USD 6 million, reflecting cautious investor sentiment.

The external sector is expected to remain stable in the near term, supported by:

- Continued IMF support and reform implementation,
- Recovery in tourism and remittance inflows,
- Prudent exchange rate management by the Central Bank.
- However, global uncertainties and domestic structural challenges necessitate ongoing vigilance and policy agility.

Finance Company Sector Overview – Sri Lanka (FY 2024/25)

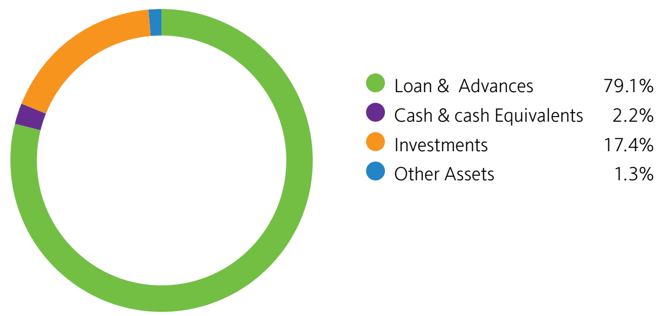
The Finance Company Sector in Sri Lanka plays a pivotal role in the country's financial ecosystem, serving as a key conduit for credit intermediation and financial inclusion. As at 31 March 2025, the sector's total asset base stood at Rs. 2,089 billion, with Loans and Advances comprising the largest share at 79.1%, underscoring the sector's core focus on lending activities. On the liabilities side, the sector is predominantly funded through Deposits and Borrowings, which together form the backbone of its funding structure. Deposits are largely composed of time deposits, while borrowings are primarily sourced through term loans and securitization facilities. Over the past six years, the sector has demonstrated resilience and steady growth, with notable improvements in asset quality and credit expansion, reflecting its adaptability and continued relevance in supporting economic activity across diverse segments.

Asset and Advances

The Finance Company Sector has demonstrated consistent growth in its asset base over the past six financial years, reflecting resilience and adaptability in a dynamic economic environment. As of 31 March 2025, the sector's total assets stood at Rs. 2,089 billion, marking a significant increase from Rs. 1,393 billion in FY 2019/20. This growth underscores the sector's strategic focus on expanding its core operations and strengthening its financial position.

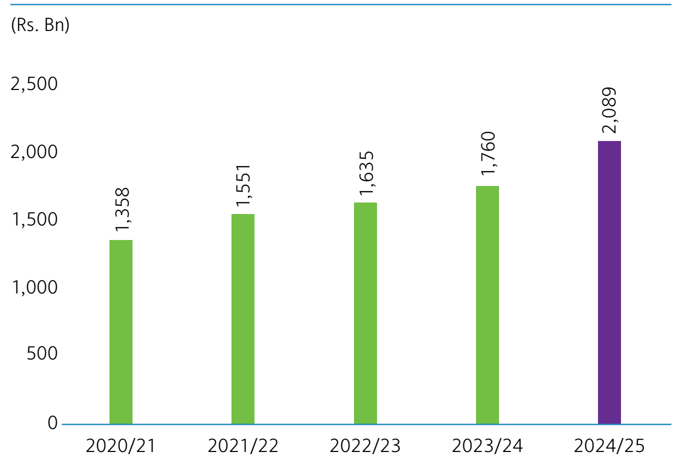
As at 31 March 2025, the composition of total assets in the Finance Company Sector was as follows.

Composition of Assets as at 31.03.2025

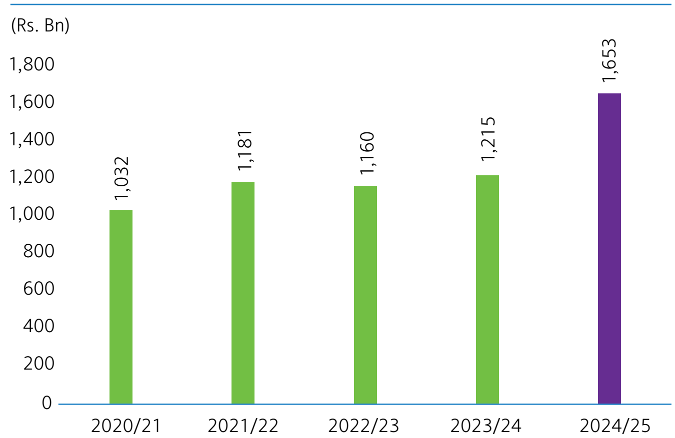


The sector's asset growth has been accompanied by a parallel increase in Loans and Advances, which rose from Rs. 1,072 billion in FY 2019/20 to Rs. 1,653 billion in FY 2024/25. This reflects a renewed momentum in credit expansion, particularly in the post-pandemic recovery period.

Assets



Loans and Advances



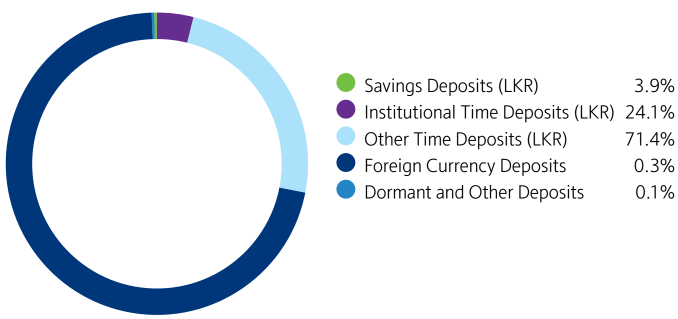
Operating Landscape

The sharp rise in FY 2024/25, particularly in Loans and Advances, indicates improved credit demand and enhanced lending capacity across the sector.

Deposits and Borrowings

Deposits and Borrowings continue to be the two primary funding sources for finance companies, supporting their lending and investment activities.

Composition of Deposits



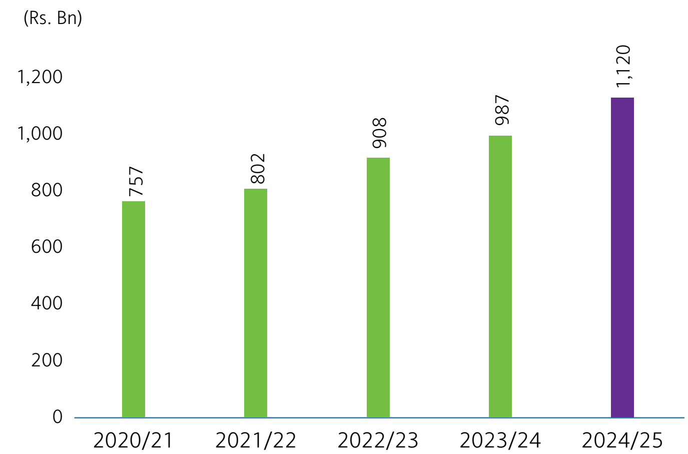
Composition of Borrowings

Deposits are predominantly made up of Time Deposits (71.4%), followed by Institutional Time Deposits (24.1%) where Borrowings are largely composed of Term Loans and Securitization Loans (74.7%), with smaller contributions from Overdraft Facilities (7.3%), Debt Securities (7.6%), and others.

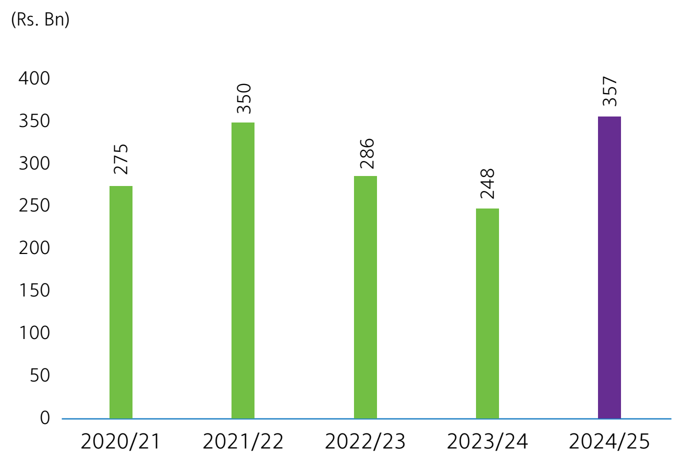
The total deposits in the sector have shown a steady upward trend, increasing from Rs. 763 billion in FY 2019/20 to Rs. 1,120 billion in FY 2024/25. This growth reflects increased public confidence and the sector's ability to attract and retain depositors through competitive rates and diversified deposit products.

Borrowings have fluctuated over the years, reflecting changes in market conditions and funding strategies. After a dip in FY 2023/24, borrowings increased to Rs. 357 billion in FY 2024/25, indicating renewed access to credit lines and capital markets.

Deposits



Borrowings



The finance company sector in Sri Lanka demonstrated signs of stabilization and cautious recovery during the financial year 2024/25, supported by improved macroeconomic conditions, easing monetary policy, and regulatory reforms. While challenges remain, key performance indicators such as profitability, liquidity, asset quality, and capital adequacy showed gradual improvement.

	31 March 2023	31 March 2024	31 March 2025
Profitability (%)			
Return on Assets (ROA) (Annualized)	3.8	5.5	6.6
Return on Equity (ROE) (Annualized)	9.4	12.9	15.1
Net Interest Margin (NIM) (Net Interest Income to Average Assets) (Annualized)	8.5	10.0	10.7
Asset Quality (%)			
Gross Non Performing Advances (Stage 03 Loans) to Total Advances	15.9	14.7	8.3
Net Non Performing Advances (Stage 03 Loans net of Stage 03 Impairment) to Total Advances	10.6	9.4	4.5
Total Impairment Coverage Ratio (Total Impairment to Total Advances)	7.6	7.0	5.2
Liquidity Indicators (%)			
Liquid Assets to Total Assets	14.0	14.8	11.8
Liquid Assets to Deposits	25.1	26.3	22.0
Liquid Assets to Short Term Liabilities (less than 03 Months)	45.4	46.8	41.4
Capital Adequacy (%)			
TIER 1 Capital after Adjustments to Risk Weighted Assets (Core Capital Ratio)	20.7	21.0	19.7
Total Capital to Risk Weighted Assets (Total Capital Ratio)	22.0	21.9	20.5

Profitability

The Finance Company Sector in Sri Lanka recorded a notable improvement in profitability during the financial year ended 31 March 2025. The Return on Assets (ROA) increased to 6.6%, up from 5.5% in the previous year, reflecting enhanced operational efficiency and improved asset utilization. Similarly, the Return on Equity (ROE) rose to 15.1%, indicating stronger returns to shareholders and effective capital deployment. The Net Interest Margin (NIM) also expanded to 10.7%, driven by improved interest spreads and prudent asset-liability management, underscoring the sector's ability to generate higher income from its core lending activities.

Liquidity

Liquidity indicators remained stable, although there was a slight moderation compared to the previous year. The Liquid Assets to Total Assets ratio stood at 11.8%, while Liquid Assets to Deposits and Liquid Assets to Short-Term Liabilities were 22.0% and 41.4%, respectively. These levels indicate that the sector continues to maintain sufficient liquidity buffers to meet short-term obligations, despite increased lending activity and deposit mobilization.

Asset Quality

Asset quality showed significant improvement during the year, reflecting better credit risk management and recovery efforts. The Gross Non-Performing Advances (NPA) ratio declined sharply to 8.3% from 14.7% in the previous year, while the Net NPA ratio dropped to 4.5%, indicating a substantial reduction in credit risk exposure. The Total Impairment Coverage Ratio also improved to 5.2%, suggesting that finance companies are maintaining adequate provisions to cover potential credit losses, thereby strengthening their balance sheets.

Capital Adequacy

The sector maintained strong capital buffers, well above regulatory minimum requirements. The Tier 1 Capital Ratio was recorded at 19.7%, and the Total Capital Ratio at 20.5% as at 31 March 2025. Although slightly lower than the previous year, these ratios reflect a healthy capital position, enabling finance companies to absorb potential shocks and support future growth.

Regulatory Measures

The Central Bank of Sri Lanka maintained a proactive regulatory stance throughout the year. Key measures included:

- Enhanced supervision of finance companies with weak financial positions.
- Encouragement of sector consolidation to improve resilience and operational efficiency.
- Implementation of IFRS 9 and other prudential norms to strengthen risk management and transparency.
- Monitoring of liquidity and capital adequacy through regular stress testing and reporting requirements

Looking ahead, the finance company sector is expected to benefit from continued economic recovery, low inflation, and stable interest rates. However, challenges such as subdued consumer sentiment, regulatory compliance costs, and competition from digital financial services will require strategic adaptation. The sector's ability to innovate, manage risks, and maintain strong governance will be critical to sustaining growth and resilience in the coming years.

Industry Performance Context and Fintrex's Strategic Growth

The Sri Lankan finance sector has demonstrated robust performance across several key financial indicators during the reporting period. The industry's higher averages in capital adequacy, profitability, and liquidity ratios reflect a combination of long-established institutions with mature capital structures, diversified portfolios, and conservative risk management practices. Notably, certain outliers, large-scale finance companies with extensive branch networks and legacy asset bases have significantly influenced sector-wide averages, particularly in Return on Assets (ROA), Return on Equity (ROE), and capital ratios.

Despite these sectoral benchmarks, Fintrex Finance PLC has outpaced the industry in growth metrics, showcasing a remarkable year-on-year asset growth of 43.65% and deposit growth of 54.65%, compared to the industry averages of 8.25% and 6.08% respectively. This exceptional growth trajectory is a testament to our strategic focus on digital transformation, customer-centric product innovation, and agile operational execution hallmarks of our "Smart Finance, Smarter Future" vision.

While our current capital and profitability ratios are below the industry average, they reflect our ongoing investments in expansion and technology, which are expected to yield long-term value. Our prudent risk management framework, coupled with a forward-looking approach to financial inclusion and digital finance, positions Fintrex as a dynamic and resilient player in the evolving financial landscape of Sri Lanka.

Indicator	Ratio	FFL %	NBFI Sector* %
Capital Adequacy	Tier 1 Capital after Adjustments to Risk Weighted Assets	13.55	19.68
	Total Capital to Risk Weighted Assets (Total Capital Ratio)	18.32	20.53
Asset Quality	Gross Non Performing Advances to Total Advances	8.63	8.30
	Net Non Performing Advances to Total Advances	6.09	4.50
	Stage 3 Impairment Coverage Ratio	29.50	45.78
Profitability	Return on Assets (ROA) (Annualized)	1.00	6.58
	Return on Equity (ROE) (Annualized)	5.68	15.07
	Net Interest Margin (NIM)	9.70	10.65
Liquidity	Liquid Assets to Total Assets	8.26	11.82
	Liquid Assets to Deposits	18.43	22.04
	Liquid Assets to Short Term Liabilities (less than 03 Months)	31.00	41.43
Growth	Asset Growth (YoY)	43.61	8.25
	Deposit Growth (YoY)	54.65	6.08

Stakeholder Engagement

GRI 2-29

We strive to understand the needs and expectations of our shareholder groups, thereby incorporating them into our strategy while extending our support to achieve their financial freedom. We have recognised customers, employees, regulators, shareholders and Investors, suppliers and business partners , the broader community and environment as our key stakeholder groups who play a vital role in shaping the Company's ability to create value and long-term growth. Therefore, we continue to foster meaningful engagement with these diverse groups, in driving our success and building our reputation and competitive position within the financial ecosystem of the Country.

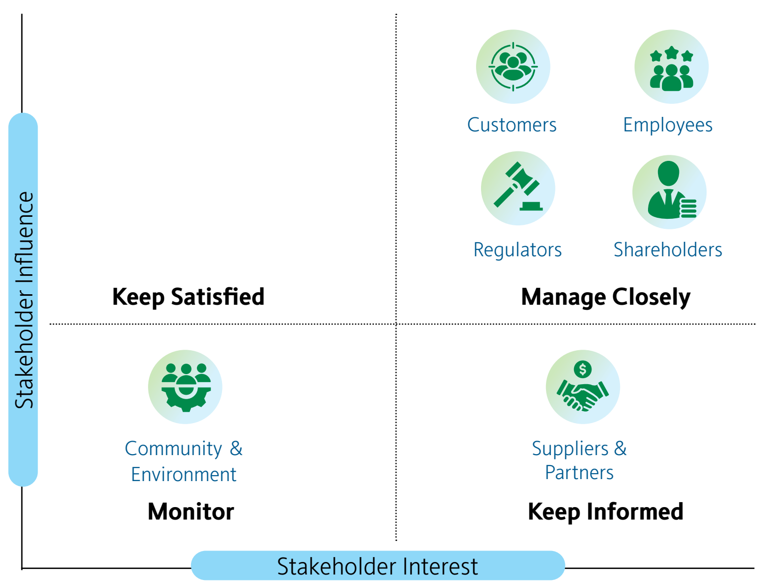
Stakeholder Analysis and Engagement Process

FFL have adopted six -stage stakeholder engagement model to effectively identify, understand, engage, and manage stakeholder relationships throughout its business process. While we constantly assess and adjust our engagement strategies based on the changing trends in the financial ecosystem to address stakeholders' needs and aspirations, this structured approach has enabled us to identify opportunities for improvement, allowing us to better integrate stakeholder engagement into our value-creation process.

Stakeholder Mapping

As our stakeholders play a key role in contributing to our business operations and determining the effectiveness of the Business model, we endeavour to maintain a balance between the expectations of the key stakeholders for the long-term sustainability of our business.

The table below illustrates our process of identifying and analysing stakeholders based on their level of influence on the Company's business activities.



Value Creation and Distribution

Engaging with stakeholders is fundamental to how we create both social and financial value - serving as both an input and outcome. Our stakeholder oriented value added statement illustrates how financial value is generated and shared among our key stakeholders.

LKR 3,498.93Mn	LKR 256.23Mn	LKR 427.02Mn	LKR 183.99Mn
Distributable interest income	Distributable fees and other income	Distributable operating cost	Net value created

Depositors and Lenders
We distributed 46.75% of the value created to depositors and lenders through interest payment.

Employees
We distributed 19.45% of the value created to employees through remuneration and benefits.

Government
We distributed 9% of the value created to the government through the payment of taxes.

Suppliers
We distributed 19.90% of the value created to suppliers through supplier payments.

Value Retained
We retained 4.90% of the value created to liquidity support and allocate capital expenditure.

FFL's Stakeholder Engagement Model

Customers

Quality of the Relationship: Strong

Impacted Capitals

Engagement Mode	Frequency
Customer Contact Centre	Continuous
Customer Visits at the branch level	As required
Through marketing campaigns	Continuous
Corporate Website	Continuous
Product launches	As required
Social media platforms	Continuous

Customer concerns

- Superior service and convenience
- Innovative products
- Product awareness
- Customer data security
- Financial literacy
- Compliant handling
- Flexibility in repayment of loans due to economic stress

Our strategic response

- Develop products to suit evolving customer needs
- Invest in digital financial solutions
- Invest in customer date protection
- Strengthening the branch proposition to facilitate better access to financial services.
- Enhance customer satisfaction and service standards through the customer steering committee

Future Focus

- Ensuring convenient access to our services
- Investing in technology-driven systems and infrastructure
- Providing innovative financial products
- Providing advice and investing in the financial literacy of clients
- Maintaining customer complaints at a minimal level

Employees

Quality of the Relationship	Impacted Capitals
Strong	

Engagement Mode	Frequency
Staff meetings	Ongoing
Performance Appraisals	Annually/ bi-annually
Engagement activities	Continuous
Training programs	Continuous
Email notifications/memos	As required
Digital Platforms	Continuous
Company Magazine (The MAG)	Bi- annually
Disciplinary Committee/ Grievance officer	As required

Employee concerns

- Industry par remuneration and benefit package
- Rewards & Recognition
- Diversity and equal opportunity
- Professional & personal growth
- Work-life balance
- Career growth
- Health and Safety

Our strategic response

- Conduct regular training and development initiatives
- Implement engagement activities
- Rewarding well-performing employees
- Adopt HR policies that support equality, fair treatment, human rights
- Provide performance-based rewards and recognition
- Implement initiatives such as flexible hours, work from home arrangements aimed at work-life balance

Future Focus

- Building a strong workforce capable of delivering to a diverse customer base
- Strengthening retention strategies and enhancing opportunities for professional growth
- Strengthening the organisation's employer brand
- Reinforcing transparent communication channels and addressing employee concerns
- Promoting fairness and equality

Regulators

Quality of the Relationship	Impacted Capitals
Moderate	

Engagement Mode	Frequency
Meetings	As required
Directives and Circulars	As required
Regulatory submission	Continuous
Annual Report	Annually
CBSL Audits	Periodically

Regulator concerns

- Ethical business conduct
- Timely statutory reporting and responding
- Good governance and Compliance
- Business transparency
- Financial stability

Our strategic response

- Timely payment of taxes
- Timely submission of regulatory reports and returns
- Compliance with relevant rules and regulations

Future Focus

- Ensuring continuous compliance with new regulations and directions
- Perpetual support to regulators in developing policies for financial sector stability
- Providing employees training exposure relating to regulatory compliance

Community & Environment

Quality of the Relationship	Impacted Capitals
Moderate	

Engagement Mode	Frequency	Community & Environment concerns	Our strategic response
CSR Initiatives	As required	• Support the upliftment of marginalized segments • Financial inclusion • Environmental conservation • Ethical business conduct	• Empowering women entrepreneurs • Implement CSR projects • Implement eco-friendly practices • Green financing • Provide financial literacy • Optimizing resource usage
Individual engagement	As required		
Social media	Continuous		
Public events	As required		
Press Releases	Continuous		
Sponsorships	As required		

Future Focus

- To support the socio-economic development of communities through building infrastructure, support for education and financial wellbeing
- Proactively drive environmental protection.

Suppliers and Business Partners

Quality of the Relationship	Impacted Capitals
Moderate	

Engagement Mode	Frequency	Supplier & Business Partner concerns	Our strategic response
Service Agreements	As required	• Timely payment settlements • Fair Business dealings • Transparency and accountability of actions • Competitive pricing • Nurturing strong relationships	• Timely updates on our rules and regulations • Continues engagement • Constructive supplier feedback • Swift response
Direct Dialogue	As required		
Meetings	As required		
Events	As required		

Future Focus

- Building strong relationships for mutual benefit
- To harness new business opportunities to support our long-term growth
- To build a strong supplier pool to support our sustainable progress

Stakeholder Engagement

Shareholders and Investors

Quality of the Relationship: Strong

Impacted Capitals

Engagement Mode	Frequency	Shareholder/Investor concerns	Our strategic response
Annual Report	Annually	• Financial performance and shareholder return • Alignment of their interests with strategy • Long-term value creation • Investor confidence • Adaptability to changing market conditions • Timely disclosure of important information	• Maintaining strong capital and liquidity buffers • Robust governance and risk management framework • Implement market development activities • Regulatory Compliance • Ethical business • Transparency of actions
Annual General Meeting (AGM)	Annually		
Investor Presentations	As required		
Disclosure and announcement to the CSE	Continuous		
Interim Financial Statements	Annually		

Future Focus
• Providing relevant and timely information. • Maintaining strong relationships by informing them of our strategy execution.

We have established stakeholder goals to guide our progress by clearly defining the value we aim to deliver to each key stakeholder group. This has been instrumental in shaping and informing our overall strategy.

Key Stakeholders	Goals	Level of Relationships	Level of Engagement
Customers	Deliver to customer expectations		Involve
Employees	Career growth and satisfaction		Collaborate
Regulators	Compliance with regulations		Collaborate
Community & Environment	Community empowerment through CSR, environmental initiatives		Involve
Suppliers and Business Partners	Enduring Commercial Partnership		Collaborate
Shareholders and Investors	Financial stability and continued growth		Consult and inform

Level of Engagement categories;

Inform - Provide stakeholders with relevant information.
Consult - Seek stakeholder feedback to inform decisions.
Involve - Work directly with stakeholders to ensure their concerns and ideas are considered.
Collaborate - Partner with stakeholders in decision-making and solution development.
Empower - Give stakeholders decision-making authority.

Materiality

GRI 3-1

Approach to determine materiality

Material Matters are the crucial elements that profoundly influence FFL's capacity to fulfill its strategic ambitions and successfully realize its value creation objectives. Our ability to create value for the Company and the stakeholders is influenced by factors such as the operating environment, stakeholder interests, risk landscape and strategic decisions. Therefore, in this section, we explore the most important factors that could substantially impact our value generation over the short – medium and longer term.   By identifying and addressing these Material Matters, the Company can ensure that it remains aligned with its long-term goals, effectively manages risks, and continues to deliver value to its stakeholders.

Materiality Determination Process

The Materiality determination process entails a comprehensive examination of both the internal and external environments to pinpoint factors that might influence the Company's strategy, performance, and future prospects. This thorough analysis seeks to identify elements that could have either a positive or negative impact on the organization.

Our materiality determination process follows a multi-step approach designed to capture both internal and external perspectives:

Stakeholder mapping and engagement

Identification of potential materiality topics

Assessment of impacts and risks

Prioritization and validation

Disclosure and integration

Stakeholder mapping and engagement

We identify key stakeholder groups including shareholders and investors, regulators, customers, suppliers and business partners, employees, and community and environment.

Stakeholder mapping and engagement

Based on stakeholder input, industry benchmarks (e.g., GRI, SASB), and internal risk assessments, we compile a comprehensive list of potential material topics.

Assessment of impacts and risks

Each topic is evaluated for:

- Impact on society and the environment (impact materiality)
- Financial implications for the company (financial materiality)

Prioritization and Validation

Topics are prioritized using a scoring matrix that considers both the significance of the impact and the likelihood of financial consequences. The results are validated by senior management and sustainability experts.

Disclosure and Integration

Material topics are disclosed in our sustainability reports and integrated into our strategic planning and risk management processes.

Methodology

We have adopted the Double Materiality Assessment approach, which is increasingly recognized as the gold standard under frameworks such as the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Double materiality is an essential concept in sustainability and financial reporting. It broadens the traditional view of materiality by considering not only how environmental, social, and governance (ESG) issues impact a company financially but also how the company's operations impact the environment and society.

This approach encompasses two dimensions:

Impact Materiality ("Inside-Out")

Evaluates how our operations, products, and services affect the environment and society. This includes both positive and negative impacts across our value chain.

Financial Materiality ("Outside-In")

Assesses how sustainability-related risks and opportunities (e.g., climate change, regulatory shifts, social unrest) could affect our financial performance and position over time.

Materiality

List of Material Topics

GRI 3-2

	Material Topic	Impact on the Economy, Environment and People	Whether the negative impacts are from company activities or business relationships	Policies or commitments regarding the material topic	Capitals Impacted
Economic	1) Macro Economic Conditions	All our stakeholders are impacted by the macro economic uncertainities	To date, no negative impact	FFL has expressed its voluntary commitments to Un SDG, SDG 8- Decent work & Economic Growth	
	2) Financial stability and profitability	The impacts of our economic value generation are felt by our key stakeholders who benefit from our value creation.	To date, there have been no negative impacts through our economic value generation	FFL has expressed its voluntary commitments to Un SDGs, SDG 1- No poverty SDG 8- Decent work & Economic Growth	
	3) Approach to tax	Complying with all tax obligations, and strictly adhering to a policy that prohibits any involvement in tax evasion or avoidance enhance our brand value and integrity.	To date, no negative impact	Our policy is compliance with all applicable tax regulations	
	4) Anti - Corruption	Incidents of corruption may negatively impact our performance and brand reputation	To date, no negative impact	A robust governance and risk framework is in place to respond to instances of corruption	
	5) Indirect Economic Impacts	Supports local economic growth by enabling access to finance for underserved communities and SMEs.	To date, no negative impact	Commitment to community development	

Most affected stakeholders	Actions to Risk Mitigation and Maximizing Opportunities	Tracking effectiveness the actions taken	Materiality compared to 2023/24	GRI	SDG
	* Adopted appropriate sales strategies * Introduced new product lines to cater the evolving needs of the customers * Continous marketing campaigns * Expanded the communication channels to engage with the broader audience.	* Continous growth in lending portfolio * Increased customer base * New recruitments for growing business	New	GRI 201	8 DECENT WORK AND ECONOMIC GROWTH
	* Prudent strategies to maximise financial outcome * Efficient cost management to reduce expenditure * Diversifying revenue stream to raise revenue income * Implement appropriate marketing strategies * Wider reach for market expansion * Maintaining strong liquidity and capital buffers	* Continous growth in revenue * Increased Net Interest margin * Favourable financial ratios * Rapid growth in total assets	Same	GRI 201	1 NO POVERTY 2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH
	* FFL complies with all the applicable tax laws and regulations in Sri Lanka by paying taxes on time and accurately.	* EY serves as the tax consultant for the Company, with the responsibilty of regularly monitoring the accuracy of the tax computations and ensuring the precise execution of tax payments and returns.	Same	GRI 207	17 PARTNERSHIPS FOR THE GOALS
	* Risk assesments of operations * Compliance with corporate governance and best practises * Awareness training & communication * Proper implementation of internal controls	* Improvements to Risk and Governance framework based on the evolving regulatory and industry requirements	Same	GRI 205	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	* Expand financial services to underserved regions and SMEs. * Support entrepreneurship through microfinance and advisory services. * Partner with local organizations for community development projects. * Monitor and report on socio-economic contributions.	* Monitor the number and value of loans disbursed to underserved communities. * Track job creation and business growth among financed SMEs. * Conduct annual impact assessments and stakeholder feedback surveys.	* New	GRI 203	8 DECENT WORK AND ECONOMIC GROWTH

Materiality

	Material Topic	Impact on the Economy, Environment and People	Whether the negative impacts are from company activities or business relationships	Policies or commitments regarding the material topic	Capitals Impacted
Environmental	6) Energy Management	Reduced energy consumption within the Company will lead to energy saving, minimising the environmental impact and cost.	The expansion of our operations has led to increased activity levels, which in turn contribute to Company's carbon footprint, representing a negative impact	Closely monitoring the energy consumption and adresses the considerable variances	
	7) Water Consumption	Efficient water consumption within the Company will lead to efficient water usage.	To date, no negative impact	FFL has expressed its voluntary commitment to UN SDG 12- Responsible comsumption & production	
	8) Procurement Practices	Promotes ethical sourcing and supports local suppliers, enhancing economic inclusion and sustainability.	To date, no considerable negative impact	Sustainable procurement policy	
	9) Effluents and Waste	Our waste stream primarily consists of papers, with a minor component of electronic waste resulting from equipment replacements. While paper waste has minimal environmental impact, the e-waste presents potential environmental concerns that require careful management.	To date, no considerable negative impact	FFL has committed to the principles of reducing, reusing, and recycling paper in our daily operations. Further we have adopted proper disposal mechanism to minimise enviormental impact	
Social	10) Employment	Recruiting the right candidates at the right time will deliver value to the customers and drive the Company's long-term strategy.	To date, no negative impact	Human Resource Policy	
	11) Occupational Health & Safety	A healthy and safe work environment (with reduced risks and accidents) will improve the efficiency of the workforce including their workplace satisfaction and motivation for better performance.	To date, no negative impact	Adopted OHSAS 18001 health and safety guidelines Conducted Hazard Identification and Risk Assessment (HIRA) study	

Most affected stakeholders	Actions to Risk Mitigation and Maximizing Opportunities	Tracking effectiveness the actions taken	Materiality compared to 2023/24	GRI	SDG
	* Implement enegy savings measures within the Company ans raise awareness of the same amongst the employees	* Periodic monitoring of enegy consumption at the head office and branches	Same	GRI 302	12 Responsible Consumption and Production
	* Reduce water wastage within the Company by raising awareness of the same amongst the employees	* Periodic monitoring of water consumption at the head office and branches	Same	GRI 303	12 Responsible Consumption and Production
	* Implement a supplier code of conduct emphasizing sustainability and ethics. * Prioritize local and diverse suppliers in procurement decisions. * Conduct regular supplier assessments and audits. * Provide training and capacity-building for suppliers.	* Review supplier compliance reports and audit findings. * Track the percentage of local and sustainable suppliers. * Evaluate supplier performance through scorecards and feedback.	New	GRI 204	12 Responsible Consumption and Production
	* Encourage our staff to use rough papers for internal documentation and printing * Encourage to use both sides of the papers and reduce unnecessary printing * Transform manual processes to online workflow platform to reduce the paper usage. * Proper disposal of other physical items	* Monitoring A4 papers usage on monthly basis and take necessary actions for the over usage of any department or branches	New	GRI 303	12 Responsible Consumption and Production
	* Hire the right fit for the right job * Provide exposure to learning and development opportunities * Conduct training needs analysis * Effective rentention strategy	* Have in place a systematic and unbaised recruitment process	Same	GRI 401	5 Gender Equality 10 Reduced Inequalities
	* Maintaining the highest standards of health and safety at the workplace compliying with necessary safety measures * Educating employees on health and safety.	* Have in place proper health and safety measures and promote a culture of safety	Same	GRI 403	3 Good Health and Well-Being 8 Decent Work and Economic Growth

Material Topic	Impact on the Economy, Environment and People	Whether the negative impacts are from company activities or business relationships	Policies or commitments regarding the material topic	Capitals Impacted
12) Training and Education	Enhancing the skills and capacities of employees will lead to increased productivity thereby better positioning the Company for business growth.	To date, no negative impact	* Training Need Assessments * Develop Annual Training Calendar and allocate budget for the same * Performance Management Career Development Opportunities	
13) Diversity & Equal Opportunity	A diversified workforce and equal opportunity work environment will ensure fair representation, creating a positive impact on the organisation.	To date, no negative impact	* Non-discrimination policy * Respect for human rights We also voluntarily support - SDG 5- Gender Equality - SDG 10- Reduced inequalities"	
14) Customer Service Excellence	Customer service has become a key differentiator in the fiercely competitive industry landscape.	To date, no negative impact	* Customer Complaint Handling Policy & Procedure	
15) Non-discrimination	Fosters a fair, inclusive workplace that boosts employee morale and reflects social responsibility.	To date, no negative impact	* Equal opportunity policy	

Most affected stakeholders	Actions to Risk Mitigation and Maximizing Opportunities	Tracking effectiveness the actions taken	Materiality compared to 2023/24	GRI	SDG
	* Conducting regular training and development prograrms to develop employee capacities	* Performance Evaluation based on KPIs * Retention and Turnover rate * Employee feedback after training	Same	GRI 404	8 DECENT WORK AND ECONOMIC GROWTH
	* Maintaining diversity in the workforce, ensuring equal basic salary and remuneration to both men and women	* Employee grievance mechanism to bring to light any discrimination or unfair treatment	Same	GRI 405	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
	* Ongoing efforts to improve customer service through training & development of employees * Conducting monthly meetings with the Customer Steering Committee, chaired by the CEO, to foster innovative ideas aimed at enhancing customer service."	* Timely following up actions/items proposed by the committee members of the customer steering committee (on monthly basis) * Number of Customer Complaints received to the Customer Complaint Handling Officer	Same	GRI 418	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	* Enforce a zero-tolerance policy on discrimination in the workplace * Conduct regular diversity and inclusion training. * Establish anonymous grievance and reporting mechanisms. * Monitor workforce diversity metrics and take corrective actions."	* Analyze workforce diversity metrics and hiring trends. * Monitor employee grievances and resolution outcomes * Conduct periodic employee satisfaction and inclusion surveys.	New	GRI 406	10 REDUCED INEQUALITIES

	Material Topic	Impact on the Economy, Environment and People	Whether the negative impacts are from company activities or business relationships	Policies or commitments regarding the material topic	Capitals Impacted
	16) Child Labor	Protects children's rights by ensuring ethical practices across the supply chain.	To date, no negative impact	* Child labor policy	
	17) Forced or Compulsory Labor	Upholds labor rights and ethical standards by preventing exploitation in operations and partnerships.	To date, no negative impact	* Forced labor policy	
	18) Local Communities	Community engagement and development	There are no negative impacts reported during the year	* Community engagement policy	
	19) Digitalization and Technology	Increased preference for digital financial transactions makes it imperative to drive digital evolution.	To date, no negative impact	* IT Related policy and procedures	
Governance	20) Customer Privacy	Ensuring customer privacy will safeguard the Company's reputation and the brand	There are no negative impacts reported during the year	* Compliance with CBSL regulations * IT security and IT risk management policies are in place	
Governance	21) Marketing & Labelling	Marketing compliance and providing appropriate product information will positively impact the customers.	To date, no negative impact	* Compliance with CBSL regulations * Guided by our business ethics	

Most affected stakeholders	Actions to Risk Mitigation and Maximizing Opportunities	Tracking effectiveness the actions taken	Materiality compared to 2023/24	GRI	SDG
	* Include child labor clauses in supplier contracts. * Conduct due diligence and audits across the supply chain. * Raise awareness among suppliers about child labor laws. * Collaborate with NGOs to support child protection initiatives.	* Audit suppliers for compliance with child labor policies. * Maintain records of supplier certifications and declarations. * Track corrective actions taken in response to non-compliance.	New	GRI 408	8 DECENT WORK AND ECONOMIC GROWTH
	* Require suppliers to certify compliance with labor rights. * Conduct risk assessments in high-risk regions or sectors. * Train procurement teams on identifying forced labor risks. * Establish whistleblower channels for labor rights violations.	* Conduct regular risk assessments and supplier audits. * Monitor whistleblower reports and resolution timelines. * Evaluate supplier adherence to labor standards through documentation.	New	GRI 409	8 DECENT WORK AND ECONOMIC GROWTH
	* Engage communities through regular consultations and feedback. * Invest in financial literacy and education programs. * Support local employment and internship opportunities. * Partner with NGOs for community upliftment projects.	* Collect feedback through community engagement sessions. * Measure participation in financial literacy and outreach programs. * Track investments and outcomes of community development initiatives.	New	GRI 413	11 SUSTAINABLE CITIES AND COMMUNITIES
	* Ongoing adoption of technology while strengthening of information security platform	* Transformation of manual proccess into online platform	Same	GRI 103	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	* We carry out ongoing IT security improvements to ensure customer data privacy	* Customer Feedbacks & Complaints	Same	GRI 418	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	* We carry out fair and responsible marketing communication campaigns.	* Customer feedbacks & complaints received directly and via social media and websites	Same	GRI 417	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Management of material topics

GRI 3-3

At Fintrex Finance PLC, we believe that the future of finance lies in the intelligent integration of sustainability, innovation, and stakeholder value. Our theme, "Smart Finance, Smarter Future," reflects our commitment to building a resilient, inclusive, and digitally empowered financial ecosystem in Sri Lanka. As a responsible financial institution, we recognize that our operations have far-reaching impacts, economically, environmentally, socially, and ethically.

In line with the GRI Universal Standards (2021) and the draft GRI Sector Standards for Financial Services (2025), we have identified and prioritized material topics that represent our most significant impacts and stakeholder concerns. These topics are managed through structured governance, performance monitoring, and continuous stakeholder engagement. Each topic is not only a compliance requirement but a strategic lever for long-term value creation.

Economic Topics

Macro-Economic Conditions

The financial services sector in Sri Lanka operates within a complex and evolving macroeconomic environment. Factors such as inflation, interest rate movements, currency fluctuations, and fiscal policy decisions significantly influence the behavior of markets, the financial health of customers, and the strategic direction of financial institutions.

At Fintrex Finance PLC, we recognize the importance of staying attuned to these macroeconomic dynamics. Our approach involves continuous monitoring of economic indicators and regulatory developments, enabling us to anticipate potential risks and identify emerging opportunities. This vigilance allows us to make informed decisions that safeguard our financial stability while supporting our customers through changing economic conditions.

Our macroeconomic risk management is embedded in our strategic planning and credit risk frameworks. We regularly assess the potential impact of economic shifts on our lending portfolio, liquidity position, and operational resilience. This enables us to adapt our financial products, pricing strategies, and customer engagement models in a timely and effective manner.

In times of economic uncertainty, we prioritize flexibility and responsiveness. We aim to support our customers, particularly small and medium-sized enterprises and individuals by offering tailored financial solutions that help them navigate challenges and maintain financial continuity. This proactive stance not only strengthens our relationships with stakeholders but also reinforces our role as a responsible and resilient financial partner.

By aligning our operations with the broader economic context, we ensure that our business remains agile, forward-looking, and capable of contributing to national economic development in a meaningful and sustainable way.

Financial Stability and Profitability

At Fintrex Finance PLC, financial stability is not merely performance metricity, it is a foundational principle that underpins our long-term vision. As a responsible financial institution, we are committed to maintaining a resilient financial structure that can withstand market volatility, support sustainable growth, and deliver consistent value to all stakeholders.

Our approach to financial management is guided by a balanced strategy that emphasizes prudent risk-taking, disciplined cost control, and diversified revenue generation. We maintain robust internal controls and governance mechanisms to ensure that our financial practices are transparent, accountable, and aligned with regulatory expectations.

Profitability, while essential, is not pursued in isolation. It is viewed to an end enabling us to reinvest in innovation, enhance customer experience, support employee development, and contribute meaningfully to the communities we serve. By aligning our financial goals with broader social and environmental objectives, we ensure that our growth is inclusive, responsible, and future-ready.

Our financial planning processes are forward-looking, incorporating scenario analysis and stress testing to anticipate potential risks and opportunities. This proactive approach allows us to remain agile in a dynamic economic environment, while continuing to deliver on our promise of smart, sustainable finance.

Approach to Tax

At Fintrex Finance PLC, we recognize taxation as a fundamental component of our contribution to national development and economic stability. Our approach to tax is grounded in the principles of transparency, accountability, and ethical responsibility. We view tax not merely as a legal obligation, but as a civic duty that reflects our commitment to the broader social contract.

Our tax strategy is designed to ensure full compliance with all applicable laws and regulations. We maintain clear internal policies and procedures that guide our tax planning, reporting, and payment processes. These are regularly reviewed and updated to reflect changes in legislation and best practices, ensuring that we remain aligned with both local and international standards.

We do not engage in aggressive tax planning or the use of artificial structures to avoid tax liabilities. Our operations are structured in a way that reflects genuine economic activity, and we are committed to paying our fair share of taxes in the jurisdictions where we operate. This includes all forms of taxation, such as corporate income tax, value-added tax, and employee-related contributions.

To reinforce trust and transparency, our tax disclosures are subject to internal reviews and external audits. We also engage constructively with tax authorities and stakeholders to ensure clarity and compliance. By adopting a responsible approach to tax, we support public services, infrastructure development, and the overall economic well-being of the communities we serve.

This ethical stance on taxation is an integral part of our governance framework and aligns with our broader commitment to sustainable and inclusive growth.

Anti-Corruption
At Fintrex Finance PLC, integrity is a foundational value that shapes every aspect of our operations. We believe that ethical conduct is essential not only for regulatory compliance but also for building trust with our stakeholders, including customers, employees, regulators, and the broader community.

Our anti-corruption framework is comprehensive and proactive, designed to prevent, detect, and address any form of unethical behavior. This framework includes clearly defined policies, regular employee training, internal audits, and a confidential whistleblower mechanism. These measures are embedded into our corporate governance structure and are enforced consistently across all levels of the organization.

All employees are expected to uphold the highest standards of honesty and accountability. Our Code of Conduct outlines clear expectations regarding ethical behavior, conflicts of interest, and the handling of gifts or inducements. Training programs are conducted to ensure that employees understand their responsibilities and are equipped to identify and report any suspicious activities.

We also maintain strong internal controls and conduct periodic reviews to assess the effectiveness of our anti-corruption measures. These reviews help us identify areas for improvement and reinforce a culture of transparency and accountability.

Fintrex does not tolerate bribery, fraud, or any form of corrupt practice. We are committed to fostering a workplace where ethical behavior is recognized, encouraged, and protected. By maintaining a strong stance against corruption, we not only safeguard our reputation but also contribute to a more transparent and equitable financial system.

Indirect Economic Impacts
At Fintrex Finance PLC, we recognize that our influence extends far beyond the provision of financial products and services. As a responsible financial institution, we play a vital role in shaping the economic landscape of the communities we serve. Our operations generate indirect economic impacts that contribute to inclusive growth, job creation, and the overall upliftment of society.

We are particularly focused on supporting underserved and economically vulnerable segments, including small and medium-sized enterprises (SMEs), micro-entrepreneurs, and individuals in rural and semi-urban areas. By offering accessible and affordable financial solutions, we help these groups overcome barriers to economic participation and unlock their potential for growth.

Our development-oriented initiatives are designed to go beyond lending. We provide financial literacy programs, mentorship opportunities, and capacity-building support to empower individuals and businesses to make informed financial decisions and build sustainable livelihoods. These efforts are often delivered through community-based outreach and partnerships with local organizations, ensuring that our impact is both meaningful and far-reaching.

Through these indirect contributions, Fintrex helps stimulate local economies, foster entrepreneurship, and promote financial inclusion. We believe that when individuals and businesses are empowered to thrive, the benefits ripple, strengthening families, communities, and the broader economy.

This approach reflects our commitment to creating shared value and aligns with our vision of a smarter, more inclusive financial future for Sri Lanka.

Environmental Topics

Energy Management
As a forward-thinking financial institution, Fintrex Finance PLC acknowledges the critical role of energy efficiency in mitigating environmental impact and supporting climate resilience. With the increasing integration of digital technologies into our operations, we are mindful of the energy demands associated with our infrastructure and services.

Our energy management approach is centered on transitioning to low-carbon operations through a combination of technological upgrades, operational efficiencies, and employee awareness. We continuously explore opportunities to incorporate renewable energy sources, optimize energy use in our facilities, and adopt energy-efficient systems and equipment. These efforts are supported by regular monitoring and evaluation to ensure continuous improvement.

By embedding energy-conscious practices into our day-to-day operations, we aim to reduce our environmental footprint while contributing to national and global sustainability goals. Our commitment to responsible energy use reflects our broader vision of building a smarter, more sustainable future for finance.

Water Consumption
Although our core operations are not water-intensive, Fintrex recognizes the importance of water conservation as part of our environmental responsibility. We are committed to managing water use efficiently across our facilities and promoting a culture of sustainability among our employees.

Our water stewardship efforts include the installation of water-saving fixtures, the adoption of efficient plumbing systems, and the implementation of awareness programs that encourage responsible usage. We also collaborate with property managers and service providers to ensure that water conservation is integrated into the design and maintenance of our buildings.

These initiatives are particularly important in urban areas where water resources are under increasing pressure. By taking proactive steps to manage our water consumption, we contribute to the preservation of this vital resource and support broader environmental sustainability efforts.

Procurement Practices
Fintrex's procurement practices are guided by principles of ethical sourcing, local empowerment, and sustainability. We recognize that our purchasing decisions have a ripple effect on the economy, environment, and society, and we strive to ensure that our supply chain reflects our values.

Materiality

We prioritize working with suppliers who demonstrate a commitment to responsible business practices, including compliance with labor laws, environmental regulations, and governance standards. Our procurement policy encourages the selection of local vendors and small and medium-sized enterprises, thereby supporting economic development within the communities we serve.

To reinforce our expectations, we have established a supplier code of conduct that outlines our standards for ethical behavior, environmental responsibility, and social impact. Through ongoing engagement and collaboration, we aim to build a supply chain that is transparent, resilient, and aligned with our sustainability objectives.

Effluents and Waste
Minimizing waste and managing it responsibly is a key component of Fintrex's environmental strategy. As we continue to digitize our operations, we are committed to reducing our reliance on physical resources and promoting a culture of sustainability throughout the organization.

Our waste management initiatives focus on reducing paper usage, encouraging digital documentation, and ensuring the safe disposal of electronic and office waste. We implement waste segregation practices and partner with certified service providers to handle recyclable and hazardous materials in an environmentally sound manner.

These efforts are supported by internal awareness campaigns and operational guidelines that promote responsible consumption and disposal. By embedding waste reduction into our daily practices, we aim to minimize our environmental impact and contribute to a cleaner, more sustainable future.

Social Topics

Employment
At Fintrex Finance PLC, we believe that our people are the foundation of our success. We are committed to fostering a workplace that is fair, inclusive, and empowering. Our employment practices are designed to attract, develop, and retain top talent by offering meaningful career opportunities, competitive benefits, and a supportive work environment. We emphasize merit-based recruitment, transparent performance evaluations, and open communication to ensure that every employee feels valued and motivated to contribute to our shared goals.

Occupational Health & Safety
The health, safety, and well-being of our employees are of paramount importance. We have established a comprehensive occupational health and safety framework that includes preventive measures, regular training, and emergency preparedness protocols. Our goal is to create a safe and healthy workplace where employees can perform at their best without risk to their physical or mental well-being. We also promote a culture of care and responsibility, encouraging employees to actively participate in maintaining a safe working environment.

Training and Education
Continuous learning is a cornerstone of our organizational culture. We invest in training and development programs that enhance the skills, knowledge, and leadership potential of our employees. These programs cover a wide range of areas, including technical competencies, regulatory compliance, customer service, and personal development. By fostering a learning-oriented environment, we empower our workforce to adapt to change, embrace innovation, and grow professionally within the organization.

Diversity & Equal Opportunity
Diversity and inclusion are integral to our identity and values. We are committed to creating a workplace where individuals from all backgrounds feel respected, supported, and empowered to succeed. Our policies promote equal opportunity in recruitment, career advancement, and leadership development. We actively work to eliminate barriers to inclusion and ensure that our workplace reflects the diverse communities we serve. This commitment enhances our organizational culture and drives innovation through varied perspectives and experiences.

Customer Service Excellence
Delivering exceptional customer service is central to our mission. We strive to understand and anticipate the evolving needs of our customers, offering personalized financial solutions that are accessible, transparent, and responsive. Our customer service strategy is built on continuous improvement, leveraging feedback, technology, and human insight to enhance the overall experience. We aim to build lasting relationships based on trust, reliability, and mutual respect.

Non-discrimination
We uphold a zero-tolerance policy toward discrimination in all its forms. Our workplace policies are designed to ensure that every individual is treated with dignity and fairness, regardless of gender, ethnicity, religion, age, disability, or any other characteristic. We provide regular training to raise awareness about unconscious bias and promote inclusive behavior. Our grievance mechanisms are accessible and confidential, ensuring that concerns are addressed promptly and effectively.

Child Labor
Fintrex is firmly committed to upholding the rights of children and strictly prohibits the use of child labor in any part of our operations or supply chain. We require all our vendors and partners to comply with national labor laws and international conventions. Our procurement and vendor management processes include due diligence measures to identify and mitigate risks related to child labor, ensuring that our business practices support the protection and development of children.

Forced or Compulsory Labor
We are dedicated to ensuring that all employment within our organization and supply chain is freely chosen. Our human resources policies are aligned with international labor standards and emphasize the importance of voluntary employment, fair treatment, and freedom from coercion. We conduct regular assessments to ensure compliance and take corrective action where necessary. This commitment reflects our broader respect for human rights and ethical business conduct.

Local Communities

Fintrex is deeply rooted in the communities we serve. We engage with local stakeholders to understand their needs and contribute to their development through targeted initiatives in education, health, and entrepreneurship. Our community engagement programs are designed to create meaningful, long-term impact by fostering inclusion, resilience, and opportunity. We believe that by supporting local communities, we strengthen the social fabric and contribute to sustainable national progress.

Digitalization and Technology

Embracing digital innovation is a key pillar of our strategy to deliver smarter financial services. We continuously invest in technology to enhance operational efficiency, improve customer experience, and expand access to financial solutions. Our digital platforms are designed to be user-friendly, secure, and inclusive, enabling customers to manage their finances conveniently and confidently. Through digital transformation, we aim to bridge gaps in financial access and drive inclusive economic growth.

Governance Topics

Customer Privacy

At Fintrex Finance PLC, safeguarding customer privacy is a fundamental aspect of our commitment to ethical and responsible business conduct. In an increasingly digital financial landscape, the protection of personal and financial information is not only a regulatory requirement but also a cornerstone of customer trust. We have established a comprehensive data protection framework that governs how customer information is collected, stored, processed, and shared. This framework is built on principles of confidentiality, integrity, and transparency, and is aligned with applicable data protection laws and industry's best practices.

Our systems are designed with security at their core, incorporating multiple layers of protection to prevent unauthorized access, data breaches, or misuse. Employees are trained on data privacy protocols and are held accountable for upholding the highest standards of information security.

We also ensure that customers are informed about how their data is used and provide them with clear options to manage their privacy preferences. By prioritizing data protection, we reinforce our role as a trusted financial partner and uphold our responsibility to protect the rights and interests of those we serve.

Marketing & Labelling

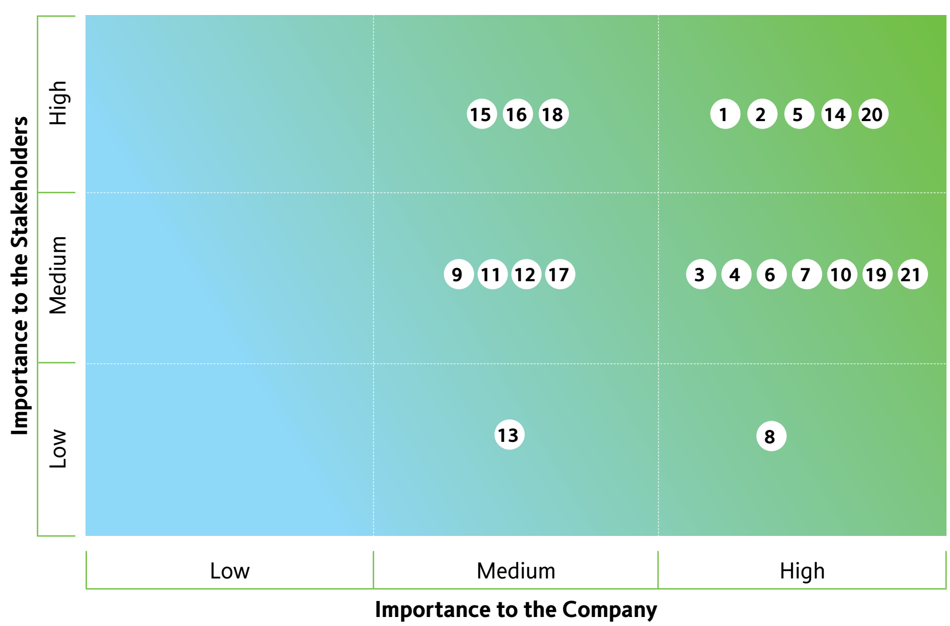
Transparent and responsible communication is essential to building lasting relationships with our customers. At Fintrex, we are committed to ensuring that all marketing and product information is accurate, clear, and accessible, enabling customers to make informed financial decisions.

Our marketing practices are guided by ethical standards and regulatory requirements. We avoid misleading claims, exaggerated benefits, or complex jargon that could confuse or mislead customers. Instead, we focus on providing honest, straightforward information about our products and services, including terms, conditions, and associated risks.

We also place strong emphasis on financial literacy, using our communication channels to educate customers about responsible borrowing, saving, and investing. This approach not only enhances customer understanding but also supports our broader mission of promoting financial inclusion and empowerment.

By maintaining high standards in marketing and labelling, we foster trust, reduce the risk of miscommunication, and ensure that our customers are equipped to make choices that align with their financial goals and well-being.

Materiality Mapping

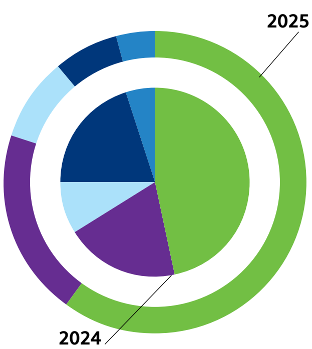


Our Socio-Economic Impact

At Fintrex Finance PLC, we are committed to creating a positive socio-economic impact in Sri Lanka. Our initiatives are aligned with the Global Reporting Initiative (GRI) standards, ensuring transparency and accountability in our operations. This section outlines our efforts and achievements in various areas of socio-economic development, reflecting our dedication to sustainable growth and community well-being.

Economic Value Creation In accordance with GRI 201-1, we focus on generating economic value for our stakeholders. Our financial performance has been robust, contributing to the national economy through taxes, dividends, and reinvestments. We have consistently delivered strong financial results, which in turn support our community initiatives and development projects. Our commitment to economic value creation is evident in our strategic investments and sustainable business practices.

Economic Value Distributed



Economic Value Added	2025	2024
To Depositors and Lenders	47%	60%
To Employees	19%	20%
To the Government	9%	9%
To Suppliers	20%	7%
Economic Value Retained	5%	4%

Digital Transformation and Financial Inclusion

We recognize the importance of digital transformation in enhancing financial inclusion. Through innovative digital solutions, we have made financial services more accessible to underserved communities. Our digital platforms offer convenient and secure banking services, empowering individuals and businesses to manage their finances effectively. This initiative aligns with GRI 203-2 , as it promotes inclusive and sustainable economic growth.

- Although we enabled the CEFTS fund transfer in FY 2023/24, during the year under review that we were able to onboard into online and mobile banking app of all banks and several finance companies available in Sri Lanka. This is evidenced by the fact that more than 25% of loans repayments were processed through online modes during the year.
- We have completed the soft launch of Fintex Mobile App and is currently in the process of finalizing it with additional sophisticated features.

Community Upliftment and CSR Initiatives

Our Corporate Social Responsibility (CSR) initiatives are designed to uplift communities and improve their quality of life. We invest in education, healthcare, and infrastructure projects that have a lasting impact on society. In line with GRI 413-1, we engage with local communities to understand their needs and develop programs that address their specific challenges. Our CSR efforts have positively impacted thousands of lives, fostering social cohesion and economic development.

Employment Generation and Talent Development

As a growing finance company, we are committed to creating employment opportunities and nurturing talent. We provide a supportive work environment that encourages professional growth and development. Our training programs are designed to enhance the skills and competencies of our employees, ensuring they are well-equipped to meet the demands of the industry. This commitment to talent development aligns with GRI 404-2, which focuses on employee training and education.

- We provide direct employment for 310 individuals (including one employee under contract basis) across the head office and our branch network. Indirectly, employment is provided for support service providers, as well as SMEs and self-employed individuals through financial assistance.
- We also offer paid internships for university undergraduates. FFL is a registered practical training institution of ICASL for signing articles during an internship, supporting the creation of qualified finance professionals in the future.

Empowering Women and Promoting Gender Equality

We are dedicated to empowering women and promoting gender equality within our organization and the communities we serve. Our initiatives support women's economic empowerment through access to finance, entrepreneurship training, and leadership development programs. In accordance with GRI 405-1, we strive to create an inclusive workplace that values diversity and equal opportunity for all employees.

- Women represent 22.02% of our portfolio
- Total loan disbursement for women – LKR 3.25Bn

Regional Economic Development

Our operations extend to various regions across Sri Lanka, contributing to regional economic development. We support local businesses and entrepreneurs by providing financial resources and advisory services. Our efforts align with GRI 203-1, which emphasizes the importance of infrastructure investments and services that benefit local communities. By fostering regional economic growth, we help create sustainable livelihoods and reduce economic disparities.

- A total of 16 branches
- Support for 27.88% of businesses outside Colombo

Financial Literacy and Customer Empowerment

We believe that financial literacy is key to empowering our customers and enabling them to make informed financial decisions. Our financial literacy programs provide education and resources to individuals and businesses, helping them understand financial products and services. This initiative supports GRI 417-1, which focuses on marketing and labeling practices that promote transparency and customer awareness.

- Conducted BTL campaigns and social media campaigns to enhance the customer's awareness during FY

Support for SMEs and Entrepreneurship

Small and Medium Enterprises (SMEs) are the backbone of our economy, and we are committed to supporting their growth and development. We offer tailored financial solutions and advisory services to help SMEs thrive. Our support for entrepreneurship aligns with GRI 203-2, as it promotes economic inclusion and sustainable development. By fostering a vibrant SME sector, we contribute to job creation and economic resilience.

- Total Loan Granting for SME Sector during the FY is LKR 1.02Bn

Sustainable Procurement and Local Supplier Engagement

We prioritize sustainable procurement practices and engage with local suppliers to support the local economy. Our procurement policies are designed to ensure ethical sourcing and environmental sustainability. In line with GRI 204-1, we aim to create positive social and economic impacts through our supply chain management. By working closely with local suppliers, we help build their capacity and promote fair trade practices.

- Newly registered suppliers during the year - 40

Ethical Business Practices and Anti-Corruption Measures

Integrity and ethical conduct are at the core of our business operations. We have implemented robust anti-corruption measures to ensure compliance with legal and regulatory requirements. Our commitment to ethical business practices is reflected in our organizational practices in all stages with all stakeholders. We continuously strive to maintain the highest standards of corporate governance and transparency.

Strategy and Resource Allocation

Our strategy is centered around creating value for all our stakeholders by driving business progress and contributing to the sustainable development of the Country. Therefore, we review our strategic plan annually to ensure it remains aligned with the evolving operating landscape and industry requirements, thereby adapting it to capitalize on growth opportunities amid changing market dynamics. We remain committed to improving the financial independence of enterprises and individuals (including women entrepreneurs) that operate within the SME segment by offering tailored financial solutions, ensuring the financial inclusion of the masses.

Strategic Initiatives and Resource Allocation for the Financial Year Ended 31 March 2025

At Fintrex Finance PLC, our strategy is built upon a foundation of responsible growth, digital empowerment, stakeholder inclusivity, and sustainability. In line with our commitment to global best practices such as the Global Reporting Initiative (GRI), our strategic direction remains responsive to the evolving socio-economic landscape, stakeholder expectations, and national development priorities. Our annual strategic reviews ensure agility and long-term value creation amidst a dynamic financial services environment.

Operating Context

During the financial year 2024/25, Sri Lanka's economy began to recover, registering a GDP growth of 5%. This upturn was driven primarily by improvements in industrial output and a robust rebound in tourism. Inflation stabilized within single digits, encouraging monetary easing, with the Central Bank reducing policy rates by 75 bps between March and July 2024. While consumer demand remained subdued and private credit growth modest at 6.9%, the easing of import restrictions and improved external conditions supported a gradual economic recovery. Within this macroeconomic backdrop, Fintrex remained resilient, agile, and strategically focused on capturing emerging opportunities and mitigating risks.

Strategic Initiatives FY 2024/25

1. Digital Transformation and Innovation

To meet the changing expectations of our customers and improve operational efficiency, Fintrex accelerated its digitalization agenda:

- Launched a fully-integrated digital loan origination system, cutting turnaround time by 35% and improving application accuracy.
- Enhanced cybersecurity infrastructure, aligning with ISO/IEC 27001 standards, to protect data integrity and build digital trust.
- Expanded digital payment options and strengthened backend automation for seamless customer experience.

2. Portfolio Diversification and Responsible Growth

We continued to diversify and innovate across our lending and deposit portfolios to support inclusive finance:

- Introduced new financial solutions targeting SMEs, green energy projects, and youth entrepreneurs, with over Rs. 1.02 Bn disbursed under these categories.
- Scaled up the Mobile Loan Facility, which helped narrow short-term maturity mismatches and boosted the Net Interest Margin by 21% .
- Expanded our electric vehicle leasing portfolio, aligning with national climate objectives and lowering our environmental footprint.
- Relocated key branches in Kuliyapitiya, Gampaha, and Kurunegala to high-visibility areas, leading to a 22% increase in customer engagement in these regions.
- Strengthened deposit mobilization via competitive fixed deposit schemes and tailored savings products.

3. Strengthening Risk Management and Governance

- We deepened our governance and risk oversight framework with a focus on resilience and compliance:
- Adopted advanced credit scoring algorithms using AI to assess borrower risk and improve asset quality.
- Established a dedicated ESG Risk Committee to integrate environmental and social risks into enterprise-level decision-making.
- Enhanced stress-testing and scenario planning to ensure capital adequacy under adverse market conditions.

4. Shared Value Creation and Stakeholder Empowerment

In line with our social responsibility ethos, we launched several initiatives:

- Conducted financial literacy workshops in underserved regions, benefitting over 3,000 individuals.
- Rolled out employee well-being and leadership development programs, resulting in a 15% increase in employee retention and a more engaged workforce.
- Partnered with fintech to co-create inclusive financial solutions for underbanked communities

5. Strengthening Capital and Investor Confidence

- A milestone achievement this year was the successful issuance of Sri Lanka's first-ever High Yield Bond worth Rs. 1 billion:
- Oversubscribed on launch day, the bond reaffirmed market trust in our financial strength.
- The proceeds fortified our Tier II capital base, supporting lending expansion while ensuring regulatory compliance and financial resilience.

Resource Allocation for FY 2024/25

To operationalize our strategic goals, we allocated resources as follows:

Strategic Focus Area Allocation	(LKR Mn)
Staff Training & Development	3.06
IT Infrastructure and Digitalization	53.50
Promotional Campaigns	62.28
Branch Relocation and Upgrades	22.19
Financial Literacy Programs	0.27

Focus Areas for FY 2025/26 Our strategic priorities for the coming year will focus on consolidating the gains from FY 2024/25, and we will continue to drive transformation and inclusivity across our operations:

- Scale digital finance solutions to increase access and convenience.
- Expand vehicle leasing operations as import regulations ease.
- Embed ESG across all business lines and enhance climate risk readiness.
- Launch new product offerings tailored to evolving customer needs.
- Invest in talent and culture to strengthen our competitive advantage.

Our strategic initiatives reflect Fintrex's mission to be a catalyst for financial inclusion and sustainable growth in Sri Lanka, reinforcing our position as a resilient, forward-looking financial institution.

Smart Choices Smarter Returns

As the Managing Director of Kay Jay Electronics (Pvt) Ltd, and the long-standing provider of electronic security systems to Fintrex Finance PLC, I've had the opportunity to closely observe the company's operations, values, and service standards over the years. What has consistently stood out to me is their unwavering professionalism, integrity, and financial discipline.

This deep-rooted trust led me to make a personal and corporate decision to place fixed deposits with Fintrex Finance. It was a choice driven not just by attractive returns, but by the confidence I had in their smart, streamlined processes.

From the very beginning, the experience was seamless. The customer onboarding process was quick and efficient, online fund transfers were hassle-free, and what truly impressed me was the customer-first attitude of their team. My fixed deposit certificate was delivered to my doorstep the very next day something I had never experienced before in the financial sector.

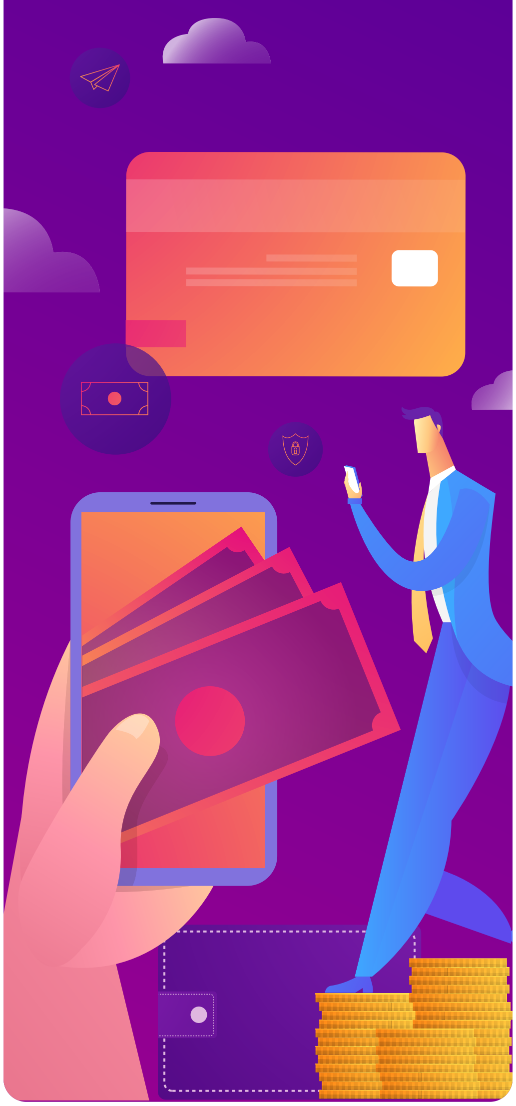
The returns offered are competitive with the industry, but what sets Fintrex apart is the convenience and efficiency they bring to the table. There are no hidden costs, no unnecessary delays , just smart solutions that make investing simple and rewarding.

For me, choosing Fintrex wasn't just a financial decision, it was a smart choice that continues to deliver smarter returns.

Mr. Kushal Johnpillai
Managing Director, Kay Jay Electronics (Pvt) Ltd

Financial Capital

Our financial capital comprises the funds and borrowings accessible to the Company, enabling the generation of long-term financial value and profitability.



Contribution to Our Value Creation

We are dedicated to delivering financial value by aligning with stakeholder expectations, preserving our competitive advantage, and fostering sustainable long-term growth.

Contribution to Our Core Values

Fairness
Innovation
Nurture
Transparent

Stakeholders Impacted

Material Matters

Macro Economic Conditions
Financial stability and profitability
Approach to tax
Anti - Corruption
Commitment to the Community
Sustainable Procurement
Community Engagement

Commitment to UN SDGs

Impact on Other Capitals

Human Capital

Building human capital by nurturing a motivated and skilled workforce through continuous training and the provision of competitive employee benefits

Social & Relationship Capital

Investing in digital platforms to enhance customer satisfaction by improving service accessibility, efficiency, and user experience.
Allocating funds toward Corporate CSR initiatives

Intellectual Capital

Investments in technological advancements and process automation improve productivity and efficiency

Natural capital

Allocating capital towards energy-efficient technologies

Manufactured Capital

Strategic investments in expanding the branch network and enhancing infrastructure

SHORT TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Managing liquidity and cash flow • Adapting to regulatory changes • Maintaining customer trust and satisfaction • Handling market volatility • Ensuring operational efficiency	• Optimizing working capital • Securing short-term financing • Implementing cost control measures • Enhancing risk management practices • Improving financial reporting	• Expanding customer base • Introducing new financial products • Leveraging technology for better services • Building strategic partnerships • Increasing market share	• Improved customer experience • Enhanced operational processes • Strengthened financial position • Increased stakeholder confidence • Better regulatory compliance

MEDIUM TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Sustaining growth in a competitive market • Managing long-term investments • Navigating economic fluctuations • Addressing cybersecurity threats • Ensuring scalability of operations	• Diversifying investment portfolio • Strengthening balance sheet • Enhancing capital allocation strategies • Implementing advanced financial analytics • Improving asset management	• Entering new markets • Developing innovative financial solutions • Expanding digital capabilities • Fostering customer loyalty • Enhancing brand reputation	• Increased market presence • Improved financial stability • Enhanced customer engagement • Strengthened competitive advantage • Better risk mitigation

LONG TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Achieving sustainable growth • Adapting to technological advancements • Managing geopolitical risks • Ensuring long-term profitability • Addressing environmental concerns	• Investing in sustainable projects • Enhancing long-term financial planning • Implementing strategic mergers and acquisitions • Strengthening corporate governance • Improving shareholder value	• Leading industry innovation • Building a resilient business model • Expanding global footprint • Fostering sustainable practices • Enhancing employee development	• Long-term value creation • Enhanced corporate sustainability • Improved stakeholder relations • Strengthened market leadership • Better environmental stewardship

Strategic Focus Areas 2024/25

Focus Area	Key Initiatives
Enhance Digital Transformation	• Implement advanced financial technologies to improve service delivery. • Develop mobile and online platforms for customer convenience. • Invest in cybersecurity measures to protect customer data. • Leverage big data analytics for better decision-making. • Promote digital literacy among customers and employees.
Promote Financial Inclusion	• Expand microfinance services to underserved communities. • Offer tailored financial products for SMEs and startups. • Collaborate with NGOs to reach marginalized populations. • Provide financial education programs to improve financial literacy. • Develop affordable credit solutions for low-income individuals.
Strengthen Risk Management	• Implement robust risk assessment frameworks. • Enhance credit risk management practices. • Adopt advanced risk modeling and forecasting tools. • Conduct regular stress testing and scenario analysis. • Promote a risk-aware culture within the organization.
Foster Sustainable Finance	• Integrate ESG criteria into investment decisions. • Promote green financing initiatives and projects. • Support renewable energy and energy efficiency projects. • Engage with stakeholders on sustainability issues. • Report on sustainability performance in line with GRI standards.
Improve Customer Experience	• Enhance customer service through training and development. • Implement customer feedback mechanisms to improve services. • Develop personalized financial solutions for different customer segments. • Invest in customer relationship management (CRM) systems. • Offer loyalty programs and incentives to retain customers.
Optimize Operational Efficiency	• Streamline processes through automation and technology. • Implement cost-saving measures without compromising quality. • Enhance supply chain management and vendor relationships. • Adopt lean management practices to reduce waste. • Monitor and improve key performance indicators (KPIs).
Strengthen Governance and Compliance	• Ensure adherence to regulatory requirements and standards. • Implement robust internal controls and audit processes. • Promote transparency and accountability in operations. • Engage with regulators and industry bodies on compliance issues. • Provide regular training on governance and compliance for employees.

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, we recognize that sustainable finance is not only a catalyst for economic growth but also a powerful enabler of social equity and environmental stewardship. In alignment with our theme, “Smart Finance, Smarter Future,” we have strategically integrated the United Nations Sustainable Development Goals (SDGs) into our financial capital management framework. This alignment ensures that our financial decisions contribute meaningfully to national development priorities and global sustainability targets.

We align our Finance Capital strategy with the following SDGs:

No Poverty

Through inclusive financial services such as microloans, SME financing, and accessible credit facilities, we empower underserved communities and entrepreneurs to build resilient livelihoods. Our financial products are designed to reduce economic vulnerability and promote upward mobility.

Decent Work and Economic Growth

We actively contribute to economic dynamism by supporting job creation, entrepreneurship, and innovation. Our capital allocation strategies prioritize sectors that stimulate productivity and sustainable employment, while our internal practices uphold fair labor standards and employee well-being.

Industry, Innovation and Infrastructure

Fintrex invests in digital transformation and financial technology to enhance service delivery and operational efficiency. By financing infrastructure development and supporting digital inclusion, we help build resilient financial ecosystems that are future-ready.

Reduced Inequalities

We are committed to financial inclusion by extending services to marginalized and geographically remote populations. Our efforts to democratize access to finance help bridge socio-economic gaps and foster equitable growth across Sri Lanka.

Climate Action

Our finance capital strategy incorporates environmental risk assessments and promotes green financing initiatives. We support clients and projects that prioritize energy efficiency, renewable energy, and sustainable practices, thereby contributing to climate resilience.

Partnerships for the Goals

We collaborate with regulatory bodies, development agencies, and industry peers to foster a shared vision for sustainable finance. These partnerships enhance our capacity to innovate, scale impact, and align with global best practices.

Management Approach

At Fintrex Finance PLC, our approach to managing financial capital is rooted in strategic foresight, robust governance, and a commitment to sustainable value creation. In alignment with our theme, Smart Finance, Smarter Future, we prioritize prudent financial stewardship, ensuring that our capital structure supports innovation, resilience, and long-term growth.

We adopt a dynamic capital management strategy that balances profitability, liquidity, and risk. This includes optimizing our funding mix, maintaining healthy capital adequacy ratios, and ensuring compliance with regulatory requirements. Our financial decisions are guided by data-driven insights and scenario-based planning, enabling us to respond swiftly to market changes while safeguarding stakeholder interests.

By integrating smart financial practices with forward-looking strategies, we aim to build a future-ready organization that delivers consistent returns and supports inclusive economic development.

Key Components of Finance Capital

Finance capital at Fintrex Finance PLC encompasses the financial resources and instruments that empower us to fund operations, invest in growth, and deliver stakeholder value. These components are the foundation of our financial strength and strategic agility.

Equity and Shareholder Funds

Our equity base reflects the confidence of our shareholders and underpins our ability to absorb shocks and pursue growth opportunities. We maintain transparency and accountability in capital allocation to ensure optimal shareholder returns.

Debt Capital and Borrowings

We leverage a diversified portfolio of borrowings, including bank loans, debentures, and other credit facilities. Our debt management strategy focuses on cost efficiency, maturity matching, and maintaining a balanced leverage ratio.

Profitability and Retained Earnings

Sustainable profitability is a key driver of financial capital. We reinvest retained earnings into strategic initiatives such as digital transformation, branch expansion, and product innovation, reinforcing our long-term competitiveness.

Capital Adequacy and Liquidity Buffers

In line with regulatory expectations and internal risk appetite, we maintain strong capital adequacy and liquidity positions. These buffers ensure operational continuity and financial resilience in volatile environments.

Investment Portfolio

Our investment portfolio is managed with a focus on risk-adjusted returns. It includes fixed-income securities, government bonds, and other instruments that support income stability and capital preservation.

Financial Capital

Nurturing Our Finance Capital

We nurture our financial capital through disciplined financial management, strategic reinvestment, and commitment to transparency and accountability. Our initiatives are designed to enhance financial resilience, support innovation, and align with our vision of a smarter financial future.

Strategic Capital Allocation

We allocate capital based on rigorous evaluation of risk, return, and strategic alignment. This includes funding for digital infrastructure, product development, and market expansion, ensuring that every rupee invested contributes to long-term value creation.

Strengthening Capital Structure

We continuously assess and optimize our capital structure to balance growth and stability. This includes equity infusions, debt restructuring, and exploring alternative financing options to support our evolving business model.

Enhancing Financial Governance

Robust financial governance is central to our capital management. We have instituted strong internal controls, audit mechanisms, and compliance frameworks to ensure integrity, transparency, and accountability in all financial dealings.

Driving Operational Efficiency

Through cost optimization, process automation, and digital transformation, we enhance operational efficiency and profitability. These efforts directly contribute to strengthening our financial capital and enabling reinvestment in strategic priorities.

Building Investor Confidence

We maintain open and consistent communication with our investors and stakeholders. Our commitment to timely disclosures, ethical practices, and sustainable performance builds trust and reinforces our financial credibility.

Overview

A welcome turnaround in economic growth emerged from the beginning of the financial year, offering a more positive outlook and improved market conditions. Fintrex Finance demonstrated commendable resilience in 2024/25, navigating a complex economic landscape while advancing its stabilisation efforts. Despite persistent structural challenges in the economy, the Company adapted to evolving market dynamics, supported by regulatory frameworks and strategic realignments, to sustain growth and reinforce its role in the broader financial ecosystem.

At Fintrex, we are committed to creating financial capital value in meeting the expectations of the stakeholders, sustaining competitive advantage and long-term growth. The financial capital that represents the financial resources that the Company uses to fund its operations, provide loans, invest, and grow its business is essential for the company to function effectively and meet regulatory requirements. Further, financial capital Acts as a buffer against financial risks and losses, determines the company's creditworthiness and ability to raise further funds and plays a crucial role in regulatory compliance.

Aligning financial strategies with broader business goals to drive sustainable growth, profitability, and competitive advantage

We manage our financial capital by adopting responsible financial management practices that prioritize long-term sustainability and value creation for the stakeholders. Managing financial capital to support value creation involves aligning financial strategies with broader business goals to drive sustainable growth, profitability, and competitive advantage.While being vigilant to the changing market landscape and economic uncertainties, we continually follow prudent cost management and optimize resource allocation to maximize our financial returns. This, in turn, has inspired confidence among our stakeholders in our ability to generate financial wealth. Here are some key insights and strategies based on the current best practices of the Company:

- Company-wide Value Creation Planning - Defining strategic goals, Establishing KPIs and accountability frameworks.
- Strategic Capital Allocation - Prioritize Investments with the highest potential for long-term value creation, such as innovation, digital transformation, or market expansion, Risk-Adjusted Returns based on expected returns and associated risks and Scenario Planning.
- Capital Structure Optimization - Optimizing the mix of debt and equity financing to reduce the cost of capital and improve returns.
- Governance and Transparency - Clear Policies for capital allocation decisions, Stakeholder Communication

Financial Performance

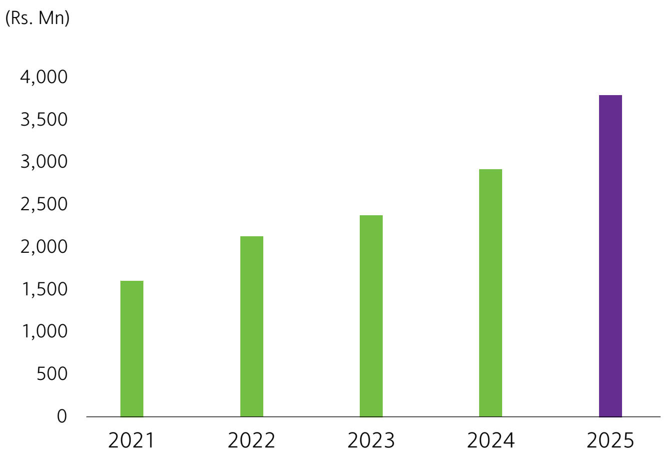
Financial year 2024/25 was widely seen as a recovery year for finance companies, particularly following the economic turbulence of the early 2021. With reduced inflation, interest rate and exchange rate stabilization, Fintrex Finance showed stronger credit metrics and higher recovery rates compared to previous financial year. The Company, supported by easing monetary conditions and improved macroeconomic stability, recorded comparatively high financial performance for 2024/25. The Company's data-driven approach, continuous process improvement initiatives, and a Company-wide culture of cost consciousness proved to be valuable assets and supported achieving sustainable growth and improved the value created for our shareholders and other stakeholders during the year.

One of the key focuses of the Company was to maintain asset quality of the loan portfolio while reducing the level of non-performing assets strategically through a few selected high-quality products, such as Gold Loan, Leasing, SME loan, and 'Smart Draft' and device financing. Against this backdrop, the Company deployed additional resources and implemented close screening and monitoring to improve loan recoveries. Various strategic initiatives were launched to improve the recoveries of Non-Performing Assets (NPA), such as customer counselling, legal and recovery clinics, and continuous task force efforts to educate and convince customers to pay loan installments on time.

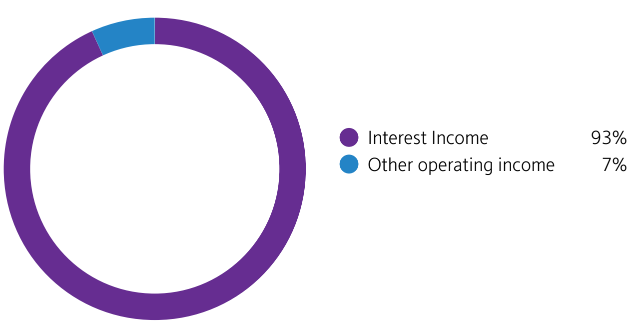
Total Revenue

Fintrex recorded a significant growth in its gross revenue, climbing from Rs. 2.88 billion to Rs. 3.75 billion, marking a robust growth of Rs. 872 million which corresponds to 30.2%. This achievement was further bolstered by the country's improving macroeconomic conditions, reflecting a favorable environment for growth and progress. The primary driver behind this revenue surge was the substantial increase in interest income, which grew by 27% (Rs. 737 million) to reach Rs. 3.5 billion from Rs. 2.8 billion in the previous financial year of 2023/24.

Gross Income



Composition of Gross Income



Interest Income

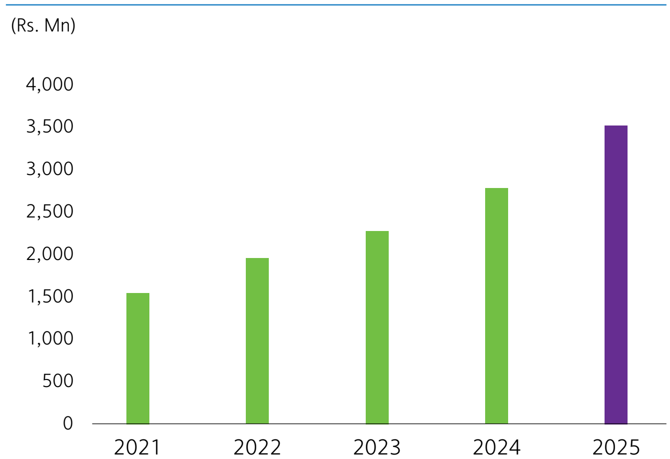
The Company's recent increase of the business volumes significantly impacted the company's financial performance. The major contributor to the growth in interest income was finance leases which grew by 41% from Rs.1.28 billion in 2023/24 to Rs.1.80 billion during the financial year due to the expanding of the business volumes. Moreover, the other key contributor to the growth was the loan and advances interest income which increased by Rs. 348 million, representing 28% growth compared to the previous FY from Rs. 1.23 billion to Rs. 1.58 billion.

Lower yields earned on interest earning assets in a declining interest rate environment led to a contraction in the Company's Other Interest Income. Other interest income, which includes interest earned on placements with banks and other finance companies, as well as interest income from investments in government securities such as Treasury Bills and Treasury Bonds, reduced to Rs. 115.5 million during the financial year under review. This represents a decrease of 54% compared to the previous financial year.

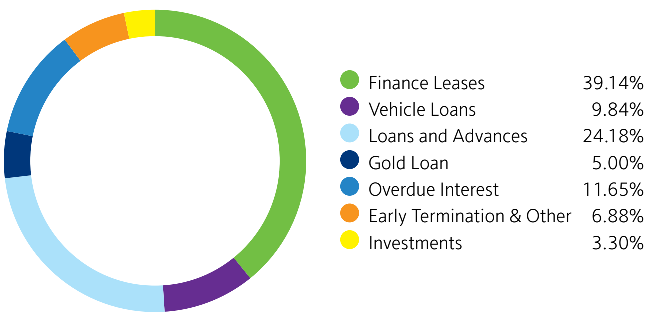
The Company anticipates that the current macroeconomic factors will continue to create a supportive environment for sustainable growth and strategic advancement, although it remains mindful of potential challenges that may arise in the evolving economic landscape in the forthcoming financial year. Also, investor and business confidence must be monitored as they could potentially have a lasting impact on interest income, while a wider gap between interest income and interest expenses may not emerge.

The Company will continue to closely monitor external market dynamics while expanding the loans and advances portfolio to achieve the targeted interest income. Concurrently, the Company will continuously assess and enhance the efficiency of the risk management and optimisation strategies for loans and leasing operations, ensuring they align with any evolving economic circumstances.

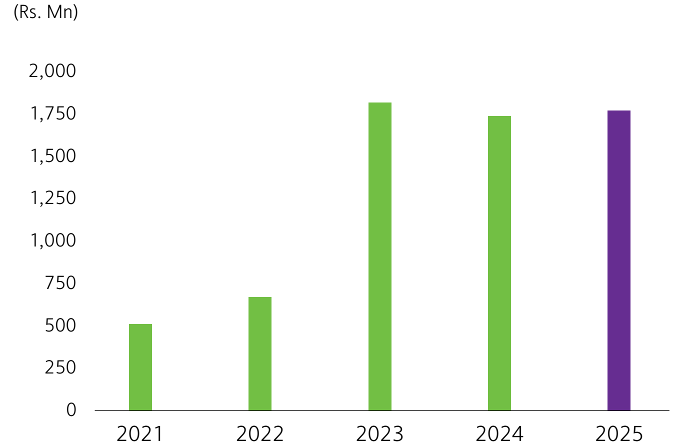
Interest Income



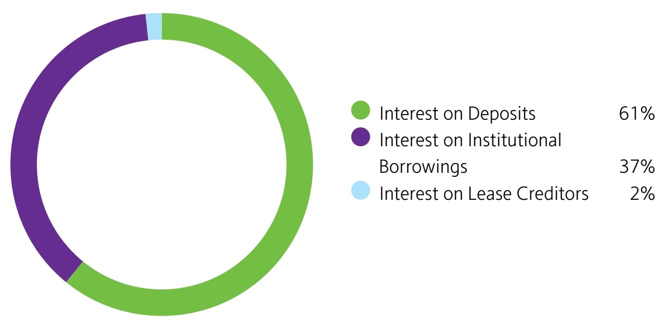
Composition of Interest Income



Interest Expenses



Composition of Interest Expenses



Interest Expense

Interest expenses increased in line with the additional funds raised through public deposits and debt instruments in order to support a growing loan portfolio. Total interest expenses, including interest payable to customers and banks, other borrowed fund increased by 1% during the year under review, in contrast to the 4% increase observed in the previous financial year. In the last quarter of the Financial year, the company raised funds by issuing Ten Million (10,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds at the par value of Sri Lankan Rupees one hundred (LKR 100/-) each and raised Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) which has been recorded under Debt Instruments Issued and Other Borrowed Funds in Statement of Financial Position as at 31 March 2025. In addition, deposits from customers increased from Rs. 6.3 billion in 2023/24 to Rs.9.7 billion as of 31 March 2025 by Rs.3.4 billion representing a growth of 55% and also borrowing from banks and other financial institutions increased from Rs. 4.7 billion in 2023/24 to Rs.7.3 billion by Rs. 2.6 billion representing a growth of 55% to support the growing loan portfolio.

Interest expenses incurred on deposits represent 61% of the total interest expenses. In the year under review, interest expenses on deposits recorded a modest increase of 9% even when the public deposits increased by Rs.3.4 billion since the increased volume was compensated by the declining interest rates during the year. In contrast, interest expenses on public deposits increased by 36% to Rs. 978 million in 2023/24 compared to the FY 2022/23 as a result of increase in public deposits by Rs.1.6 billion with a slight uptick of interest rates.

Interest expenses related to institutional borrowings, including bank overdrafts and bank term loan facilities, recorded a decrease of 11% amounting to Rs. 82 million during the financial year under review as a result of decreased market interest rates specially during the last quarter of previous financial year. The Company obtained new loan facilities worth Rs. 2.7 billion and repaid Rs. 2.2 billion in loans during the year under review.

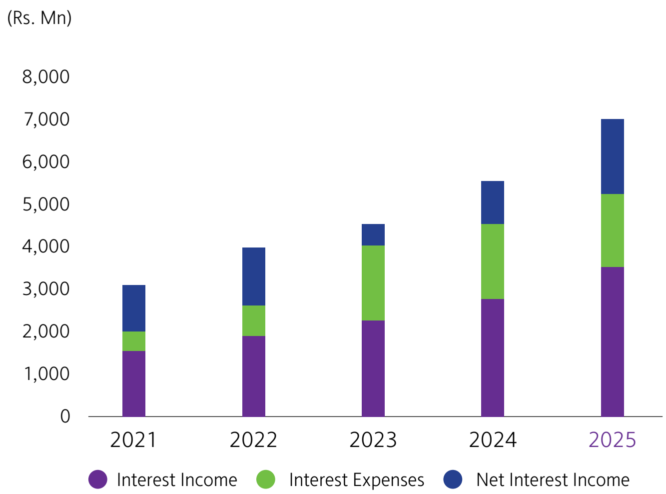
The unpredictable hike in interest rates due to the adverse economic conditions resulted in an increase in interest expense during the economic crisis. This challenging economic environment demanded for proactive measures from the Company to manage its interest rate risk and optimize its lending strategies, ensuring long-term financial stability and sustainable growth.

Net Interest Income

Fintrex Finance demonstrated exceptional proficiency in managing both its revenues and expenses, leading to a notable enhancement in its Net Interest Income, which rose from 1 billion to 1.7 billion with an increase of 721 million representing a 71% increase. This increase reflects the Company's adeptness in converting interest-bearing assets into highly profitable returns, thus showcasing its strong financial acumen and operational efficiency.

This positive movement was supported by stabilized interest rates with the improved macroeconomic conditions prevailed in the country and this is directly attributed to the reduced interest expenses and increase in interest income recorded during the year under review. The Company deployed several strategies to manage net interest income growth, including product re-pricing aligned with market fluctuations, optimising the product mix and adjusting the funding structure to secure funds at favourable rates.

Interest Income, Interest Expenses and NII



Other Operating Income

Other operating income, also referred to as non-interest income encompasses various sources such as fee and commission income, recovery of debt written off, gains or losses from property, plant, and equipment disposals, as well as gains or losses from financial investments and other income. A significant increase in fee and commission income, along with other operating income, was recorded for the financial year, reaching Rs.256.2 million. This marks a robust 113% growth compared to Rs.120.3 million in 2024. The surge was primarily driven by a remarkable 137% increase in fee and commission income, demonstrating the Company's ability to capitalise on evolving market conditions and enhance revenue from non-interest sources. This strong performance reflects a strategic focus on income diversification, reinforcing financial resilience and adaptability in an increasingly competitive industry landscape.

Total Operating Income

The components of total operating income include net interest income and other income. The Company achieved a total operating income of Rs. 2.0 billion for the financial year ending on 31 March 2025, in contrast to the earnings of Rs. 1.1 billion in the previous financial year.

Overhead Cost Management

Fintrex Finance experienced a notable increase in operating expenses, aligning with its strategic initiatives for business expansion and operational scaling. Total operating expenses rose by 28% year-on-year, amounting to Rs. 266 million. Personnel expenses represented the largest component of operating costs, accounting for 60% of the total. Personnel expenses increased by 28% to Rs. 730 million, primarily due to the Company's expanded operational activities and the need to strengthen its workforce to support growing business activities. In addition to personnel-related costs, other operating expenses, including depreciation, amortisation, and general administrative expenses, increased by 29% compared to the previous year. Despite this rise, the cost-to-income ratio improved from 82.42% to 60.4%, reflecting enhanced operational efficiency. This increase in expenses underscores ongoing investments in infrastructure, technology, and operational capabilities, highlighting Company's commitment to achieving long-term efficiency and sustainable growth. These strategic expenditures demonstrate the Company's focus on building a solid foundation to meet evolving business needs and market demands, ensuring continued resilience and competitiveness in the industry

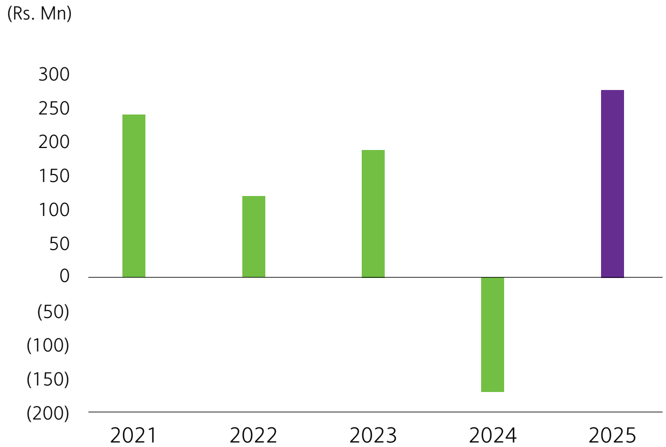
The operating expenses also increased due to our aggressive marketing drive to expand customer reach, grow business, promote, and position our brand in the marketplace and continuous visits and recovery programs at branches. During the year, two main branches, namely Kuliapitiya and Gampaha, were relocated and led to further increase in operating expenses.

Impairment Charges

Credit loss expense increased by 261% with an absolute value of Rs. 272 million in comparison to the provision reversal of Rs. 169 million in 2023/24. This comparative increase of 261% is due to the impairment reversal recorded during the previous financial year which accounted for low business volumes, deteriorating old loan stocks and the settlement of some major non- performing facilities. Loan portfolio growth of Rs.6Bn during the year increased provisioning in stage 1 and stage 2 loans contributing to the total provision of Rs.272 million. However, the Company made notable progress in credit quality management, demonstrating the strength of its risk management framework and the improved quality of its asset portfolio. Further reinforcing this positive trajectory, the Company reduced its non-performing loan ratio (stage 3 loans) from 11.22% in 2023/24 to 8.63% by the end of the year. Additionally, the impairment coverage ratio for Stage 3 loans improved substantially, climbing from 18.8% in 2023/24 to 29.5% in 2024/25. This upward trend highlights the Company's commitment to maintaining sufficient provisions to address potential credit losses, ensuring a prudent and forward-looking approach to risk management. Out of the total provisioning figure, 64% is attributable to the leasing portfolio followed by the loan portfolio with 36%.

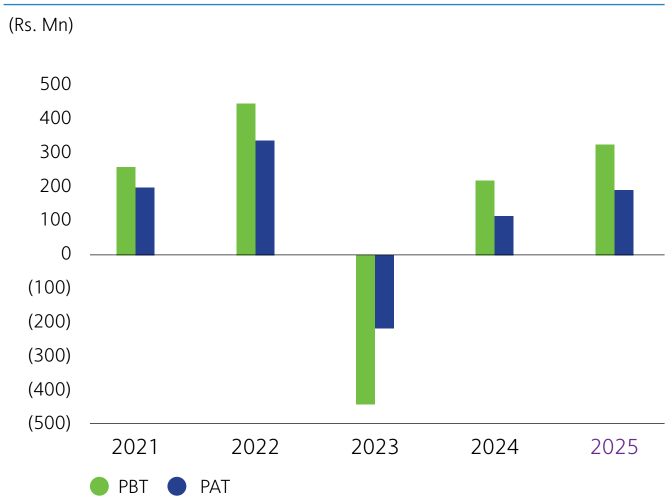
	2021	2022	2023	2024	2025
Impairment Charge (Rs. Mn)	236	118	183	-169	272
Number of days past due	180	180	120	90	90

Impairment Charges



Income Tax & Tax on FS

PBT & PAT



GRI 207-1

Taxation

The Company's tax charges encompass various types of taxes, including direct and indirect taxes such as corporate income tax, Value Added Tax on financial services (VAT on FS), and Social Security Contribution Levy (SSCL). For the financial year ending 31 March 2025, the effective tax rate was 65%.

The income tax charge increased by 30% to Rs.137.2 million mainly due to deferred tax asset reversal in the current financial year. The reversal of deferred tax during the year is Rs. 61.2 million and recorded a deferred tax asset of Rs. 99.1 million at the end of the financial year compared to the deferred tax asset of Rs.159.3 million reported in the prior year.

The Value Added Tax (VAT) on financial services of Rs.174.5 million was charged during the year compared to the charge of Rs.135.5 million in 2023/24, and this is 29% increase compared to previous financial year and was a result of increased revenue and personnel expenses. The VAT rate applied during 2024/25 was 18.0% on the value addition attributable to financial services.

The Social Security Contribution Levy (SSCL) of Rs. 24.2 million was charged during the year under review. The SSCL rate applied during 2024/25 was 2.5% on the value addition attributable to financial services.

Profitability

Leveraging on FFL's core competencies which was appropriately backed by the right strategy and staunch commitment to success, the company was able to record robust pre- and post-tax profits amounting to Rs. 321.2 million and Rs. 183.9 million, reflecting an outstanding 49.1% and 67.1% YoY growth.

With the persistent decline in policy rates and uptick in credit demand supported by the positive improvements in the macro-economic environment, we recorded an impressive 46% YoY growth in the total loan portfolio, whilst keeping funding costs relatively lower, backed by repricing gains throughout the financial year. Accordingly, we recorded a 70.5% remarkable growth in net interest income boosted primarily by a YoY growth in lending volumes of 46% that enhanced the interest income by 26.7% and improved core margins (NIM) that moved up by 8% YoY to 9.7%.

The Company's return on average assets (ROA) calculated on profit after tax increased by 18.3% to record 1.0% as of 31 March 2025 compared to 0.84% as of 31 March 2024. The return on average equity (ROE) increased by 59.2% to record 5.86% as of 31 March 2025.

Financial Stability

Asset Management

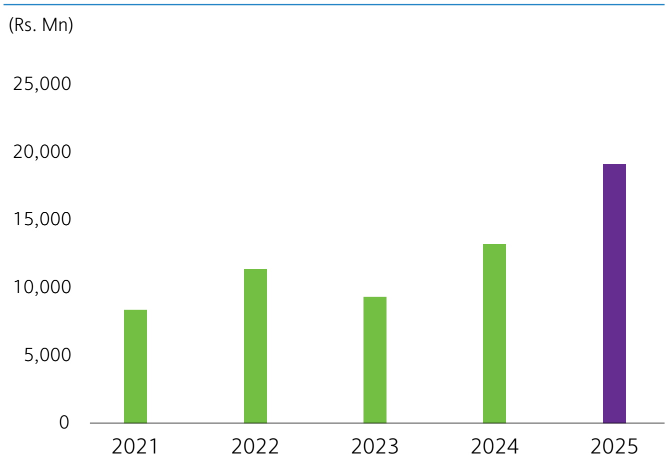
Lending Portfolio

From the inception of the year, the economic recovery and stabilization of interest rates created a favorable environment for credit expansion, while the lifting of the vehicle import ban in the last quarter of the year further supported the company's loan portfolio growth. The Company's net lending portfolio experienced an increase of 46%, totalling Rs. 19.25 billion, compared to Rs. 13.18 billion recorded in the previous financial year. Also, the total finance lease net portfolio increased by 7.2% to Rs. 8.2 billion as of 31 March 2025, compared to Rs. 7.26 billion recorded as of 31 March 2024. The gold loan product, which was introduced in three years back, has shown a remarkable growth of 131% from Rs. 651 million (2023/24) to Rs. 1,502 million in FY 2024/25 and represents 8% of the total portfolio.

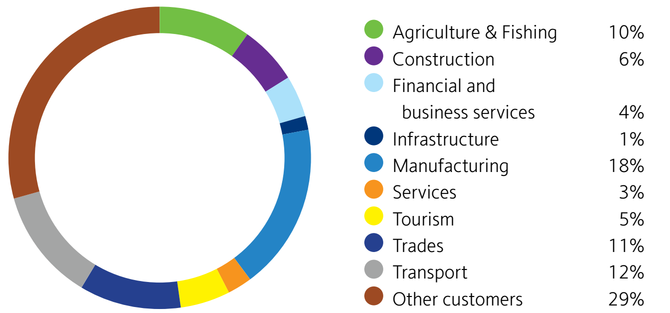
The value of gross portfolio recorded a growth of 46% reaching to Rs. 20.0 billion at the end of the financial year 2024/25 compared to the previous year. The finance lease, which represents 43% of the entire portfolio, remains a significant contributor.

Product	2025		2024	
	Gross Portfolio (Rs. Mn)	%	Gross Portfolio (Rs. Mn)	%
Finance Lease	8,655.40	43%	7,575.78	56%
Loans and Advances	9,828.64	49%	5,411.63	40%
Trade finance	-	-	5.07	0.1%
Gold Loans	1,501.78	8%	650.69	5%
Grand total	19,985.82	100%	13,643.17	100%

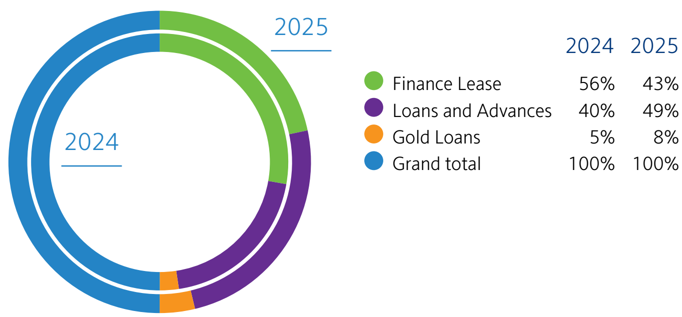
Net Lending Portfolio



Industry Analysis of Gross Portfolio



Composition of Gross Lending Portfolio



Assets Quality

Asset quality refers to the health and risk level of a financial institution's assets, particularly its loan and investment portfolios. It's a key indicator of a financial institution's financial strength and stability. The maintenance of a high-quality credit portfolio is a crucial factor for the growth and success of LFCs. One key indicator of credit quality is the Non-Performing Loans (NPL) ratio, which measures the proportion of loans that has not been recovered from the total loan portfolio and its debtor age is more than 90 days. In the year under review, Fintrex Finance demonstrated excellent credit quality and further improved its performance by diversifying the asset portfolio with collateral quality to reduce the credit risk.

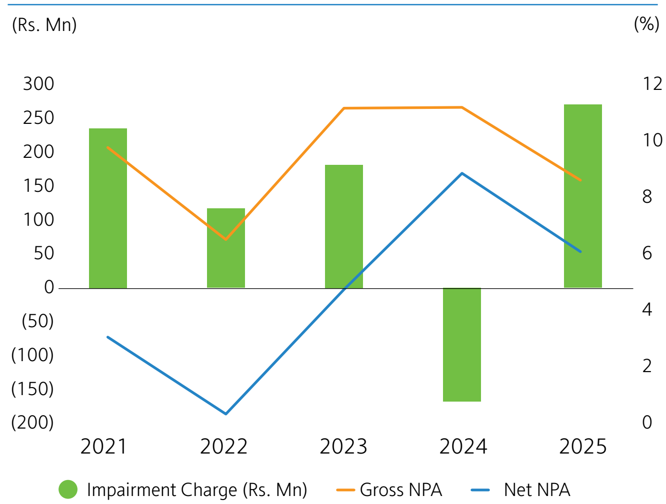
Despite the sector NPL showcasing a notable uptick triggered by heightened default risks, Fintrex's staunch recovery efforts coupled with proactive risk management initiatives enabled the Company to control the 90-day NPL at 8.63%, as at the balance sheet date.

Through rigorous risk assessments, stringent underwriting standards, and proactive risk management measures, we have cultivated a portfolio that is characterized by assets with strong creditworthiness, reliable cash flows, and favourable performance indicators. Whilst we have strategically adjusted asset composition to align with the Company's long-term growth objectives, our primary focus has been on prioritizing the quality of our assets.

Enhancement of the credit quality of lending disbursements, resulted in a robust asset base that demonstrates resilience and generates consistent returns. By actively managing credit risks and minimizing non-performing assets, we have preserved the value of our financial capital, while increasing the total asset base. This increase in volumes has been a strategic decision aimed at optimizing our asset composition and aligning it with long-term growth objectives.

The improvement of asset quality has several advantages for our financial capital. Firstly, it enhances the stability and predictability of cash flows, providing a solid foundation for sustainable returns. This allows us to navigate through market fluctuations and economic uncertainties more effectively, ensuring long-term stability and strengthen the Company's reputation and credibility in the market.

Asset Quality



Total Assets

As of 31 March 2025, Fintrex Finance PLC demonstrated remarkable financial growth with its total assets increasing to Rs. 21.72 billion, reflecting a substantial rise of Rs. 6.6 billion (43.6%) compared to Rs. 15.12 billion in 2024. This growth was primarily fueled by the expansion of the net lending portfolio, which reached Rs. 19.25 billion by the end of 2025, marking an increase of Rs. 6.1 billion (46%) from Rs. 13.18 billion in 2024.

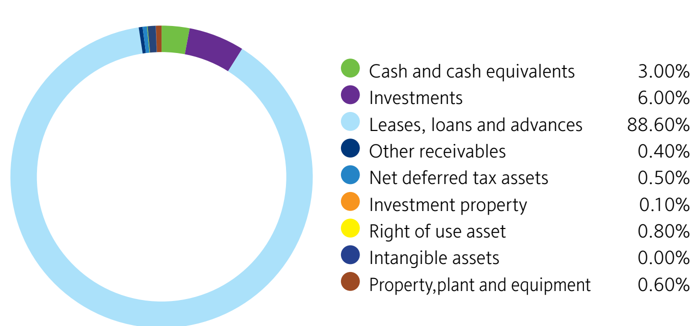
Leasing continued to dominate the net lending portfolio, constituting 43% of the total, while gold loans accounted for 8%. Both segments experienced robust growth, with the gold loan portfolio surging by 131% and the leasing portfolio growing by 13% during the year. This highlights the Company's strong performance in its core lending activities. In addition, the net loan portfolio saw exceptional growth, increasing by 87% to Rs. 11.1 billion as of 31 December 2025, up from Rs. 5.9 billion at the end of 2024. The Company's financial position strengthened considerably, driven by the steady expansion of its key lending segments and prudent investment strategies.

The Company's commitment to implementing strong strategies for expanding the loans and advances portfolio, coupled with our ability to navigate emerging challenges, continue to support the growth of total assets.

Furthermore, the Company maintains a diligent monitoring process for the asset mix and takes appropriate measures to ensure effective management of assets. These initiatives contribute to the stability of the asset base, facilitate optimised asset growth, and help maintain a high-quality asset portfolio.

A substantial majority, precisely 89%, of the total asset base is comprised of the lending portfolio while 6% of the total assets consists of investments.

Composition of Total Assets



Liquidity Management

Sufficient liquidity plays a critical role in shaping the financial capital of the Company. It directly impacts our ability to meet financial obligations, grab business opportunities, and maintain financial stability. The presence of ample liquidity provides a solid foundation for financial capital and ensures smooth operations across all facets of the organization.

Adequate liquidity enhances ability to meet short-term financial obligations promptly. It allows us to honour payments to suppliers, service debt obligations, and fulfil operational expenses without disruptions. This ensures the smooth functioning of business, preserves reputation, and instils confidence among our stakeholders.

By maintaining an appropriate balance between cash inflows and outflows, we minimize the risk of liquidity shortages and optimize financial resources. Management has arranged diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected future cash flows. The Company maintains a portfolio of highly marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Company also has committed lines of credit from banks that it can access to meet liquidity needs. In addition, the Company maintains a statutory deposit with the Central Bank of Sri Lanka for customer deposits. In accordance with the Company's policy, the liquidity position is assessed and managed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and specifically to the Company

We are pleased to report that Fintrex maintains a liquidity ratio of over 100%, comfortably meeting the minimum regulatory requirement set out by CBSL. The ratio of total liquidity assets to liquidity assets requirement stood at 162% at the end of the FY 2024/25, demonstrating a solid financial position. This ensured a robust buffer against potential financial shocks, reinforcing Fintrex's resilience.

Funding and Investments

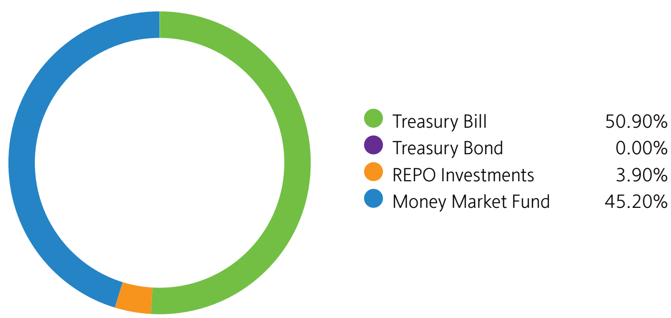
The Company has aligned its investment portfolio to meet the rising statutory liquidity requirements accompanying the growth in customer deposits. Any surplus liquidity has been strategically placed in high-yielding money market accounts to maximize interest earnings.

Of the entire investment portfolio, treasury bills now constitute Rs.659 million, a notable increase from the previous year's Rs.402 million (64%). The Company increased treasury bill investments during the year to be in line with the statutory liquid asset requirement since public deposits increased by Rs.3.4 billion representing a 55% growth compared to previous year. This adjustment reflects our strategy to uphold essential government security holdings in treasury bills while strategically diversifying excess funds into higher-yielding alternative investments, responding to the reduced interest rates on treasury bills.

Investment Mix	2025 (Rs. Mn)	%	2024 (Rs. Mn)	%
Treasury Bill	659	51%	402	38%
Treasury Bond	-	-	50	9%
REPO Investments	50	4%	100	48%
Money Market Fund	585	45%	516	5%
Total	1,295	100.0%	1,068	100.0%

Fintrex remains steadfast in its commitment to sound financial management practices and intends to persistently assess and refine its capital structure to facilitate its growth ambitions. Through strategic financial optimization, the company is poised to capitalize on evolving opportunities within the dynamic finance sector, ensuring sustainable long-term prosperity.

Investment Mix

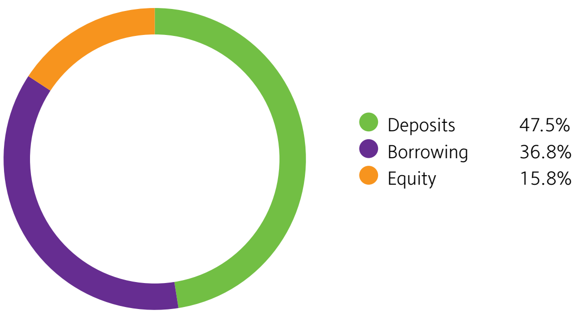


The funding mix of the company strategically turned around to a balanced funding mix compared to the last FY with the implementation of strategic decisions taken by the Company to counter uncertainties in the economic conditions. The borrowing and debt issued saw a substantial 55% increase amounting to Rs. 7.5 billion compared to the previous year. This rise can be attributed to Fintrex securing new bank term loan facilities and issuing debts (high yield bonds) in the last quarter of the year aimed at supporting additional lending initiatives and expanding business operations, capitalizing on the improving economic landscape in the country, and strengthening the total capital adequacy ratio. The Company issued Rs.10 million Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds on 28 February 2025 (Date of allotment is 04 March 2025 and the date of maturity is 04 March 2030), at the par value of Rs. 100.00 each and raised Rs. 1billion which has been recorded under Debt Instruments Issued and Other Borrowed Funds in the Statement of Financial Position as of 31 March 2025.

Financial Capital

Funding Mix	2025 (Rs. Mn)	%	2024 (Rs. Mn)	%
Deposits	9,736	47.5%	6,296	44.3%
Borrowing & Debt Issued	7,535	36.7%	4,857	34.2%
Equity	3,229	15.8%	3,049	21.5%
Total	20,500	100.0%	14,201	100.0%

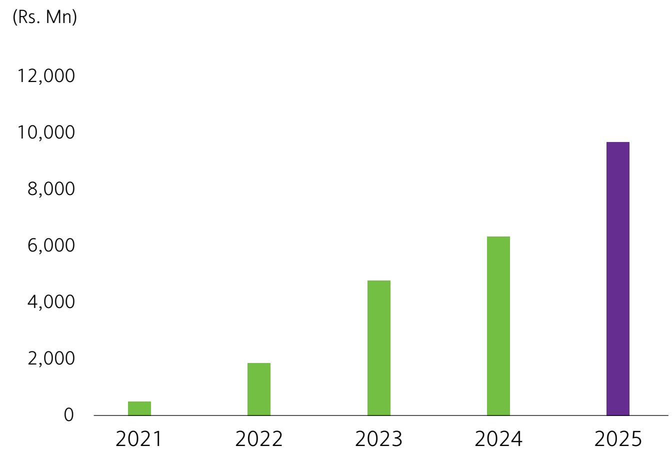
Funding Mix



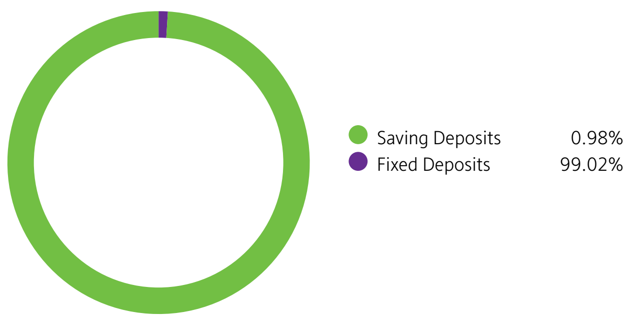
The deposit base reported a significant growth of 55% from Rs. 6.3billion to Rs. 9.7 billion during the year under review, as a result of enhanced customer confidence and continuous deposit drive with the collaboration of employees, and implementation of robust deposits campaigns. This surge in deposits has not only enhanced our liquidity position but has also provided a stable and reliable source of funding. Additionally, the notable expansion of deposit portfolio showcases the Company's ability to retain customer trust and satisfaction while maintaining adequate liquidity for business operations. Moreover, continuous efforts in deposit mobilization strategies elevate the brand awareness among the public.

The overall deposit base is primarily comprised of Fixed Deposits, accounting for a significant and substantial portion of total funding.

Deposits Growth



Deposit Base 2025



Deposit Base 2024

Capital Adequacy

Capital adequacy is a measure of financial institution's financial strength and stability. This widely accepted concept tries to specify the limit up to which a business can expand in terms of its risk-weighted assets. Finance companies in pursuit of business expansion could engage themselves in activities that regularly change their risk profile. In light of this, regulatory capital requirements have been established to avoid undue expansion beyond specified limits, keeping a hold on company's exposure to risk. Capital serves as a comfort to absorb unexpected losses, provides a degree of security to depositors and other key stakeholders. Fintrex adheres to CBSL's regulatory requirements and uses the standardized measurement method for Market Risk and Operational Risk. This framework calculates risk-weighted assets for credit risk and operational risk.

In the LFCs sector, financial institutions with an asset base below Rs. 100 billion are required to maintain a minimum Tier I capital adequacy ratio of 8.50% and a total capital ratio of 12.50% under the capital adequacy framework, and organisations with an asset base above Rs. 100 billion are required to maintain a minimum Tier I capital adequacy ratio of 10.00% and a total capital ratio of 14.00%.

The Company issued 10 million Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds on 28 February 2025 (Date of allotment is 04 March 2025 and the date of maturity is 04 March 2030), at the par value of Rs. 100.00 each and raised Rs.1 billion which has been recorded under Debt Instruments Issued and Other Borrowed Funds in Statement of Financial Position as of 31 March 2025. The objectives of the issue were to expand the Tier II capital and strengthen the total capital base of the Company by Rs. 1 billion and to utilize the funds for growing the lending portfolio creating a positive impact on profitability and net asset value of the Company.

As of 31 March 2025, Fintrex Finance maintained a Tier I capital ratio of 13.55% and a total risk-weighted capital ratio of 18.32%. As of 31 March 2024, the Company's core capital ratio was 16.07% and the total risk-weighted capital ratio was 16.07%. The core capital and capital funds of the Company as at end of the financial year under review amount to Rs. 2.61 billion and Rs. 3.23 billion, respectively, comfortably exceeding the regulatory requirements set by the CBSL.

CAR is a critical metric that assesses the adequacy of the capital in relation to the risks the Company faces. It serves as a reflection of Company's ability to absorb potential losses, effectively manage risks, and ensure the stability of financial operations. By diligently monitoring and maintaining a strong CAR, we fortify our financial capital and position ourselves securely to support strategic objectives and drive sustainable growth.

By surpassing the minimum capital adequacy standards set by regulatory authorities (minimum CAR: Tier 1-8.5% and Tier 2-12.5%), we demonstrate our unwavering commitment to sound governance and risk management practices. This not only ensures our compliance with regulatory requirements but also strengthens our reputation as a responsible and well-managed financial institution.

	Regulatory Minimum	2025
Tier 1 Capital Ratio (%)	8.50	13.55
Total Capital Ratio (%)	12.50	18.32

Shareholders' Funds

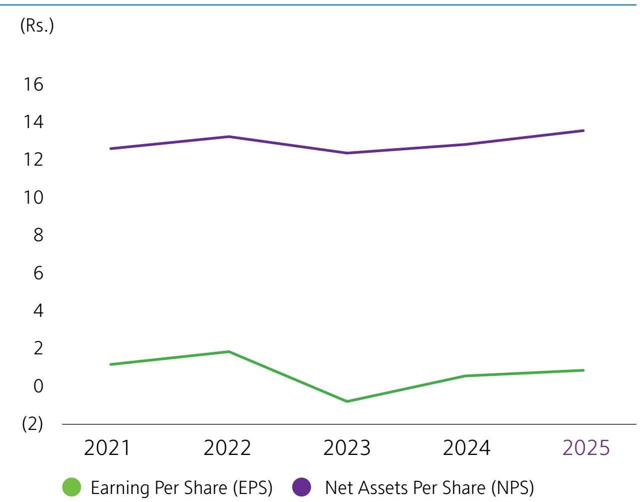
Creating value for shareholders remains a primary focus for Fintrex Finance, and therefore, strategies are implemented for the continual increase in retained earnings, which serves as the primary source of capital infusion.

The shareholders' fund serves as a crucial measure of the financial capital of a company, reflecting the stakeholders' investments and retained earnings. At the end of the financial year under review, the Company's total shareholders' fund grew by 5.9% to Rs. 3.23 billion, compared to Rs. 3.05 billion in the previous financial year.

The Company's ability to maintain growth in shareholders' funds despite the continuing challenges in the macroeconomic environment is attributed to our legacy of financial stability, ethical business practices, and a strong commitment to achieving sustainable long-term growth.

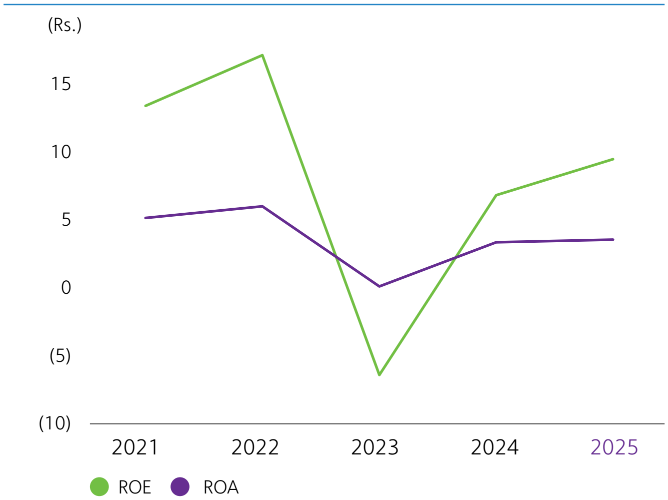
The Company experienced a substantial 67% increase in Earnings Per Share (EPS) during the 12 months ending on 31 March 2025 to Rs. 0.78 compared to Rs. 0.46 recorded during the 12 months ending on 31 March 2024. The net asset value per share recorded a growth of 6% to reach Rs. 13.63 as of 31 March 2025, compared to Rs. 12.87 reported on 31 March 2024.

EPS & NPS



Return on Equity (ROE) and Return on Assets (ROA) are key measures for evaluating the effectiveness and efficiency of asset management of the Company. Return on Equity is 5.86% while Return on Asset is 1% for the current financial year due to the profit earned. Corresponding ratios for the period ending 31 March 2024 were 3.68% and 0.84% respectively.

ROE & ROA



Management's Efficiency

In the current financial year, Fintrex's management team has demonstrated exceptional proficiency in steering the company towards substantial improvements in financial performance and operational resilience. Building upon the foundation of last year's challenges, we have achieved remarkable strides, notably improving the previous year's profit of Rs. 110 million to a profit of Rs. 183 million, a notable 67% increase in profitability.

Key to this turnaround has been our proactive approach in enhancing efficiency across all facets of our operations. By implementing strategic cost management initiatives and optimizing resource allocation strategies, we have effectively managed expenditures while maximizing operational efficiency. This disciplined approach not only safeguarded our financial capital but also positioned us to capitalize on new growth opportunities.

Our commitment to innovation and responsiveness to market demands has further bolstered our results. Introducing new high-yield products and expanding our loan book by 46% alongside a 55% increase in customer deposits, underscore our agility and responsiveness to customer needs. These initiatives have not only diversified our revenue streams but also strengthened our market position.

Risk management remains a cornerstone of our operational strategy. By continually assessing and mitigating risks, we have maintained the stability of our financial position amidst evolving economic conditions. This proactive risk management approach has fortified our resilience against potential disruptions, ensuring sustained growth and stability.

Furthermore, our steadfast dedication to nurturing stakeholder relationships continues to be pivotal. Transparent communication, robust governance practices, and consistent value delivery have deepened trust and confidence among our shareholders, lenders, and investors. These strong relationships have been instrumental in strengthening our financial capital and positioning us favourably for future growth endeavours.

As we look ahead, our management team remains committed to continuous improvement and sustainable growth. With a solid foundation of achievements in the current year, we are poised to leverage our expertise, adaptability, and market insights to capitalize on emerging opportunities. By maintaining our focus on operational excellence and stakeholder value creation, we are confident in our ability to achieve sustained profitability and enhance shareholder value in the years to come.

Economic Contribution

GRI 201-1

Direct economic value generated and distributed

Fintrex's sustainability agenda is designed to enhance economic benefits for our depositors, lenders, employees, suppliers, and the government, fostering sustainable growth for the Company. In the financial year 2024/25, we generated Rs. 3.75 billion in economic value, marking a significant increase from Rs. 2.88 billion in the previous year, an improvement of Rs. 872.82 million.

The highest economic value was distributed to our lenders and depositors who placed the utmost trust on Fintrex, amounting to Rs. 1,755 million (47%). Economic value provided for our skilled workforce was Rs. 730 million (20%). Additionally, Rs. 337 million (9%) and Rs. 746 million (20%) were allocated to the government and suppliers respectively during the Financial Year 2024/25. These efforts underscore our dedication to creating sustainable economic benefits across our stakeholder spectrum.

	2025		2024		Change	
	Rs. Million	%	Rs. Million	%	Rs. Million	%
Economic Value Generated						
Interest income	3,498.93		2,761.98		736.95	
Other income	256.23		120.35		135.87	
Total	3,755.15		2,882.33		872.82	
Economic Value Distributed						
To Depositors and Lenders						
Interest expenses	1,755.65		1,739.68		15.96	
	1,755.65	46.75%	1,739.68	60.36%	15.96	1.83%
To Employees						
Salaries and other benefits	730.47		571.16		159.31	
	730.47	19.45%	571.16	19.82%	159.31	18.25%
To the Government						
Income tax	137.24		105.29		31.95	
Tax on financial service	198.72		154.36		44.36	
Crop Insurance Leavy	1.84		1.10		0.74	
	337.80	9.00%	260.75	9.05%	77.05	8.83%
To Suppliers						
Other operating expenses	427.02		329.90		97.12	
Impairment charges	271.67		-168.83		440.50	
Depreciation and amortization	48.56		39.56		9.00	
	747.25	19.90%	200.63	6.96%	546.62	62.63%
Economic Value Retained	183.99	4.90%	110.11	3.82%	73.87	8.46%
Total	3,755.15	100.00%	2,882.33	100.00%	872.82	

Future Focus

Short Term	Medium Term	Long Term
Optimize capital structure through internal efficiencies	Raise Tier II capital via debt instruments	Maintain robust capital buffers aligned with Basel III and CBSL guidelines
Invest in cloud-based financial reporting tools	Integrate AI for predictive financial analytics	Fully automate financial operations with blockchain-enabled transparency
Introduce fee-based services (e.g., advisory, insurance broking)	Expand into SME and green financing	Establish regional financial hubs and cross-border services
Tighten credit risk assessment models	Implement AI-driven early warning systems for NPLs	Achieve industry-leading NPL ratios through predictive credit management
Conduct cost rationalization reviews	Digitize procurement and vendor management	Achieve sustainable cost-to-income ratio below industry average
Enhance financial disclosures and investor briefings	Launch ESG-aligned financial instruments	Position Fintrex as a top-rated sustainable finance institution
Align budgeting with SDG-linked KPIs	Integrate climate risk into financial planning	Become a regional leader in sustainable finance and green bonds

Manufactured Capital

Manufactured capital refers to the physical and tangible assets that are used to conduct the Company's operations. Our Manufactured capital involves the physical infrastructure (head office building and branch network) and digital infrastructure (IT assets and network architecture) we utilise in delivering value to our stakeholders and sustaining our competitive position.

Contribution to Our Value Creation

Continued investments in infrastructure to capture new market opportunities

Contribution to Our Core Values

Innovation

Elevate

Stakeholders Impacted

Material Matters

Customer Privacy

Customer Service Excellence

Digitalization and Technology

Commitment to UN SDGs

Impact on Other Capitals

Financial Capital

Relocation and refurbishment may require substantial financial investment, which could have long-term implications

Human Capital

A well-designed safety workspace can significantly impact on employee comfort and efficiency.

Intellectual Capital

Improved brand image due to enhanced visibility and technology-driven solutions

Natural capital

Improving digital infrastructure may lead to digital transformation of manual processes into digital mode. Hence reduced carbon footprint.

Social and Relationship Capital

Enhanced customer relations through branch network and convenient access

SHORT TERM

Challenges

- Rising costs of digital transformation
- Adapting to fast-changing customer expectations
- Volatile macroeconomic environment
- Cybersecurity threats
- Operational disruptions during branch relocations

Capital Management

- Strategic relocation of 3 branches
- Launch of Fintrex Hub mobile app
- Implementation of SD-WAN and workflow automation
- Firewall and DLP upgrades
- Cybersecurity awareness training

Opportunities

- Enhanced customer convenience and access
- Improved digital service delivery
- Strengthened data protection and trust
- Increased customer engagement
- Operational efficiency and cost savings

Value Chain Impact

- Improved customer satisfaction and loyalty
- Reduced manual processes and errors
- Strengthened brand visibility
- Enhanced employee productivity
- Lowered environmental footprint

MEDIUM TERM

Challenges

- Balancing expansion with financial prudence
- Recruiting and training a digitally skilled workforce
- Ensuring data integrity and compliance
- Managing vendor and partner relationships
- Keeping pace with rapid tech evolution

Capital Management

- Investment in scalable IT infrastructure
- Cloud migration and infrastructure-as-code
- Staff development and digital training
- Collaborations with tech vendors and startups
- Strengthening information security systems

Opportunities

- Broader market reach through branch expansion
- Agile and resilient operations
- Improved service quality and personalization
- Innovation through partnerships
- Enhanced data security and compliance

Value Chain Impact

- Increased accessibility and inclusion
- Higher service standards and customer retention
- Future-ready workforce
- Strengthened digital backbone
- Greater stakeholder trust and confidence

LONG TERM

Challenges

- High capital investment in advanced technologies
- Regulatory and compliance complexities
- Long-term sustainability of digital infrastructure
- Customer adoption of AI-driven services
- Managing risks of digital transformation

Capital Management

- Integration of AI and machine learning in loan processing
- Development of mobile-based digital lending
- Corporate website revamp for better UX
- Data center modernization
- Establishment of a Digital Business Unit

Opportunities

- Market leadership in digital financial services
- Personalized and predictive customer experiences
- Operational resilience and scalability
- Sustainable growth and innovation
- Competitive differentiation in the industry

Value Chain Impact

- Industry leadership in smart finance
- Long-term cost efficiencies
- Enhanced customer loyalty and retention
- Reduced environmental impact through digitalization
- Stronger stakeholder relationships and brand equity

Manufactured Capital

Management Approach

We continue to manage our manufactured capital through strategic planning and financial resource allocation for expansion, acquisition and replacement of our material assets in achieving the Company's business objectives. This is a testament to our commitment to delivering superior customer experience aligning with constantly changing market trends and customer preferences, thereby transforming the FFL into a more customer-focused and digitally driven organization.

At Fintrex Finance PLC, our manufactured capital represents the tangible and digital infrastructure that underpins our delivery service and operational excellence. These assets are critical enablers of our strategic vision and play a pivotal role in driving sustainable value creation for all stakeholders.

Key Components of our Manufactured Capital

Branch Network

Our branch network, strategically distributed across 16 key locations, serves as the primary interface between the company and our customers. These branches are positioned in high-traffic commercial and regional hubs to ensure maximum accessibility, visibility, and convenience. Each branch is equipped to deliver personalized financial services, reinforcing our commitment to customer-centricity.

Digital Channels

In response to evolving customer expectations and the digital shift in financial services, we have developed and continue to enhance a suite of digital channels. These include our mobile application (Fintrex Hub), online customer portals, and automated service platforms. These channels enable seamless, 24/7 access to our services, improving customer experience and operational efficiency.

Wide Coverage

Our combined physical and digital presence ensures comprehensive market coverage, reaching both urban and semi-urban populations. This dual-channel approach supports financial inclusion, allowing us to serve a diverse customer base while maintaining operational agility and responsiveness.

Nurturing Our Manufactured Capital

We nurture manufactured capital through prudent strategic foresight, continuous improvement, and alignment with technological advancements. We prioritize investments that enhance our infrastructure, support digital transformation, and ensure long-term sustainability.

Investment in Developing Branch Infrastructure

We continuously invest in modernizing our branch facilities to create welcoming, efficient, and secure environments for both customers and employees. These upgrades include ergonomic designs, energy-efficient systems, and customer-friendly layouts that enhance service delivery and brand perception.

Investment in Advanced Technology

Recognizing the transformative power of technology, we allocate significant resources to adopting cutting-edge solutions. Recent initiatives include the implementation of SD-WAN for network optimization, advanced cybersecurity frameworks, and the integration of AI-driven tools to streamline operations and improve decision-making.

Upgrade of Technologies and Infrastructure

Our IT infrastructure is regularly reviewed and upgraded to ensure scalability, reliability, and resilience. This includes cloud migration strategies, infrastructure-as-code practices, and the deployment of automated systems that reduce manual intervention and enhance process efficiency.

Investment in Branch Expansion and Relocation

We strategically expand and relocate branches based on market potential, customer demand, and accessibility. During the year, two branches were relocated to more prominent locations, equipped with modern technology and trained personnel to deliver superior service. These decisions are guided by data-driven insights and long-term growth objectives.

Strategic Focus Areas 2024/25

Focus Area	Key Initiatives
Relocation of our branches for better accessibility	Strategically relocated two of our existing branches to more prominent and easily accessible locations.
Digital Transformation	Embrace advanced technology for process efficiencies and enhanced customer service delivery. Transform manual systems into a digital platform.
Cybersecurity and Data Protection	Implemented advanced firewall systems, Data Loss Prevention (DLP) solutions, and appointed an Information Security Officer (ISO) to strengthen digital security. Conducted cybersecurity awareness training.
Customer-Centric Innovation	Launched Fintrex Hub mobile app and digital lending platform. Enhanced customer experience through real-time loan approvals and expanded payment channels.
Sustainable Infrastructure Development	Upgraded IT infrastructure with energy-efficient systems and initiated cloud migration to reduce environmental impact and improve scalability.

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, our manufactured capital strategy is not only a reflection of our growth ambitions but also a testament to our commitment to sustainable development. As we expand and modernize our physical and digital infrastructure, we do so with a clear alignment to the United Nations Sustainable Development Goals (SDGs), ensuring that our progress contributes meaningfully to the broader global agenda.

We align our manufactured capital strategy with the following SDGs:

Decent Work and Economic Growth

Our investments in expanding branch networks, upgrading service facilities, and enhancing digital platforms are designed to stimulate economic activity and create employment opportunities. By improving access to financial services across urban and rural areas, we empower individuals and businesses to participate more fully in the economy.

Industry, Innovation and Infrastructure

We are committed to building resilient and future-ready infrastructure. Our focus on digital transformation through the deployment of smart kiosks, mobile banking solutions, and automated service channels enhances operational efficiency and customer convenience. These innovations support sustainable industrialization and foster a culture of continuous improvement.

Sustainable Cities and Communities

Through strategic investments in community-focused branches and service centers, we contribute to the development of inclusive and sustainable urban and rural environments. Our financing solutions for housing, transport, and micro-enterprises help build stronger, more resilient communities.

Responsible Consumption and Production

We are integrating sustainability into our operational practices by adopting energy-efficient technologies, reducing paper consumption through digitization, and promoting responsible resource use across our facilities. These efforts are part of our broader commitment to minimizing our environmental impact.

By aligning our manufactured capital development with these SDGs, Fintrex Finance PLC is not only enhancing its operational capabilities but also contributing to a smarter, more sustainable future for Sri Lanka. Our infrastructure investments are guided by a vision that balances profitability with purpose, ensuring that every step forward is a step toward a better tomorrow.

Type of Manufactured Capital	31 March 2025 Value (Rs. Mn)	31 March 2024 Value (Rs. Mn)	31 March 2023 Value (Rs. Mn)
Furniture & Fittings	69.43	47.24	56.42
Office Equipment	31.07	29.54	28.83
Computer Equipment	26.83	12.87	15.67
Mobile Devices & Tabs	0.30	0.04	0.39
Motor Vehicle	2.59	-	-

Branch Network

Our extensive branch network spread across 16 strategic locations continues to be our main customer touchpoints at regional level. We have ensured that these branches are established in prime locations such as central commercial and metro hubs around the Western Province and significant locations in other regions. These tactical positioning of our customer touchpoints have given us better visibility and customer accessibility at their convenience. During the year, we did not expand our branch network, though we strategically relocated two of our existing branches to more prominent and easily accessible locations. These relocations were aimed at improving customer access, strengthening our presence and ensuring our continued focus on convenience and service excellence.

Branch Relocations

During the year, we strategically relocated our branches in Gampaha and Kuliyapitiya to prime locations, leveraging improved opportunities to expand our customer base and strengthen our presence in these key regions.

We have equipped all these branches with the updated technology infrastructure including training to the branch staff to build a well-trained team of financial professionals to provide a seamless service to the customers, catering to their unique financial needs. While we consistently strive to uphold our service excellence through staff capacity enhancement, we continue to shape them to deliver a more personalised service to the customers harnessing their financial expertise and client servicing techniques. These ensure our competitive position within the industry landscape, fostering sustained growth, strengthening market control, and driving long-term success.

Branch relocation expenditure	FY 2024/25 Rs. Mn	FY 2023/24 Rs. Mn
Capital Expenditure	22.19	41.27

Customer Contact Centre (CCC)

Our Customer Contact Center efficiently manages the customer calls in addition to initiating lead generation, First Call Resolution (FCR) facility as well as the 'Sentiment' concept to gain valuable insights into customer behaviour and concerns to make informed decisions. Furthermore, they also directly manage customer grievances.

Technology Platform

In line with our strategic vision of becoming a digitally empowered financial institution, Fintrex Finance PLC has made significant strides in strengthening its technology platform. Our commitment to "Smart Finance, Smarter Future" is reflected in the seamless integration of advanced digital solutions across our operational and customer service ecosystems. These initiatives are not only enhancing service delivery but also reinforcing our resilience, agility, and sustainability in a rapidly evolving financial landscape.

Our digital transformation journey is guided by a strong governance framework and aligns with the Global Reporting Initiative (GRI) standards, particularly in areas such as customer privacy (GRI 418), and technological innovation (GRI 203). Through these efforts, we aim to deliver secure, efficient, and inclusive financial services while optimizing internal resources and reducing our environmental footprint.

Technology Improvements & Upgrades During FY 2024/25

To support our digital-first strategy, we implemented several key technological enhancements during the year:

Deployment of SD-WAN (Software-Defined Wide Area Network)

Enhanced network performance, security, and operational efficiency across our branch network, enabling faster and more reliable connectivity.

Launch of the Fintrex Hub Mobile App

Introduced a user-friendly mobile application to facilitate seamless digital onboarding, account management, and real-time access to financial services.

Implementation of a New Workflow Solution

Rolled out a digital lending platform that automates loan processing, reduces turnaround time, and improves customer experience.

Automation of Core Processes

Integrated automated systems for payment processing, real-time loan approvals, and internal workflows, significantly improving operational efficiency.

Enhanced Transaction Monitoring

Upgraded our AMI (Automated Monitoring and Intelligence) systems to strengthen fraud detection and ensure compliance with regulatory standards.

Expansion of Customer Payment Channels

Partnered with Easy Cash and other platforms to broaden payment accessibility, offering customers greater flexibility and convenience.

Commencement of Mobile Banking Application Development

Initiated the development of a comprehensive mobile banking solution to further expand our digital service offerings and enhance customer engagement.

IT Security Upgrades During FY 2024/25

Firewall upgrade and the appointment of ISO

During the year, we made significant advancements in fortifying our IT security framework to protect sensitive data and digital assets. A key initiative was the upgrade to an advanced firewall system aiming to strengthen the cybersecurity posture in an increasingly complex digital landscape. Further, the appointment of an Information Security Officer (ISO) to lead our information security strategy and compliance efforts.

Successful Implementation of Data Loss Prevention (DLP) Solution

As part of our unwavering commitment to safeguarding data and reinforcing customer trust, we have successfully implemented the comprehensive Data Loss Prevention (DLP) solution. This strategic initiative marks a significant milestone in our ongoing efforts to enhance information security. The implementation process involved a thorough assessment of our data flows, classification of sensitive information, and integration of advanced DLP technologies into our existing IT infrastructure

Cybersecurity Awareness Trainings

To enhance organizational resilience against cyber threats, we conducted cybersecurity awareness training for employees, aiming to minimize risks associated with human error. In addition, we carried out a cybersecurity drill, along with comprehensive Vulnerability Assessment and Penetration Testing (VAPT), to proactively identify and mitigate system vulnerabilities.

Commencement of Revamping our Corporate website

We also restructured the IT department, introducing clearer role segregation and establishing a dedicated Digital Business Unit to spearhead digital innovation. As part of our broader digital strategy, we have commenced planning for the revamp of our Corporate Website to improve accessibility, functionality and user experience. This initiative is a key component of our commitment to delivering a modern, accessible, and user-centric digital experience for all stakeholders.

Future Focus

Short term	Medium-term	Long term
• Expand Branch Presence in Key Regions: Open new branches in high-potential areas within the Western Province to improve accessibility and customer reach.	• Scale Digital Lending Capabilities: Expand the digital lending platform to cover a wider range of financial products and customer segments.	• Integrate AI and Machine Learning Across Operations: Leverage AI for credit scoring, fraud detection, and customer service automation.
• Launch Mobile Banking Application: Finalize and roll out the Fintrex mobile banking app to enhance digital engagement and self-service capabilities.	• Cloud Migration and Infrastructure Modernization: Transition core systems to cloud-based platforms for scalability, agility, and cost-efficiency.	• Establish a Green IT Infrastructure: Invest in energy-efficient data centers and eco-friendly technologies to reduce carbon footprint.
• Enhance Cybersecurity Infrastructure: Implement new security protocols in line with CBSL's Technology Risk Management and Resilience Framework.	• Develop Smart Branch Concepts: Introduce digitally enabled branches with self-service kiosks and virtual advisory services.	• Develop a Fully Digital Branch Model: Transition select branches into fully digital service hubs with minimal physical intervention.
• Conduct Cybersecurity Awareness Training: Educate employees on best practices to mitigate cyber threats and ensure data protection.	• Strengthen Vendor and Tech Partnerships: Collaborate with fintechs and IT providers to co-develop innovative solutions.	• Drive Financial Inclusion Through Technology: Use mobile and digital platforms to reach underserved communities and promote inclusive finance.
• Optimize Customer Contact Centre: Strengthen the CCC with AI-based sentiment analysis and real-time resolution tools to improve customer experience.	• Implement Predictive Analytics: Use data analytics to anticipate customer needs and personalize financial offerings.	• Position Fintrex as a Digital Finance Leader: Build a reputation as a pioneer in smart finance through continuous innovation and customer-centric digital transformation.

Intellectual Capital

Intellectual capital refers to the intangible assets of the Company that are not physical in nature but are crucial for creating value, driving innovation, and maintaining a competitive edge. Our intellectual capital involves ICT systems, knowledge and expertise of human resources, brand reputation, and organizational culture, all of which contribute to our value and competitiveness.

Contribution to Our Value Creation

Invest in strengthening intangible assets to enhance the value delivered to our customers.

Contribution to Our Core Values

Innovation
Elevate
Nurture

Stakeholders Impacted

Material Matters

Training & Education
Digitalization & Technology
Customer Privacy

Commitment to UN SDGs

Impact on Other Capitals

Financial Capital
Financial resources will be utilized for technological advancement. Yet in the longer term, process automation and improvements in productivity will contribute to financial gain.

Human Capital
Enhanced productivity of employees

Social and Relationship Capital
Improved customer convenience and services

Natural Capital
Reduced paper usage as a result of automation and replacement of manual processes

Manufactured Capital
Improved efficiency through efficient utilization of assets of the Company

SHORT TERM

Challenges

- Adapting to rapid technological changes and integrating new systems.
- Ensuring data security and privacy in the digital transformation process.
- Managing the costs associated with technology upgrades.
- Training employees to effectively use new technologies.
- Maintaining customer trust during the transition to digital platforms.

Capital Management

- Investing in cutting-edge technology infrastructure.
- Implementing robust cybersecurity measures.
- Allocating budget for employee training programs.
- Developing a comprehensive digital transformation strategy.
- Establishing partnerships with technology providers.

Opportunities

- Enhancing operational efficiency through automation.
- Improving customer experience with digital solutions.
- Expanding market reach through online platforms.
- Leveraging data analytics for informed decision-making.
- Building a tech-savvy workforce.

Value Chain Impact

- Streamlined operations lead to cost savings.
  Increased customer satisfaction and loyalty.
- Faster response times and service delivery.
- Enhanced ability to innovate and stay competitive.
- Improved risk management through better data insights.

MEDIUM TERM

Challenges

- Sustaining the momentum of digital transformation.
- Keeping up with evolving regulatory requirements.
- Balancing innovation with risk management.
- Ensuring continuous employee skill development.
- Managing the integration of new technologies with legacy systems.

Capital Management

- Ongoing investment in technology upgrades.
- Regularly updating cybersecurity protocols.
- Implementing continuous learning and development programs.
- Conducting regular audits and assessments.
- Fostering a culture of innovation and adaptability.

Opportunities

- Developing new digital products and services.
- Entering new markets with digital offerings.
- Enhancing customer engagement through personalized experiences.
- Utilizing advanced analytics for strategic planning.
- Strengthening brand reputation as a tech-forward company.

Value Chain Impact

- Increased market share and revenue growth.
- Higher employee productivity and satisfaction.
- Greater agility in responding to market changes.
- Enhanced customer loyalty and retention.
- Improved compliance and risk mitigation.

LONG TERM

Challenges

- Anticipating future technological trends and disruptions.
- Maintaining a competitive edge in a rapidly changing market.
- Ensuring long-term sustainability of digital initiatives.
- Attracting and retaining top tech talent.
- Balancing short-term gains with long-term strategic goals.

Capital Management

- Investing in research and development for future technologies.
- Building a resilient and scalable technology infrastructure.
- Creating a long-term digital roadmap.
- Establishing strong industry partnerships and collaborations.
- Focusing on sustainable and ethical technology practices.

Opportunities

- Leading the market with innovative solutions.
- Setting industry standards for digital excellence.
- Driving long-term growth through continuous innovation.
- Building a strong brand legacy.
- Contributing to the broader tech ecosystem.

Value Chain Impact

- Sustained competitive advantage.
- Long-term financial stability and growth.
- Positive societal impact through technological advancements.
- Strong industry influence and leadership.
- Enhanced stakeholder trust and confidence.

Management Approach

Empowering a Smarter Future through Innovation and Insight

At Fintrex Finance PLC, our intellectual capital forms the cornerstone of our journey toward a smarter financial future. It encompasses the intangible yet invaluable assets that drive innovation, enhance operational excellence, and secure our competitive edge in a rapidly evolving financial landscape. These include our digital infrastructure, human expertise, brand equity, and organizational culture, each playing a pivotal role in delivering sustainable value to our stakeholders.

In line with our theme "Smart Finance, Smarter Future", we have embraced a forward-thinking approach to managing intellectual capital. We continuously invest in cutting-edge technologies, foster a culture of learning and innovation, and uphold the highest standards of data governance and customer trust. This ensures that we remain agile, resilient, and relevant in a dynamic market environment.

Key Components of Our Intellectual Capital

Technological Infrastructure

Our advanced ICT systems form the digital backbone of our operations. From AI-powered loan processing engines to API-integrated platforms, we have built a smart, scalable ecosystem that enhances customer experience, reduces turnaround times, and ensures secure, seamless service delivery. These investments align with GRI 203-1 (Infrastructure investments and services supported) and GRI 418-1 (Customer privacy), reinforcing our commitment to responsible innovation.

Human Expertise

Our employees are the driving force behind our transformation. Through continuous professional development, mentorship, and exposure to emerging technologies, we empower our workforce to lead with confidence and creativity. This aligns with GRI 404-2 (Programs for upgrading employee skills), ensuring that our people remain agile and future-ready.

Brand Reputation

Our brand is a reflection of our values, service excellence, and stakeholder trust. We actively invest in brand-building through targeted marketing, transparent communication, and personalized customer engagement. These efforts position Fintrex as a trusted and progressive financial partner in Sri Lanka's competitive finance sector.

Organizational Culture

We foster a culture rooted in ethics, inclusivity, and continuous learning. This culture promotes collaboration, accountability, and innovation across all levels of the organization. Our open-door policy and inclusive practices support GRI 102-16 (Values, principles, standards, and norms of behavior), ensuring a resilient and values-driven workplace.

Nurturing Our Intellectual Capital

To ensure the sustainability and growth of our intellectual capital, we adopt a proactive and strategic approach that aligns with both our business goals and global reporting standards:

Investing in IT Infrastructure

We continuously upgrade our digital infrastructure to support innovation, scalability, and cybersecurity. These investments enable us to deliver smarter financial services while safeguarding customer data.

Employee Capacity Enhancement

We prioritize the development of our human capital through structured training, leadership development, and exposure to digital tools. This ensures our workforce remains competitive and aligned with our digital-first strategy.

Brand Building

Through consistent messaging, digital engagement, and customer-centric campaigns, we strengthen our brand equity and reinforce our market positioning as a forward-thinking financial institution.

Data-Driven Decision Making

We leverage business intelligence and analytics to inform strategic decisions, optimize operations, and personalize customer experiences ensuring smarter, faster, and more accurate outcomes.

Fostering a Conducive Organizational Culture

We nurture a workplace environment that values transparency, innovation, and inclusivity. This culture not only enhances employee satisfaction but also drives long-term organizational performance.

Strategic Focus Areas 2024/25

Focus Area	Key Initiatives
Technology Advancement	**AI-driven loan processing, API-based integrations, SD-WAN implementation** Fintrex is leveraging cutting-edge technologies to enhance operational intelligence and service delivery. The integration of AI into loan processing enables faster, data-driven credit decisions, while API-based systems ensure seamless connectivity across platforms. The implementation of SD-WAN strengthens network performance and scalability, laying the groundwork for a more agile and responsive digital infrastructure.
Cybersecurity & Data Privacy	**Cybersecurity drills, IT security assessments, DLP solution, CBSL-aligned risk frameworks** In alignment with GRI 418 (Customer Privacy), we have prioritized the protection of digital assets and customer data. Regular cybersecurity drills and vulnerability assessments ensure preparedness against threats. The deployment of a Data Loss Prevention (DLP) solution and adherence to CBSL's Technology Risk Management Framework reinforce our commitment to secure, compliant, and resilient operations.
Employee Empowerment	**IT training, coaching and mentorship, outbound learning programs** Recognizing that intellectual capital is deeply rooted in human expertise, we continue to invest in upskilling our workforce. Through structured IT training, mentorship programs, and outbound learning opportunities, we are cultivating a culture of continuous learning and innovation. These initiatives empower employees to adapt to technological change and contribute meaningfully to our digital transformation.
Brand Building	**Social media campaigns, direct marketing, personalized customer engagement** Our brand strategy focuses on positioning Fintrex as a forward-thinking, customer-centric financial partner. Through targeted social media campaigns and direct marketing, we are enhancing brand visibility and trust. Personalized engagement strategies, powered by data insights, allow us to connect with customers in more meaningful and relevant ways.
Governance & Culture	**Strengthened IT governance, open-door policy, inclusive work environment** We are fostering a culture of transparency, accountability, and inclusivity. Strengthened IT governance ensures ethical and secure use of intellectual assets, while our open-door policy promotes open communication. An inclusive work environment encourages diverse perspectives, driving innovation and reinforcing our values in line with GRI 102 (Governance and Ethics).

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, we recognize that sustainable development is not only a global imperative but also a strategic opportunity to create long-term value for our stakeholders. As part of our commitment to responsible finance and sustainable growth, we align our Intellectual Capital strategy with key United Nations Sustainable Development Goals (SDGs), ensuring that our knowledge assets, innovation capabilities, and human expertise contribute meaningfully to a smarter and more inclusive future.

Our Intellectual Capital comprising our people, systems, processes, and organizational knowledge is a cornerstone of our ability to drive innovation, enhance customer experiences, and deliver financial solutions that are both responsible and forward-looking. In line with this, we have identified the following SDGs as most relevant to our strategic direction:

Quality Education

We invest in continuous learning and development for our employees, fostering a culture of knowledge-sharing, upskilling, and innovation. Through internal training programs, leadership development initiatives, and financial literacy outreach, we empower both our workforce and the communities we serve.

Decent Work and Economic Growth

Our commitment to ethical employment practices, inclusive workplace policies, and performance-driven culture supports sustainable economic growth. We leverage our intellectual capital to create meaningful employment, enhance productivity, and promote financial inclusion across Sri Lanka.

Industry, Innovation and Infrastructure

We harness technology and data-driven insights to develop innovative financial products and services. Our digital transformation journey is underpinned by a robust knowledge infrastructure that enables us to respond swiftly to market needs and customer expectations.

SDG 10: Reduced Inequalities

By designing inclusive financial solutions and expanding access to underserved segments, we use our intellectual capital to bridge socio-economic gaps. Our strategic focus on financial empowerment ensures that no one is left behind in the journey toward prosperity.

SDG 17: Partnerships for the Goals

We actively collaborate with industry bodies, regulatory authorities, and knowledge partners to share best practices and co-create sustainable solutions. These partnerships amplify the impact of our intellectual capital and reinforce our role as a responsible corporate citizen.

Through these strategic alignments, Fintrex Finance PLC is not only contributing to national development priorities but also reinforcing its position as a forward-thinking financial institution. Our intellectual capital is the engine that drives our commitment to the SDGs ensuring that our growth is smart, inclusive, and sustainable.

Our Technologies

One of our core intangible assets is the robust digital infrastructure that we have established over the years in driving our continued growth and success. Therefore, to remain competitive in a technology-driven financial industry landscape, we continually transform our internal technologies in line with modern technologies. This has ensured internal efficiencies, reduced our environmental footprint and delivered greater customer service guaranteeing their convenience by way of cutting-edge digital solutions, reduced transaction times, seamless accessibility and enhanced security. Furthermore, our automated ecosystem has enabled us to foster digitally empowered employees who could drive innovation, implementing new solutions that improve business processes. We also support these employees through periodic IT knowledge-sharing sessions to further their digital skills.

GRI 203-1

Investing in Technological Infrastructure

During the financial year, we made significant investments in developing infrastructure to streamline our operations:

- As part of our strategic focus on digital transformation, we have invested in enhancing our technological infrastructure. This includes the development and launch of a new device financing system built on a modern, API-driven architecture. This advancement enables seamless integration with partner platforms, improves scalability, and accelerates service delivery. By adopting industry-leading technologies, we continue to strengthen our digital foundation to support innovation, operational efficiency, and long-term growth.

- Additionally, we invested in upgrading existing systems with cutting-edge technologies to better support business operations.

- Furthermore, the implementation of API-driven systems has enabled the integration of multiple payment channels, providing customers with seamless and convenient options to pay their rentals. This enhancement significantly improves customer experience and supports our commitment to digital accessibility and operational efficiency.

Data-Driven Decision making

In order to make informed decisions, we have embraced a data-driven approach since the last financial year, utilizing empirical evidence and quantitative analysis to assess and improve our operations. This approach enables us to make strategic decisions based on real-time data, improving efficiency and performance across various business functions. The key components of this approach include;

1. Dashboards
2. Process Automations
3. Enhancing Management Information System (MIS)

Dashboards

We implemented interactive dashboards that aggregate real-time data from multiple sources, providing key performance indicators (KPIs) and visual analytics for quick decision-making. These dashboards enable executives and team leaders to track performance metrics, identify trends, and assess business operations at a glance. By using data visualization tools, we can detect inefficiencies, identify areas for improvement, and make adjustments in real-time, ultimately supporting quicker and more informed business decisions.

Process Automations

To further enhance operational efficiency, we introduced process automation tools that leverage data to streamline workflows and reduce human error. By automating repetitive tasks such as data entry, reporting, and approvals, we are not only saving valuable time but also increasing the accuracy and reliability of our business processes. Automation also allows our teams to focus on more strategic tasks, leading to improved productivity and responsiveness across the organization.

Enhancing Management Information System (MIS)

Our Management Information System (MIS) was enhanced to ensure more accurate and timely reporting, integrating a broader range of data points to offer deeper insights into our operations. By improving the MIS, we can track various business processes more effectively, generating actionable insights that guide strategic decisions. This enhancement supports better resource allocation, operational adjustments, and long-term planning by providing detailed reports, trend analysis, and forecasting models based on real-time data.

IT Security

We implemented IT security assessments periodically by way of vulnerability Assessment and penetration testing, and IT general control assessments, to improve our existing security controls. Apart from that, our IT risk management framework was continually reinforced in line with the CBSL guidelines and regulations.

Furthermore, we have set in place a Business Continuity Plan (BCP) to strengthen our operations and risk minimization in addition to periodically reviewing IT policies to meet the industry standards and best practices. Cybersecurity awareness programs and drills are also conducted as and when necessary to keep employees updated on the latest IT developments and threats.

IT Security related implementation during FY

- Implemented DLP (Data Loss Prevention) Solution to prevent customer data leakage or loss.
- Implemented Security Information and Event Management tools to monitor endpoint and appliance logs.
- Conducting cyber security awareness sessions to staff continuously
- Conducted cyber security drills through external expertise.
- The appointment of an Information Security Officer (ISO) to lead our information security strategy and compliance efforts.

Ensuring Customer Privacy

As part of our continued commitment to data security and customer trust, we have successfully implemented a robust Data Loss Prevention (DLP) solution across our organization. This strategic initiative reinforces our efforts to protect sensitive information and ensure compliance with data privacy regulations.

The DLP solution enables us to proactively monitor, detect, and prevent unauthorized access, transmission, or misuse of customer data whether in use, in motion, or at rest. By establishing comprehensive policies and controls, we can now identify and mitigate potential data leakage risks in real-time, thereby ensuring that confidential customer information remains secure.

This implementation not only strengthens our internal data governance but also underscores our pledge to uphold the highest standards of privacy and integrity. We believe that maintaining customer privacy is not just a regulatory requirement, it is a core value that drives our operations and relationships.

With the DLP solution in place, we are better equipped to:

- Prevent accidental or malicious data leaks
- Safeguard personally identifiable information (PII) and financial records
- Ensure compliance with data protection laws and industry standards
- Foster customer trust through strengthened data handling practices

Ensuring customer privacy is not only a regulatory obligation but also a core value that underpins our operations. This DLP deployment reflects our deep commitment to maintaining customer trust by securing their data with the highest standards of integrity and care.

IT Governance

We have significantly enhanced our IT governance structure and policy framework to ensure a more robust, transparent, and accountable operational environment. This strengthened framework clearly defines our strategic priorities, enabling us to align digital initiatives with the broader objectives of the organization. It also facilitates more effective and efficient allocation of resources, ensuring that investments in technology and digital transformation are both purposeful and impactful. Furthermore, this framework reinforces our internal control mechanisms, providing a solid foundation for risk management, compliance, and continuous improvement across all digital operations. The IT steering committee and Information Security Committee continuously monitor the status of IT related projects, system performances, information security and implementation of the Central Bank Technology Risk Management and Resilience framework.

IT Trainings

During the financial year 2024/25, we conducted a series of targeted IT-related training programs aimed at enhancing digital competencies, strengthening cybersecurity awareness, and equipping employees with the latest technological skills.

Nature of the training	Type	Mode
From Excel to Power BI- Harness Data Insights	External	Online
Cyber security for Finance Professionals	External	Physical
Personal Data Protection Act: Impact on Financial Industry	External	Physical
Road to Digital Excellence -Workshop	External	Physical
Empowering with AI	External	Online
Unleashing the Digital Economy in Sri Lanka	External	Physical
Training in Data Classification and DLP Implementation	External/ Internal	Physical
CEFTS Training by Lankapay (Pvt) Ltd	External	Physical
Senior Leadership Training on IT Security	External	Physical
Smart Sending: Essential Email Etiquette	Internal	Physical
Training in Cyber Security	Internal	Physical/ Online

Our Brand

We are focused on strengthening our brand presence to create a lasting impression in the minds of our audience, a crucial factor in driving our success. To this end, we continue to implement measures to sustain our valued customer base while increasing the new portfolios, earning trust as a respected financial institution in the country.

During the year, we implemented BTL activities, including social media campaigns to promote our brand and products, reaching a wider clientele. Direct marketing activities were implemented in the form of ground-level initiatives at the branch level such as distribution of brochures, flyers, leaflets, and voucher offers to raise awareness of our products and the brand. The Social media campaigns were launched to engage various customer segments cost-effectively and efficiently, further enhancing our brand image and onboarding potential clientele.

In addition, we maintain regular customer communication through WhatsApp, SMS, and e-flyers, delivering valuable insights into our unique products and service offerings. By engaging with them on a weekly basis, we ensure that both existing and potential customers receive the information they need to make informed financial decisions.

Moreover, we extend our reach through online commercial platforms such as ikman.lk, providing timely and relevant updates. By consistently offering transparent and accessible information, we strengthen customer trust and loyalty, ensuring they feel supported and valued.

[For further information on our marketing and communication initiatives refer to the Social and Relationship Capital section of this Report]

Personalised engagement with customers

Throughout the financial year, we have remained committed to nurturing meaningful connections with our clients through personalized engagement initiatives, including heartfelt gestures such as birthday wishes and gifts. As part of our dedication to celebrating important milestones in our customers' lives, we delivered personalized birthday messages, expressing our gratitude for their ongoing support and reinforcing the value we place on each relationship. Moving a step further, we send gifts to our long-standing customers, aligning with customers' preferences and interests, as a token of appreciation.

GRI 2-28

Memberships and Affiliations

FFL's memberships and affiliations contribute substantial value across multiple facets of its business operations. These associations not only reinforce the Company's reputation and professional credibility but also provide platforms for knowledge sharing, industry collaboration, and policy advocacy. By aligning with reputable industry bodies and networks, FFL gains access to emerging trends, regulatory insights, and innovative practices that enhance its service offerings and operational efficiency.
Memberships:

- The Financial House Association of Sri Lanka
- Credit Information Bureau of Sri Lanka
- The Financial Ombudsman, Sri Lanka
- The Leasing Association of Sri Lanka
- The Employers' Federation of Ceylon

Our People Strength

The unified expertise, skills, and potential of our human resources form another vital component of our intangible assets that drive sustainable growth and long-term value creation, securing our position in a competitive industry landscape. While we hire employees based on their skills and expertise in the financial field, who possess extensive knowledge and industry acumen, we also focus on further enhancing their capacities through regular exposure to learning and development opportunities. This has enabled us to build a pool of financial specialists across all areas of financial disciplines who are well-equipped to guide customers through their financial challenges, assisting them to strengthen their financial foundation. These dedicated professionals play a vital role in sustaining our clientele, ensuring satisfaction and loyalty through exceptional service and meaningful relationships.

During the year, we conducted training programs in the form of coaching, mentorships and outbound training. These were offered in the form of internal and external training utilising our in-house professionals and outside resource personnel.

[For further information on our training and development initiatives refer to the Human Capital section of this Report]

Our Corporate Culture

The culture we have nurtured within the organization and the robust governance framework that drives it through defining roles, responsibilities, and decision-making processes to ensure alignment with our core objectives and values remains another significant intangible asset of the Company. The learning and knowledge-sharing culture that we have nurtured while building a diverse and equitable work environment, alongside a governance foundation that proactively identifies, assesses, and mitigates risks, safeguarding our business operations and protecting the interests of our stakeholders, we were able to constructively navigate the challenges while capitalizing on growth opportunities.

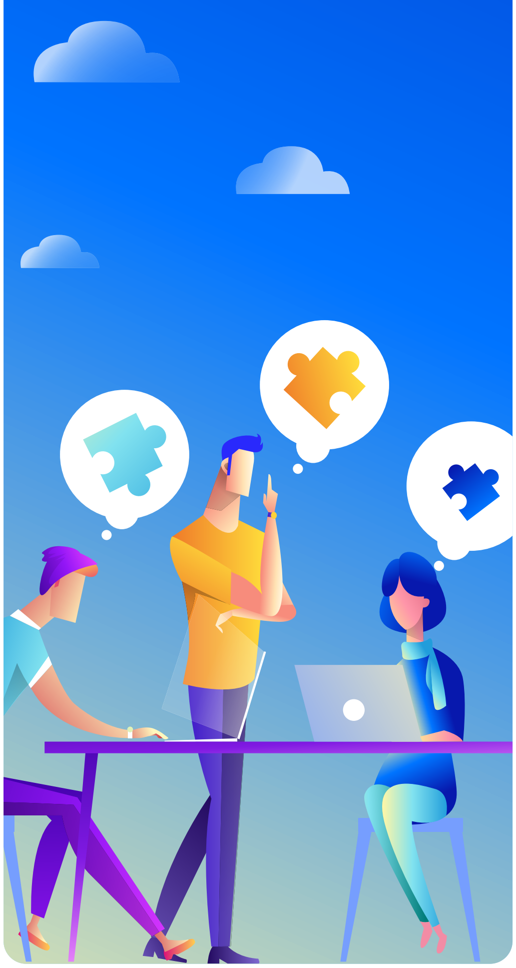
The comprehensive policies and procedures we have adopted over the years guide our business activities, fostering transparency and accountability at every level of the organization. These policies ensure that our actions are aligned with the legal and regulatory requirements, industry best practices, and ethical standards. Likewise, our open-door culture encourages employees to share their opinions, concerns, and ideas freely. Overall, this commitment to transparency and inclusiveness has strengthened the collaborations between employees and senior management, fostering trust, innovation, and resilience across the organization.

Future Focus

Short term	Medium-term	Long term
• Fintrex Mobile App to facilitate seamless digital customer onboarding and enhance user experience • Leverage AI and machine learning to improve effectiveness of processes. • Improve loan processing by introducing AI and machine learning. • Implement new security solutions in alignment with CBSL's Technology Risk Management and Resilience Framework • Conduct cyber security drills and awareness trainings • Enhance Knowledge Management Systems: Implement centralized platforms to capture, store, and share institutional knowledge across departments. • Strengthen Internal Communication Channels: Improve collaboration through digital tools and structured communication frameworks. • Conduct Intellectual Property (IP) Audits: Identify and protect key proprietary processes, systems, and innovations. • Promote a Culture of Innovation: Launch internal idea-generation campaigns and innovation challenges to encourage creative thinking. • Update Policies and SOPs: Review and revise standard operating procedures to reflect digital transformation and regulatory changes.	• **Develop a Digital Learning Ecosystem:** Introduce e-learning platforms and microlearning modules to support continuous employee development. • **Institutionalize Research and Development (R&D):** Establish a dedicated unit to explore emerging technologies and financial trends. • **Leverage Data Analytics for Strategic Insights:** Use business intelligence tools to convert data into actionable knowledge. • **Strengthen Brand Equity:** Invest in brand-building initiatives that reflect innovation, trust, and customer-centricity. • **Foster Cross-functional Knowledge Sharing:** Create communities of practice and knowledge-sharing forums across departments.	• **Build a Knowledge-Driven Organization:** Position intellectual capital as a core strategic asset driving innovation and competitive advantage. • **Develop Proprietary Digital Frameworks:** Create in-house digital tools and platforms that can be commercialized or licensed. • **Establish Thought Leadership in Finance:** Publish white papers, participate in industry forums, and contribute to policy discussions. • **Integrate AI into Knowledge Systems:** Use AI to automate knowledge retrieval, learning recommendations, and decision support. • **Align Intellectual Capital with ESG Goals:** Ensure knowledge initiatives contribute to sustainability, inclusivity, and ethical governance.

Human Capital

Our human capital involves the collective skills, knowledge, experience, and expertise that employees possess, which contribute to their ability to work and produce economic value.



Contribution to Our Value Creation

We strive to create an empowered workforce who are capable of driving the Company to new heights

Contribution to Our Core Values

Fairness

Innovation

Nurture

Respect

Stakeholders Impacted

Material Matters

Employment

Occupational Health & Safety

Training & Education

Diversity and Equal Opportunity

Child Labour

Forced Labour

Commitment to UN SDGs

Impact on Other Capitals

Finance Capital
Investment in training and development requires financial capital

Social & Relationship Capital
Better customer service through trained employees

Intellectual Capital
Increase the team's tacit knowledge

Natural capital
Improved employee productivity will lead to mindful consumption of resources

Manufactured Capital
Human capital makes manufactured capital more useful and productive

SHORT TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Acquiring the right skills for key roles • Retaining talent amid economic uncertainty • Adapting to digital transformation • Ensuring fair and timely performance evaluations • Creating a conducive and inclusive work environment	• Launching targeted recruitment campaigns • Providing immediate upskilling workshops • Implementing fair appraisal systems • Enhancing onboarding and orientation • Promoting open communication and feedback	• Quick integration of new talent • Improved employee morale and engagement • Enhanced productivity through skill alignment • Strengthened employer brand • Increased agility in responding to market needs	• Improved service delivery through skilled staff • Higher employee satisfaction and retention • Reduced onboarding time and costs • Enhanced customer experience • Stronger internal collaboration

MEDIUM TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Limited leadership pipeline • Inadequate feedback mechanisms • Outdated HR systems • Employee disengagement • Balancing health, wellbeing, and performance	• Developing leadership competency frameworks • Conducting regular employee satisfaction surveys • Investing in modern HRIS platforms • Launching structured engagement programs • Promoting wellness and mental health initiatives	• Stronger mid-level leadership • Data-driven HR decision-making • Improved employee loyalty and trust • Enhanced organizational culture • Better alignment of employee goals with company strategy	• Increased operational efficiency • Reduced attrition and absenteeism • Enhanced innovation through engaged teams • Improved succession planning • Strengthened organizational resilience

LONG TERM

Challenges	Capital Management	Opportunities	Value Chain Impact
• Meeting evolving customer expectations • Sustaining competitive advantage through talent • Retaining high-potential employees • Building a future-ready workforce • Strengthening employer brand	• Establishing a learning and development academy • Integrating career progression planning • Implementing succession planning Systems • Investing in brand-building and EVP • Institutionalizing a culture of continuous learning	• Future-proofing the workforce • Enhanced leadership continuity • Greater employee commitment and retention • Attraction of top-tier talent • Long-term organizational sustainability	• Sustained business growth through talent alignment • Stronger market positioning • Increased innovation and adaptability • Higher customer satisfaction • Long-term stakeholder value creation

Human Capital

Management Approach

We manage our human capital by supporting their professional and personal advancement enabling them to seamlessly execute our business plan while focusing on their individual growth. Therefore, our human resource policy focuses on attracting the best talent for the company in driving our growth plan, and sustaining our position in the competitive landscape. Further, the policy encompasses continued support for the employees through the provision of capacity development opportunities, engagement initiatives, and space for work-life balance in addition to creating a favourable corporate culture that is built on learning, fostering continuous growth, innovation, and collaboration to empower employees and drive organizational success.

Key Components of Our Human Capital

At Fintrex Finance PLC, our human capital is the cornerstone of our strategic vision Smart Finance, Smarter Future. We recognize that the knowledge, skills, and commitment of our people are essential to delivering innovative financial solutions and sustaining long-term value creation. In alignment with the GRI Standards (GRI 401, 403,404, 405, 406), we focus on the following key components to build a resilient and future-ready workforce:

Recruitment and Retention

We adopt a strategic approach to attract and retain top talent who align with our values and growth aspirations. Our recruitment process emphasizes both technical competence and cultural fit, while our retention strategies include competitive remuneration, career development pathways, and a supportive work environment.

Performance Management

Our performance management system is designed to foster a high-performance culture. Through clearly defined KPIs, regular feedback, and structured appraisals, we ensure that individual goals are aligned with organizational objectives. This system also identifies high-potential employees for leadership development and succession planning.

Training and Development

Continuous learning is central to our human capital strategy. We invest in both technical and soft skills training to empower employees to adapt to emerging technologies and evolving customer needs. Our training programs are informed by annual needs assessments and are delivered through a mix of internal and external resources.

These components collectively enable us to build a workforce that is agile, innovative, and aligned with our mission to deliver smarter financial solutions for a sustainable future.

Nurturing Human Capital

In our journey toward a Smarter Future, nurturing human capital is not just a priority it is a strategic imperative. We are committed to creating a workplace where every employee feels valued, supported, and empowered to grow. Our nurturing approach is guided by the GRI Standards (GRI 401, 403, 404, 405, 406) and includes the following focus areas:

Training and Development

We provide structured learning opportunities that support both professional growth and organizational capability. Our programs include technical training, leadership coaching, and mentorship, ensuring that employees are equipped to meet current and future challenges.

Performance Appraisal

Our appraisal system is transparent, fair, and development-oriented. It not only evaluates past performance but also identifies areas for improvement and growth. Employees receive regular feedback and are supported through Performance Improvement Plans (PIPs) when needed.

Diversity and Equal Opportunity

We are proud to be an equal opportunity employer. Our policies ensure that all employees, regardless of gender, ethnicity, or background, have access to the same opportunities for advancement. We actively promote diversity as a driver of innovation and inclusivity.

Engagement and Work-Life Balance

We foster a culture of engagement through open communication, recognition programs, and team-building activities. Flexible work arrangements and wellness initiatives support our employees in balancing their professional and personal lives.

Grievance Handling

We maintain a robust grievance redressal mechanism that encourages employees to voice concerns without fear of retaliation. All grievances are handled with confidentiality, fairness, and urgency, reinforcing our commitment to a respectful workplace.

Health and Well-being

Employee well-being is integral to our success. We implement comprehensive health and safety protocols, offer medical insurance, and conduct wellness programs. Our “We Care for You” initiative, including a 24x7 HR support hotline, exemplifies our proactive approach to mental and physical health.

Through these initiatives, Fintrex Finance PLC ensures that our people are not only contributors to our success but also beneficiaries of our growth. We believe that by nurturing our human capital today, we are building the foundation for a smarter, more sustainable tomorrow.

Strategic Focus Areas 2024/25

Focus Area	Key Initiatives
Invest in employee capacity development	✱ Identified skill gaps and launched targeted upskilling workshops in line with the Performance Improvement Plan (PIP) program.
Upgrade HR systems	✱ Enhanced HRIS functionalities (leave, records, performance)
Enhance employee engagement	✱ Conducted team-building events and feedback forums ✱ Annual events such as "Senehase Avurudu Ulela 2024"
Build leadership capabilities	Identified high-potential employees and launched pilot leadership workshops
Institutionalize learning culture	Introduced mentoring programs and structured learning pathways
Strengthen employer brand	Recognized as a Great Place to Work for 4th consecutive years

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, we recognize that our people are the driving force behind our ability to deliver smart financial solutions and build a sustainable future. In line with our theme "Smart Finance, Smarter Future", our human capital strategy is purposefully aligned with the United Nations Sustainable Development Goals (SDGs), ensuring that our workforce development efforts contribute meaningfully to global sustainability priorities.

We align our human capital strategy with the following SDGs:

Good Health and Well-being

We prioritize the physical and mental well-being of our employees through wellness programs, flexible work arrangements, and a 24x7 HR support hotline. These initiatives reflect our belief that a healthy workforce is essential to long-term organizational success.

Quality Education

We are committed to continuous learning and development. Through structured training programs, leadership development initiatives, and mentorship, we empower our employees with the knowledge and skills needed to thrive in a rapidly evolving financial landscape.

Gender Equality

As an equal opportunity employer, we actively promote gender equity across all levels of the organization. Our policies ensure fair recruitment, equal pay, and inclusive leadership development, creating a workplace where everyone can succeed regardless of gender.

Decent Work and Economic Growth

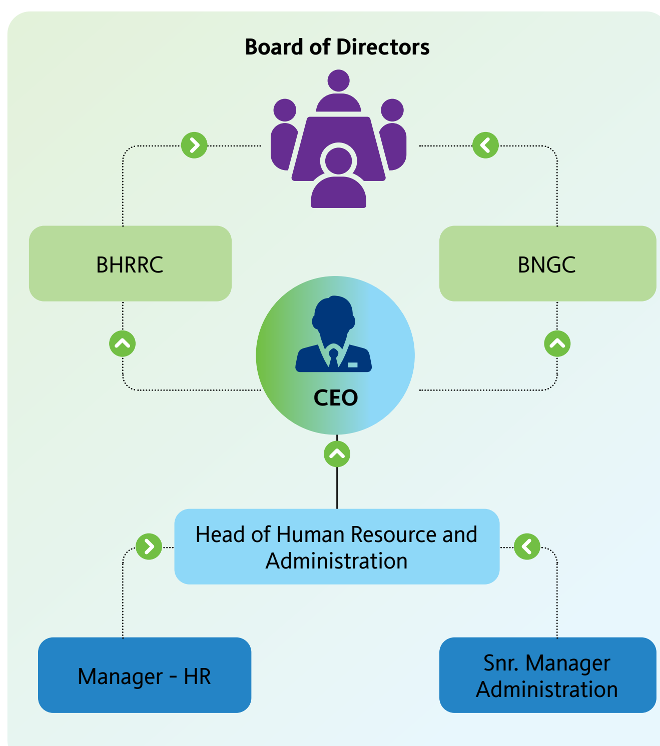
We foster a high-performance culture that values employee well-being, fair remuneration, and career progression. By investing in our people, we contribute to inclusive economic growth and create meaningful employment opportunities across Sri Lanka.

Reduced Inequalities

We are committed to building a diverse and inclusive workforce. Our grievance handling mechanisms, anti-discrimination policies, and inclusive engagement practices ensure that all employees are treated with dignity and respect, regardless of background.

By aligning our human capital initiatives with these SDGs, Fintrex Finance PLC reinforces its role as a responsible employer—one that nurtures talent, promotes equity, and builds a resilient workforce capable of shaping a smarter, more sustainable future.

HR Governance



Human Capital

The Human Resources (HR) governance structure of Fintrex Finance PLC is strategically formulated to enable the organization to fulfil its mission, vision, and compliance obligations. The Human Relations function is headed by the Head of Human Resources & Administration, who acts as a formulator and implementer of HR policies that seek to involve employees and align people strategies to the overall business goals. Among the functions performed by HR team are those of strategic workforce planning, talent acquisition, performance management and creating culture of continuous learning and development.

Direct reporting to the Chief Executive Officer (CEO), allows for an unchartered flow of HR initiatives into the executory level. The CEO then answers to the Board of Directors, thereby keeping human capital preoccupations at the core of the organization's larger governance architecture.

At the highest level, Human Resource & Remuneration Committee, a sub-committee to the Board provides HR governance. The Committee met Seven (7) times during the financial year that ended 31 March 2025, and the Board was kept informed about the proceedings and Board approval was obtained when, and where, required.

The Chief Executive Officer participated in all deliberations of this Committee and attended the meetings by invitation. The Head of Human Resources and Administration also attended when required.

The Committee recognizes rewards as one of the key drivers influencing employee behaviour, thereby impacting business results. Therefore, reward programs are designed to attract, retain, and motivate employees to deliver results by linking performance to demonstrable performance-based criteria. In this regard, the Committee focuses, particularly, on the individual performance of the Key Management Personnel in achieving the pre-agreed operating, and financial, targets and goals of the Company, both short-term and long-term.

Further, the Committee reviewed the succession plans in respect of the critical staff of, and the talent management process in the Company. The Succession Planning process mainly focused on assessing the readiness of identified employees for futuristic roles.

By establishing structured policies and comprehensive frameworks, organizations create a consistent foundation for guiding employee actions. These mechanisms help cultivate a workplace culture rooted in ethical behavior, openness, and trust. They also play a vital role in clarifying roles and responsibilities, which in turn strengthens accountability and ensures that operations remain aligned with organizational goals at every level.

HR Policy Framework

- Human Resources Policy
- Staff Promotion Policy
- Staff Remuneration Policy
- Performance Management Policy
- Staff Leave Policy
- Disciplinary Policy
- Staff Vehicle Loan Policy
- Festival Advance Policy
- Succession Planning - Policy and Procedure
- Policy on Identifying Key Management Personnel (KMP)
- Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including Policies on trading in the Entity's Listed Securities

The company also places emphasis on continual professional development in terms of having structured training programs, and leadership coaching. Special emphasis is laid on empowering women workers and their professional growth.

As evidence of these efforts, Fintrex Finance PLC is once again a great place to work for three consecutive years reflective of its desire to promote a good, purpose-driven and high-performance workplace.

GRI 2-7

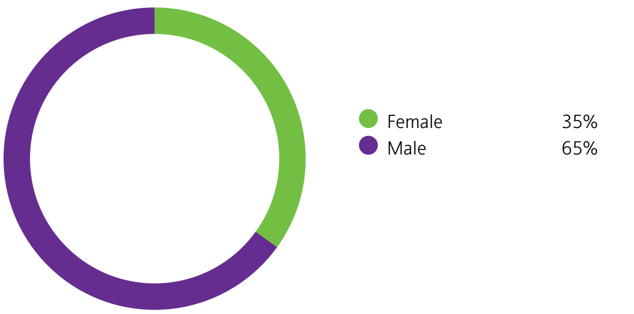
Our Staff Strength

Our team of 309 employees in permanent cadre remains the bedrock of our success, maintaining our competitive position in the industry landscape. Coming from diverse racial, ethnic, socioeconomic and cultural backgrounds, they are protected by the Company's Non-discriminatory policy that ensures fair treatment and equal opportunities for all. As an equal-opportunity employer, we strive to foster an inclusive workplace that values diverse opinions and contributions from all.

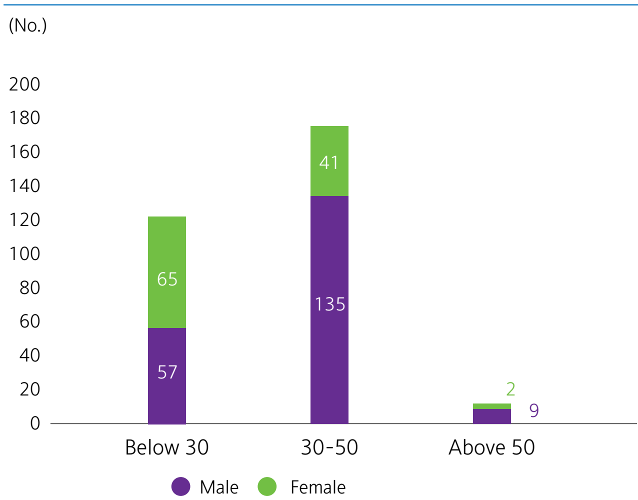
Employees by gender

Gender	FY 2024/25		FY 2023/24	
	No. of Employees	%	No. of Employees	%
Female	108	35%	84	32%
Male	201	65%	181	68%
Toatal	309	100%	265	100%

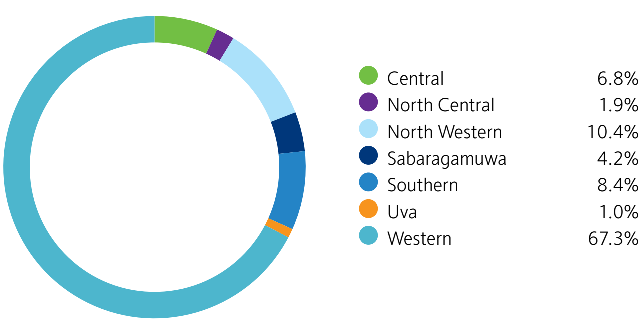
Employees by Gender



Employees Age Analysis



Employee by Province



Employees by Category

Employee Category	FY 2024/25		FY 2023/24	
	No of Employees	%	No of Employees	%
General Manager	1	0.3	1	0.4
Assistant General Manager	7	2.3	9	3.4
Chief Manager	3	1.0	-	0.0
Senior Manager	14	4.5	17	6.4
Manager	54	17.5	39	14.7
Assistant Manager	50	16.2	43	16.2
Senior Executive	61	19.7	43	16.2
Executive	78	25.2	78	29.4
Junior Executive	41	13.3	35	13.2
Total	**309**	**100.0%**	**265**	**100.0%**

Employees by Province

Province	Female	Male	Total
Central	6	15	21
North Central		6	6
North Western	12	20	32
Sabaragamuwa	5	8	13
Southern	12	14	26
Uva	2	1	3
Western	71	137	208
Total	**108**	**201**	**309**

Among the Company's total of 16 branches, a significant majority (10 branches) are strategically located within the Western Province. This regional concentration naturally results in a higher number of employees being based in that area. The Western Province, being a central and economically vibrant region, likely offers better infrastructure, accessibility, and business opportunities, which may have influenced the decision to establish more branches there. Consequently, the workforce distribution is heavily skewed toward this province, reflecting both operational priorities and regional demand.

Employees by Service Duration

Employment Grade	Below 1 Year		1 to 5 years		Above 5 Years		Grand Total
	Female	Male	Female	Male	Female	Male	
General Manager	-	-	-	1	-	-	1
Assistant General Manager	-	-	-	5	-	2	7
Chief Manager	-	-	1	2	-	-	3
Senior Manager	-	3	2	8	-	1	14
Manager	3	15	4	24	1	7	54
Assistant Manager	1	17	7	16	3	6	50
Senior Executive	4	19	6	26	3	3	61
Executive	18	18	18	20	3	1	78
Junior Executive	26	5	8	2	-	-	41
Grand Total	**52**	**77**	**46**	**104**	**10**	**20**	**309**

Furthermore, there is only one employee who engaged on a contractual basis. In alignment with our operational framework, both contractual and permanent staff members are engaged on a full-time basis. This denotes adherence to the standard working hours and responsibilities typically associated with full-time employment, thereby ensuring uniformity in workforce commitment and productivity expectations across all employment categories. It is also pertinent to highlight that the organization does not maintain any part-time positions within its prevailing staffing structure.

Details of employee on contract basis are as follows,

Gender	Location	Province
Male	Head office – Legal Department	Western

Workers who are not employees

GRI 2-8

We obtain services from third-party service providers for some of our peripheral operations such as cleaning at the Head Office and branches and as security guards. Additionally, the Company has outsourced employees for IT and Customer Contact Centre. Altogether this includes a total of 09 personnel who are not employees but whose work is controlled by the organization.

Diversity and Equal Opportunity

GRI 406-1

Our consistent efforts to foster an inclusive and thriving workplace have enabled us to build a foundation that embraces diverse backgrounds, perspectives, and talents, leading to enriched collaborations, innovation and success. By setting a robust non-discriminatory policy in place, we ensure fair opportunities for all, empowering individuals to contribute their best, free from discrimination or bias. We believe a diverse and equitable environment will encourage people's unique strengths, creating a culture where everyone can grow and excel.

During the financial year, there were no incidents of discrimination reported.

Diversity of Employees by Employee Category and Gender

GRI 405-1

Employee Category	Female	%	Male	%	Total
General Manager	-	-	1	0.3%	1
Assistant General Manager	-	-	7	2.3%	7
Chief Manager	1	0.3%	2	0.6%	3
Senior Manager	2	0.6%	12	3.9%	14
Manager	8	2.6%	46	14.9%	54
Assistant Manager	11	3.6%	39	12.6%	50
Senior Executive	13	4.2%	48	15.5%	61
Executive	39	12.6%	39	12.6%	78
Junior Executive	34	11.0%	7	2.3%	41
Total	**108**	**35.0%**	**201**	**65.0%**	**309**

Diversity of Employees by Employee Category and Age Group

Employee Category	Below 30		30 to 50		Above 50		Grand Total
	No. of Employees	%	No. of Employees	%	No. of Employees	%	
General Manager	-	-	-	0.0%	1	0.3%	1
Assistant General Manager	-	-	4	1.3%	3	1.0%	7
Chief Manager	-	-	3	1.0%	-	0.0%	3
Senior Manager	-	-	12	3.9%	2	0.6%	14
Manager	5	1.6%	47	15.2%	2	0.6%	54
Assistant Manager	7	2.3%	42	13.6%	1	0.3%	50
Senior Executive	23	7.4%	36	11.7%	2	0.6%	61
Executive	49	15.9%	29	9.4%	-	0.0%	78
Junior Executive	38	12.3%	3	1.0%	-	0.0%	41
Grand Total	**122**	**39.5%**	**176**	**57.0%**	**11**	**3.6%**	**309**

GRI 405-2

We ensure that all our employees are paid industry-par remuneration for their specific job categories without any discrimination based on their background and gender orientation. As such, we maintain equality in the ratio of remuneration (1:1) for both male and female employees. The Company consistently evaluates market trends and conducts periodic salary surveys to ensure competitive compensation. Based on these assessments, salaries and total compensation packages are adjusted accordingly, with promotions granted to deserving employees in collaboration with department heads.

Employee Recruitment

GRI 401-1

We are committed to attracting and retaining the best talent that could contribute to our sustainable growth. Therefore, we consistently look for the right skill set and knowledge when hiring employees for vacant positions. While we carefully assess the potential candidates for the necessary skills and expertise, we also look for their behavioural traits to gauge a complete understanding of their suitability for a specific position. Those who align with our values and expectations are onboarded through a formal recruitment process that involves interviews, background checks and onboarding programs. Our recruitment process prioritizes internal candidates for vacant positions in line with our internal staff referral program. If no suitable internal candidate is available, the search extends to external candidates by advertising vacancies through print and online job portals.

Human Capital

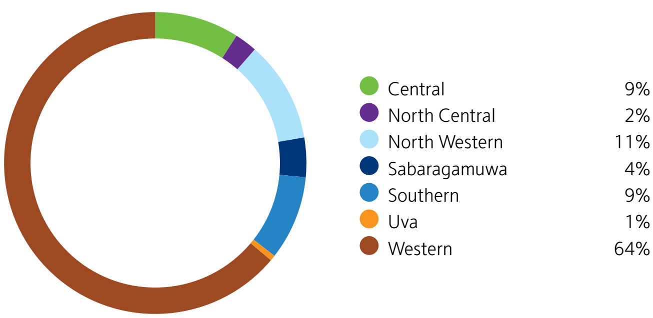
GRI 401-1

During the year, 166 new employees were onboarded to various job categories at the Head Office and Branch level to support the growth and expansion of the Company Despite these additions, the organization experienced a turnover rate of 1.01 percent, reflecting ongoing workforce dynamics

Employee recruitment by gender and age group

Gender	Age Group		Total	%
	Below 30	30 to 50		
Male	37	64	101	60.8%
Female	50	15	65	39.2%
Total	87	79	166	100.0%
%	52.4%	47.6%	100.0%	

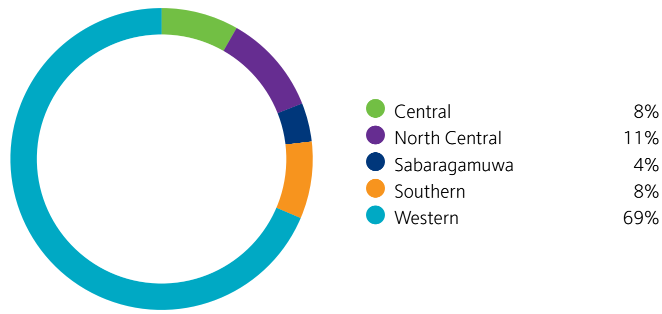
Employee Recruitments by Province



Employee turnover by gender and age group

Gender	Age Group			Total	%
	Below 30	30 to 50	Above 50		
Male	28	55	3	86	71.1%
Female	27	8	-	35	28.9%
Total	**55**	**63**	**3**	**121**	**100.0%**
%	45.5%	52.1%	2.5%	100.0%	

Employee Turnover by Province



Strategies for Retaining Employees

To reduce employee turnover, we have implemented various measures. A key strategy is the provision of opportunities for their growth by offering a range of training and development opportunities. In addition, we consider employee engagement a crucial aspect of our employee value creation and promote it through implementing engagement programs in the form of annual get-togethers, recreational programs, sports days and training sessions that encourage open discussions. Furthermore, to support their mental and physical well-being, we ensure they maintain a healthy balance between their professional and personal endeavours.

Training and Development

GRI 404-1, 404-2

Investing in Continuous Learning and Development

At Fintrex Finance PLC, we recognize that our people are our greatest asset. In line with our commitment to nurturing talent and fostering a culture of continuous learning, we significantly enhanced our training and development efforts during the year. The average training hours per employee increased to 21.5 hours, a notable improvement from 17.8 hours in the previous financial year. This uplift reflects our strategic focus on upskilling our workforce to meet evolving industry demands and support our vision of building a smarter financial future. Annual performance evaluation provides an ideal platform to identify employee training needs thereby designing training programs to address the specific knowledge gaps of the employees.

FFL conducted a total of 6,642 training programs during the year investing Rs. 3.06 Mn that are offered in the form of coaching and mentorship. The training includes a mix of internal and external training utilizing our own resources and outsourced resource personnel. During the year, we also conducted outbound training for the business development team attached to Gold Loans and other members of the recovery team.

Training Details	External	Internal	Total
No of Trainings	40	87	127
Training hours	1794	4848	6642

Training Hours by Gender

Gender	Training Hours	Average Training Hours per Employee
Female	3,520	32.6
Male	3,122	15.5
Total	**6,642**	**21.5**

Training Hours by Employement Category

Employment Category	Training Hours	Average Training Hours per Employee
GM/AGM	226.3	28.3
Chief/ Senior Manager	326.4	19.2
Asst. Manager/ Manager	983.5	9.5
Snr. Executive/ Executive/ Junior Executive	5,105.8	28.4
Total	**6,642.0**	**21.5**

List of trainings in FY 2024/25

Type of Training	Areas Covered
Technical training	ICAAP, Risk management, ML/ CFT Compliance Program, PowerBI, Cybersecurity, Personal Data Protection Act, Procurement Management, Green Finance Taxonomy For Financial Institutions, Digital Exellence, Empowering with AI, Financial Consumer Protection Regulations, eROC, Impairment Process, Fraud Mitigation of Electronic Fund Transfers, Documentation and Credit Evaluation, Risk-Based IT Auditing, Data Classification and DPL Implementation, CEFTS Training
On the job training	Gold Loan Training, Teller functions, Credit Evaluation Process, Cashier Training, Compliance Training for Tellers and Operations Staff, Fixed Deposit Training, Training for Branch Operations Staff, Training on Credit Policy/Procedure, Product trainings
Coaching and Mentoring	Induction and Orientation Program
Leadership Training	Team Performance Enhancing OBT, Marketing Conference with Professional Development Workshop
Soft Skill Development Trainings	5S Implementation Training Session, Telephone Etiquette Training, Essential Email Etiquette, Awareness Session on Personal Hygiene and Good Housekeeping Practices

Performance Management

Our KPI-driven performance management system evaluates employee performance against set KPIs aligning with the Company's business goals. These reviews conducted periodically, mid-year and at the end of the year provide employees with constructive feedback on their work performance, identifying further areas for improvement. Currently, the employee evaluation process is overseen by the Company's career committee.

Those employees who demonstrate exceptional performance, exceeding our expectations, are conferred with performance-based rewards that include bonuses, salary increments, or promotions in affirming their outstanding performance. During the year, we improved our staff reward scheme providing short-term incentives to employees across the board including the support services staff and the recovery team.

We have also in place a Performance Improvement Plan (PIP) to assist employees in improving their performance. The plan provides a structured approach to managing employee performance ensuring clarity, fairness, and accountability throughout the process. The enhanced Performance Improvement Plan (PIP) introduced during the year adopted a more structured approach to employee development and performance management, engaging key staff members throughout the organization.

Employees received regular performance and career development reviews

GRI 404-3

During the financial year, 75% of employees received regular performance and career development reviews.

Drawing on the framework of our Performance Improvements Plan (PIP) and Probation Evaluation Initiative, Fintrex has taken ideas in the direction that links individual growth with organizational performance. During the year, the majority of probationary staff underwent structured evaluations, which led to the creation of targeted development plans aligned with their roles and skill levels.

Such efforts were facilitated by HR team and line managers who attended specialized training in facilitating performance chats, setting SMART objectives and administering continuous feedback. This joint approach has led to improved communication (which is more open), faster adjustment to expectations of role and higher levels of morale for new joiners.

To further strengthen the effort, we implemented tools for performance tracking which enable tracking of the key performance indicators (KPIs) for probationers in real time. These tools have facilitated data informed decision making and timely corrections needed in courses, making employees and managers aligned on expectations.

The initiative has also discovered high potential talent that with the right mentorship and growth plans, are already filling significant roles in critical initiatives. Our long term vision is to integrate this performance improvement approach into the employee lifecycle such that development is continuous after probation period. We are committed to scaling up these activities in all departments forming a culture of accountability, constant feedback, and performance excellence. The transition emphasizes Fintrex's faith in people as our biggest asset and success of which is important for us to maintain our competitive edge in the fast changing business world.

Succession Planning

We strategically assess potential employees through our performance evaluation thereby identifying the gaps that need to be addressed in supporting the staff to reach the next level of leadership. The findings of the gap analysis are incorporated into our main training plan.

Our HR strategy uses succession planning to maintain smooth leadership transitions and to secure consistent organizational performance. Preparing our employees for future needs is, in our opinion, necessary to create an organization that can withstand and adapt to changes.

We initiate our process by objectively assessing employee capabilities and performance. Using ongoing performance reviews along with assessments of leadership potential and core competencies, we find staff who are both capable and willing to take on leadership positions. Following the selection of future leaders, we conduct detailed reviews to determine which skills, behaviors, and experiences they must acquire. These findings are fully integrated into our organization-wide training and development scheme.

The fundamental components of our development approach for succession planning are highlighted below.

- We assess personnel in all sectors and at every seniority to spot those who demonstrate the strongest potential.
- We evaluate the capabilities of individuals against what will be necessary for future leadership jobs.
- We specialize in creating individualized development plans that comprise mentorship, coaching, and training effective for the identified gaps.
- We assign high potential staff to organized development initiatives designed to help them meet leadership challenges.
- We constantly track development to make sure it matches the goals of team members and the organization.

Our deliberate and planned methodology makes certain both that we build a robust pipeline for future leaders and that we retain and inspire our best employees by giving them a transparent path for advancement. Ultimately, our succession planning reveals a stronger commitment to three key aspect: Our goal is to build capability, strengthen internal leadership, and guarantee ongoing organizational strength.

GRI 401-2

Remuneration and Benefits

We value the contribution of our employees and therefore strive to provide a rewarding and fulfilling work experience that keeps them motivated and satisfied for better performance. Accordingly, all our full-time employees are provided with industry par remuneration aligned with a standardized salary structure and additional perks in line with industry norms. In this regard, we fully comply with all the legal requirements related to employee compensation including minimum wage regulations, budgetary relief allowance contribution to the Employee Provident Fund (EPF), contribution to the Employee Trust Fund (ETF), Saturday allowance payments, sales-related incentives, gratuity payments and tax deductions.

As part of their benefits package, employees are also provided with a medical insurance policy covering the employee and their families to claim medical expenses including OPD with considerable coverage limits. During the year, we raised the OPD limit and provided an ex-gratia payment to support employees' well-being and financial needs. Additionally, staff loans are provided for the employees to purchase any vehicle of their choice while having in place a festival advance policy to support their financial burden during festival seasons.

GRI 2-19, 2-20, 201-3

Our remuneration policy is designed to ensure a compensation and benefits framework that can attract and retain the relevant skills and expertise to contribute to the Company's value creation while remaining motivated and satisfied with their professional journey with FFL.

The policy is developed by the Head of Human Resources and Administration with the direction and feedback of the corporate management. The policy becomes effective upon approval of the Board of Directors following the recommendation of the Board Human Resources and Remuneration Committee.

Employee Benefits	2024/25 (Rs. Mn)	2023/24 (Rs. Mn)
Salaries and wages	447.06	343.08
Staff bonus paid during the year	13.70	-
Other staff related costs	188.28	156.82
Defined contribution plan costs- EPF (12%) & ETF (3%)	61.59	48.68
Gratuity Benefits paid during the year	3.92	4.11

Maternity Leave

GRI 401-3

We provide maternity leave for female employees in accordance with the Shop and Office Employees Act, of 1954, which grants a leave package of 12 weeks (84 days) excluding weekly holidays, Poya days and statutory holidays. However, currently, there is no paternity leave scheme for the male employees though we grant them leave as and when needed for their parental obligations.

Maternity Leave	Female
Total number of employees that were entitled to parental leave	33
Total number of employees that took parental leave	04
Total number of employees that returned to work in the reporting period after parental leave ended	02
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0
Return to work rate of employees that took parental leave	50%
Retention rate of employees that took parental leave	0%

Work-life Balance

We encourage employees to maintain a healthy balance between their personal and professional responsibilities to ensure their personal well-being and professional success. As such, we offer them flexible work hours, mainly for those who travel long distances or require work-from-home arrangements. While we encourage staff to complete their official commitments within work hours, we also remain flexible to offer them time to attend to their personal commitments.

Employee Engagement

We foster an environment where employees can actively engage in decision-making through open communication and self-expression. The specific avenues available for employee engagement include training participation, contribution to the Company newsletter, induction program for new recruits, seasonal events, breakfast parties, the "IDEA" platform for sharing innovative ideas, and team-building activities such as Cricket tournaments. In the next financial year, we plan to re-commence our Annual Awards ceremony to recognize and reward our staff members.

'We Care for You' Program

Our HR team aims to establish work environments in which every staff member feels both supported and genuinely cared for in all aspects of their lives. To demonstrate this commitment, we have launched a 24x7 HR Support Hotline, a secure and private service open to every team member. Regardless of whether stress is work-related or personal, or if you have HR-related questions, you now have instant access to expert guidance through this hotline.

Employee needs extend beyond standard working hours; therefore, it is essential that our support services remain accessible at all times to ensure continuous assistance and foster a supportive work environment.

- All communications through this service are handled privately and kindly.
- Rely on this service to get prompt responses to your questions about both leave and workplace matters.
- As necessary, callers may be put in contact with mental health counselors or outside professionals.

Our Broader Vision:

The hotline stands as evidence of our continuing efforts to create an environment that values compassion and responsiveness. The hotline works alongside flexible working, wellness, and employee help services to show our commitment that employee support leads to growth and success. We want everyone on our team to understand: You are not alone. We are here for you. Always.

Fintrex Sports & Welfare Club

The Welfare Fund is sustained through voluntary contributions made by staff members and is managed by an Advisory Committee comprising 17 members. The committee is chaired by the Chief Information Officer, who serves as President, while the Chief Executive Officer acts as the Patron of the Welfare Club. As of March 31, 2025, the accumulated fund stood at Rs. 6.0 million and is subject to an annual independent audit to ensure transparency and accountability.

The Executive Committee, responsible for overseeing welfare activities, is reappointed biennially to uphold company policies and ethical labor standards. In total, Rs.1,025,000/- was disbursed during the financial year for death donations and childbirth gifts.

Grievance Handling

GRI 2-25, 2-26

We promote a culture where employees have the liberty to openly communicate their concerns and grievances related to work without hesitation. For this purpose, we have established a structured complaint-handling system where all departmental heads, the Head of HR, and corporate management are vested with the responsibility of resolving employee grievances.

This mechanism has enabled the Company to resolve employee grievances fairly and speedily, sustaining positive work relationships. Most employee grievances are resolved within seven days though concerns related to compensation and benefits are addressed separately under the performance management policy.

With regards to sexual harassment-related grievances, the Head of HR and General Manager/ CEO of the Company gets involved and the concerns are directed to the Disciplinary Committee (DC) if necessary to determine the definite outcome. As for the concerns regarding the Head of HR, they are examined by the Disciplinary Committee. As for the concerns regarding the CEO, they are investigated by the Remuneration Committee upon request by the HR department.

Our open-door policy and performance appraisals also provide employees with an avenue to freely express their views and opinions, feedback and suggestions.

Whistleblowing Policy

Our whistleblowing policy provides space for employees and stakeholders to anonymously report fraud, corruption/ unethical conduct, breach of any law, abuse or misuse of delegated authority, misuse of company assets /funds, unauthorized disclosure of confidential information and non-adherence to company policies, procedures and CBSL directions etc. Those who express such concerns will be treated with strict confidentiality, safeguarding their identity.

Employee Health and Well-being

GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-8, 403-9

To sustain a productive, engaged, and motivated workforce, it is essential that employees feel safe at their workplace. To this end, we maintain the highest standards of health and safety in the workplace including regular inspections of the workplace to identify and address potential risks, and implementation of safety protocols and procedures where necessary to promote safety practices.

To strengthen our health and safety foundation, we have adopted OHSAS 18001 health and safety guidelines as a framework for efficiently managing occupational health and safety within the organization. We also conduct Hazard Identification and Risk Assessment (HIRA) studies as required to systematically assess the hazards and their associated risks for us to implement appropriate corrective measures.

We also provided specialised training for fire wardens and first aid personnel to respond effectively to emergencies, ensuring the safe evacuation of employees in the event of a fire or other incidents. They are also equipped with first aid skills to provide immediate medical assistance to injured or unwell employees.

During the financial year, no work-related injuries or health issues were reported.

Recognising Talent

We ensure recognition of our well-performing employees through a carefully designed employee recognition scheme; the WOW Rewards Scheme. This scheme enables us to reward our employees for their innovation and creative contribution to product development, customer handling, cost management and overall value creation. The CEO and senior management personally recognise these individuals, showing appreciation through rewards and celebrations that boost their morale and strengthen their commitment. In addition, the company acknowledged and rewarded both the lending and fixed deposit marketing teams on a quarterly basis, based on their performance.

Recognizing Achievements & Celebrating Milestones

The success of any work environment depends on recognition and celebration of its members. Recognizing successes and honoring key moments is not a formal obligation in our organization, but a key way we cultivate a motivated, engaged, and effective workforce. We think that appreciating outstanding work at all levels increases motivation and supports the values we uphold.

We honor employees with following awards on quarterly basis;

- Employee of the Month/Quarter Awards to the individual who consistently demonstrate outstanding performance at work.
- Team Excellence Awards – Honoring team efforts that bring about important organizational results.
- Service Awards – Valuing the loyalty and commitment shown by those who have spent several years with us.

Improvements to HR Function

During the year, we conducted a gap analysis of our existing HR system which was internally developed by our IT team. Currently, we are in the process of considering the implementation of a new external HRIS system to streamline human resource operations, enhance efficiency, and improve data management across the organization.




Compliance with Labour Laws

GRI 408-1, 409-1

We fully comply with all the applicable labour laws and have not faced any fines and/or penalties for non-compliance with any labour laws during the reporting period.

Our operations and suppliers do not engage in child labour nor forced or compulsory labour and therefore do not pose a significant risk for incidents of child labour or forced or compulsory labour.

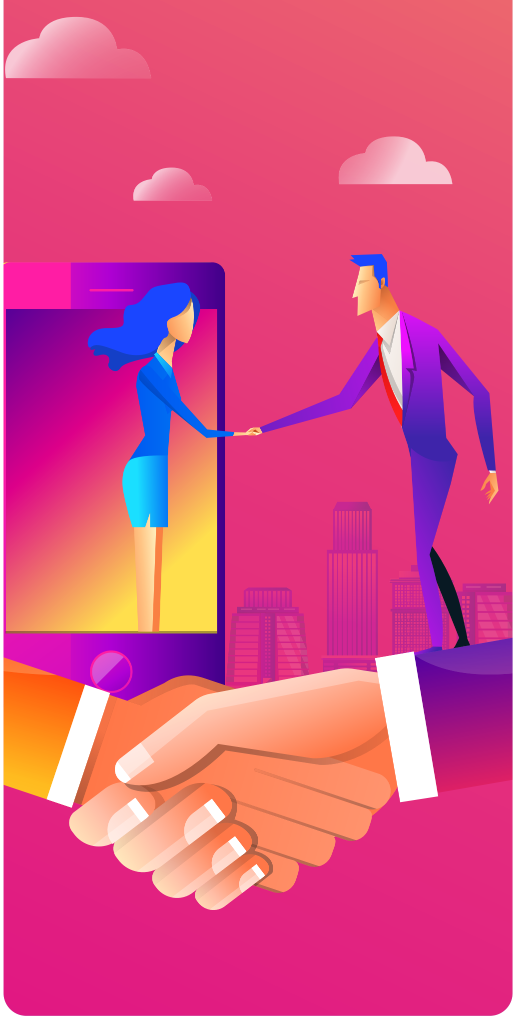
During the financial year, there have been no incidents of child or forced/compulsory labor reported.

Future Focus

Short term	Medium-term	Long term
• Expand micro-learning modules and on-demand training to support digital fluency and customer-centricity	• Develop a formal leadership academy with tiered programs for emerging, mid-level, and senior leaders	• Launch a fully operational L&D Academy with certifications, career tracks, and leadership labs
• Introduce mobile-enabled HR tools and self-service portals for real-time access and transparency	• Fully digitize recruitment, onboarding, and performance tracking with AI and analytics	• Deploy predictive analytics for workforce planning, attrition risk, and succession readiness
• Integrate real-time feedback tools and AI-based performance analytics	• Create remote work policies and conduct regular work life satisfaction surveys	• Develop digital talent pipelines and reskill employees for emerging roles in fintech and sustainability
• Identify high-potential employees, launch pilot leadership workshops	• Launch inclusive leadership training and track diversity metrics across all levels	• Operationalize succession plans for all critical roles with regular readiness assessments
• Launch digital engagement platforms and employee voice initiatives (e.g., “IDEA” platform)	• Implement holistic wellness programs including financial literacy, nutrition, and resilience training.	• Position Fintrex as an employer of choice through EVP campaigns, alumni networks, and social impact storytelling

Social and Relationship Capital

> Social and relationship capital represents the value derived from its connections and interactions with stakeholders. Our Social & Relationship capital involves mutually beneficial relationships we have nurtured with our stakeholders, which enable us to create value for all.



Contribution to Our Value Creation

Ensure service excellence, reinforcing our foundation for nurturing lasting relationships with all our stakeholders

Contribution to Our Core Values

Nurture
Innovation
Transparent
Elevate
Xenial

Stakeholders Impacted

Material Matters

Marketing and Labeling
Customer Privacy
Customer Service Excellence
Commitment to Community
Equal Opportunity Policy
Child and Forced Labour
Community Engagement

Commitment to UN SDGs

Impact on Other Capitals

Financial Capital

Financial resources will be utilised in community development , financial literacy trainings and customer service improvements

Human Capital

Employee engagement in community initiatives will enhance workforce satisfaction.

The need for customer service excellence will lead to employee training

Intellectual Capital

Bolster our brand reputation.

Investments in technology advancements increase intellectual capital

Natural capital

Community initiatives focused on reducing our environmental footprint support our sustainability efforts

SHORT TERM

Challenges

- Adapting to rapid technological changes in the finance sector.
- Meeting immediate regulatory compliance requirements.
- Addressing short-term customer needs and expectations.
- Managing short-term financial risks and uncertainties.
- Ensuring data security and privacy in the digital age.

Capital Management

- Implementing agile strategies to adapt to technological advancements.
- Ensuring compliance with current regulations through robust frameworks
- Developing products and services that meet immediate customer needs.
- Mitigating financial risks through effective short-term planning.
- Investing in advanced cybersecurity measures to protect customer data.

Opportunities

- Leveraging technology to enhance customer experience.
- Capitalizing on regulatory changes to improve business practices.
- Meeting customer demands with innovative solutions.
- Turning short-term risks into growth opportunities.
- Enhancing data security to build customer trust.

Value Chain Impact

- Improved customer satisfaction through technological enhancements.
- Strengthened regulatory relationships through compliance
- Increased customer loyalty with tailored solutions.
- Enhanced financial stability through risk management.
- Greater trust and loyalty from customers due to data security.

MEDIUM TERM

Challenges

- Sustaining growth amidst evolving market conditions.
- Balancing medium-term investments with profitability.
- Navigating medium-term regulatory changes.
- Maintaining customer engagement and satisfaction.
- Managing medium-term operational risks.

Capital Management

- Strategic investments to sustain growth.
- Balancing profitability with medium-term investment.
- Adapting to regulatory changes with proactive measures.
- Enhancing customer engagement through innovative strategies.
- Implementing robust risk management frameworks.

Opportunities

- Expanding market presence through strategic growth.
- Improving profitability with balanced investments.
- Leveraging regulatory changes for competitive advantage.
- Strengthening customer relationships with engagement initiatives.
- Turning operational risks into opportunities for improvement.

Value Chain Impact

- Increased market share through sustained growth.
- Enhanced profitability with strategic investments.
- Improved regulatory relationships through proactive measures.
- Greater customer loyalty through engagement initiatives.
- Enhanced operational efficiency through risk management.

LONG TERM

Challenges

- Achieving sustainable growth in the long run.
- Adapting to long-term technological advancements.
- Navigating long-term regulatory landscapes.
- Maintaining long-term customer loyalty.
- Managing long-term financial and operational risks.

Capital Management

- Implementing sustainable growth strategies.
- Investing in long-term technological advancements.
- Proactively adapting to long-term regulatory changes.
- Building long-term customer loyalty through trust.
- Developing comprehensive risk management frameworks.

Opportunities

- Achieving sustainable growth with strategic planning.
- Leveraging technological advancements for long-term success.
- Gaining competitive advantage through regulatory adaptation.
- Strengthening customer loyalty with trust-building initiatives.
- Turning long-term risks into opportunities for innovation.

Value Chain Impact

- Sustainable growth leading to long-term success.
- Enhanced technological capabilities for future readiness.
- Improved regulatory relationships through proactive adaptation.
- Long-term customer loyalty and trust.
- Innovative solutions emerging from risk management.

Social and Relationship Capital

Management Approach

We continue to forge strong relationships with our stakeholders by delivering enhanced value. In doing so, we accommodate the interests of the investors, shareholders, regulators, and the community in our decision-making thereby proactively addressing their needs in fostering trust and loyalty. Our value creation for these stakeholders encompasses designing distinct products to cater to customer requirements, introducing digital innovations to ensure efficiency and satisfying the demands of tech-savvy clientele as well as community initiatives that drive social change. Similarly, we focus on enhancing our financial capital within an ethical governance and risk framework, in delivering value to the investor, shareholders and the regulators. The strength of these relationships forms the foundation of our long-term success and sustainable growth.

Key Components of Our Social and Relationship Capital

At Fintrex Finance PLC, our Social and Relationship Capital is built on the foundation of trust, transparency, and mutual value creation. In line with our theme "Smart Finance, Smarter Future", we continue to strengthen our stakeholder relationships through innovation, inclusivity, and responsible practices. The following components are central to our approach, aligned with GRI Standards such as GRI 2 (General Disclosures), GRI 413 (Local Communities), GRI 417 (Marketing and Labeling), and GRI 418 (Customer Privacy):

1. Customer Relationship Management

We place our customers at the heart of our operations, ensuring their evolving needs are met through tailored financial solutions, digital accessibility, and responsive service. Our initiatives such as the "Customer Care Recovery Clinics" and feedback-driven service enhancements reflect our commitment to customer-centricity. We uphold GRI 417 and GRI 418 by ensuring transparent communication and safeguarding customer data, thereby fostering long-term loyalty and trust.

2. Community Empowerment

Our CSR efforts are designed to uplift communities and promote inclusive growth. From health awareness campaigns to youth development through sports sponsorships, we aim to create lasting social impact. These initiatives, aligned with GRI 413-1, demonstrate our role as a responsible corporate citizen contributing to the socio-economic development of Sri Lanka.

3. Supplier Relationship Management

We maintain ethical, transparent, and long-term relationships with our suppliers, ensuring fair procurement practices and encouraging alignment with our social and environmental values. Guided by GRI 204-1 and GRI 2-6, our supplier engagement strategy supports sustainable sourcing and strengthens our operational resilience.

4. Management of Investor and Shareholder Interests

We integrate investor and shareholder expectations into our strategic planning, ensuring consistent value delivery and transparent reporting. Through ethical governance and risk management, we build confidence and foster long-term partnerships, in line with GRI 2-12 to 2-16.

5. Management of Regulatory Relationships

We maintain proactive and constructive engagement with regulators, ensuring full compliance with applicable laws and guidelines. Our adherence to regulatory frameworks, including CBSL directives, reflects our commitment to responsible finance and institutional integrity, supporting the broader financial ecosystem.

Nurturing Social and Relationship Capital

At Fintrex Finance PLC, we recognize that strong relationships with our stakeholders are the cornerstone of sustainable growth. Our commitment to nurturing social and relationship capital is reflected in our customer-centric approach, community engagement, and transparent stakeholder communication. Under the theme "Smart Finance, Smarter Future," we continue to build trust and loyalty through the following initiatives:

- Designing innovative products tailored to meet the evolving financial needs of diverse customer segments.
- Customer support through "Customer Care Recovery Clinics" to address concerns and provide personalized solutions.
- Effective complaint handling mechanisms to ensure timely resolution and continuous service improvement.
- Brand building through strategic marketing and communication to enhance visibility and trust.
- Obtaining customer feedback through surveys and direct engagement to refine our offerings.
- Prioritising customer information privacy by adhering to robust data protection protocols.
- Local community engagement through CSR initiatives that create meaningful social impact.
- Integrating investor and shareholder interests into our long-term growth strategy.
- Ensuring regulatory compliance and proactive risk management to uphold integrity and accountability.

Strategic Focus Areas 2024/25

Focus Area	Key Initiatives
Deliver exceptional value to our customers	• Develop tailored financial solutions for diverse customer segments (e.g., SMEs, youth, women) • Conduct Customer Care Recovery Clinics to resolve grievances and build trust • Strengthen complaint management systems with digital tracking and resolution timelines • Launch customer education campaigns on financial literacy and digital banking • Enhance brand visibility through purpose-driven marketing and community storytelling
Accelerate digital innovation for customer convenience	• Expand mobile and online service capabilities for seamless customer interactions • Introduce AI-powered chatbots and self-service kiosks • Implement secure digital onboarding and e-KYC processes • Use data analytics to personalize customer experiences • Ensure robust cybersecurity and data privacy compliance (GRI 418)
Invest in community engagement and CSR	• Execute targeted CSR initiatives in education, health, and financial inclusion • Partner with local schools and NGOs to support youth empowerment • Launch employee volunteerism programs to foster social responsibility • Measure and report social impact of CSR projects (aligned with GRI 413) • Promote environmental awareness through green finance education
Strengthening stakeholder relationships	• Conduct regular stakeholder engagement forums and surveys (GRI 102-40 to 102-44) • Establish feedback loops with customers, suppliers, and regulators • Publish stakeholder impact stories in the annual report and digital platforms • Build trust through transparent communication and ethical practices • Align stakeholder engagement with materiality assessments
Establish collaborative partnerships	• Form strategic alliances with fintechs, insurers, and development agencies • Co-create financial products with ecosystem partners • Launch joint promotional campaigns with retail and service brands • Participate in industry forums and policy dialogues • Leverage partnerships to expand reach and social impact

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, we believe that strong relationships with our customers, communities, and partners are essential to building a smarter and more sustainable future. Our Social and Relationship Capital strategy is designed to foster trust, inclusivity, and shared value creation. In alignment with the United Nations Sustainable Development Goals (SDGs) and the GRI Standards (particularly GRI 102, 413, and 418), we have embedded sustainability into every aspect of our stakeholder engagement.

We align our Social and Relationship Capital strategy with the following SDGs:

No Poverty

Through inclusive financial services and community outreach programs, we support underserved populations and promote financial inclusion. Our microfinance and SME lending initiatives empower individuals and small businesses to improve their livelihoods and contribute to economic resilience.

Quality Education

We invest in community education initiatives, including financial literacy programs and school partnerships, to build knowledge and empower future generations. These efforts are complemented by employee volunteerism and CSR projects focused on youth development.

Decent Work and Economic Growth

By supporting entrepreneurship, offering accessible financial products, and maintaining ethical business practices, we contribute to sustainable economic growth. Our customer-centric approach ensures that our services promote long-term financial well-being.

Reduced Inequalities
We are committed to reducing inequalities by ensuring fair access to financial services across all regions and demographics. Our grievance mechanisms, inclusive marketing, and community engagement practices are designed to reach marginalized and vulnerable groups.

Sustainable Cities and Communities
Our partnerships with local stakeholders and investments in community development projects help build resilient and inclusive communities. We support urban and rural development through financing for housing, transport, and small-scale infrastructure.

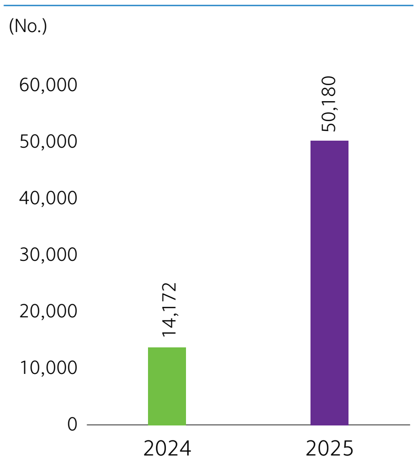
Partnerships for the Goals
We actively collaborate with NGOs, government agencies, and private sector partners to amplify our social impact. These partnerships enable us to co-create solutions that address complex social challenges and align with national development priorities.

By aligning our Social and Relationship Capital strategy with these SDGs, Fintrex Finance PLC reaffirms its role as a responsible corporate citizen—committed to building meaningful relationships, empowering communities, and contributing to a smarter, more inclusive future for all.

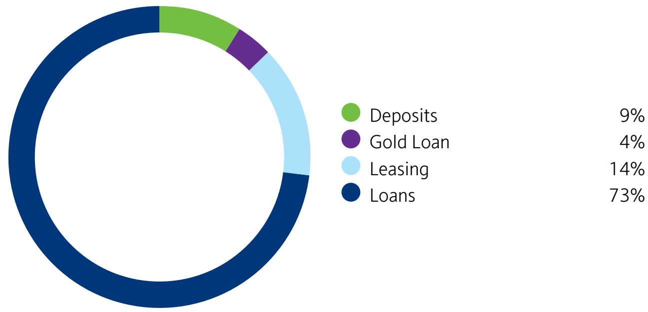
Our Customer Base

We promote financial inclusion across the nation by building and reinforcing lasting customer relationships. Through prioritising our associations with this vital group of stakeholders, we strive to maintain loyalty and trust expanding our market presence and underscoring our brand as a trusted and reliable financial service provider. We consider nurturing customer relationships not just a part of our business strategy toward profitability, but a core value that strengthens our foundation as a promoter of inclusivity and meaningful, long-lasting connections.

Active Customers



Product Wise Customer Base



Technology advancement to support customer needs

Aligned with GRI 203-1: Infrastructure Investments and Services Supported
At Fintrex Finance PLC, we view technology not just as an enabler, but as a strategic driver of customer-centric innovation. In line with our theme “Smart Finance, Smarter Future,” we have made significant investments in digital infrastructure to enhance the accessibility, convenience, and security of our financial services.

During the financial year 2024/25, we introduced several key technological advancements:

- Enhanced Digital Platforms: We upgraded our mobile and web platforms to offer a more intuitive user experience, enabling customers to apply for loans, check balances, and make payments seamlessly.
- Data-Driven Personalization: Leveraging analytics, we began tailoring product offerings and communication based on customer behavior and preferences, ensuring more relevant and timely engagement.
- Cybersecurity Enhancements: Recognizing the importance of data privacy, we strengthened our cybersecurity protocols to safeguard customer information and maintain trust.

These advancements reflect our commitment to delivering smart, secure, and scalable financial solutions that evolve with our customers’ needs.

What we offered our customers to navigate financial challenges during FY
In a year marked by economic uncertainty and rising cost-of-living pressures, Fintrex Finance PLC remained steadfast in supporting our customers through tailored financial solutions and empathetic service. Guided by our theme “Smart Finance, Smarter Future,” we introduced several initiatives to help individuals and businesses navigate financial challenges:

- Flexible Repayment Plans: We offered customized repayment options and moratoriums for customers facing temporary financial hardship, helping them maintain financial stability without defaulting.
- Financial Advisory Support: Our relationship officers provided personalized financial guidance to help customers restructure loans, manage debt, and plan for future expenses.
- Affordable Product Offerings: We introduced low-interest loan schemes and microfinance solutions to support underserved segments, including small business owners and daily wage earners.
- Digital Access to Credit: By digitizing loan applications and approvals, we reduced processing times and improved access to credit for customers in remote and rural areas.

These efforts underscore our role as a responsible financial partner, committed to empowering customers with the tools and support they need to thrive even in challenging times.

Effective and Responsible Customer Communication

GRI 417-2, 417-3

We provide our customers with detailed insights into our products and services, enabling them to make well-informed choices. While we ensure that our marketing materials adhere to regulatory guidelines and industry standards, we are mindful of integrating valuable feedback from customer interactions to enhance quality. Therefore, our marketing campaigns are developed on an ethical foundation obtaining the approval of the relevant heads of the departments and providing valid and truthful information to the customers regarding our products and service offerings.

During the year, we focused primarily on BTL activities, including implementing social media campaigns to promote our products and reaching a wider clientele. Direct marketing activities included implementing ground-level initiatives at the branch level such as distribution of brochures, flyers, leaflets, and voucher offers to raise awareness of our products and the brand.

Social media campaigns were aimed at engaging our customer segments in a cost-effective and efficient manner. These campaigns were instrumental in enhancing brand awareness and onboarding potential customers to our portfolio.

During FY 2024/25, there were no incidents of non-compliance concerning marketing and communication or product and service information and labelling.

Marketing and Communication Initiatives

In line with our strategic vision of "Smart Finance, Smarter Future," Fintrex Finance PLC implemented a series of dynamic marketing and communication initiatives during the financial year to strengthen brand visibility, engage key customer segments, and drive business growth. These initiatives were designed to resonate with diverse audiences while reinforcing our commitment to innovation, accessibility, and customer-centricity.

Street Promotions

We conducted targeted street-level promotional campaigns across high-traffic urban and semi-urban areas. These activations enabled direct engagement with potential customers, allowing us to raise awareness about our financial solutions, distribute promotional materials, and gather valuable on-ground insights into customer preferences and behaviors.

Dealer Conference Targeting Micro-Segment

Recognizing the importance of micro-entrepreneurs and small-scale dealers, we organized a dedicated dealer conference to foster stronger relationships and provide tailored financial solutions. This platform facilitated knowledge sharing, product education, and collaborative dialogue, empowering our dealer network to better serve niche market segments.

Mega Campaigns to Create Mass Awareness

To amplify our brand presence and reach a broader audience, we launched high-impact mega campaigns across multiple media channels, including television, radio, digital platforms, and outdoor advertising. These campaigns were designed to communicate our value proposition, promote flagship products, and reinforce our position as a trusted financial partner.

Joint Promotion with UNIMO

In collaboration with UNIMO Enterprises, we rolled out a co-branded promotional campaign aimed at offering attractive leasing and financing options for UNIMO vehicles. This initiative not only enhanced customer affordability but also strengthened our strategic partnership with a leading automotive brand.

Joint Promotion with United Motors to Promote the Private Vehicle Segment

We partnered with United Motors to promote financing solutions for the private vehicle segment. Through this joint initiative, we offered exclusive benefits such as competitive interest rates, flexible repayment plans, and expedited processing, thereby supporting customers in achieving their mobility aspirations.

Social Media Footprint

In the digital age, social media has become a vital platform for engaging with stakeholders, enhancing brand visibility, and delivering timely, relevant content. At Fintrex Finance PLC, we have strategically leveraged our social media presence to build meaningful relationships with customers, promote financial literacy, and communicate our brand values.

During the financial year, our social media strategy focused on three core pillars: engagement, education, and empowerment. We utilized platforms such as Facebook, Instagram, LinkedIn, and YouTube, X (Twitter), Google Ads and Tik Tok to share product updates, customer testimonials, CSR initiatives, and financial tips. These efforts not only increased our follower base but also deepened trust and transparency with our audience.

Our campaigns were designed to be interactive and inclusive, encouraging two-way communication and real-time feedback. We also monitored sentiment and analytics to continuously refine our content strategy, ensuring alignment with customer expectations and market trends.

As we look ahead, we aim to further integrate AI-driven insights and personalized content delivery to enhance our digital engagement and support our vision of a smarter financial future

Channel Management

Effective channel management is central to delivering a seamless and consistent customer experience across all touchpoints. At Fintrex Finance PLC, we have adopted a multi-channel approach that combines physical presence with digital convenience, ensuring accessibility and responsiveness for all customer segments.

Our branch network continues to serve as a trusted interface for personalized financial services, while our digital platforms—including, online portals, and customer contact centers. We have also strengthened our partnerships with dealers, agents, and third-party platforms to expand our reach and improve delivery service.

In FY 2024/25, we focused on optimizing channel performance through staff training, technology upgrades, and process automation. This has enabled us to reduce turnaround times, improve service quality, and enhance customer satisfaction.

Looking forward, we plan to adopt an omnichannel strategy that seamlessly integrates physical and digital channels, supported by data analytics and customer insights. This will allow us to deliver smart, personalized, and future-ready financial solutions in line with our strategic theme.

Customer Privacy & Data Protection

GRI 418-1

Our commitment to safeguarding customer information continued during FY with a consistent focus on maintaining the highest standards of IT security, risk management, and governance. By continuously investing in technology, employee training, and policy development, we continue to reinforce our safeguards against cyber threats and vulnerabilities, fostering trust amongst the clientele. This will be an ongoing effort where we will take a proactive approach to address the potential risks amidst an evolving regulatory environment. In this respect, a crucial step will be to strengthen our IT risk management framework in line with CBSL guidelines, designed to comprehensively tackle emerging threats and vulnerabilities.

During the year, there were no verified complaints reported regarding customer privacy breaches or data losses.

Customer Relationship Management

While we engage with our customers primarily through direct interaction carried out through face-to-face meetings, via telephone/hotline or emails, we listen to them carefully to understand their needs and concerns thereby handling their issues effectively to provide a satisfactory solution. We also communicate with them indirectly through our social media platform and the Company's official website. They have the privilege of communicating their concerns to us through writing, calling the hotline, visiting the respective branch, head office or any other officer in the Company. While all these complaints are diligently documented, the Customer Service Excellence officer ensures that each complaint is resolved fully and to the customer's satisfaction within a reasonable timeframe from its receipt. As a distinguished financial institution, we remain committed to identifying and addressing the underlying causes of these issues, which has led to a noticeable reduction in the number of complaints over the years.

Customer Complaint handling

GRI 2-25, 2-26

At Fintrex Finance PLC, we place the highest value on customer trust and satisfaction. In line with our theme "Smart Finance, Smarter Future," we have established a robust and responsive grievance-handling mechanism that ensures every customer concern is addressed with transparency, empathy, and urgency.

Our complaint resolution framework is designed to be accessible, inclusive, and technology-enabled, allowing customers to voice their concerns through multiple channels:

- Direct contact with our Head Office or any branch
    - Directly calling/messaging to Fintrex Finance PLC Customer Contact Center
    - Directly calling/visiting/in writing to the respective Branch
    - Directly calling/visiting/in writing to the Head Office
- Online submissions via our official website
- Engagement through social media platforms, where our digital response teams are trained to handle queries and complaints promptly

Each complaint is logged, tracked, and resolved through a centralized system that ensures accountability and timely follow-up. We categorize complaints based on their nature and severity, enabling us to prioritize critical issues and identify recurring themes for systemic improvement.

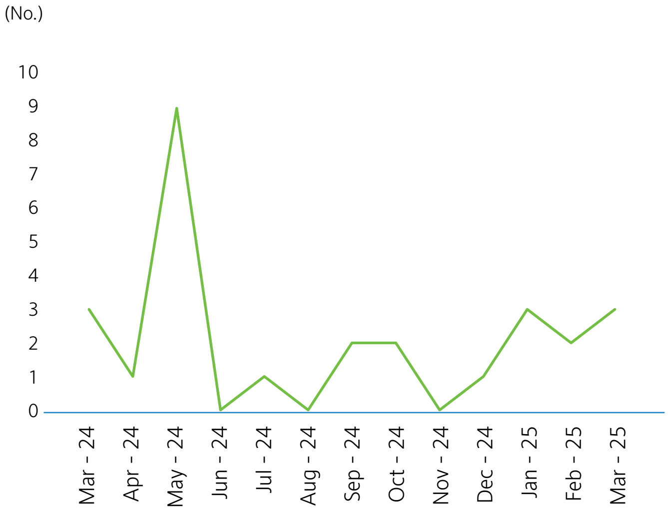
In accordance with GRI 2-25, we are committed to remediating any negative impacts caused by our operations or services. Our internal escalation process ensures that unresolved issues are reviewed by senior management, and corrective actions are implemented to prevent recurrence.

Furthermore, in line with GRI 2-26, we encourage customers to seek advice or raise concerns without fear of discrimination or delay. Our grievance mechanism is continuously reviewed and enhanced based on customer feedback, regulatory guidance, and industry best practices.

By embedding customer feedback into our service design and delivery, we not only resolve issues but also transform insights into smarter, more responsive financial solutions—a key pillar of our future-ready strategy.

Customer Complaints received	Customer Complaints resolved
24	24

No of complaints received - 01st of March 2024 to 31st March 2025



Our Suppliers and Business Partner

We continue to foster strong relationships with our suppliers and business partners, in strengthening our sustainable and mutually beneficial collaborations that drive growth.

At Fintrex Finance PLC, we recognize that our ability to deliver smart, future-ready financial solutions is deeply rooted in the strength and integrity of our business partnerships. In alignment with our theme "Smart Finance, Smarter Future," we have cultivated a diverse and resilient network of partners who support our operations, innovation, and service delivery across the value chain.

Our business partners include:

- Automotive Dealers and Distributors: We collaborate with leading vehicle brands such as UNIMO Enterprises and United Motors Lanka PLC to offer co-branded promotions and tailored leasing solutions, particularly in the private and commercial vehicle segments.
- Technology and IT Service Providers: Our digital transformation journey is supported by partnerships with software developers, fintech solution providers, and IT infrastructure firms who enable us to deliver secure, efficient, and user-friendly digital experiences.
- Marketing and Advertising Agencies: We work closely with creative and media agencies to execute impactful campaigns, enhance brand visibility, and engage meaningfully with our target audiences across traditional and digital platforms.
- CSR and Community Engagement Partners: Our social impact initiatives are implemented in collaboration with NGOs, educational institutions, and local community organizations to ensure relevance, reach, and sustainability.
- Professional Service Providers: We engage with legal advisors, auditors, consultants, and training institutions to uphold governance standards, ensure compliance, and build internal capacity.
- Financial Institutions and Funding Partners: Our funding and liquidity needs are supported through strategic relationships with banks, capital market participants, and institutional investors.

These partnerships are governed by principles of transparency, mutual respect, and shared value creation. We conduct due diligence to ensure that our partners align with our ethical standards, regulatory requirements, and sustainability goals. As we continue to grow, we remain committed to strengthening these relationships and exploring new collaborations that support our vision of a smarter financial future.

Supply Chain Management

GRI 204-1

Although, as a Service Company, the development of our products does not require direct sourcing of material from suppliers, we utilize suppliers for requirements such as purchasing items such as stationery, fixed assets, electronic equipment, telecommunication service providers as well as system providers. We currently have a large supplier base with whom we have a long-term relationship.

The Company's administrative division is entrusted with the selection and onboarding of suppliers, ensuring ongoing interaction to keep them well informed of our requirements, rules and regulations as well as social and environmental best practices. We continue to foster long-term partnerships with them engaging in regular face-to-face interaction, e-mails and meeting them when necessary.

Supplier Relationships for FY 2024/25

No. of existing registered suppliers	278
No. of Suppliers on Boarded to the Supplier Registry during the FY	40
Total Number of Suppliers on the Network	318
Value Distributed to Suppliers (Local)	11.37%

Our Community

We remain committed to making a positive social impact by contributing to the socio-economic development of the communities we serve. In this regard, we engage in various initiatives and programs that support community well-being and living standards.

Local Community Engagements

GRI 413-1

By leveraging our branch network and our expertise, we engage in various CSR initiatives, striving to make a sustainable impact, and delivering value to communities.

At Fintrex Finance PLC, we believe that sustainable growth is deeply intertwined with the well-being of the communities we serve. Guided by our theme "Smart Finance, Smarter Future," our CSR strategy focuses on creating meaningful, long-term impact through initiatives that promote health, education, social welfare, and youth development. During the financial year 2024/25, we implemented several impactful programs that reflect our commitment to responsible corporate citizenship:

Dengue Awareness Campaign

In response to the growing public health concern posed by dengue fever, Fintrex Finance launched a nationwide Dengue Awareness Campaign. We strategically installed Dengue Warning Hoardings in 10 high-risk locations across the island to educate the public on prevention methods and early detection. This initiative aimed to reduce the spread of the disease through increased awareness and community vigilance.

Sponsorship of Sports Development

Recognizing the transformative power of sports in shaping youth and fostering national pride, Fintrex Finance extended sponsorship support to two major sporting events:

- Fox Hill Supercross – A premier motor racing event that promotes excellence in motorsports and brings communities together. Fintrex Finance was the Official Financial Partner of Fox Hill Supercross 2024, marking a thrilling collaboration between finance and speed. This action-packed event brought together the car and bike racing drivers and riders, delivering an energy driven experience like no other.
- Empowering women car racers - Fintrex Finance was thrilled to support Kushalya Ariyadasa, a prominent female car racer in Sri Lanka, whose dynamic spirit and infectious energy infused the event with unparalleled vibrancy. As a sponsor, Fintrex Finance celebrated Kushalya's participation in Fox Hill Supercross 2024, showcasing its commitment to promoting diversity, women empowerment and inclusion in motorsports.
- CR & FC (Ceylonese Rugby & Football Club) – One of Sri Lanka's most prestigious rugby clubs, where our sponsorship supports the development of young athletes and the promotion of teamwork, discipline, and resilience.

These initiatives not only contribute to the physical and mental well-being of individuals but also align with our broader goal of empowering communities and nurturing future leaders.

Future Focus

Short term	Medium-term	Long term
• Enhance customer service touchpoints • Expand product personalization • Improve complaint resolution systems • Increase in digitally enabled systems and processes • 0+ CSR/community initiatives across education, health, and environment • Joint promotions with fintechs and retail partners	• Launch mobile-first service enhancements • Introduce AI-based customer insights • Launch digital self-service portals • Conduct financial literacy workshops • Support local schools and clinics • Expand co-branded campaigns	• Develop holistic financial wellness programs • Build a customer co-creation platform • Introduce AI-driven chatbots and robo-advisory tools • Automate back-office operations • Establish long-term partnerships with NGOs • Launch rural empowerment programs

Natural Capital

Natural capital is the stock of natural resources and environmental assets. We are committed to mitigate the risks arising from climate change by implementing appropriate environmental best practices across our operations.

Contribution to Our Value Creation

Protecting and managing our natural resources to ensure long-term operational viability.

Contribution to Our Core Values

Nurture

Transparent

Elevate

Stakeholders Impacted

Material Matters

Energy

Water

Waste

Commitment to UN SDGs

Impact on Other Capitals

Finance Capital
Enhanced focus on green financing and lending

Human Capital
Internal awareness-raising amongst the employees has enabled us to nurture an environmentally conscious workforce.

Manufactured Capital
Implement energy-saving measures at the branch level

Intellectual Capital
Process automation for efficiency improvement and reduced paper consumption

Social & Relationship Capital
Sustainable use of natural resources fosters long-term economic relationships and cooperation among stakeholders.

SHORT TERM

Challenges

- Creating customer awareness on green lending
- Maintaining consistent green practices across the branches
- Managing temperature fluctuations due to climate change
- Reducing carbon footprint and waste
- Optimising resource use efficiently

Capital Management

- Awareness campaigns and trainings for employees
- Implementing energy-saving measures at branch level
- Encouraging digital documentation
- Monitoring electricity and water usage
- Promoting internal green teams

Opportunities

- Cost savings through energy and resource efficiency
- Enhanced brand image as a sustainable finance provider
- Improved employee engagement
- Quick wins in operational efficiency
- Increased customer interest in green products

Value Chain Impact

- Reduced operational costs
- Improved environmental compliance
- Strengthened internal culture of sustainability
- Enhanced customer trust
- Lowered environmental impact of daily operations

MEDIUM TERM

Challenges

- Transitioning to paperless operations
- Developing green financial products
- Integrating solar energy solutions
- Sustaining employee engagement
- Managing increased resource demand with growth

Capital Management

- Gradual digitalisation of workflows
- Investment in renewable energy (e.g., solar panels)
- Product innovation for green financing
- Continuous training and awareness
- Monitoring and reporting environmental KPIs

Opportunities

- New revenue streams from green lending
- Improved operational resilience
- Enhanced stakeholder confidence
- Competitive advantage in sustainable finance
- Contribution to national sustainability goals.

Value Chain Impact

- Reduced paper and energy usage
- Increased digital efficiency
- Strengthened stakeholder relationships
- Enhanced ESG reporting
- Broader market appeal

LONG TERM

Challenges

- Minimising long-term environmental footprint
- Adapting to evolving climate regulations
- Embedding sustainability into core strategy
- Scaling green finance initiatives
- Ensuring long-term stakeholder alignment

Capital Management

- Strategic integration of sustainability into business model
- Long-term investment in green infrastructure
- Establishing sustainability governance frameworks
- Collaborating with external partners for innovation
- Regular impact assessments

Opportunities

- Leadership in sustainable finance sector
- Long-term cost savings and risk mitigation
- Stronger investor and regulator confidence
- Contribution to global climate goals
- Enhanced brand equity

Value Chain Impact

- Sustainable growth trajectory
- Long-term stakeholder value creation
- Resilient and future-ready operations
- Industry recognition
- Positive environmental legacy

Natural Capital

Management Approach

Climate change continues to pose significant risks to ecosystems, communities, and economies worldwide. At Fintrex Finance PLC, we recognize our responsibility as a financial institution to mitigate environmental impacts and contribute to a sustainable future. Guided by the principles of the Global Reporting Initiative (GRI), we have embedded environmental stewardship into our core operations, aligning with our theme of Smart Finance, Smarter Future.

Our approach to environmental management is proactive and data-driven. We integrate sustainability into our decision-making processes, operational practices, and stakeholder engagement. Through efficient resource management, digital transformation, and awareness-building, we aim to reduce our environmental footprint while creating long-term value for our stakeholders.

Key Components of Our Natural Capital

1. Energy Management

We continuously monitor and optimize energy consumption across our branches and operations. Initiatives include:

- Transitioning to energy-efficient lighting and equipment
- Encouraging hybrid work models to reduce commuting emissions
- Exploring renewable energy options for future integration

2. Water Management

Water conservation is a priority in our facilities. We have implemented:

- Low-flow fixtures and water-efficient appliances
- Awareness campaigns to promote responsible water use
- Monitoring systems to track and reduce water wastage

3. Waste Management

We are committed to minimizing waste generation and promoting responsible disposal:

- Segregation and recycling of office waste
- Reduction of single-use plastics
- Partnerships with certified waste management providers

Nurturing Natural Capital

To foster a culture of environmental responsibility, we focus on:

- **Awareness Raising:** Conducting training and campaigns to build an environmentally conscious workforce.
- **Supporting Green Initiatives:** Participating in and sponsoring community-based environmental projects.
- **Reducing Energy Consumption:** Leveraging smart technologies and behavioral change to lower energy use.
- **Water Conservation:** Promoting sustainable water practices within and beyond our operations.
- **Efficient Waste Disposal:** Ensuring compliance with environmental regulations and best practices.
- **Digitalisation for Efficiency:** Embracing digital platforms to reduce paper use and improve operational efficiency.
- **Green Lending:** In line with national priorities and CBSL guidelines, we are exploring opportunities to expand our green lending portfolio, supporting projects that contribute to climate resilience and environmental sustainability

Strategic Focus Areas 2024/25

Strategic Priorities	Progress in 2024/25
Managing internal Carbon footprint	Conducted energy audits across branches; introduced energy-efficient lighting systems.
Increase focus on Green funding	Initiated feasibility studies for green lending products; engaged with CBSL guidelines.
Digital transformation for efficiency	Rolled out paperless loan processing for certain products and digital customer onboarding.
Sustainable stakeholder engagement	Conducted ESG awareness sessions for staff and partners.
Responsible resource management	Reduced energy and water consumption implemented water-saving fixtures in key locations.
Climate risk integration in lending	Began assessing climate-related risks in credit evaluation.

Our Commitment to the UN Sustainable Development Goals (SDGs)

At Fintrex Finance PLC, we recognize that sustainable growth is intrinsically linked to the health and resilience of our natural environment. As part of our commitment to responsible finance and long-term value creation, we align our Natural Capital strategy with the United Nations Sustainable Development Goals (SDGs), which serve as a global blueprint for achieving a better and more sustainable future for all.

Our approach to managing Natural Capital is guided by the following SDGs, which we have identified as most relevant to our operations, impact, and aspirations:

6 CLEAN WATER AND SANITATION

Clean Water and Sanitation

We support initiatives that promote the efficient use of water resources within our operations and encourage our stakeholders to adopt water-saving practices. Through responsible resource management and awareness campaigns, we aim to contribute to the availability and sustainable management of water and sanitation for all.

Affordable and Clean Energy
We are committed to reducing our carbon footprint by optimizing energy consumption across our branches and investing in renewable energy solutions where feasible. Our transition to energy-efficient technologies and practices reflects our dedication to clean, affordable, and sustainable energy.

Responsible Consumption and Production
Fintrex promotes a culture of environmental responsibility by minimizing waste, encouraging recycling, and integrating sustainability into our procurement and operational decisions. We strive to ensure that our growth does not come at the expense of the planet's finite resources.

Climate Action
Climate change poses a significant risk to both the environment and the financial sector. We actively support climate action by monitoring our environmental impact, setting reduction targets, and engaging in green financing initiatives that support climate-resilient development.

Life on Land
We recognize the importance of biodiversity and ecosystem services in sustaining life and livelihoods. Our environmental stewardship includes supporting reforestation efforts, reducing paper usage through digital transformation, and advocating for the protection of terrestrial ecosystems.

By aligning our Natural Capital strategy with these SDGs, Fintrex Finance PLC reaffirms its role as a responsible corporate citizen. We believe that smart finance is not only about profitability but also about preserving the planet for future generations. Through continuous improvement and stakeholder collaboration, we are committed to building a smarter, greener, and more sustainable future.

Employee behavioural Change through awareness

In our effort to create natural capital value, we strive to understand the stakeholder needs through engagement thereby incorporating their concerns in our sustainability strategy and environmental management. In this way, we were able to create better awareness, embracing best practices within the organisation. One of the key initiatives in this effort is the regular distribution of electronic flyers (e-flyers) designed to educate, inspire, and empower staff to actively participate in environmental conservation practices within the workplace.

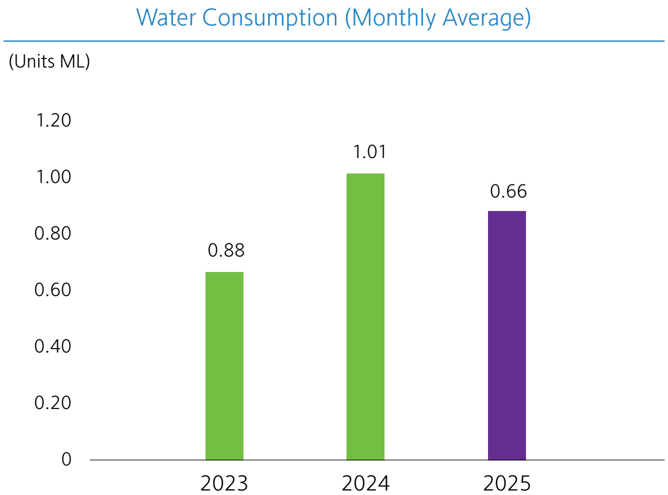
Water Management

GRI 303-5

We manage our water consumption, which is limited to essential staff utility purposes, by encouraging the employees for mindful water utilisation, minimisng wastage. Although water consumption remained minimal at branches, the water usage remained relatively high at the head office main building with an average of over 700 Units. To address this issue, we installed an overhead tank instead of relying directly on piped water, in order to reduce costs. Consequently, we have been able to optimize our water footprint, through reducing monthly average units of water consumption by 16%. It is noteworthy that despite a considerable increase in the number of employees during the period, we were able to maintain responsible water consumption levels, preventing wastage.

Our Water Footprint

Total Water Consumption	**10.54 ML** 12.13ML (2023/24)
Per employee	**0.034ML** 0.046ML (2023/24))



Energy Management

GRI 302-1, 302-4

At Fintrex Finance PLC, we continue to uphold our commitment to environmental stewardship by actively pursuing strategies to reduce energy consumption across all our operations, including both our head office and branch network. This initiative is a key component of our broader sustainability agenda, aimed at minimizing our carbon footprint while simultaneously enhancing operational efficiency and cost-effectiveness.

Throughout the reporting period, we implemented a series of targeted energy-saving measures that yielded tangible results. These efforts contributed to maintaining energy consumption at satisfactory levels, despite operational expansions. Notably, while our total energy consumption increased by 5%, primarily due to the relocation of three branches to larger, more customer-centric premises, the energy intensity per employee demonstrated a commendable decline.

Specifically, energy usage per employee decreased by 6.39%, falling from 4.41 gigajoules (GJ) to 4.13 GJ. This reduction reflects the success of our energy efficiency initiatives and underscores our ability to scale responsibly while embedding sustainability into our growth trajectory.

Focus Area	Action Taken
Reduce Carbon footprint	• Encourage employees to switch off lights when not in use • 'Green Team' monitoring and analysing the electricity usage and providing feedback • Control the number of AC units • Maintain all Air-Conditioner temperatures at 25C° • Switch off the lights of the Pylon and main name board • Request employees to work only from 8.30 am to 5.30 pm and disconnect power at 5.30 p.m. in each location • Monthly monitoring of electricity consumption at branch levels and implement energy conservation strategies accordingly
Awareness	• Regular awareness-raising for employees on the benefit of energy-saving

Our Energy Footprint

Overall Energy Consumption

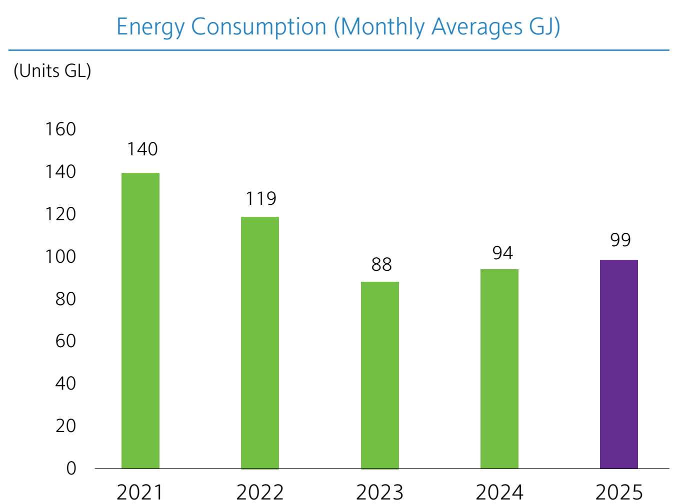
1,184.31 GJ (2024/25)

1,124.14 GJ (2023/24)

Per employee

3.83 GJ (2024/25)

4.24 GJ (2023/24)



Emission Management

As a financial services provider, Fintrex Finance PLC operates in a sector where direct greenhouse gas (GHG) emissions are inherently low. However, we recognize our responsibility to understand, manage, and reduce our environmental impact across the value chain, in line with global best practices and the GRI Standards.

While we do not currently have a formal emissions reporting framework in place, we are exploring alignment with the Greenhouse Gas (GHG) Protocol, the internationally recognized standard for measuring and managing GHG emissions. This framework categorizes emissions into three scopes:

- **Scope 1:** Direct emissions from sources owned or controlled by the organization (e.g., company-owned vehicles or generators).
- **Scope 2:** Indirect emissions from the generation of purchased electricity, heating, and cooling consumed by the organization.
- **Scope 3:** All other indirect emissions that occur in the value chain, including employee commuting, business travel, and outsourced services.

At present, Fintrex's emissions are primarily associated with Scope 2 (electricity usage in our branches and offices) and Scope 3 (employee commuting and business travel). Although we do not yet report under these three scopes formally, we are taking steps to build the necessary data infrastructure and internal capacity to do so in the future.

Our current efforts to manage emissions include:

- Transitioning to energy-efficient lighting and equipment
- Encouraging digital workflows to reduce travel and paper use
- Promoting hybrid work models to reduce commuting-related emissions

As we continue to evolve our sustainability strategy, we aim to progressively adopt a more structured emissions reporting approach, enabling us to set reduction targets and transparently communicate our progress to stakeholders.

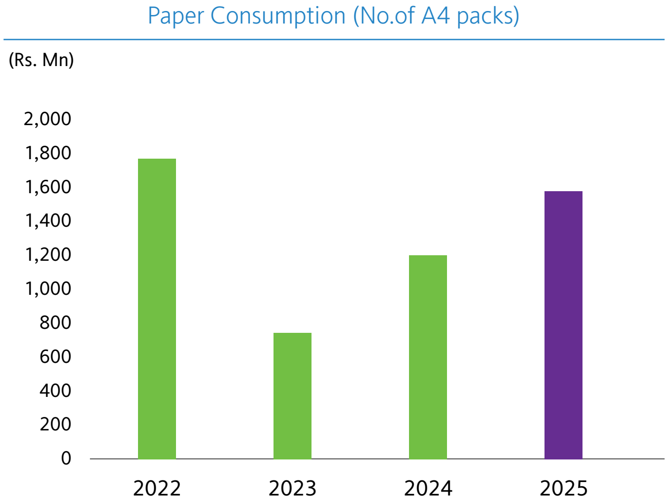
Waste Management

We continue to manage the waste generated as a result of our operations efficiently, lowering our environmental footprint. To this end, we provide category-wise training for the cashiers, operational staff as well as branch managers to reduce A4 paper consumption and overall resource optimization.

Paper usage saw a slight increase of 32% in FY 2024/25, primarily driven by a rise of 38,319 in the number of lending files, attributed to the growing demand for small-ticket mobile loan financing and Gold loans.

Our waste management initiatives are listed below.

Focus Area	Action taken
Decrease paper consumption	• Promote the use of rough paper for internal documentation and printing. • Utilise both sides of the paper • Reduce unnecessary printing
Reduce manual processes/paper usage	• Implement technology-driven platform • Continuous upgrades to software and technologies • Digitalised workflows (Credit Management System (CMS) and Payment Management System (PMS)) • Online courier and inventory handling and vehicle reservations
Implementation of 5S Methodology	Step 1- Sort (Seiri): We identified and eliminated waste, redundant processes and inefficiencies that impact our natural capital. Step 2- Set in Order (Seiton): Established a structured and efficient arrangement of resources and assets optimising space usage, streamlining workflows and improving accessibility. Step 3. Shine (Seiso): Focused on maintaining cleanliness and hygiene in natural capital-related areas implementing regular cleaning and maintenance practices, pollution prevention measures, and efforts to promote a healthy and sustainable environment within the organisation. Step 4. Standardise (Seiketsu): Standardised procedures and protocols for managing resources by implementing guidelines, policies, and best practices to ensure consistent and sustainable resource utilisation across various departments and locations. Step 5: Sustain (Shitsuke) As a result of initiating these steps, the Company was able to properly maintain all Standards Operating Procedures (SOP's) and work instructions and sustain these best practices across all levels of staff.



Environmental Sustainability Initiatives during the FY

At Fintrex Finance PLC, our commitment to environmental sustainability is embedded in our operational ethos and strategic direction. In line with our theme “Smart Finance, Smarter Future”, we have undertaken a series of initiatives during the financial year 2024/25 to reduce our environmental footprint, promote resource efficiency, and foster a culture of environmental responsibility across our organization.

1. Energy Efficiency and Emission Reduction

- Upgraded lighting systems in key branches to LED technology, reducing electricity consumption.
- Introduced energy-efficient appliances and automated lighting controls in office spaces.
- Promoted hybrid work arrangements to reduce commuting-related emissions.

2. Digital Transformation for Sustainability

- Expanded paperless operations through digital loan processing.
- Reduced internal printing through document digitization and workflow automation.
- Launched internal awareness campaigns to encourage digital-first practices among staff.

3. Water and Waste Management

- Installed water-saving fixtures in high-usage areas across selected branches.
- Reduced single-use plastics in office environments by introducing reusable alternatives.

4. Employee and Community Engagement

- Conducted environmental awareness sessions for staff on topics such as energy conservation and sustainable living.
- Supported green-themed CSR initiatives focused on biodiversity and environmental education.

5. Laying the Groundwork for Green Finance

- Initiated internal assessments to explore the feasibility of green lending products.
- Engaged with regulatory guidelines and industry best practices to align future offerings with sustainable finance principles.

These initiatives reflect our belief that environmental responsibility is not only a corporate obligation but a strategic advantage. As we continue to grow, we remain committed to integrating sustainability into every aspect of our operations, ensuring that our progress today contributes to a smarter, greener tomorrow.

Future Focus

Short term	Medium-term	Long term
• Expand energy-saving initiatives across all branches. Implement LED lighting, motion sensors, and energy-efficient appliances in all branches to reduce electricity consumption. Conduct energy audits, Promote employee awareness campaigns on energy conservation, Optimize HVAC systems	• Integrate renewable energy sources. Install solar panels and explore wind or biomass energy options for branch operations. Partner with renewable energy providers, Apply for green energy certifications	• Achieve carbon neutrality in operations. Offset all operational emissions through renewable energy, carbon credits, and sustainable practices. Join global carbon neutrality initiatives, Publish annual carbon footprint reports
• Launch pilot green loan schemes. Introduce small-scale loan products for eco-friendly home improvements, solar installations, and electric vehicles. Partner with green tech vendors, Offer interest rate incentives for sustainable purchases	• Develop a green finance portfolio. Expand loan and investment offerings to include sustainable agriculture, clean energy, and eco-tourism. Launch green bonds, Create sustainability-linked loan products	• Become a leading green finance provider in Sri Lanka. Position Fintrex as a pioneer in sustainable finance through innovation, partnerships, and impact-driven products. Host green finance forums, Collaborate with international sustainability bodies
• Digitize internal workflows. Reduce paper usage and improve operational efficiency by transitioning to digital documentation and approvals. Implement e-signature platforms, Introduce cloud-based document management systems	• Introduce AI-driven customer service. Use AI chatbots and virtual assistants to reduce paper-based interactions and improve customer experience. Integrate AI with CRM systems, Use AI to analyze customer sustainability preferences	• Fully digital, low-carbon operations. Eliminate paper-based processes and minimize physical infrastructure to reduce carbon footprint. Transition to remote-first operations, Use virtual collaboration tools extensively
• Expand ESG training programs. Provide foundational training to employees on Environmental, Social, and Governance (ESG) principles. Develop e-learning modules, Host ESG awareness workshops	• Integrate ESG KPIs into performance reviews. Align employee evaluations with ESG goals to foster accountability and sustainability-driven behavior. Include ESG metrics in annual appraisals, Reward ESG champions within the company	• Build a sustainability-first corporate culture. Embed sustainability into the company's values, decision-making, and daily operations. Launch internal sustainability ambassador programs, Celebrate Green Office certifications
• Monitor and report resource usage. Track water, energy, and paper consumption across branches and publish quarterly reports. Install smart meters, Set reduction targets for each resource	• Adopt circular economy practices. Promote reuse, recycling, and responsible disposal of office materials and IT equipment. Partner with e-waste recyclers, Launch internal recycling programs	• Achieve zero-waste operations. Eliminate landfill waste through comprehensive recycling, composting, and procurement policies. Implement waste segregation systems, Partner with zero-waste service providers
• Develop climate risk assessment tools. Begin designing tools to evaluate climate-related risks in lending and investment decisions. Collaborate with environmental consultants, Pilot risk scoring models	• Embed climate risk into credit policies. Incorporate climate vulnerability assessments into credit scoring and loan approval processes. Train credit officers on climate risk, Update risk models with climate data	• Align lending with climate resilience goals. Ensure all lending supports projects and businesses that are climate-resilient and environmentally responsible. Develop a climate-resilient lending framework, Monitor portfolio alignment with SDGs
• Promote sustainable commuting. Encourage employees to use public transport, carpooling, or cycling to reduce carbon emissions. Provide incentives for sustainable commuting, Install bike racks at branches	• Enhance biodiversity initiatives. Support projects that protect and restore local ecosystems and biodiversity. Collaborate with environmental NGOs, Fund reforestation projects	• Promote sustainable investment practices. Encourage investments in companies and projects that prioritize sustainability and environmental responsibility. Develop sustainable investment criteria, Provide training for investment managers on sustainable practices
• Implement waste reduction programs. Reduce waste generation through recycling and responsible disposal practices. Set up recycling bins, Conduct waste management workshops	• Promote sustainable supply chain practices. Encourage suppliers to adopt sustainable practices and reduce their environmental impact. Implement supplier sustainability assessments, Provide training for suppliers on sustainable practices	• Support community-based environmental initiatives. Engage with local communities to support environmental conservation and sustainability projects. Fund community-led environmental projects, Collaborate with local governments and NGOs

Smart Growth Smarter Impact

As someone who commutes daily by motorbike, I've always valued the freedom and flexibility that personal mobility offers. However, over time, I became increasingly aware of the environmental impact and rising costs associated with traditional fuel-powered vehicles. That's when I began exploring more sustainable alternatives and discovered the potential of electric bikes.

Choosing an electric bike wasn't just a lifestyle decision; it was a conscious step toward a greener future. It offered me a practical, cost-effective, and eco-friendly mode of transport that aligned with my values. But what truly made this transition seamless was the support I received from Fintrex Finance.

As an employee of Fintrex for over five years, I've witnessed firsthand the company's commitment to innovation, compliance, and customer-centric service. So, when I learned about our tailor-made financing solutions for electric bikes, I knew I could trust the process. The facility was not only easy to access but also designed to deliver long-term financial benefits reducing fuel and maintenance costs while supporting a cleaner environment.

This experience has deepened my appreciation for how Fintrex empowers individuals to make smarter choices that benefit both their personal lives and the planet. It's a perfect example of how smart growth can lead to smarter impact on our finances, our communities, and our future.

Mr. Gayan Indika
Manager – Legal, Fintrex Finance PLC

Sustainability Reporting

Our Approach to Sustainability

At Fintrex Finance PLC, our commitment to sustainability is deeply embedded in our corporate ethos and strategic direction. Guided by the Global Reporting Initiative (GRI) Standards, our approach to sustainability is structured, transparent, and responsive to the evolving needs of our stakeholders and the broader socio-economic landscape of Sri Lanka.

In a rapidly transforming financial services sector, we recognize that sustainable growth is not only about financial performance but also about creating long-term value for people and the planet. Our theme this year, "Smart Finance, Smarter Future," reflects our belief that innovation and responsibility must go hand in hand to build a resilient and inclusive financial ecosystem.

Strategic Integration of Sustainability

We have integrated sustainability into our core business strategy, aligning our operations with the United Nations Sustainable Development Goals (SDGs) and national development priorities. Our sustainability framework is built on three pillars:

- Economic Responsibility: Ensuring financial inclusion, supporting SMEs, and promoting responsible lending practices.
- Environmental Stewardship: Minimizing our environmental footprint through digital transformation, energy-efficient operations, and green financing initiatives.
- Social Impact: Empowering communities, fostering employee well-being, and upholding human rights and diversity.

Stakeholder Engagement and Materiality

Our sustainability journey is shaped by continuous dialogue with our stakeholders—customers, employees, investors, regulators, and communities. Through structured engagement and materiality assessments, we identify and prioritize the issues that matter most. This ensures that our reporting is relevant, balanced, and aligned with stakeholder expectations.

Governance and Accountability

Sustainability at Fintrex is governed by a robust framework that includes Board-level oversight and cross-functional collaboration. Our Sustainability Committee ensures that environmental, social, and governance (ESG) considerations are embedded in decision-making processes and risk management practices.

Transparency and Continuous Improvement

We are committed to transparent disclosure and continuous improvement. Our sustainability reporting, prepared in accordance with the GRI Standards (Core option), reflects our dedication to accountability and responsible corporate citizenship. We also seek independent assurance to enhance the credibility of our disclosures.

Our Contribution towards Sustainability

Contribution to Gender Parity and the United Nations Sustainable Development Goals (SDGs)

Global Context

Gender Parity

Globally, gender parity is a cornerstone of sustainable development. The World Economic Forum's Global Gender Gap Report emphasizes the need for equal access to economic participation, education, health, and political empowerment. Financial institutions play a critical role by:

- Promoting women's financial inclusion
- Supporting female entrepreneurship
- Ensuring gender-balanced leadership
- Enabling equal pay and career progression

Fintrex Finance PLC Context

Contribution to Gender Parity

Fintrex is committed to fostering an inclusive and equitable workplace and customer base:

- Workforce Diversity: Women represent a growing share of the workforce, with targeted leadership development programs for female employees.
- Inclusive Lending: Tailored microfinance and SME loan products for women entrepreneurs, especially in rural areas.
- Financial Literacy: Community-based training programs aimed at empowering women with financial knowledge.
- Equal Opportunity Policies: Transparent recruitment, promotion, and compensation frameworks to eliminate gender bias.

Contribution to UN SDGs

UN Sustainable Development Goals (SDGs)

Fintrex's sustainability efforts align with several key SDGs:

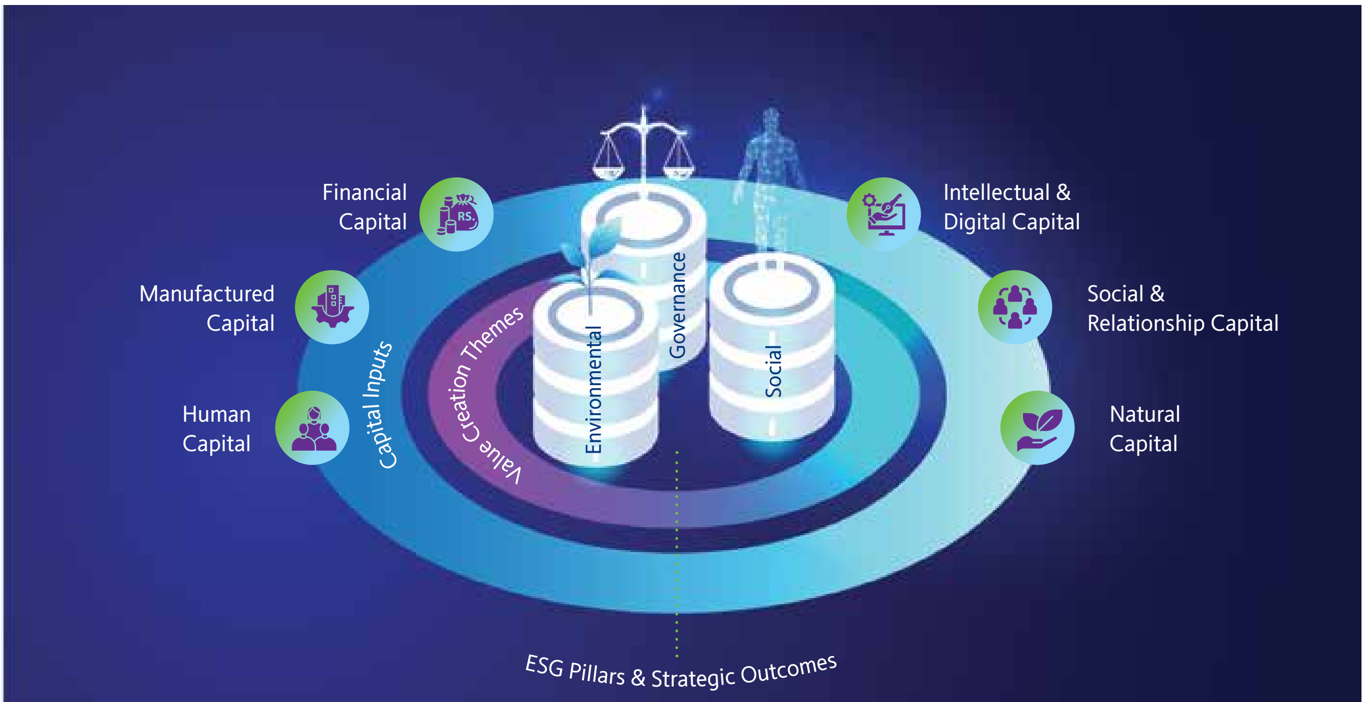
SDG	Fintrex Contribution
SDG 5 – Gender Equality	Gender-balanced hiring, women-focused financial products, leadership mentoring
SDG 8 – Decent Work	Employee well-being programs, upskilling, and fair labor practices
SDG 9 – Innovation	Investment in digital finance platforms and fintech solutions
SDG 10 – Reduced Inequalities	Financial inclusion for underserved communities
SDG 13 – Climate Action	Green leasing, paperless operations, and solar-powered branches
SDG 17 – Partnerships	Collaborations with NGOs and development agencies for community upliftment

Sustainability Value Creation Model

FFL continues its journey in integrating sustainability principles into its business operations, expressing its willingness to comply with GRI disclosures. The following Sustainable Value Creation Model depicts our ESG framework covering the key pillars of our sustainability strategy.

Core Framework: ESG-Driven Capital Integration

At the heart of Fintrex's model is the "Triple Impact Engine"—a dynamic system that integrates Environmental, Social, and Governance pillars with six capital domains to drive sustainable value creation.



Value Creation Themes

Resilient Finance
Ensuring long-term financial stability through prudent risk and capital management

Inclusive Prosperity
Empowering underserved communities via microfinance and digital access

Green Innovation
Investing in sustainable products and eco-conscious operations

Empowered Workforce
Building a culture of learning, diversity, and well-being

Trust & Transparency
Upholding integrity through strong governance and stakeholder engagement

Our ESG Journey

Our ESG journey aligned with GRI standards continues to expand its scope as the momentum builds, contributing to corporate growth and resilience. In this journey, we prioritise people, ensuring meaningful impact through their financial inclusion and supporting them to realise their personal and business goals. To this end, we have incorporated key sustainability principles into our strategies, operations, and decision-making, thereby contributing to a reduction in our environmental footprint, community empowerment and robust governance framework. We consider sustainability as a continuous commitment that requires ongoing investment in environmental, social, and governance aspects to generate enduring value for our stakeholders.

Sustainability Reporting

Sustainability Development Strategy with measurable targets

Strategic Focus	KPIs	Target	Current Position (2024/25)	Our Expectation		Related Capitals
				(2025/26)	(2029/30)	
Resilient Finance	NPL Ratio (%)	NPL: <10%	🟢	🟢	🟢	Financial Capital, Intellectual Capital
	Capital Adequacy Ratio (CAR %)	CAR: >13.00%	🟢	🟢	🟢	Financial Capital, Intellectual Capital
	Liquidity Coverage Ratio (LCR %)	LCR: 110%	🟢	🟢	🟢	Financial Capital, Intellectual Capital
	Digital transaction volume (% of total)	Digital: 60%	🟢	🟢	🟢	Financial Capital, Intellectual Capital
	Stress testing frequency (per annum)	Stress tests: >4	🟢	🟢	🟢	Financial Capital, Intellectual Capital
Inclusive Prosperity	% of loans to SMEs	SME loans: >20%	🔴	🟡	🟢	Social Capital, Human Capital
	% of female borrowers	Female borrowers: >40%	🟡	🟡	🟢	Social Capital, Human Capital
	Financial literacy programs (no. of sessions)	Programs: >20	🟢	🟢	🟢	Social Capital, Human Capital
	Rural outreach branches	Rural branches: >10	🟡	🟡	🟢	Social Capital, Human Capital
	Customer satisfaction index	Satisfaction: >95%	🟢	🟢	🟢	Social Capital, Human Capital
Green Innovation	Green loan portfolio (% of total)	Green loans: >20%	🟡	🟡	🟢	Natural Capital, Intellectual Capital
	Carbon footprint (tCO_2e)	Carbon: <800 tCO_2e	🟡	🟡	🟢	Natural Capital, Intellectual Capital
	Paperless transactions (% of total)	Paperless: >50%	🟡	🟡	🟢	Natural Capital, Intellectual Capital
	Renewable energy use (% of total energy)	Renewables: >40%	🟡	🟡	🟢	Natural Capital, Intellectual Capital
	Green partnerships (no. of active MoUs)	Partnerships: >3	🔴	🟡	🟢	Natural Capital, Intellectual Capital
Empowered Workforce	Employee engagement score	Engagement: 100%	🟡	🟡	🟢	Human Capital, Social Capital
	% of women in leadership	Women leaders: >25%	🟡	🟢	🟢	Human Capital, Social Capital
	Training hours per employee	Training: >20 hrs	🟡	🟡	🟢	Human Capital, Social Capital
	Internal promotion rate	Promotion: >20%	🟡	🟡	🟢	Human Capital, Social Capital
	Retention rate (%)	Retention: >90%	🔴	🟡	🟢	Human Capital, Social Capital
Trust & Transparency	ESG disclosures (GRI-aligned)	GRI: full	🟡	🟡	🟢	Intellectual Capital, Social Capital
	Customer grievance resolution time (days)	Resolution: <5 days	🟢	🟢	🟢	Intellectual Capital, Social Capital
	% of operations audited	Audited: 100%	🟡	🟢	🟢	Intellectual Capital, Social Capital
	Anti-corruption training coverage	Training: 100% staff	🟡	🟢	🟢	Intellectual Capital, Social Capital
	Stakeholder engagement frequency	Engagements: Quarterly	🟢	🟢	🟢	Intellectual Capital, Social Capital

🟢	Fully Achieved the Target
🟡	Equal and Less than 25% gap between the target
🔴	More than 25% gap between the target

Sustainability-related risks and opportunities

Risks	Mitigation and Opportunities	Related Strategy
High energy consumption (non-renewable energy sources)	Implement energy-efficient technologies, invest in renewable energy sources, and promote energy conservation practices.	Green Innovation
Employee attrition	Enhance employee engagement programs, offer competitive benefits, and create a positive work environment to retain talent.	Empowered Workforce
Uncertain operating environment	Develop flexible business strategies, diversify operations, and maintain strong relationships with stakeholders to navigate uncertainties.	Resilient Finance
Information Security threats	Strengthen cybersecurity measures, conduct regular security audits, and provide training to employees on information security.	Trust & Transparency
Inefficient processes & systems	Optimize processes through automation, invest in advanced systems, and continuously improve operational efficiency.	Resilient Finance
Market competition	Conduct market research, innovate products and services, and enhance customer experience to stay competitive.	Inclusive Prosperity
Climate change impacts	Adopt sustainable practices, reduce carbon footprint, and invest in climate-resilient infrastructure.	Green Innovation
Regulatory changes	Stay updated with regulatory changes, ensure compliance, and engage with policymakers to influence favorable regulations.	Trust & Transparency
Supply chain disruptions	Diversify suppliers, build resilient supply chains, and develop contingency plans to manage disruptions.	Resilient Finance
Reputation risk	Maintain transparent communication, uphold ethical standards, and engage in corporate social responsibility to build a positive reputation.	Trust & Transparency
Technological advancements	Invest in research and development, adopt new technologies, and stay ahead of technological trends.	Green Innovation
Customer behavior changes	Analyze customer preferences, adapt marketing strategies, and innovate to meet changing customer demands.	Inclusive Prosperity
Financial instability	Maintain strong financial management, diversify revenue streams, and build financial reserves to manage instability.	Resilient Finance
Resource scarcity	Implement resource-efficient practices, invest in sustainable sourcing, and promote circular economy principles.	Green Innovation

Independent Practitioner's Assurance Report

Shape the future
with confidence

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Board of Directors of Fintrex Finance PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2024/25

Scope

We have been engaged by Fintrex Finance 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 Fintrex Finance PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Fintrex Finance PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 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 Fintrex Finance PLC

In preparing the Subject Matter, Fintrex Finance PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Fintrex Finance PLC's responsibilities

Fintrex Finance 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 Fintrex Finance PLC on 05 June 2025. 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 quality management standards, 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:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

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

Emphasis of matter

Economic, Environment, Social 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 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 on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Fintrex Finance PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

06 June 2025
Colombo

Smart Innovation Smarter Solutions

As a wife, mother of three, and a full-time netball coach guiding the sports careers of many young athletes, my days are packed from morning to night. I needed a high-performance smartphone to manage my responsibilities efficiently, but with so many financial commitments and so little time, going through a traditional loan process just wasn't an option.

That's when I came across Fintrex Finance's mobile financing solution on social media. It felt like it was designed just for people like me. Without needing a large upfront payment or visiting a branch, I was able to get a feature-rich smartphone on a customized installment plan. The entire process from selection to repayment was completely digital and paperless.

This solution didn't just meet my needs; it exceeded my expectations. It gave me the flexibility and convenience I was looking for, without disrupting my busy schedule. I truly believe this is a smart, innovative solution that empowers people like me to stay connected and productive.

Ms. Chamika Jayasekara
Netball Coach, Methodist College - Colombo 3

Corporate Governance

At FFL, Corporate Governance continues to embrace best practices to ensure transparency and accountability of its business activities, solidifying the foundation for ethical business conduct. While remaining constantly agile to the changing regulatory landscape and global best practices, the Company remains committed to strengthening its Corporate Governance Framework thereby providing a well-defined roadmap and robust internal controls to achieve its strategic goals.

Governance Framework

Dedication towards corporate governance

The Company is dedicated to maximizing shareholder value by adhering to the highest standards of corporate governance, as outlined in its governance policies, procedures and clearly defined responsibilities. Its corporate governance framework reflects how the Company sets and achieves its objectives, monitors, balances and assesses risks and optimizes performance. This structure is designed to ensure the delivery of sustainable stakeholder value while fostering robust and balanced economic development for the Company. Ultimately, the goal is to make a trustworthy, positive and influential contribution to the financial system of the country.

Governance Framework at Fintrex

The Company has a dynamic corporate governance framework supported by a robust set of policies and procedures, along with an efficient mechanism designed to protect stakeholder interests. This framework ensures independence and transparency at all levels, guided by external regulatory benchmarks and informed by our internal standards.

The Company's governance structure is based on well-defined roles and responsibilities, increased accountability and clear reporting lines between the Board, Board and Executive Committees, Corporate Management, and Senior Leadership Team. The Board and Board Committees are in charge of developing the strategy, defining the risk appetite and exercising oversight, whereas Executive Committees, led by Corporate Management and Senior Leadership, are in charge of carrying out the strategy and driving performance. Those in charge of business units and support functions bear responsibility and accountability for carrying out operations and taking on risk under Management's supervision.

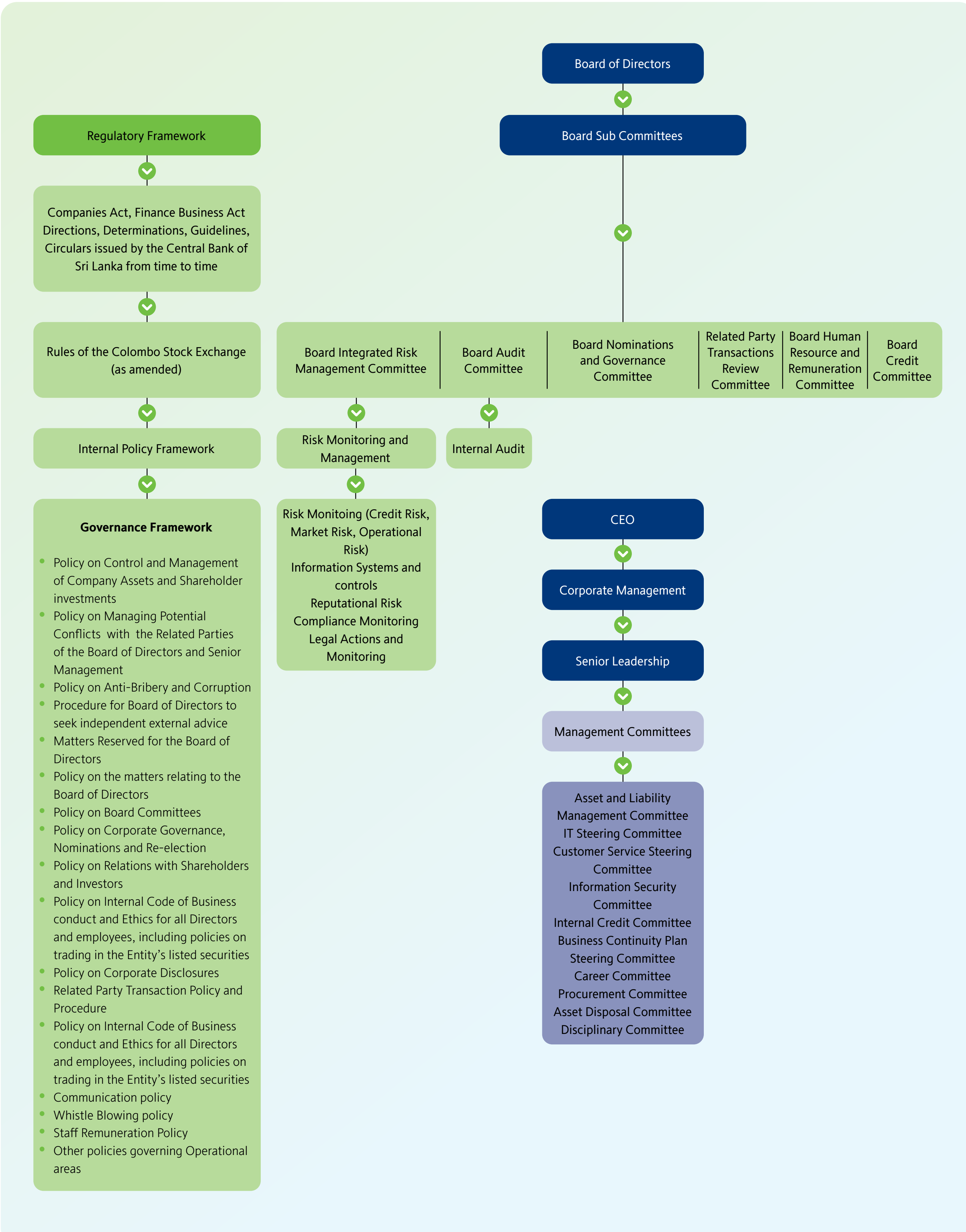
The Corporate Governance Framework of Fintrex Finance PLC broadly complies with the following regulatory requirements.

- Companies Act No.7 of 2007
- Finance Business Act No. 42 of 2011
- Finance Leasing Act, No.56 of 2000
- The Finance Companies Directions, rules, determinations, notices, and guidelines applicable to Licensed Finance Companies issued by the Central Bank of Sri Lanka in terms of the Finance Business Act Directions No.05 of 2021 on Corporate Governance and Finance Business Act Directions No.06 of 2021 on Assessment of Fitness and Propriety of Key Responsible Persons
- Listing Rules of the Colombo Stock Exchange (CSE)

The diagram illustrates the Company's approach to corporate governance and highlights the interconnectedness of the elements considered essential for embodying the principles of best practices in corporate governance.

Corporate Governance Highlights during FY 2024/25

- Appointment of the Board Sub-Committee - RPTRC
- Appointment of dedicated Compliance Officer and a Company Secretary to the Senior Management
- Development of New Policies and Procedures - Anti Bribery and Corruption Policy, Credit Risk Management policies, - listing policies
- Implementation of CSE listing rule No. 9 – Corporate Governance
- Establishment of Positive Assurance Framework to ensure compliance with internal procedures and controls.
- Automation of goAML file generation process to ensure compliance with the Financial Transaction Reporting Act requirements.
- Appointment of an Acting CISO who is also responsible for oversighting the Personal Data Protection requirements.


Board of Directors
Board Sub Committees
Regulatory Framework
Companies Act, Finance Business Act Directions, Determinations, Guidelines, Circulars issued by the Central Bank of Sri Lanka from time to time
Rules of the Colombo Stock Exchange (as amended)
Board Integrated Risk Management Committee
Board Audit Committee
Board Nominations and Governance Committee
Related Party Transactions Review Committee
Board Human Resource and Remuneration Committee
Board Credit Committee
Internal Policy Framework
Risk Monitoring and Management
Internal Audit
Governance Framework
Policy on Control and Management of Company Assets and Shareholder investments
Policy on Managing Potential Conflicts with the Related Parties of the Board of Directors and Senior Management
Policy on Anti-Bribery and Corruption
Procedure for Board of Directors to seek independent external advice
Matters Reserved for the Board of Directors
Policy on the matters relating to the Board of Directors
Policy on Board Committees
Policy on Corporate Governance, Nominations and Re-election
Policy on Relations with Shareholders and Investors
Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
Policy on Corporate Disclosures
Related Party Transaction Policy and Procedure
Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
Communication policy
Whistle Blowing policy
Staff Remuneration Policy
Other policies governing Operational areas
Risk Monitoing (Credit Risk, Market Risk, Operational Risk)
Information Systems and controls
Reputational Risk
Compliance Monitoring
Legal Actions and Monitoring
CEO
Corporate Management
Senior Leadership
Management Committees
Asset and Liability Management Committee
IT Steering Committee
Customer Service Steering Committee
Information Security Committee
Internal Credit Committee
Business Continuity Plan Steering Committee
Career Committee
Procurement Committee
Asset Disposal Committee
Disciplinary Committee

The Board

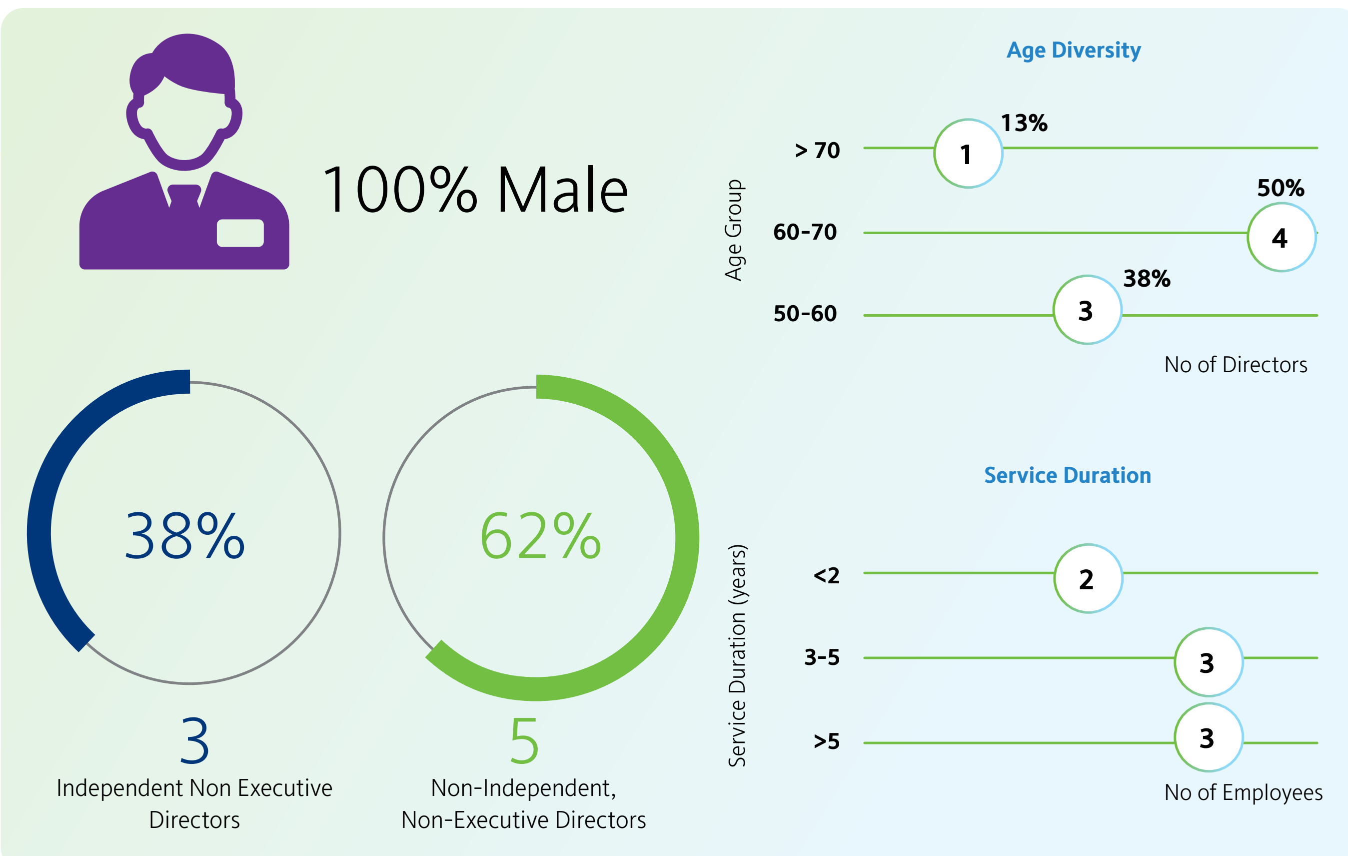
GRI 2-9, 405-1

The Board of FFL holds the overall responsibility for oversight of the company and its activities including its impacts on the economy, environment, and people. Therefore, the Board has to ensure that the company is managed in a safe and sound manner, demonstrating accountability to shareholders and other stakeholders.

The Board comprises eight (8) Directors of whom three (03) are independent non-executive directors and five (05) are non-independent non-executive directors as of 31.03.2025. The balance of power and authority of the Board is ensured by the role of the Chairman and Chief Executive Officer which are held separately by Mr. A. D. Gunewardene and Mr. Jayathilake Bandara, respectively. The Borad encompasses a diverse mix of age and tenure of service and possess the required skills and experience to provide guidance and oversight on Company operations. The balanced composition of the Board ensures that a single individual does not dominate the decision-making process.
The Board also reviews governance framework and policies at regular intervals to maintain alignment with the Company's strategy, regulatory requirements, dynamic business environment and technological advancements.

Board Composition

Gender Representation



Changes in the Board composition during the financial year 2024/25.

New appointments	Resignations	Retirements
Mr. J. F. R. De Fonseka (01.04.2024) Mr. I.A. Wickramasinghe (11.01.2024)	Mr. K P Ariyaratne (30.09.2024)	Mr. K. Sivaskantharajah (05.08.2024)

Other Directorships of Board of Directors

Name of the Director	Other Directorships	
	Name of the Company	Position Held
1. Mr. Ajit Damon Gunewardene	Digital Mobility Solutions PLC	Founder/Chairman
	Bluestone Group of Companies	Chairman
	Teejay Lanka PLC	Independent Non-Executive Director
	Giga Foods (Pvt) Ltd	Chairman
	Ingame Entertainment (Pvt) Ltd	Chairman
	Agility Innovation (Pvt) Ltd	Chairman
2. Mr. Shantanu Nagpal	Bluestone Group of Companies	Co-founder
	Giga Foods (Pvt) Ltd	Director
	Ingame Entertainment (Pvt) Ltd	Director
	Agility Innovation (Pvt) Ltd	Director
3. Mr. James Ronnie Felitus Peiris	Bluestone 1 (Pvt) Ltd	Independent Non-Executive Director
4. Mr. Seminda Nilam Jayasinghe	LTL Holdings Ltd	Independent Consultant
	SPAR SL (supermarkets)	Independent Consultant
5. Mr. Ahamed Sabry Ibrahim	Union Bank of Ceylon PLC	Independent Non-Executive Director
	Regal Images International	Independent Non-Executive Director
	Asset Trust Management Ltd	Chairman/Director
6. Mr. Jayashanta Francis Rovindra De Fonseka	AcSys Networks (Pvt) Ltd	Chief Marketing Officer
7. Mr. Indrajit Asela Wickramasinghe	C.W. Mackie PLC, Overseas Realty (Ceylon) PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC, NDB Securities Pvt. Ltd AIA Insurance Lanka Limited, Colombo Fort Land and Building PLC	Independent Non-Executive Director
8. Mr. Shrihan Perera	C.W. Mackie PLC, Agarapatana Plantations PLC Kotagala Plantations PLC, Lankem Developments PLC, Beruwala Resorts PLC Marawila Resorts PLC , Sigiriya Village Hotels PLC , Lankem Ceylon PLC, E. B. Creasy & Company PLC, Muller & Phipps (Ceylon) PLC Laxapana PLC, The Colombo Fort Land and Building PLC, Teejay Lanka Prints (Private) Limited, Teejay India Private Limited, Teejay Mauritius Private Limited, Teejay Lanka PLC	Independent Non-Executive Director
	Alliance Five (Private) Limited , Ceylon Tapes (Private) Limited, Ceytape (Private) Limited J.F. Packaging Limited , Kiffs (Private) Limited JF Ventures Limited, Consolidated Tea Plantations Limited	Director
	Nubian Threads (Egypt)	Chairman/Director

Immediate action was taken to rectify the minimum number of directorships pertaining to one director upon notification and informed to the director supervision of nonbanking financial institutions.

GRI 2-19

Remuneration Policy

The staff remuneration Policy and procedure of the Company is designed with a clear and strategic objective: to establish a strong and transparent link between employee compensation and individual as well as organizational performance. The aim of FFL is to maintain a compensation and benefits structure that attracts and retains employees with the required attitude, personal and professional skills, and qualifications to encourage superior performance towards achieving the goals and objectives of the organization.

The Policy is developed and finalized by the Head of Human Resources and Administration with the input and guidance of Corporate Management. This policy applies to all employees, including directors, senior management, and contract employees of Fintrex Finance PLC.

Further, the Remuneration Policy serves as a foundational element in building a resilient, value-driven organization where every employee is aligned with the Company's ultimate objective and is rewarded fairly for achieving their role.

Director's Remuneration

The total amount paid as Directors' remuneration during the year under review is set out in Note 11 to the Financial Statements.

Board Meetings

- The Board meetings are held once a month unless otherwise required. Additional special meetings are held based on business necessity. During the financial year, the Board held 14 meetings.
- The Chief Executive Officer presents the Company's Performance and the progress of implementing the business strategies to the Board while the Board also receives reports from Board Sub Committees from time to time. All the reports along with the notice are sent to the Directors prior to 7 days of the meetings.
- The Board agenda is set by the Chairman assisted by the Company Secretary. The agenda serves as a structured roadmap for the meetings, ensuring that the key topics are addressed efficiently.

	Name of Director	No of Board meetings attended during FY	Committee Meeting attended					
			Board Audit Committee	Board Integrated Risk Management Committee	Board Human Resource and Remuneration Committee	Board Credit Committee	Board Nominations and Governance Committee	Related Party Transactions Review Committee
	Number of meetings held	14	15	12	7	5	5	2
1.	Mr. Ajit Gunewardene (Non-Independent/ Non- Executive)	13/14	-	-	-	3/3	5/5	-
2.	Mr. J R F Peiris (Non-Independent / Non-Executive)	14/14	-	12/12	7/7	-	-	-
3	Mr. Shanthanu Nagpal (Non-Independent / Non-Executive)	14/14	10/12	-	4/6	-	-	-
4	Mr. Ahamed Sabry Ibrahim (Independent / Non-Executive)	13/14	03/03	12/12	1/1	3/3	-	-
5	Mr. Shrihan B. Perera (Non-Independent / Non-Executive)	14/14	15/15	-	6/6	-	-	2/2
6	Mr. Nilam Jayasinghe (Independent / Non-Executive)	14/14	15/15	-	-	3/3	5/5	2/2
7	Mr. K. Sivaskantharajah (Independent / Non-Executive)	04/04	-	-	-	1/3	-	1/1
8	Mr. Kapila Ariyaratne (Independent / Non-Executive)	05/06	-	05/06	-	1/3	1/2	0
9	Mr. J F R De Fonseka (Independent / Non-Executive)	14/14		12/12	1/1	0	3/3	1/1
10	Mr. I.A. Wickramasinghe (Non-Independent / Non-Executive)	06/06		05/05	-	2/3		0

Role of the Company Secretary

Pursuant to the Finance Business Act Direction No.05 of 2021 on Corporate Governance, Mrs. Aruni Gunawardena who is a qualified Chartered Secretary and a Registered Company Secretary, was appointed as the Company Secretary in accordance with the Companies (Secretaries) Regulations No. 01 of 2023 made under Section 527 read with Section 222 of the Companies Act No.07 of 2007.

The Company Secretary ensures that the requirements stipulated in the laws, directions, rules and regulations as applicable are complied with. In addition, the Company Secretary manages and administers the matters of the Board and provides guidance to the Board to discharge its duties and responsibilities diligently while encouraging the Board to ensure Best Practices on Corporate Governance. All Directors have access to the Company Secretary individually to advise and have services on Board related procedures and matters relating to applicable laws and Corporate Governance.

Appointment, Resignation, Retirement and Re-election of Directors

GRI 2-10

New Directors are appointed to the Board with the approval of the Director, Department of Supervision of Non-Bank Financial Institutions, Central Bank of Sri Lanka. The Board Nomination committee selects /appoints new directors based on their suitability to contribute to the effective functioning of the Company as per the Finance Business Act (Assessment of Fitness propriety of key responsible persons) direction. The Board of Directors evaluates and approves nominees recommended by the Nominations and Governance Committee, ensuring new directors are ready to assume their roles effectively.

The Board members selected based on their diverse skill set, experience and perspectives to effectively discharge their duties in realizing the Company's overarching business objectives. Therefore, the Board members are specifically evaluated based on their wealth of knowledge and experience in the filed of their expertise in addition to their financial and commercial acumen. The diverse competencies and the extensive industry experience has enabled the Company to maintain the skill balance of the Board required for effective governance.

The profiles of the Board are given in pages 34 to 36.

The term of office, resignation, retirement, and re-election of Directors are based on the provision of Articles of Association of the Company, the Companies Act and Finance Business Act Directions (Corporate Governance) No 5 of 2021, issued by the Central Bank of Sri Lanka requirements.

During the year under review, there were 02 appointments to the Board of Directors, 01 resignation, 01 retirement from the Board. 03 directors are also re-elected to the Board of Directors.

Role of the Chairman

GRI 2-11

The Chairman of the Board is a Non-Executive and Non-Independent director who is responsible for leading the Board of Directors, ensuring effective governance and guiding the Company's strategic direction. The Chairman also oversee decision-making processes, and act as a bridge between stakeholders and executive leadership while ensuring compliance with corporate governance standards, fostering transparency and balancing the interests of diverse stakeholders.

Balance of Power

The role of the Chairman and CEO are segregated to ensure balance of power and authority. As such, the Chairman heads the Board of Directors ensuring its effective functioning while the CEO function as the apex executive-in-charge of the day-to day-management of the Company's operations and business.

Independence

As the Chairperson is non independent, the Board comprises one of the Independent Directors as a Senior Director, with suitably documented Terms of Reference to ensure a greater independent element. Senior Director will serve as the intermediary for other directors and shareholders. Non-executive directors including senior director shall assess the Chairman's performance at least annually.

Role of the highest governance body in overseeing the management of impacts

GRI 2-12

The Board is responsible for developing, approving, and updating the Company's vision, value or mission statements, strategies, policies, and goals related to sustainable development. The Board is also responsible for overseeing the Company's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people. These responsibilities are delegated to senior management and is reported to the Board.

GRI 2-13

Delegation of responsibility for managing impacts
The Board has delegated its responsibilities to Board sub-committees that assist the Board in carrying out its responsibilities aligned with the Company's business strategy and direction. These Board sub-committees are responsible for matters within their respective Charters/Terms of Reference and their recommendations are duly communicated to the Board. Therefore, the Chairpersons of Board Sub Committees are responsible for managing the impacts in their respective operational areas and reporting the progress to the Board.

Board Sub Committees

Name of the Committee	Responsibility	
Board Audit Committee	Oversee internal controls and financial reporting	The report is available on pages 224 to 225
Board Integrated Risk Management Committee	Oversee the risk management mechanism	The report is available on page 226
Board Human Resource and Remuneration Committee	Oversee the remuneration structure	The report is available on page 227
Board Credit Committee	Managing the credit risk	The report is available on page 230
Board Nominations and Governance Committee	Selection and nomination of BOD and CEO	The report is available on pages 228 to 229
Related Party Transactions Review Committee	Review and approve the Related Party Transactions prior to execution	The report is available on page 231

In addition to the above, Board Sub Committees, the CEO and the Corporate Management, review performance of the company through well-structured meetings. The key management forums are stated below.

Management Forum	Responsibility	Meeting Calendar
Overall Performance Review Meeting of Senior Leadership Team with CEO	Review and align the performances of all Business Units and Support functions	Monthly
Asset and Liability Management Committee - ALCO	Review liquidity, funding, interest rates and tenure management	Monthly
IT Steering Committee	IT-related project status, System performances, issues and investments	Monthly
Customer Service Steering Committee	Review of customer service initiatives, issue resolution and process development	Monthly
Information Security Committee - ISC	Apex management level body is responsible for information security and technology resilience of the Company.	Bi-monthly
Internal Credit Committee	Review and approve the credit facilities as per the delegation given by the Board	Need Basis
Business Continuity Plan Steering Committee	To ensure the continuous operation of the business in any given situation.	Bi-annually and Need basis
Career Committee	Evaluate employee performance at the year end and recommend promotions and increments.	Annually
Procurement Committee	To establish best practices in procurement of goods and services to ensure the best value for money, transparency, integrity, competition and effective completion.	Need Basis
Asset Disposal Committee	Ensuring that the disposal of an organization's assets is done in a transparent, accountable, and efficient manner.	Need Basis
Disciplinary Committee	When an employee commits acts of misconduct appropriate disciplinary action will be taken against such employees in terms of the Disciplinary Policy of the Company	Need Basis

Role of the highest governance body in sustainability reporting

GRI 2-14

The Board of Directors reviews and approves the reported information while evaluating the adequacy of the organization's internal controls to strengthen the integrity and credibility of the organization's sustainability reporting.

Conflict of Interest

GRI 2-15

a) Processes for the Board to ensure that conflicts of interest are prevented and mitigated

Each Board member has the responsibility to determine whether he/she has a potential or actual conflict of interest arising from personal relationships, external associations and interest in material matters which may have a bearing on his/her independent judgment. Directors who have an interest in a matter under discussion refrain from engaging themselves in the deliberations on that matter and abstain from voting thereon, such abstentions from the decision are duly recorded by the Company Secretary.

b) Whether conflict of interests are disclosed to stakeholders

Related party disclosures are elaborated under note no. 41 in Audited Financial Statements. The Board of Directors and other Key Management Personnel make a declaration on their related party interest with the transactions of the Company annually.

Communication of critical concerns

GRI 2-16

The Board is made aware of the critical concerns and updated on the same through monthly Board Papers. There were no critical concerns that were communicated to the Board during the reporting period.

Collective Knowledge of BOD on Sustainable development

GRI 2-17

FFL's Board comprise individuals who are supportive of the sustainability philosophy and hence are committed to driving sustainable development through empowering people for economic prosperity. Besides, the Company's overall training and development programs ensures that the Company's leadership advance the collective knowledge, skills, and experience on sustainable development.

Board Evaluation

GRI 2-18

The Directors are required to submit an annual self-evaluation indicating their views on the collective performance of the Board vis-a-vis the contribution towards developing and monitoring the implementation of strategies, ensuring robust and effective risk management, maintaining effective internal control mechanisms, and oversight of Board Sub Committees etc.

The Senior Director reviews these self-evaluations and presents a summary thereof to the Board and the findings are used constructively to discuss improvements to the Board and to ascertain if each individual Director remains qualified to continue on the Board. The Chairman acts on the results of the evaluations, and if appropriate, proposes new Directors or seeks the resignation of Directors.

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Compliance with Laws and Regulations
No non compliances are recorded during the financial year.

Ethics and Integrity

Employees at all levels exhibit the right behavior when guided by well-structured policies and procedures established within the company. These include code of conduct, Whistleblowing policy and Disciplinary policy. These policies offer guidance to the employees in carrying out their duties aligned with the highest standards of ethics and integrity. Additionally, the robust complaint mechanism provides space for the employees to report concerns about unethical and unlawful behaviour and matters of integrity to the relevant hierarchy.

Risk Management

The Board possesses complete understanding of the risks associated with FFL operations and thus provides guidance in establishing risk management systems and related internal controls for effective management of these risks. In this endeavour, the Board is assisted by the Board Integrated Risk Management Committee (BIRMC).

The Risk Management report is given on page 210 for more details.

Policy Framework

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Embedding policy commitments

FFL integrates its commitments to responsible business conduct through strong governance and leadership. The Board of Directors and senior management play a central role in overseeing the implementation of ethical practices across all areas of the organization. This includes ensuring adherence to regulatory requirements, effective risk management, and the promotion of a workplace culture that values equality and non- discrimination. These efforts reflect FFL's dedication to maintaining integrity and accountability at every level of its operations.

Finance & Treasury	Human Resources	IT	Corporate Secretary
Accounting Policy	Human Resources Policy	IT Security Policy	Procedure for Board of Directors to seek independent external advice
ALCO Policy	Staff Promotion Policy	Network and Wireless Security Policy	Matters Reserved for the Board of Directors
Investment Policy	Performance Management Policy	IT Password Policy	Policy on the matters relating to the Board of Directors
Unidentified Direct Deposits Procedure	Staff Remuneration Policy	IT Asset Management Policy	Policy on Board Committees
Impairment Policy & procedure	Disciplinary Policy	User Access Management Policy	Policy on Corporate Governance, Nominations and Re-election
Finance Procedure Manual	Staff Leave Policy	Back up Policy	Policy on Relations with Shareholders and Investors
Procedure Manual on Fixed Asset Management	Festival Advance Policy	Green IT Policy	Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
Statutory Returns Procedure Manual	Staff Vehicle Loan Policy	Disaster Recovery Policy	Policy on Corporate Disclosures
Policy and Procedure Progressive Discounts for Provisioning Calculation	Succession Planning - Policy and Procedure	Information Classification Policy	
Classification and Measurement of Credit Facilities Policy	Policy on Identifying Key Management Personnel (KMP)	Firewall Access Management Policy	
Policy on Contingency Funding Plan		Software Change Management Policy	
Liquidity Risk Management Framework		Information Transfer Policy	
ICAAP		Incident Response Policy	
Policy on Management of Property, Plant and Equipment (PPE)		IT Security Assessment and Application Control Review	
Policy on Control and Management of Company Assets and Shareholder invetsments		Security Event Log Management Policy	
Visa Debit/ATM Cards Procedure Manual		Remote Access Policy	
		Information Systems Security Policy (ISSP)	
		Laptop Policy	
		Email Policy	
		Physical & Environment Security Policy	
		Malware Protection Policy	
		System Acquisition, Development and Maintenance Policy	
		Acceptable Use Policy	

Finance & Treasury	Human Resources	IT	Corporate Secretary
		Identification of Critical Information Systems	
		Mobile Based e-Money Services Policy	

Administration	Compliance	Credit	Internal Audit
Procurement Policy	Compliance Charter	SME Credit Policy Manual	Internal Audit Charter
Outsourcing Policy	Policy on Anti Money Laundering & Combating Financial Terrorism	Credit Policy 2W Leasing, 3W Leasing and 4W Leasing and Loans	Board Audit Committee Charter - Terms of Reference of the Board Audit Committee.
Security Policy	Governance Framework	Lending Policy	Whistle Blowing Policy
Procedure - CCTV Operations for AML/CFT Purposes	Related Party Transaction Policy and Procedure	Policy on unsecured lending	Policy on Non-Audit Services Provided to the Company by the External Auditor
Business Continuity Plan & Policy	Policy on Ultimate Beneficial Ownership	Credit Risk Management Strategy	Internal Audit Operational Manual
Customer Complaint Handling Policy & Procedure	Policy and Procedure UNSCR Sanction Screening	Valuation Policy	
	Policy on Managing Potential Conflicts with the Related Parties of the Board of Directors and Senior Management	Policy on Environmental, Social and Governance Sustainability	
	Policy on Anti-Bribery and Corruption		
	Manual of Procedure - Compliance Department		

Risk	Recovery	Deposit	Marketing
Stress Testing Policy	Recoveries Procedure Manual Collection /Recovery Policy	Procedure Manual Fixed Deposits and Savings	Communication Policy
Credit Risk Management Policy	Court Bonded Vehicles Operating Mechanism and Provision Requirement	Policy - Fixed Deposits and Savings	Marketing Policy
Risk Management Policy	Policy on Overdue (Penal) Interest Rate	Procedure Manual for Cash Backed Loans (CBL) against Fixed Deposit and Savings	New Product Development Process
Market Risk Management Policy	Allocation of Payment Policy		
Risk Appetite Statement	Manual of Procedure Repossession		
Credit Risk Management Framework	Manual of Procedure - Yard Operations		
	Write Off Policy		

Business Channel Development	Gold Loan Operations	Legal	Operations
Business Location Opening/ Relocation Policy	Policy on Gold Loans Operation	Legal Policy	Procedure for Archiving Documents
		Legal Procedure	Insurance Procedure Manual

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2.Corporate Governance - Finance Leasing (Corporate Governance) Direction No. 05 of 2021

No.	Section	Compliance Status	Remarks
1	Board's overall responsibilities		
1.1	The Board shall assume overall responsibility and accountability for the operations of the Finance Company (FC), by setting up the strategic direction, governance framework, establishing corporate culture and ensuring compliance with regulatory requirements. The Board shall carry out the functions listed in Direction 1.2 to 1.7 below, but not limited to, in effectively discharging its responsibilities	Complied with	The Board of Directors committed to assuming overall responsibility and accountability for the operations of the Company through its commitment, establishing the strategic direction, governance framework and corporate culture, as well as ensuring compliance with all regulatory requirements.
1.2	Business Strategy and Governance Framework		
1.2a	Approving and overseeing the implementation of the FC's overall business strategy with measurable goals for next three years and update annually in view of the developments in the business environment.	Complied with	The Board approved the Strategic Plan for 2024-2027 during its meeting on December 20, 2023. This plan outlines the overall business strategy with measurable objectives for the next three years and will be updated annually to reflect changes in the business environment.
1.2b	Approving and implementing FCs governance framework commensurate with the FCs size, complexity, business strategy and regulatory requirements.	Complied with	The Board has approved a Governance Framework that is accessible and tailored to align with the organization's size, complexity, business strategy, and regulatory requirements.
1.2c	Assessing the effectiveness of its governance framework periodically	Complied with	The Board assesses the effectiveness of its Governance Framework once in every two years.
1.2d	Appointing the Chairperson and the Chief Executive Officer (CEO) and define the roles and responsibilities	Complied with	The Board has appointed both a Chairman and a Chief Executive Officer, with clearly defined roles and responsibilities. There is a clear distinction between the Board's business activities and the Company's daily operations to ensure a balance of power and authority. The Chairman is responsible for leading the Board and ensuring its effectiveness, while the GM/CEO focuses on managing the Company's business operations, supported by Corporate Management and the Senior Leadership Team.
1.3	Corporate Culture and Values		
1.3a	Ensuring that there is a sound corporate culture within the FC which reinforces ethical, prudent and professional behavior.	Complied with	The Board ensures that there is a sound corporate culture within the Company which reinforces ethical, prudent and professional behavior. The Code of Conduct of the company highlights the Company's commitment to perform with integrity.

No.	Section	Compliance Status	Remarks
1.3b	Playing a lead role in establishing the FCs corporate culture and values, including developing a code of conduct and managing conflicts of interest.	Complied with	The following Board approved policies are in place. i) Code of Conduct ii) Policy on Managing Potential Conflicts with the Related Parties of the Board of Directors and Senior Management
1.3c	Promoting sustainable finance through appropriate environmental, social and governance considerations in the FC's business strategies.	Complied with	The Company is committed to promoting sustainable finance by integrating appropriate environmental, social, and governance (ESG) considerations into its business strategies. This approach not only aligns with our corporate values but also enhances our long-term viability and resilience.
1.3d	Approving the policy of communication with all stakeholders, including depositors, shareholders, borrowers and creditors in the view of projecting a balanced view of the FC's performance, position and prospects in public and regulators.	Complied with	The Board approved Communication Policy is in place and that encompasses all stakeholders, including Depositors, Creditors, Shareholders, and Borrowers. The Board of Directors, along with officers and employees, adheres to this policy to facilitate effective communication that serves the best interests of all stakeholders.
1.4	Risk Appetite, Risk Management and Internal Controls		
1.4a	Establishing and reviewing the Risk Appetite Statement (RAS) in line with FC's business strategy and governance framework	Complied with	Board approved the Risk Appetite Statement (RAS) is available
1.4b	Ensuring the implementation of appropriate systems and controls to identify, mitigate and manage risks prudently.	Complied with	Risk mitigation systems including Key Risk Indicators (KRIs) and procedures are reviewed during the monthly Board Integrated Risk Management Committee (IRMC) meetings. The Company is committed to implementing strong systems and controls aimed at identifying, mitigating and effectively managing risks.
1.4c	Adopting and reviewing the adequacy and the effectiveness of the FC's internal control systems and management information systems periodically.	Complied with	The Board Audit Committee of the Company is committed to adopting and reviewing the adequacy and effectiveness of its internal control systems and Management Information Systems (MIS) on a frequent manner.
1.4d	Approving and overseeing business continuity and disaster recovery plan for the FC to ensure stability, financial strength, and preserve critical operations and services under unforeseen circumstances.	Complied with	The Board approved policies on Business Continuity Plan and Disaster Recovery Plan are in place to ensure stability and financial strength in the face of unforeseen circumstances. This plan is designed to preserve critical operations and services, enabling the company to respond effectively to disruptions and maintain operational resilience and safeguard the interests of our stakeholders.

No.	Section	Compliance Status	Remarks
1.5	Board Commitment and Competency		
1.5a	All members of the Board shall devote sufficient time on dealing with the matters relating to affairs of the FC.	Complied with	The Board of Directors' perspectives on matters under consideration are gathered and a record of these discussions is documented in the minutes and the Board maintains full control over the Company's affairs and is mindful of its obligations to all shareholders and other stakeholders. Furthermore, the Board had devoted time on dealing with the matters relating to affairs of the company by attending monthly Board meetings and other sub- committee meetings.
1.5b	All members of the Board shall possess necessary qualifications, adequate skills, knowledge and experience.	Complied with	All members of the Board possess knowledge, expertise, and experience across various business sectors, which has contributed significant value to the Company. Their diverse backgrounds enhance judgment in matters related to strategy, performance, and resource management. The profiles of the Directors available in pages 34 to 36.
1.5c	The Board shall regularly review and agree the training and development needs of all the members.	Complied with	The Directors acknowledge the importance of continuous training and actively engage in professional development to effectively fulfill their responsibilities. They seek insights from market experts and professional services to stay updated with new knowledge. Any training programs relevant to the Board are communicated to the Board Members for their participation including the ones organized by the Regulators. One such training program was Organized by the Regulator (FIU-CBSL)s, on "Annual High-level Awareness Conference for Boards of Directors and Senior Management of Licensed Banks, Licensed Finance Companies, Money or Value Transfer Service Providers and Primary Dealers in Sri Lanka" organised by the Financial Intelligence Unit of Central Bank of Sri Lanka on 11th December 2024, was participated by the Directors.
1.5d	The Board shall adopt a scheme of self-assessment to be undertaken by each director annually on individual performance, of its Board as a whole and that of its committees and maintain records of such assessments.	Complied with	A process is established for annual self-assessments to be conducted by each Director, as well as for the Board as a whole and its committees. The Company Secretary maintains records of these assessments.

No.	Section	Compliance Status	Remarks
1.5e	The Board shall resolve to obtain external independent professional advice to the Board to discharge duties to the FC.	Complied with	Board approved Procedure for Board of Directors to seek independent external advice is available. No such situation has transpired during the reporting financial year.
1.6	Oversight of Senior Management		
1.6a	Identifying and designating senior management, who are in a position to significantly influence policy, direct activities and exercise control over business operations and risk management	Complied with	The Board approved Policy on Identifying Key Management Personnel representing the Senior Management of the company is in effect. In line with the Central Bank of Sri Lanka (CBSL) direction on Corporate Governance, the General Manager/Chief Executive Officer, Chief Information Officer, Chief Financial Officer, Chief Internal Audit, AGM Recoveries and Portfolio Management, Head of Credit,Head of Legal, Head Human Resources and Administration, Head of Operations, Company Secretary, Risk Officer and Compliance Officer have been identified as the Senior Management who is also known as Key Management Personnel (KMPs)
1.6b	Defining the areas of authority and key responsibilities for the senior management.	Complied with	The Authority and responsibilities of Board of Directors have been agreed with. The GM/CEO and the Senior Management are responsible for day to day operations and management of the Company. The responsibilities are covered in Job Descriptions (JDs) and authority covered as per assigned Delegation Authority (DA) limits respectively.
1.6c	Ensuring the senior management possess the necessary qualifications, skills, experience and knowledge to achieve the FC's strategic objectives.	Complied with	The Senior Management of the Company is appointed in Compliance to the CBSL Directions No 6 of 2021 on Assessment of Fitness and Propriety of Key Responsible Persons, ensuring that each individual is qualified and possess adequate skills, knowledge and experience. Further each of them are assessed annually to continue as a member of the Senior Management.
1.6d	Ensuring there is an appropriate oversight of the affairs of the FC by senior management.	Complied with	Affairs of the Company and the progress of the Business Achievements presented by the Senior Management are reviewed by the Board at the monthly Board meetings.

No.	Section	Compliance Status	Remarks
1.6e	Ensuring the FC has an appropriate succession plan for senior management.	Complied with	Succession plan has been established. The Board Nomination and Governance Committee evaluates the need for additional/ new expertise to the succession for KRPs.
1.6f	Meeting regularly with the senior management to review policies, establish lines of communication and monitor progress towards strategic objectives.	Complied with	The Board meets on monthly basis and reviews the policies, establish lines of communication and monitor progress towards corporate objectives.
1.7	Adherence of the Existing Legal Framework		
1.7a	Ensuring that the FC does not act in a manner that is detrimental to the interests of and obligations to, depositors, shareholders and other stakeholders.	Complied with	The Board has implemented a governance framework that aligns with regulatory requirements to ensure that the Company refrains from engaging in any actions that could be detrimental to any of its stakeholders.
1.7b	Adherence to the regulatory environment and ensuring compliance with relevant laws, regulations, directions and ethical standards.	Complied with	The Company complies with the directives, regulations, rules and circulars issued by the Central Bank of Sri Lanka. Furthermore, it ensures that all employees follow internal policies and procedures. A Board approved Code of Conduct for all employees is in effect and the Board regularly oversees compliance with this Code.
1.7c	Acting with due care and prudence, and with integrity and be aware of potential civil and criminal liabilities that may arise from their failure to discharge the duties diligently	Complied with	Due care has been exercised to ensure duties are discharged diligently. Whistle Blowing policy is in place to escalate any wrong doing and take action appropriately.
2	**Governance Framework**		
2.1	Board shall develop and implement a governance framework in line with these directions and including but not limited to the following. a) role and responsibilities of the Board b) matters assigned for the Board. c) delegation of authority d) composition of the Board. e) the Board's independence. f) the nomination, election and appointment of directors and appointment of senior management. g) the management of conflicts of interests h) access to information and obtaining independent advice. i) capacity building of Board members. j) the Board's performance evaluation. k) role and responsibilities of the chairperson and the CEO. l) role of the company secretary. m) Board sub committees and their role; and n) limits on related party transactions.	Complied with	The Board approved Governance Framework is in effect.

No.	Section	Compliance Status	Remarks
3	**Composition of the Board**		
3.1	The Board's composition shall ensure a balance of skills and experience as may be deemed appropriate and desirable for the requirements of the size, complexity and risk profile of the FC.	Complied with	All members of the Board are highly qualified and possess adequate skills, knowledge and experience.
3.2	The number of directors on the Board shall not be less than seven (07) and not more than thirteen (13).	Complied with	The Board consists of 8 Directors. Ajit Gunewardene (Chairman - Non-Independent) Ronnie Peiris (Non-Independent - Non-Executive Director) Shantanu Nagpal (Non-Independent-Non-Executive Director) Ahamed Sabry Ibrahim (Independent - Non-Executive Director) Shrihan B. Perera (Non-Independent - Non-Executive Director) Nilam Jayasinghe (Independent- Non-Executive Director) Jayashantha De Fonseka (Independent-Non-Executive Director) Indrajit Wickramasinghe (Non-Independent-Non-Executive Director)
3.3	The total period of service of a director other than a director who holds the position of CEO/executive director shall not exceed nine years, subject to direction 3.4.	Complied with	No Director holds the position more the nine years
3.4	Non-executive directors, who directly or indirectly holds more than 10% of the voting rights or who appointed to represent a shareholder who directly or indirectly holds more than 10% of the voting rights by producing sufficient evidence are eligible to hold office exceeding 9 years of service with prior approval of Director, Department of Supervision of Non-Bank Financial Institutions subject to provisions contained in direction 4.2 and 4.3. Provided, however number of non- executive directors eligible to exceed 9 years are limited to one-fourth (1/4) of the total number of directors of the Board.	Complied with	The Company had not appointed any Executive Directors.
3.5	Executive Directors		
3.5a	Only an employee of a FC shall be nominated, elected and appointed, as an executive director of the FC, provided that the number of executive directors shall not exceed one-third (1/3) of the total number of directors of the Board	Complied with	The Company had not appointed any Executive Directors.

No.	Section	Compliance Status	Remarks
3.5b	A shareholder who directly or indirectly holds more than 10% of the voting rights of the FC, shall not be appointed as an executive director or as senior management. Provided however, existing executive directors with a contract of employment and functional reporting line and existing senior management are allowed to continue as an executive director/senior management until the retirement age of the FC and may reappoint as a non-executive director subject to provisions contained in direction 4.2 and 4.3. Existing executive directors without a contract of employment and functional reporting line need to step down from the position of executive director from the effective date of this direction and may reappoint as a non-executive director subject to provisions contained in direction 4.2 and 4.3.		
3.5c	In the event of presence of the executive directors, CEO shall be one of the executive directors and may be designated as the managing director of the FC.		
3.5d	All Executive directors shall have a functional reporting line in the organization structure of the FC		
3.5e	The executive directors are required to report to the Board through CEO.		
3.5f	Executive directors shall refrain from holding executive directorships or senior management positions in any other entity		
3.6	Non-Executive Directors		
3.6a	Non-executive directors shall possess credible track records, and have necessary skills, competency and experience to bring independent judgment on the issues of strategy, performance, resources and standards of business conduct.	Complied with	All the Non-Executive directors possess required academic and professional qualifications in diverse fields. The mix of different skills and expertise is the key to success in the business arena.Profile of each Director profiles are made available in pages 34 to 36.
3.6b	A non-executive director cannot be appointed or function as the CEO/executive director of the FC.	Complied with	Current GM/CEO is not appointed as Director of the Company.
3.7	Independent Directors		
3.7a	The number of independent directors of the Board shall be at least three (03) or one-third (1/3) of the total number of directors, whichever is higher.	Complied with	The Board consists of eight Directors and Three out of them are Independent Non-Executive Directors.
3.7b	Independent directors appointed shall be highest caliber, with professional qualifications, proven track record and sufficient experience.	Complied with	All the independent directors hold the necessary academic and professional qualifications across various fields. This blend of diverse skills and expertise is essential for achieving success in the business landscape Profile of each Independent Director profiles are made available in pages 34 to 36.
3.7c	A non-executive director shall not be considered independent if such:		
i	Director has a direct or indirect shareholding exceeding 5% of the voting rights of the FC or exceeding 10% of the voting rights of any other FC.	Complied with	

No.	Section	Compliance Status	Remarks
ii	Director or a relative has or had during the period of one year immediately preceding the appointment as director, material business transaction with the FC, as described in direction 12.1(c) hereof, aggregate value outstanding of which at any particular time exceeds 10% of the stated capital of the FC as shown in its last audited statement of financial position.	Complied with	
iii	Director has been employed by the FC or its affiliates or is or has been a director of any of its affiliates during the one year, immediately preceding the appointment as director.	Complied with	
iv	Director has been an advisor or consultant or principal consultant/advisor in the case of a firm providing consultancy to the FC or its affiliates during the one year preceding the appointment as director.	Complied with	
v	Director has a relative, who is a director or senior management of the FC or has been a director or senior management of the FC during the one year, immediately preceding the appointment as director or holds shares exceeding 10% of the voting rights of the FC or exceeding 20% of the voting rights of another FC.	Complied with	
vi	Director represents a shareholder, debtor, creditor or such other similar stakeholder of the FC.	Complied with	
vii	Director is an employee or a director or has direct or indirect shareholding of 10% or more of the voting rights in a company, in which any of the other directors of the FC is employed or is a director.	Complied with	
viii	Director is an employee or a director or has direct or indirect shareholding of 10% or more of the voting rights in a company, which has a transaction with the FC as defined in direction 12.1(c), or in which any of the other directors of the FC has a transaction as defined in direction 12.1(c), aggregate value outstanding of which at any particular time exceeds 10% of the stated capital as shown in its last audited statement of financial position of the FC.	Complied with	
3.7d	The nomination committee and Board should determine whether there is any circumstance or relationship, which is not listed at direction 3.7, which might impact a director's independence, or the perception of the independence.	Complied with	No such situation has been occurred during the year.
3.7e	An independent director shall immediately disclose to the Board any change in circumstances that may affect the status as an independent director. In such a case, the Board shall review such director's designation as an independent director and notify the Director, Department of Supervision of Non-Bank Financial Institutions in writing of its decision to affirm or change the designation.	Complied with	Two Directors were re-designated as Non-Independent during the FY2024/25.
3.8	Alternate Directors		
3.8a	Representation through an alternate director is allowed only;	Not Applicable	Alternate Director is not appointed during the financial year 2024/25
i	With prior approval of the Director, Department of Supervision of Non-Bank Financial Institutions under Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) or as amended; and		

No.	Section	Compliance Status	Remarks
ii	If the current director is unable to perform the duties as a director due to prolonged illness or unable to attend more than three consecutive meetings due to being abroad.		
3.8b	The existing directors of the FC cannot be appointed as an alternate director to another existing director of the FC.		
3.8c	A person appointed as an alternate director to one of the directors cannot extend the role as an alternate director to another director in the same Board.		
3.8d	An alternate director cannot be appointed to represent an executive director.		
3.8e	In the event an alternate director is appointed to represent an independent director, the person so appointed shall also meet the criteria that apply to an independent director.		
3.9	Cooling Off Periods		
3.9a	There shall be a cooling off period of six months prior to an appointment of any person as a director, CEO of the FC, who was previously employed as a CEO or director, of another FC. Any variation thereto in exceptional circumstances where expertise of such persons requires to reconstitute a Board of a FC which needs restructuring, shall be made with prior approval of the Monetary Board.	Complied with	No such situation has been occurred during the FY2024/25
3.9b	A director, who fulfills the criteria to become an independent director, shall only be considered for such appointment after a cooling off period of one year if such director has been previously considered as non independent under the provisions of this Direction	Complied with	No such situation has been occurred during the FY2024/25
3.10	Common Directorship		
	Director or a senior management of a FC shall not be nominated, elected or appointed as a director of another FC except where such FC is a parent company, subsidiary company or an associate company or has a joint arrangement with the first mentioned FC subject to conditions stipulated in Direction 3.5(f).	Not Applicable	
3.11	The Board shall determine the appropriate limits for directorships that can be held by directors. However, a director of a FC shall not hold office as a director or any other equivalent position (shall include alternate directors) in more than 20 companies/societies/bodies, including subsidiaries and associates of the FC.	Partially Complied	No Director holds the office as a Director in more than 20 Companies. Immediate action taken to rectify the maximum number of Directorships pertaining to one Director upon notification and informed to the Director Supervision of Non Banking Financial Institutions.
4	Assessment of Fitness and Propriety Criteria		
4.1	No person shall be nominated, elected or appointed as a director of the FC or continue as a director of such FC unless that person is a fit and proper person to hold office as a director of such FC in accordance with the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction or as amended.	Complied with	The Board has appointed the Directors in accordance with the Finance Business Act Direction No. 6 of 2021 on Assessment of Fitness and Propriety of Key Responsible Persons via letter dated 05/07/2024.

No.	Section	Compliance Status	Remarks
4.2	A person over the age of 70 years shall not serve as a director of a FC.	Complied with	Mr. J R F Pieris who attained the age of 73 years on 29 June 2024 continued in office as director with the approval received from Governing Board communicated via letter dated 28/06/2024, from the Director of the Department of Supervision of Non-Bank Financial Institutions.
4.3	Notwithstanding provisions contained in 4.2 above, a director who is already holding office at the effective date of this direction and who attains the age of 70 years on or before 31.03.2025, is permitted to continue in office as a director, exceeding 70 years of age up to maximum of 75 years of age subject to the following,	Complied with	Please refer comments provided on 4.2 above.
4.3a	Assessment by the Director/Department of Supervision of Non-Bank Financial Institutions on the fitness and propriety based on the criteria specified in the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction.		
4.3b	Prior approval of the Monetary Board based on the assessment of the Director/Department of Supervision of Non-Bank Financial Institutions in 4.3(a).		
4.3c	The maximum number of directors exceeding 70 years of age is limited to one-fifth (1/5) of the total number of directors.	Complied with	The Board consists of eight Directors and only one Director has exceeded 70 years of age during the year 2024/2025
d	The director concerned shall have completed a minimum period of 3 continuous years in office, as at the date of the first approval.	Complied with	Mr. J R F Pieris, director concerned had completed a minimum period of 3 continuous years in office, as at the date of the first approval.
5	**Appointment and resignation of directors and senior management**		
5.1	The appointments, resignations or removals shall be made in accordance with the provisions of the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction.	Complied with	The appointments, resignations or removals made in accordance with the provisions of the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction No. 06 of 2021 during the year 2024/25
6	**The Chairperson and the CEO**		
6.1	There shall be a clear division of responsibilities between the chairperson and CEO and responsibilities of each person shall be set out in writing.	Complied with	Board approved Terms of Reference for Chairman is in effect
6.2	The chairperson shall be an independent director, subject to 6.3 below.	Complied with	Since the Chairman is non-independent and non-executive director, an independent and non-executive director is designated as the Senior Director. The appointment has been documented in the TOR and the Chairman's assessment has been carried out annually.
6.3	In case where the chairperson is not independent, the Board shall appoint one of the independent directors as a senior director, with suitably documented terms of reference to ensure a greater independent element. Senior director will serve as the intermediary for other directors and shareholders. Non executive directors including senior director shall assess the chairperson's performance at least annually.		

No.	Section	Compliance Status	Remarks
6.4	The responsibilities of the chairperson shall at least include the following:		
6.4a	Provide leadership to the Board.	Complied with	The Board has approved the key responsibilities and duties of the Chairman and a self-evaluation process is in place to ensure these requirements are met. The Company Secretary prepares the agenda in consultation with the Chairman, as this responsibility has been delegated to the Company Secretary by the Chairman. Additionally, a Board-approved communication policy is established for engaging with all stakeholders, including depositors, creditors, shareholders and borrowers. The Chairman refrains from participating in activities that involve the direct supervision of senior management or any day-to-day operational matters.
6.4b	Maintain and ensure a balance of power between executive and non executive directors.	Complied with	
6.4c	Secure effective participation of both executive and non-executive directors	Complied with	
6.4d	Ensure the Board works effectively and discharges its responsibilities.	Complied with	
6.4e	Ensure all key issues are discussed by the Board in a timely manner.	Complied with	
6.4f	Implement decisions/directions of the regulator.	Complied with	
6.4g	Prepare the agenda for each Board Meeting and may delegate the function of preparing the agenda and to maintaining minutes in an orderly manner to the company secretary	Complied with	
6.4h	Not engage in activities involving direct supervision of senior management or any other day to day operational activities.	Complied with	
6.4i	Ensure appropriate steps are taken to maintain effective communication with shareholders and that the views of shareholders are communicated to the Board.	Complied with	
6.4j	Annual assessment on the Performance and the contribution during the past 12 months of the Board and the CEO.	Complied with	The Chairman assesses the Performance and the contribution during the past 12 months of the Board and the CEO and same being submitted to the Director of the Department of Supervision of Non-Bank Financial Institutions.

No.	Section	Compliance Status	Remarks
6.5	Responsibilities of the CEO		
	The CEO shall function as the apex executive-in-charge of the day-to-day management of the FC's operations and business. The responsibilities of the CEO shall at least include: a) Implementing business and risk strategies in order to achieve the FC's strategic objectives. b) Establishing a management structure that promotes accountability and transparency throughout the FC's operations and preserves the effectiveness and independence of control functions. c) Promoting, together with the Board, a sound corporate culture within the FC, which reinforces ethical, prudent and professional behavior. d) Ensuring implementation of proper compliance culture and being accountable for accurate submission of information to the regulator. e) Strengthening the regulatory and supervisory compliance framework. f) Addressing the supervisory concerns and non-compliance with regulatory requirements or internal policies in a timely and appropriate manner. g) CEO must devote the whole of the professional time to the service of the FC and shall not carry on any other business, except as a non-executive director of another company, subject to Direction 3.10.	Complied with	The Board has established the functions and responsibilities of the GM/CEO. The GM/CEO serves as the chief executive responsible for the day-to-day operations of the Company and acts as a direct liaison between the Board and the Company's Management.
7	**Meetings of the Board**		
7.1	The Board shall meet at least twelve times a financial year at approximately monthly intervals. Obtaining the Board's consent through the circulation of papers to be avoided as much as possible.	Complied with	The Board had met fourteen times during the FY2024/25.
7.2	The Board shall ensure that arrangements are in place to enable matters and proposals by all directors of the Board to be represented in the agenda for scheduled Board Meetings.	Complied with	All directors are provided with the equal opportunity to include matters and proposals relating to the promotion of business and the management of risks of the company in the agenda for regular Board meetings.
7.3	A notice of at least 3 days shall be given for a scheduled Board meeting. For all other Board meetings, a reasonable notice shall be given.	Complied with	The dates of the monthly board meetings are agreed upon at the beginning of the calendar year. In addition, Notice is sent along with the Board papers seven days prior to the meeting.
7.4	A director shall devote sufficient time to prepare and attend Board meetings and actively contribute by providing views and suggestions.	Complied with	The perspectives of the Board of Directors on matters under consideration are gathered and a record of these discussions is documented in the minutes.
7.5	A meeting of the Board shall not be duly constituted, although the number of directors required to constitute the quorum at such meeting is present, unless at least one fourth (1/4) of the number of directors that constitute the quorum at such meeting are independent directors.	Complied with	No such situation has arisen during the year 2024/25

No.	Section	Compliance Status	Remarks
7.6	The chairperson shall hold meetings with the non-executive directors only, without the executive directors being present, as necessary and at least twice a year	Complied with	All the Directors are non-executive.
7.7	A director shall abstain from voting on any Board resolution in relation to a matter in which such director or relative or a concern in which he has substantial interest, is interested, and he shall not be counted in the quorum for the relevant agenda item in the Board meeting.	Complied with	The management of conflicts of interest is addressed based on the accepted business practices. Each director of the Board has a responsibility to determine whether he has actual or potential conflict of interest due to a personal relationship or an external association. Therefore, the Director who has an interest in the contract will refrain from voting and it will be duly recorded by the Secretary in the minutes.
7.8	A director who has not attended at least two-thirds (2/3) of the meetings in the period of 12 months immediately preceding or has not attended three consecutive meetings held, shall cease to be a director. Provided that participation at the directors' meetings through an alternate director shall be acceptable as attendance, subject to applicable directions for alternate directors.	Complied with	No such situation has been occurred during the FY2024/25
7.9	Scheduled Board Meetings and Ad Hoc Board Meetings		
	For the scheduled meetings, participation in person is encouraged and for ad hoc meetings where director cannot attend on a short notice, participation through electronic means is acceptable.	Complied with	During the financial year twelve Board Meeting out of fourteen were held through electronic means.
8	**Company Secretary**		
8.1	The Board shall appoint a company secretary considered to be a senior management whose primary responsibilities shall be to handle the secretarial services to the Board and of shareholder meetings, and to carry out other functions specified in the statutes and other regulations.	Complied with	The Board has appointed an Experienced and Chartered qualified Company Secretary to handle the secretarial services to the Board and Shareholder meetings and to carry out other functions as appropriate.
	The Board shall appoint its company secretary, subject to transitional provision stated in 19.2below, a person who possesses such qualifications as may be prescribed for a secretary of a company under section 222 of the Companies Act, No. 07 of 2007, on being appointed the company secretary, such person shall become an employee of FC and shall not become an employee of any other institution.	Complied with	Company Secretary was appointed as an employee of the Company w.e.f. 31/03/2024.
8.2	All directors shall have access to advice and services of the company secretary with a view to ensuring the Board procedures laws, directions, rules and regulations are followed.	Complied with	All Directors have access to Company Secretary to obtain required advice and services in relation to Company affairs.
8.3	The company secretary shall be responsible for preparing the agenda in the event chairperson has delegated carrying out such function.	Complied with	The Chairman has delegated to the Company Secretary the function of preparing the agenda for the Board meetings.
8.4	The company secretary shall maintain minutes of the Board meetings with all submissions to the Board and/or voice recordings/video recordings for a minimum period of 6 years.	Complied with	The Company Secretary maintain the minutes of Board meetings.

No.	Section	Compliance Status	Remarks
8.5	The company secretary is responsible for maintaining minutes in an orderly manner and shall follow the proper procedure laid down in the Articles of Association of the FC.	Complied with	The Company Secretary maintains the minutes in an orderly manner and shall follow the proper procedure laid down in the Articles of Association of the Company.
8.6	Minutes of the Board meetings shall be recorded in sufficient detail so that it is possible to ascertain whether the Board acted with due care and prudence in performing its duties. The minutes of a Board meeting shall clearly include the following: a) a summary of data and information used by the Board in its deliberations; b) the matters considered by the Board; c) the fact-finding discussions and the issues of contention or dissent, including contribution of each individual director; d) the explanations and confirmations of relevant parties, which indicate compliance with the Board's strategies and policies and adherence to relevant laws, regulations, directions; e) the Board's knowledge and understanding of the risks to which the FC is exposed and an overview of the risk management measures adopted; and f) the decisions and Board resolutions.	Complied with	Minutes of Board Meetings are recorded in sufficient detail as specified in the direction.
8.7	The minutes shall be open for inspection at any reasonable time, on reasonable notice by any director.	Complied with	The minutes of Board are open for inspection at any reasonable time, on reasonable notice by any Director.
9	**Delegation of Functions by the Board**		
9.1	The Board shall approve a Delegation of Authority (DA) and give clear directions to the senior management, as to the matters that shall be approved by the Board before decisions are made by senior management, on behalf of the FC.	Complied with	The Board approved Delegation of Authority (DA) is available highlighting the directions to the senior management, as to the matters that shall be approved by the Board before decisions are made by senior management, on behalf of the Company.
9.2	In the absence of any of the sub-committees mentioned in Direction 10 below, the Board shall ensure the functions stipulated under such committees shall be carried out by the Board itself.	Complied with	Board had appointed the sub-committees mentioned in Direction 10 and ensure the functions stipulated under such committee is presently being carried out by the Board itself.
9.3	The Board may establish appropriate senior management level subcommittees with appropriate DA to assist in Board decisions.	Complied with	The Board had established appropriate senior management level subcommittees with appropriate DA to assist in Board decisions. Asset and Liability Committee (ALCO), IT Security Committee (ISC), IT Steering Committee (ITSC), Internal Credit Committee (ICC), Business Continuity Plan Steering Committee, Customer Service Steering Committee, Career Committee, Disciplinary Committee, CEO's Monthly Review Meeting are in operation.

No.	Section	Compliance Status	Remarks
9.4	The Board shall not delegate any matters to a board sub-committee, executive directors or senior management, to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions.	Complied with	The Board delegates the powers vested with the Board to any Board Sub Committee, GM/ CEO or any person who deems fit to carry out such duty, only if it is appropriate and permissible to do so.
9.5	The Board shall review the delegation processes in place on a periodic basis to ensure that they remain relevant to the needs of the FC.	Complied with	The Board evaluate the delegations and its authority limits regularly to ensure that such delegations would not hinder the ability of the Board to discharge its functions
10	**Board Sub Committees**		
10.1 a	FCs with asset base of more than Rs. 20 bn Board Sub- Committees - Shall establish a Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC), Nomination Committee, Human Resource and Remuneration Committee and Related Party Transactions Review Committee Meetings Meetings shall be held at least once in two months for BAC and BIRMC. Other committees shall meet at least annually.	Complied with	The Board had appointed Board sub-committees namely in compliance as applicable (more than Rs.20bn) Board Audit Committee, Integrated Risk Management Committee, Remuneration Committee, Nomination and Governance Committee, Board Credit Committee Related Party Transaction Review Committee (w.e.f. 01/01/2024) and they report directly to the Board. Chairman and a Secretary for each Committee being appointed. The Report from each Committee available in the Annual Report on pages 224 to 231.
10.1.b	Each sub-committee shall have a written term of reference specifying clearly its authority and duties.	Complied with	TOR for each sub-committee is in place.
10.1.c	The Board shall present a report on the performance of duties and functions of each committee, at the annual general meeting of the company.	Complied with	Board shall present a report on the performance of duties at the Annual General Meeting of the Company.
10.1.d	Each sub-committee shall appoint a secretary to arrange its meetings, maintain minutes, voice or video recordings, maintenance of records and carry out such other secretarial functions under the supervision of the chairperson of the committee.	Complied with	The Company Secretary is appointed for the Board Sub-Committee as the secretary.
10.1.e	Each board sub-committee shall consist of at least three Board members and shall only consist of members of the Board, who have the skills, knowledge and experience relevant to the responsibilities of the board sub-committees.	Complied with	The composition of the Board sub committees are in line with the regulatory requirements. The skills, knowledge and experience are disclosed on pages 34 to 36.
10.1.f	The Board may consider occasional rotation of members and of the Chairperson of Board sub- committees as to avoid concentration of the power and promote new perspective.	Complied with	When necessary, the Chairman and members of the Board's subcommittees will be taken into consideration for rotation. The changes effected to the sub-committee compositions are listed in pages 224 to 231.
10.2	Board Audit Committee (BAC)		
	The following shall apply in relation to the Audit Committee		
10.2.a	The chairperson of the committee shall be an independent director who possesses qualifications and experience in accountancy and/or audit	Complied with	The Chairman of the Audit Committee is an Independent Non- Executive Director with necessary qualifications and industry expertise.. Please refer Board Audit Committee report available on pages 224 to 225 and refer profile of chairman of the BAC on page 36.

No.	Section	Compliance Status	Remarks
10.2.b	The Board members appointed to the BAC shall be non-executive directors and majority shall be independent directors with necessary qualifications and experience relevant to the scope of the BAC.	Complied with	All three members in the Committee are non-executive directors. Two Directors out of three members are Independent and fulfills the requirement. Please refer Board Audit Committee report on pages 224 to 225.
10.2.c	The secretary to the audit committee shall preferably be the chief internal auditor (CIA)	Complied with	Draft minutes are prepared by the Company Secretary. Such minutes are reviewed and finalized by the Chief Internal Auditor (CIA) prior to submission to the BAC for approval.
10.2.d	External Audit Function		
10.2.d.i	The BAC shall make recommendations on matters in connection with the appointment of the external auditor for audit services to be provided in compliance with the relevant statutes, the service period, audit fee and any resignation or dismissal of the auditor.	Complied With	The Auditor's appointments, service periods, and fees are determined and recommended by the BAC.
10.2.d.ii	Engagement of an audit partner shall not exceed five years, and that the particular audit partner is not re-engaged for the audit before the expiry of three years from the date of the completion of the previous term. Further, Company shall not use the service of the same external audit firm for not more than ten years consecutively.	Complied with	The committee ensures that the audit partner shall not exceed five years, and that the particular audit partner is not re-engaged for the audit before the expiry of three years from the date of the completion of the previous term. Further, the committee ensures that company shall not use the service of the same external audit firm for not more than ten years consecutively.
10.2.d.iii	Audit partner of a Company shall not be a substantial shareholder, director, senior management or employee of any Company.	Complied With	The committee ensures that the Audit Partner of the Company is not a substantial shareholder, director, senior management or employee of any company.
10.2.d.iv	The committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit processes in accordance with applicable standards and best practices.	Complied with	The BAC seeks confirmation from the External Auditors regarding their independence and ensures that the audit is conducted in accordance with applicable standards and best practices.
10.2.d.v	Audit partner shall not be assigned to any non-audit services with the Company during the same financial year in which the audit is being carried out. The BAC shall develop and implement a policy with the approval of the Board on the engagement of an external audit firm to provide non-audit services that are permitted under the relevant regulatory framework. In doing so, the BAC shall ensure that the provision of service by an external audit firm of non-audit services does not impair the external auditor's independence or objectivity.	Complied with	The Committee has developed and implemented a policy with the approval of the Board on the engagement of an external auditor to provide non-audit services that are permitted under the relevant statutes, regulations, requirements and guidelines

No.	Section	Compliance Status	Remarks
10.2.d.vi	The BAC shall, before the audit commences, discuss and finalise with the external auditors the nature and scope of the audit, including: (i) an assessment of the Company's compliance with Directions issued under the Act and the management's internal controls over financial reporting; (ii) the preparation of financial statements in accordance with relevant accounting principles and reporting obligations; and (iii) the co-ordination between auditors where more than one auditor is involved.	Complied with	The Board Audit Committee has discussed and finalized the nature and scope of the audit prior to the commencement of the audit, with the External Auditors in accordance with Sri Lanka Auditing Standards.
10.2.d.vii	The BAC shall review the financial information of the Company, in order to monitor the integrity of the financial statements of the Company in its annual report, accounts and periodical reports prepared for disclosure, and the significant financial reporting judgements contained therein. In reviewing the Company's annual report and accounts and periodical reports before submission to the Board, the committee shall focus particularly on: (i) major judgemental areas; (ii) any changes in accounting policies and practices; (iii) significant adjustments arising from the audit; (iv) the going concern assumption; and (v) the compliance with relevant accounting standards and other legal requirements.	Complied with	The Audit Committee reviews and recommends the Quarterly Financial Statements, as well as the year-end Financial Statements, to the Board for approval. A thorough discussion is held on key judgmental areas, changes in accounting policies, significant audit judgments in the Financial Statements, the going concern assumption, and compliance with Accounting Standards and other legal requirements. Necessary clarifications are obtained for all areas before the recommendations are submitted to the Board for approval.
10.2.d.viii	The BAC shall discuss issues, problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss including those matters that may need to be discussed in the absence of key management personnel, if necessary.	Complied with	The Board Audit Committee engages in discussions regarding issues, problems, and reservations that arise from both interim and final audits with the External Auditors. The Committee conducted meetings with the External Auditors in the absence of Executive Management to address any matters the auditors may wish to discuss.
10.2.d.ix	The BAC shall review the external auditor's management letter and the management's response thereto within 3 months of submission of such, and report to the Board.	Complied with	The Committee has reviewed the External Auditor's Management letter and management responses thereto, relating to the audit for the period 2023/2024
10.2.e	The BAC shall at least annually conduct a review of the effectiveness of the system of internal controls.	Complied with	The effectiveness of the Company's internal control mechanism has been certified by the Directors on pages 246 to 247 of the Annual Report under the heading "Directors' Statement on Internal Controls over Financial Reporting".
10.2.f	The BAC shall ensure that the senior management are taking necessary corrective actions in a timely manner to address internal control weaknesses, non-compliance with policies, laws and regulations, and other problems identified by auditors and supervisory bodies with respect to internal audit function of an Company.	Complied With	BAC monitors the progress of Internal Audit concerns raised for each branch/ department and through monthly reporting from the Internal Audit Department.

No.	Section	Compliance Status	Remarks
10.2.g	Internal Audit function:		
10.2.g.i	The committee shall establish an independent internal audit function either in house or outsourced as stipulated in the Finance Business Act (Outsourcing of Business Operations) Direction or as amended that provides an objective assurance to the committee on the quality and effectiveness of the Company's internal control, risk management, governance systems and processes	Complied With	There is an in house Internal Audit Department.
10.2.g.ii	The internal audit function shall have a clear mandate, be accountable to the BAC, and be independent of the audited activities. It shall have sufficient expertise and authority within the Company to carry out their assignments effectively and objectively.	Complied with	There is a Board-approved Internal Audit Charter that outlines the purpose, authority, and responsibilities of the Internal Auditor, thereby establishing the independence of the Internal Audit Department. The Board Audit Committee has reviewed, discussed, and approved the Annual Internal Audit Plan and Internal Audit Reports, including management comments. Additionally, the Committee has recommended that Management take actions to strengthen internal controls.
10.2.g.iii	The BAC shall take the following steps with regard to the internal audit function of the Company:		
	(i) Review the adequacy of the scope, functions and skills and resources of the internal audit department, and satisfy itself that the department has the necessary authority to carry out its work;	Complied with	The Board Audit Committee has evaluated the adequacy of the scope, functions and resources of the Internal Audit Department.
	(ii) Review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit ;	Complied with	The Board Audit Committee has reviewed and approved the Annual Internal Audit Plan. Internal Audit Reports, along with management comments, have been thoroughly discussed and actions have been taken to address any identified issues.
	(iii) Assess the performance of the head and senior staff members of the internal audit department;	Complied with	The Board Audit Committee has carried out the performance appraisal of the Head of Internal Audit for the FY2024/2025.
	(iv) Ensure that the internal audit function is independent and activities are performed with impartiality, proficiency and due professional care;	Complied with	Internal Audit function is headed by the Chief Internal Auditor (CIA) and reports independently to the Board Audit Committee (BAC). Audit function is performed with impartiality proficiency and with due care.
	(v) Ensure internal audit function carry out periodic review of compliance function and regulatory reporting to regulatory bodies.	Complied with	BAC reviews the annual audit plan to ensure the conduct of required audits by Internal Audit Function.
	(vi) Examine the major findings of internal investigations and management's responses thereto. ;	Complied with	BAC peruse the reports submitted by the Audit Department on major findings of internal investigations and Management responses.

No.	Section	Compliance Status	Remarks
10.2.h	Committee shall review the statutory examination reports of the Central Bank of Sri Lanka (CBSL) and ensure necessary corrective actions are taken in a timely manner and monitor the progress of implementing the time bound action plan quarterly.	Complied with	BAC reviews on a quarterly basis the progress of implementation of recommendations of CBSL on-site investigation report.
10.2.i	Meetings of the Committee		
	i. The committee shall meet as specified in direction 10.1 above, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.	Complied with	Every BAC meeting is duly recorded and minutes are submitted to the Board for its information.
	ii. Other Board members, senior management or any other employee may attend meetings upon the invitation of the committee when discussing matters under their purview.	Complied with	Meetings of the Board Audit Committee are attended by its members and other management staff as per TOR and as applicable for matters under their purview.
	iii. BAC shall meet at least twice a year with the external auditors without any other directors/ senior management/employees being present.	Complied with	External Auditors were met at two occasions without any other directors / senior management being present.
10.3	Board Integrated Risk Management Committee (BIRMC)		
	The following shall apply in relation to the BIRMC:		
10.3.a	The committee shall be chaired by an independent director. The Board members appointed to BIRMC shall be non-executive directors with knowledge and experience in banking, finance, risk management issues and practices. The CEO and Chief Risk Officer (CRO) may attend the meetings upon invitation. The BIRMC shall work with senior management closely and make decisions on behalf of the Board within the framework of the authority and responsibility assigned to the committee.	Complied with	The Committee is composed of 4 Non-Executive Directors and Chaired by an Independent Director. The GM/CEO and Risk Officer attend the meetings by invitation. The Committee collaborates closely with Key Responsible Personnel and makes decisions on behalf of the Board within the framework of the authority and responsibilities assigned to it.
10.3.b	The secretary to the committee may preferably be the CRO.	Complied with	Minutes are prepared by the Company Secretary.
10.3.c	The committee shall assess the impact of risks, including credit, market, liquidity, operational and strategic,Compliance and technology to the Company at least on once in two months basis through appropriate risk indicators and management information and make recommendations on the risk strategies and the risk appetite to the Board;	Complied with	The Committee has established an appropriate process to periodically assess the impact of all risks through identified risk indicators and management information. Furthermore, the Committee makes recommendations regarding risk strategies and the risk appetite to the Board.

No.	Section	Compliance Status	Remarks
10.3.d	Developing Company's risk appetite through a Risk Appetite Statement (RAS), which articulates the individual and aggregate level and types of risk that a Company will accept, or avoid, in order to achieve its strategic business objectives. The RAS should include quantitative measures expressed relative to earnings, capital, liquidity, etc., and qualitative measures to address reputation and compliance risks as well as money laundering and unethical practices. The RAS should also define the boundaries and business considerations in accordance with which the Company is expected to operate when pursuing business strategy and communicate the risk appetite linking it to daily operational decision making and establishing the means to raise risk issues and strategic concerns throughout the Company.;	Complied with	The Committee has established an appropriate process to periodically assess the impact of all risks through identified risk indicators and management information. Furthermore, the Committee makes recommendations regarding risk strategies and the risk appetite to the Board. The Company's risk appetite is articulated through Risk Tolerance Limits which define the risk levels that Fintrex Finance PLC is willing to accept or avoid in order to achieve its strategic business objectives. The Risk Appetite Statement (RAS) is in place and includes quantitative measures related to earnings, credit quality, capital, liquidity, market risk, operational and compliance risk, as well as other financial metrics. Additionally, it encompasses qualitative measures to address reputational risks. Compliance reports, including those related to money laundering controls, are also discussed during the meetings.
10.3.e	The BIRMC shall review the Company's risk policies including RAS, at least annually.	Complied with	Risk policies including RAS are reviewed by BIRMC within the FY 2024/25.
10.3.f	The BIRMC shall review the adequacy and effectiveness of senior management level committees (such as credit, market, liquidity investment, technology and operational) to address specific risks and to manage those risks within quantitative and qualitative risk limits as specified by the committee.	Complied with	The BIRMC evaluate the adequacy and effectiveness of Management Committees such as Assets & Liabilities Committee (ALCO), Information Security Committee (ISC), in managing risks within established quantitative and qualitative risk limits.
10.3.g	The committee shall assess all aspects of risk management including updated business continuity and disaster recovery plans.	Complied with	Business Continuity Plan and Disaster Recovery Plan are reviewed by the BIRMC
10.3.h	BIRMC shall annually assess the performance of the Compliance Officer and the CRO.	Complied with	Both performance appraisals of Risk Officer (RO) and Compliance Officer (CO) are assessed by the BIRMC Chairman.
10.3.i	Compliance function		
10.3.i (i)	BIRMC shall establish an independent compliance function to assess the Company's compliance with laws, regulations, directions, rules, regulatory guidelines and approved policies on the business operations.	Complied with	Company's Compliance function has been established as an independent function.
10.3.i (ii)	For Companies with asset base of more than Rs. 20 bn, a dedicated compliance officer considered to be senior management with sufficient seniority, who is independent from day-to-day management shall carry out the compliance function and report to the BIRMC directly. The compliance officer shall not have management or financial responsibility related to any operational business lines or income- generating functions, and there shall not be 'dual hatting', i.e. the chief operating officer, chief financial officer, chief internal auditor, chief risk officer or any other senior management shall not serve as the compliance officer.	Complied with	The Company has appointed a dedicated Compliance Officer.

No.	Section	Compliance Status	Remarks
10.3.i (iii)	For Companies with asset base of less than Rs. 20bn, an officer with adequate seniority considered to be senior management shall be appointed as compliance officer avoiding any conflict of interest.	Complied with	A Compliance Officer has been appointed and report to the BIRMC directly.
10.3.i (iv)	The responsibilities of a compliance officer, would broadly encompass the following:		
	i) develop and implement policies and procedures designed to eliminate or minimize the risk of breach of regulatory requirements;	Complied with	Compliance Policies and Procedures have been reviewed and recommended by the BIRMC prior to obtain Board approval.
	ii) ensure compliance policies and procedures are clearly communicated to all levels of the Company to enhance the compliance culture;	Complied With	Board approved Compliance Policy and Procedures are in place and available on the intranet which is accessible by all employees of the Company.
	iii) ensure that reviews are undertaken at appropriate frequencies to assess compliance with regulatory rules and internal compliance standards;	Complied with	Compliance reviews are conducted on a risk based approach to assess the level of compliance with regulatory requirements and internal procedures.
	iv) understand and apply all new legal and regulatory developments relevant to the business of Company;	Complied with	New regulatory requirements received to the Compliance department are communicated to the relevant stakeholders and company implement them into business as applicable.
	v) secure early involvement in the design and structuring of new products and systems, to ensure that they conform to regulatory requirements, internal compliance and ethical standards	Complied with	Company ensure the Regulatory requirements are complied with new product and system developments. New Product Development Policy is in place to guide the respective business units on this regard.
	vi) highlight serious or persistent compliance problems and where appropriate, work with the management to ensure that they are rectified within an acceptable time; and	Complied with	Compliance reviews are carried out to assess level of compliance and remedial actions are taken to resolve for any deviations.
	vii) maintain regular contact and good working relationship with regulators based upon clear and timely communication and a mutual understanding of the regulators' objectives with highest integrity	Complied with	The Company maintains the regular contact and good working relationship with regulators based upon clear and timely communication and a mutual understanding of the regulators' objectives with highest integrity.
10.3.j	Risk management function		
10.3.j (i)	BIRMC shall establish an independent risk management function responsible for managing risk-taking activities across the Company.	Complied with	The Company has established an Independent Risk Management function.
10.3.j (ii)	For Companys with asset base of more than Rs.20 bn, it is expected to have a separate risk management department and a dedicated CRO considered to be senior management shall carry out the risk management function and report to the BIRMC periodically.	Complied with	A separate department for Risk Management Function is established, which is headed by the Risk Officer. Risk Reports and related papers are submitted to the monthly BIRMC.
10.3.j (iii)	The CRO has the primary responsibility for implementing the Board approved risk management policies and processes including RAS in order to ensure the Company's risk management function is robust and effective to support its strategic objectives and to fulfil broader responsibilities to various stakeholders.	Complied with	The Risk Officer is primary responsible for implementing the Board approved risk management Policies and Processes including RAS in order to ensure the Company's risk management function is robust and effective to support its strategic objectives and to fulfil broader responsibilities to various stakeholders.

No.	Section	Compliance Status	Remarks
10.3.j (iv)	The BIRMC shall ensure that the CRO is responsible for developing and implementing a Board approved integrated risk management framework that covers: a. various potential risks and frauds b. possible sources of such risks and frauds; c. mechanism of identifying, assessing, monitoring and reporting of such risks and frauds; includes quantitative and qualitative analysis covering stress testing d. effective measures to control and mitigate risks at prudent levels; and e. relevant officers and committees responsible for such control and mitigation. The framework shall be reviewed and updated at least annually.	Complied with	The Risk Officer is responsible for developing and implementing a Board approved integrated risk management framework that covers: a) various potential risks and frauds b) possible sources of such risks and frauds; c) mechanism of identifying, assessing, monitoring and reporting of such risks and frauds; includes quantitative and qualitative analysis covering stress testing.
10.3.j (v)	The chief risk officer shall also participate in key decision-making processes such as capital and liquidity planning, new product or service development, etc. and make recommendations on risk management	Complied with	The Risk Officer of the Company participates in key decision making processes as required and make recommendations from Risk perspectives.
10.3.j (vi)	The CRO shall maintain an updated risk register, which shall be submitted to the BIRMC on a quarterly basis.	Complied with	The Risk Report and Key Risk Indicators (KRIs) are submitted to the BIRMC on a monthly basis.
10.3.j (vii)	The BIRMC shall submit a risk assessment report for the upcoming Board meeting seeking the Board's views, concurrence and/or specific directions.	Complied with	The Risk Report and Key Risk Indicators (KRIs) are submitted to the Board on a monthly basis seeking the Board's views, concurrence and/or specific directions.
10.4	Nomination Committee		
	The following shall apply in relation to the Nomination Committee:		
10.4.a	The committee shall be constituted with non-executive directors and preferably the majority may be independent directors. An independent director shall chair the committee. The CEO may be present at meetings by invitation of the committee.	Complied with	The committee is renamed as the Nomination and Governance Committee with the effect of Listing in the Colombo Stock Exchange (CSE) w.e.f. 11/03/2025. And it is comprised of Non-Executive Directors and two third of the directors are Independent.
10.4.b	Secretary to the nomination committee may preferably be the company secretary.	Complied with	The Secretary to the Nomination and Governance Committee is the Company Secretary.
10.4.c	The committee shall implement a formal and transparent procedure to select/appoint new directors and senior management. Senior management are to be appointed with the recommendation of CEO, excluding CIA, CRO and Compliance officer.	Complied with	Selection and appointment of KRPs are carried out in accordance with the TOR.
10.4.d	The committee shall ensure that directors and senior management are fit and proper persons to perform their functions as per the FBA (Assessment of Fitness and propriety of Key Responsible Persons)	Complied with	The Committee ensures Compliance with the terms of Finance Business Act Directions No. 6 of 2021 (Assessment of Fitness and Propriety of Key Responsible Persons)
10.4.e	The selection process shall include reviewing whether the proposed directors (i) possess the knowledge, skills, experience, independence and objectivity to fulfill their responsibilities on the board; (ii) have a record of integrity and good repute; and (iii) have sufficient time to fully carry out their responsibilities.	Complied with	The Selection and Recruitment is performed in accordance to the Finance Business Act Directions No. 6 of 2021 (Assessment of Fitness and Propriety of Key Responsible Persons)

No.	Section	Compliance Status	Remarks
10.4.f	The committee shall strive to ensure that the Board composition is not dominated by any individual or a small group of individuals in a manner that is detrimental to the interests of the stakeholders and the Company as a whole.	Complied with	The composition of the Board is not in any manner dominated by an individual or a small group of individuals.
10.4.g	The committee shall set the criteria, such as qualifications, experience and key attributes required for eligibility, to be considered for appointment to the post of CEO and senior management.	Complied with	The qualification and experience of GM/ CEO and KMPs have been documented in job descriptions (JDs) which were recommended by the Committee and approved by the Board of Directors.
10.4.h	Upon the appointment of a new director to the Board, the committee shall assign the responsibility to the company secretary to disclose to shareholders: (i) a brief resume of the director; (ii) the nature of the expertise in relevant functional areas; (iii) the names of companies in which the director holds directorships or memberships in Board committees; and (iv) whether such director can be considered as independent.	Complied with	Upon the appointment of a new director to the Board, the committee shall assign the responsibility to the Company Secretary to ensure timely and transparent disclosure to shareholders.
10.4.i	The committee shall consider and recommend (or not recommend) the re-election of current directors, taking into account the combined knowledge, performance towards strategic demands faced by the Company and contribution made by the director concerned towards the discharge of the Board's overall responsibilities.	Complied with	The committee undertake a thorough evaluation of current directors to consider and recommend (or not recommend) their re-election.
10.4.j	The committee shall consider and recommend from time to time, the requirements of additional/new expertise and the succession arrangements for retiring directors and senior management	Complied with	The Committee consider and recommend the additional requirements/ new expertise for the retiring Directors and Senior Management in accordance to the Succession arrangements.
10.4.k	A member of the Nomination Committee shall not participate in decision making relating to own appointment/ reappointment and the Chairperson of the Board should not chair the Committee when it is dealing with the appointment of the successor.	Complied with	The Committee ensure adherence to the Governance Framework and abstain from the meetings where decisions are relating to their own appointment/ retirement.
10.5	Human Resources and Remuneration Committee:		
	The following shall apply in relation to the Human Resources and Remuneration Committee:		
10.5.a	The committee shall be chaired by a non- executive director and the majority of the members shall consist of non-executive directors.	Complied with	The Committee is comprised of three Non- Executive Directors and chaired by an Independent Non Executive Director.
10.5.b	The secretary to the human resource and remuneration committee may preferably be the company secretary.	Complied with	Draft minutes are prepared by the Company Secretary. Such minutes are reviewed and finalized by the Head of Human Resources and Administration prior to submission to the BHHRC for approval
10.5.c	The committee shall determine the remuneration policy (salaries, allowances, and other financial payments) relating to executive directors and senior management of the Company and fees and allowances structure for non-executive directors.	Complied with	The Remuneration Policy of the Company, the salaries, allowances, and other financial benefits related to the senior management is decided by the BHRRC. No Executive Directors appointed to the Board of Directors.

No.	Section	Compliance Status	Remarks
10.5.d	There shall be a formal and transparent procedure in developing the remuneration policy.	Complied with	The Remuneration Policy of the Company is in place to ensure fair and equitable benefits, supported by transparent guidelines that align with contemporary market-related remuneration practices.
10.5.e	The committee shall recommend the remuneration policy for approval of the Board on paying salaries, allowances and other financial incentives for all employees of the Company. The policy shall be subject to periodic review of the Board, including when material changes are made.	Complied with	The Board approved Remuneration Policy is in place and reviewed periodically.
10.5.f	The remuneration structure shall be in line with the business strategy, objectives, values, long-term interests and cost structure of the Company. It shall also incorporate measures to prevent conflicts of interest. In particular, incentives embedded within remuneration structures shall not incentivize employees to take excessive risk or to act in self-interest.	Complied with	The Remuneration and Benefits Policy is reviewed annually. The revised policy is recommended by the Board Human Resources and Remuneration Committee (BHRRC) and subsequently approved by the Board of Directors.
10.5.g	The committee shall review the performance of the senior management (excluding chief internal auditor, compliance officer, chief risk officer) against the set targets and goals, which have been approved by the Board at least annually, and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.	Complied with	The performance of Senior management, excluding the Chief Internal Audit, Risk Officer and Compliance Officer, has been evaluated by the Board Human Resources and Remuneration Committee (BHRRC). Financial benefits have been determined based on their performance outcomes.
10.5.h	The committee shall ensure that the senior management shall abstain from attending committee meetings, when matters relating to them are being discussed.	Complied with	No such situation has occurred for the period.
11.	**Internal Controls**		
11.1	Companies shall adopt well-established internal control systems, which include the organizational structure, segregation of duties, clear management reporting lines and adequate operating procedures in order to mitigate operational risks		Succession plans, code of conduct and business ethics, competency, policy frameworks, segregation of duties and internal controls are in operation. Adequate internal controls, systems and procedures are in place and the effectiveness is evaluated by the Internal Audit Department as per Annual Audit Plan.
11.2	A proper internal control system shall: a) promote effective and efficient operation; b) provide reliable financial information; c) safeguard assets; d) minimize the operating risk of loss from irregularities, fraud and errors; e) ensure effective risk management systems; and f) ensure compliance with relevant laws, regulations and internal policies.		
11.3	All emplyees shall be given the responsibility for internal controls as part of their accountability for achieving objectives		

No.	Section	Compliance Status	Remarks
12.	**Related Party Transactions**		
12.1	Board shall establish a policy and procedures for related party transactions, which covers the following	Complied with	The Board approved Related Party Transaction Policy and Procedure is in effect.
12.1.a	All Companies shall establish a Related Party Transactions Review Committee (RPTRC) and the chairperson shall be an independent director and the members shall consist of non-executive directors.	Complied with	The Board has formed a Related Party Transactions Review Committee in accordance with the established guidelines, w.e.f. 01/01/2024
12.1.b	All related party transactions shall be prior reviewed and recommended by the RPTRC.	Complied with	The mechanism is in effect as detailed in the Board approved Related Party Transaction Policy and Procedure.
12.1.c	The business transactions with a related party that are covered in this Direction shall be the following:		
12.1.c i.	Granting accommodation;	Complied with	The mechanism is in effect as detailed in the Board approved Related Party Transaction Policy and Procedure and Credit Policy.
12.1.c ii.	Creating liabilities to the Company in the form of deposits, borrowings and any other payable;	Complied with	The mechanism is in effect as detailed in the Board approved Related Party Transaction Policy and Procedure.
12.1.c iii.	Providing financial or non-financial services to the Company or obtaining those services from the Company; or	Complied with	The Related Party Transaction Policy and Procedure, along with the Policy for Managing Potential Conflicts with the Board of Directors' related parties, outlines the various types of related party transactions that the Company should avoid to prevent any potential conflicts of interest.
12.1.c iv.	Creating or maintaining reporting lines and information flows between the Company and any related party which may lead to share proprietary, confidential or information not available in the public domain or otherwise sensitive information that may give benefits to such related party.		
12.2	The committee shall take the necessary steps to avoid any conflicts of interest that may arise from any transaction of the Company with any person, and particularly with the following categories of persons who shall be considered as "related parties" for the purposes of this Direction. In this regard, there shall be a named list of natural persons/ institutions identified as related parties, which is subject to periodic review as and when the need arises.	Complied with	The Board recognizes the importance of identifying related party transactions. The Board-approved Related Party Transaction Policy and Procedure and Policy on managing potential conflicts with the related parties of the BoD, are in effect to serve as a resource to help the Company mitigate any potential conflicts of interest that may arise from its transactions.
12.2.a	Directors and senior management.		
12.2.b	Shareholders who directly or indirectly holds more than 10% of the voting rights of the Company.		
12.2.c	Subsidiaries, associates, affiliates, holding company, ultimate parent company and any party (including their subsidiaries, associates and affiliates) that the Company exert control over or vice versa		
12.2.d	Directors and senior management of legal persons in paragraph (b) or (c).		
12.2.e	Relatives of a natural person described in paragraph (a), (b) or (d).		
12.2.f	Any concern in which any of the Company's directors, senior management or a relative of any of the Company's director or senior management or any of its shareholders who has a shareholding directly or indirectly more than 10% of the voting rights has a substantial interest.		

No.	Section	Compliance Status	Remarks
12.3	The Board shall ensure that the Company does not engage in business transactions with a related party in a manner that would grant such party "more favourable treatment" than that is accorded to other similar constituents of the Company. For the purpose of this paragraph,"more favourable treatment" shall mean:	Complied with	Company does not grant or consider any more favourable treatments for related parties at the time of reviewing the transaction through the related Party Transaction Review Committee.
12.3.a	Granting of "total accommodation" to a related party, exceeding a prudent percentage of the Companys regulatory capital, as determined by the committee.	Complied with	The Board-approved Related Party Transaction Policy and Procedure and Policy on managing potential conflicts with the related parties of the BoD, are in effect to serve as a resource to help the Company mitigate any potential conflicts of interest that may arise from its transactions. Company ensure that no favourable treatments or considerations effected when recommending Related Party Transactions through the Related Party Transaction Review Committee.
12.3.b	Charging of a lower rate of interest or paying a rate of interest exceeding the rate paid for a comparable transaction with an unrelated comparable counterparty;		
12.3.c	Providing preferential treatment, such as favourable terms, that extends beyond the terms granted in the normal course of business with unrelated parties;		
12.3.d	Providing or obtaining services to or from a related party without a proper evaluation procedure		
12.3.e	Maintaining reporting lines and information flows between the Companys and any related party which may lead to share proprietary, confidential or otherwise sensitive information that may give benefits to such related party, except as required for the performance of legitimate duties and functions		
13	**Group Governance**		
13.1	Responsibilities of the Company as a Holding Company.	Not Applicable	The Company is fully owned by Bluestone 1(Pvt) Ltd and is responsible for meeting its own legal and regulatory obligations.
13.2	Responsibilities as a Subsidiary		
	If the Company is a subsidiary of another financial institution subject to prudential regulation, Company shall discharge its own legal and governance responsibilities.		

No.	Section	Compliance Status	Remarks
14	**Corporate Culture**		
14.1	A Company shall adopt a Code of Conduct which includes the guidelines on appropriate conduct and addresses issues of confidentiality, conflicts of interest, integrity of reporting, protection and proper use of company assets and fair treatment of customers.	Complied with	The Company has established a Code of Conduct for its stakeholders including directors and employees, addressing key areas such as conflict of interest, accurate accounting and record-keeping, confidentiality of information, fair dealing, safeguarding and appropriate use of the Company's assets, compliance with laws and regulations, bribes and promoting the reporting of any illegal or unethical behavior. Records of any breaches of the Code of Conduct are maintained by the Company. When a breach is reported, the disciplinary procedure is activated, and actions are taken based on the severity of the incident. Additionally, a Whistleblowing Policy, approved by the Board, is in effect. All employees are encouraged to report any concerns they genuinely believe may indicate potential or existing wrongdoing, including violations of the Company's Code of Ethics. The Board Audit Committee (BAC) reviews this policy periodically.
14.2	The Company shall maintain records of breaches of code of conduct and address such breaches in a manner that upholds high standards of integrity.		
14.3	The Company shall establish a Whistleblowing policy that sets out avenues for legitimate concerns to be objectively investigated and addressed. Employees shall be able to raise concerns about illegal, unethical or questionable practices in a confidence manner and without the risk of reprisal. The BAC shall review the policy periodically.		
15	**Conflicts of Interest**		
15.1.a	Relationships between the directors shall not exercise undue influence or coercion. A director shall abstain from voting on any Board resolution in relation to a matter in which such director or any of the relatives or a concern in which such director has substantial interest, is interested, and such director shall not be counted in the quorum for the relevant agenda item in the Board meeting.	Complied with	The management of conflicts of interest is addressed based on the accepted business practices. Each director of the Board has a responsibility to determine whether he has actual or potential conflict of interest due to a personal relationship or an external association. Therefore, the Director who has an interest in the contract had refrained from voting as indicated and it has been duly recorded by the Secretary in the minutes.

No.	Section	Compliance Status	Remarks
15.1.b	The Board shall have a formal written policy and an objective compliance process for implementing the policy to address potential conflicts of interest with related parties. T he policy for managing conflicts of interest shall,	Complied with	A separate Policy on Managing Potential Conflicts with the Related Parties of the Board of Directors and Senior Management is in effect.
15.1.b.i	Identify circumstances which constitute or may give rise to conflicts of interests.		
15.1.b.ii	Express the responsibility of directors and senior management to avoid, to the extent possible, activities that could create conflicts of interest.		
15.1.b.iii	Define the process for directors and senior management to keep the Board informed on any change in circumstances that may give rise to a conflict of interest.		
15.1.b.iv	Implement a rigorous review and approval process for director and senior management to follow before they engage in certain activities that could create conflicts of interest.		
15.1.b.v	Identify those responsible for maintaining updated records on conflicts of interest with related parties, and		
15.1.b.vi	Articulate how any non-compliance with the policy to be addressed		
16	**Disclosures**		
16.1.	The Board shall ensure that: (a) annual audited financial statements and periodical financial statements are prepared and published in accordance with the formats prescribed by the regulatory and supervisory authorities and applicable accounting standards, and that (b) such statements are published in the newspapers in Sinhala, Tamil and English. The Board shall ensure that at least following disclosures are made in the Annual Report of the Company.		To be updated with the report

No.	Section	Compliance Status	Remarks
16.1.i	Financial statements- In addition to the set of financial statements as per LKAS 1 or applicable standard annual report shall include, A statement to the effect that the annual audited financial statements have been prepared in line with applicable accounting standards and regulatory requirements, inclusive of specific disclosures. A statement of responsibility of the Board in preparation and presentation of financial statements.		i) Financial Statements Please refer Pages 254 to 323 in the Annual Report. ii) Chairperson, CEO, and Board related disclosures. Details of the Directors including names and transactions with the Company are given on pages 34 to 36 of the Annual Report. Declaration was obtained from the Board of Directors of the Company and there is no business relationships with other Directors of the Company. iii) Appraisals of Board Performance A process is in place for the annual self-assessments of Directors to be undertaken by each Director and the records of such assessments are maintained by the Company Secretary. iv) Remuneration Please refer Page 309 in the Annual Report. v) Related Party Transactions Details of the Directors including names and transactions with the Company are given on pages 309 to 310 of the Annual Report. vi) Board appointed Committees Please refer 'Directors' attendance and Committee Memberships' tables are given on page 158 of the Annual report. vii) Director's Report Please refer Page No236 in the Annual Report. viii) Statement on Internal Control Please refer Pages 246 to 247 in the Annual Report. ix) Corporate Governance Report Please refer Page 160 in the Annual Report. x) Code of Conduct A Board approved Code of Conduct for directors and for all employees are in place and no violations of any of the provisions of this code.
16.1.ii	Chairperson, CEO and Board related disclosures- • Name, qualification and a brief profile. • Whether executive, non-executive and/or independent director. • Details of the director who is serving as the senior director, if any. • The nature of expertise in relevant functional areas. • Relatives and/or any business transaction relationships with other directors of the company. • Names of other companies in which the director/ CEO concerned serves as a director and whether in an executive or non- executive capacity. • Number/percentage of board meetings of the Company attended during the year; and • Names of board committees in which the director serves as the Chairperson or a member.		
16.1.iii	Appraisal of board performance- • An overview of how the performance evaluations of the Board and its committees have been conducted		
16.1.iv	Remuneration- • A statement on remuneration policy, which includes Board fee structure and breakdown of remuneration of senior management, level and mix of remuneration (financial and non-financial, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation) • The aggregate values of remuneration paid by the Company to its directors and senior management.		
16.1.v	Related party transactions- • The nature of any relationship [including financial, business, family or other material/ relevant relationship(s)], if any, between the Chairperson and the CEO and the relationships among members of the Board. • Total net accommodation granted in respect of each category of related parties and the net accommodation outstanding in respect of each category of related parties as a percentage of the Company's core capital. • The aggregate values of the transactions of the Company with its senior management during the financial year, set out by broad categories such as accommodation granted, and deposits or investments made in the Company.		

No.	Section	Compliance Status	Remarks
16.1.vi	Board appointed committees- • The details of the chairperson and members of the board committees and attendance at such meetings.		xi) Management Report Please refer Pages 224 to 231 in the Annual Report. xii) Communication with shareholders The Board approved Communication Policy is in place which covers all stakeholders including Depositors, Creditors, Shareholders, and Borrowers. The Board of Directors, officers, and employees comply with the policy in order to ensure effective communication for the best interests of all stakeholders
16.1.vii	Group Structure- • The group structure of the Company within which it operates. • The group governance framework.		
16.1.viii	Director's report-A report, which shall contain the following declarations by the Board: • The Company has not engaged in any activity, which contravenes laws and regulations. • The directors have declared all related party transactions with the Company and abstained from voting on matters in which they were materially interested. • The Company has made all endeavors to ensure the fair treatment for all stakeholders, in particular the depositors. • The business is a going concern with supporting assumptions; and • The Board has conducted a review of internal controls covering material risks to the Company and have obtained reasonable assurance of their effectiveness.		
16.1.ix	Statement on Internal Control- • A report by the Board on the Company's internal control mechanism that confirms that the financial reporting system has been designed to provide a reasonable assurance regarding the reliability of • financial reporting, and that the preparation of financial statements for external purposes has been done in accordance with relevant accounting principles and regulatory requirements. • The external auditor's assurance statement on the effectiveness of the internal control mechanism referred above, in respect of any statement prepared or published. • A report setting out details of the compliance with prudential requirements, regulations, laws and internal controls and measures taken to rectify any non-compliances. • A statement of the regulatory and supervisory concerns on lapses in the Company's risk management, or non-compliance with the Act, and rules and directions		
16.1.x	Corporate governance report- • Shall disclose the manner and extent to which the company has complied with Corporate Governance Direction and the external auditor's assurance statement of the compliance with the Corporate Governance Direction.		
16.1.xi	Code of Conduct - • Company's code of business conduct and ethics for directors, senior management and employees. • The Chairperson shall certify that the company has no violations of any of the provisions of this code.		

No.	Section	Compliance Status	Remarks
16.1.xii	Management report - • Industry structure and developments • Opportunities and threats • Risks and concerns • Sustainable finance activities carried out by the company • Prospects for the future		
16.1.xiii	Communication with shareholders - • The policy and methodology for communication with shareholders. • The contact person for such communication.		

3. Corporate Governance - Section 9 of the rules of the CSE

Rule No.	Applicable Requirement	Extent of Compliance
9.2	Policies	
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; a. Policy on the matters relating to the Board of Directors. b. Policy on Board Committees - To mention regarding the TOR. c. Policy on Corporate Governance, Nominations and Re- election. d. Policy on Remuneration e. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f. Policy on Risk management and Internal controls g. Policy on Relations with Shareholders and Investors h. Policy on Environmental, Social and Governance Sustainability i. Policy on Control and Management of Company Assets and Shareholder Investments j. Policy on Corporate Disclosures k. Policy on Whistle-blowing l. Policy on Anti-Bribery and Corruption	The Board approved policies are in place and confirmation of the availability displayed on the Corporate Web site.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	No such situation has transpired since listing in CSE dated 11.03.2025
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity to Rule 9.2.1 above, with reference to its website.	The availability of the approved list of policies are displayed on the Company's website.
	(ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	The Company has adopted the required policies as per Section 9.2.1 above.
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	The shareholder will receive a copy of the policy upon written request.

Rule No.	Applicable Requirement	Extent of Compliance
9.3	Board Committees	
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; a. Nominations and Governance Committee b. Remuneration Committee c. Audit Committee d. Related Party Transactions Review Committee.	The Board approved Board Sub Committees are in place.
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	The Company complies with the requirements stated under section 9.3.2
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	The Company complies with the requirements stated under section 9.3.3
9.4.	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Company maintains records of all resolutions which are being considered at the AGM.
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. a. The number of shares in respect of which proxy appointments have been validly made; b. The number of votes in favour of the resolution; c. The number of votes against the resolution; and d. The number of shares in respect of which the vote was directed to be abstained.	
9.5	Policy on matters relating to the Board of Directors	
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall: a. recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO. b. where a Listed Entity decides to combine the role of the Chairperson and CEO, i. set out the rational for combining such positions; and, ii. require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest. iii. set out the measures implemented to safeguard the interests of the SID. c. require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors.	The Board approved policy on matters relating to the Board of Directors is in place.

Rule No.	Applicable Requirement	Extent of Compliance
	d. stipulate the maximum number of Directors with the rationale for the same e. specify the frequency of Board meetings, having regard to the requirements under the Listing Rules. f. provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/ or non-compliance by the Listed Entity with obligations arising under such Rules. g. specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position. h. provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements. i. specify the maximum number of directorships in Listed Entities that may be held by Directors. j. Recognize the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.	
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	The Company complies with the requirements stated in section 9.5.1.
9.6	Chairperson and CEO	The Company complies with the requirements stated under section 9.6.1. The Chairperson is a Non-Executive Director and the positions of Chairperson and Managing Director are not held by the same individual.
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director. Consequently, the position of Chairperson and CEO shall not be held by the same individual.	
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules). Such Market Announcement shall include the following: a. The reasons for non-compliance b. The rationale for combining the positions of the Chairperson and CEO	Not applicable.
9.6.3	The Requirement for a Senior Independent Director	
	a. A Listed Entity shall appoint an Independent Director as the SID in the following instances: i. The Chairperson and CEO are the same person ii. The Chairperson and CEO are Close Family Members or Related Parties Such appointment shall be immediately disclosed with reasons for such appointment, by way of a Market Announcement.	The roles of the Chairman and the GM/CEO are separated and not performed by the same individual. However, the Company appointed a SID as part of its governance structure before listing on the Colombo Stock Exchange (CSE).

Rule No.	Applicable Requirement	Extent of Compliance
	b. The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members. c. The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate. d. The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c) above. e. The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	
9.6.4	Until Listed Entities comply with Rule 9.6.1 above, such Entities shall be required to explain the reasons for non-compliance with Rule 9.6.1 in the Annual Report.	Not Applicable
9.7	Fitness of Directors and CEOs	
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	The Company complies with the requirements stated under section 9.7.1
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	The Company complies with the requirements stated under section 9.7.2
9.7.3	Fit and Proper Assessment Criteria:	
	a) Honesty, Integrity and Reputation A Director or the CEO of a Listed Entity shall not be considered 'fit and proper' if she or he; (i) has been convicted by a competent court of law in respect of a market offence for which he/she has been charged under the SEC Act or Securities Laws outside of Sri Lanka. (ii) in his/her individual capacity or as a part of any business that he/she has been involved in, who/which has had a license or registration that has been cancelled by the SEC or any other regulatory authority. (iii) has been convicted, within or outside Sri Lanka of an offence under any law involving fraud, misappropriation or dishonesty or the conviction of which involved a finding that he/she acted fraudulently or dishonestly. (iv) has been convicted for contravening any provision of any law within or outside Sri Lanka for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies.	The Company complies with the requirements stated under section 9.7.3

Rule No.	Applicable Requirement	Extent of Compliance
	(v) has been disqualified from acting as a Director or CEO of a company or has been dismissed or requested to resign from any position or office by the SEC in terms of the SEC Act or rules and regulations issued thereunder or any other statutory regulatory body due to mismanagement of funds or an offence which involves the commission of financial fraud. (vi) has been disqualified from acting as a CEO/Key Management Person/ Director of a company regulated by the CBSL and/or the Insurance Regulatory Commission of Sri Lanka (IRCSL) as applicable for failure to satisfy the fit and proper assessment criteria issued by the CBSL and/or IRCSL respectively. (vii) has been a Director or the CEO of any Listed Entity which has been delisted by the Exchange in the circumstances specified in Rule 11.3 of these Rules. b) Competence and Capability A Director or the CEO of an Entity shall not be considered as 'fit and proper' if she or he; (i) does not possess suitable academic or professional qualifications or necessary skills, competencies and experience which are determined by the Nominations and Governance Committee of the Listed Entity in terms of Rule 9.11.5 of these Rules which are required to efficiently contribute to the business operations of the Entity in his/her capacity as a Director/CEO (as applicable). (ii) has been declared by a court of competent jurisdiction in Sri Lanka or outside Sri Lanka, to be of unsound mind. c) Financial Soundness A Director or the CEO of an Entity shall not be considered as a 'fit and proper person' by the Exchange, if she or he; (i) is an undischarged bankrupt or a person on whose behalf a receiver or manager or liquidator or an equivalent person has been appointed within or outside Sri Lanka. (ii) has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Sri Lanka or outside Sri Lanka. (iii) has been in a position capable of exercising significant influence in a company that has: (a) been declared bankrupt within or outside of Sri Lanka; or (b) its assets sequestrated for the non-satisfaction of a judgement debt.	
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	The Company assess the Fitness and Propriety of the Directors annually on Assessment of Fitness and Propriety of Key Responsible Persons.
9.7.5	Disclosures in the Annual Report of Listed Entities Listed Entities shall include the following disclosures/reports in the Annual Report; (a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. (b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non- compliance/s.	

Rule No.	Applicable Requirement	Extent of Compliance
9.8	Board Composition	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	The Company complies with the requirements stated under section 9.8.1
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	The Company complies with the requirements stated under section 9.8.2
9.8.3	Criteria for determining independence: A Director shall not be considered independent if he/she: (i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity. (iv) has a Significant Shareholding in the Listed Entity. (v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) is employed in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) is a director of another company; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. that has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) has a Material Business Relationship or a Significant Shareholding in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity. (ix) is above the age of seventy (70) years	The Company complies with the requirements stated under section 9.8.3
9.8.5.	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non- independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein.	The Company complies with the requirements stated under section 9.8.5

Rule No.	Applicable Requirement	Extent of Compliance
	(b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report.	
	(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	No such circumstance occurred during the year.
9.9	Alternate Directors	Not Applicable
9.10	Disclosures relating to Directors	
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	The Company complies with the requirements stated under section 9.10.1
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	No such situation has transpired since listing in CSE dated 11.03.2025
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	No such situation has transpired since listing in CSE dated 11.03.2025
9.10.4	Details relating to Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID (where applicable).	Directors Details are given on Pages 34 to 36.

Rule No.	Applicable Requirement	Extent of Compliance
9.11	Nominations and Governance Committee	
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	The Company complies with the requirements stated under section 9.11.2
9.11.3	The Nominations and Governance Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	The Company complies with the requirements stated under section 9.11.3
9.11.4	Composition (1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity	The Company complies with the requirements stated under section 9.11.4 Refer Pages 228 to 229
9.11.5	Functions The functions of the Nominations and Governance Committee shall include the following: (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment. (ii) Consider and recommend (or not recommend) the re-appointment/ reelection of current Directors taking into account; • the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, • the number of directorships held by the Director in other listed and unlisted companies and other principal commitments. (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity. (iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements. (v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities. (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.	The Company complies with the requirements stated under section 9.11.5

Rule No.	Applicable Requirement	Extent of Compliance
	(ix) Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
9.11.6	Disclosures in Annual Report	
	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson The said report shall include the following; (a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members); (b) the date of appointment to the Committee; (c) whether a documented policy and processes are in place when nominating Directors; (d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; (e) a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance; (f) Details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors. (g) The following information regarding directors who are re-elected or being proposed for re-election during the year: · Board Committees served on (as a member or Chairperson), · Date of first appointment as a Director, · Date of last re-appointment as a Director, · Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and, Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity. (h) Whether periodic evaluations have been conducted on the performance of the Board of Directors and the CEO of the Entity as specified in Rule 9.11.5 above (i) Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity; (j) Induction programs/orientation programs conducted for newly appointed Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations, or an appropriate negative statement; (k) Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations, or an appropriate negative statement. (l) A statement that the Directors of the Listed Entity meet the criteria for determining independence. (m) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity's fail to comply with any provisions of such Rules, a statement explaining the reason for such noncompliance and the proposed remedial action taken for the rectification of such noncompliance.	The Company complies with the requirements stated under section 9.11.6

Rule No.	Applicable Requirement	Extent of Compliance
9.12	Remuneration Committee	The company has a Board Human Resources and Remuneration Committee in operation.
9.12.1	For the purposes of Rule 9.12, the term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	A Board approved remuneration policy is in place.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	The Company complies with the requirements stated under section 9.12.4
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	The Company complies with the requirements stated under section 9.12.5
9.12.6	Composition i. The members of the Remuneration Committee shall; a. comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. b. not comprise of Executive Directors of the Listed Entity. i. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	The Company complies with the requirements stated under section 9.12.6 Committee comprise of Three (03) Non-Executive Directors of which two of them are Independent Non-Executive Directors. The Chairperson is an Independent Director
9.12.7	Functions i. The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. ii. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO	The Company complies with the requirements stated under section 9.12.7
9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	The report of BHRRC is given on pages 227.

Rule No.	Applicable Requirement	Extent of Compliance
9.13	Audit Committee	
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Not Applicable.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	The Company complies with the requirements stated under section 9.13.2
9.13.3.	Composition (1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Entity. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	The Company complies with the requirements stated under section 9.13.3 (1)The Committee Comprises of three (03) Non-Executive Directors of which two (02) are Independent Non-Executive Directors
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Complied
	(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
	(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided, however, where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Complied
	(7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	Complied
	Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.	

Rule No.	Applicable Requirement	Extent of Compliance
9.13.4	Functions i. The functions of the Audit Committee shall include the following: ii. Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements. iii. Review the quarterly results and year-end financial statements of the Entity prior to tabling for the approval of the Board of Directors of the Entity with special reference to: a. changes in or implementation of major accounting policy changes; b. significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; c. compliance with accounting standards and other legal requirements; d. any related party transaction and conflict of interest situation that may arise within the Listed Entity or group including e. any transaction, procedure or course of conduct that raises questions of management integrity; f. any letter of resignation from the external auditors of the Listed Entity; and, g. whether there is reason (supported by grounds) to believe that the Listed Entity's external auditor is not suitable for re- appointment	The Company complies with the requirements stated under section 9.13.4 BAC ensures the compliance to laws and regulations through Internal Audit activities conducted by Internal Audit Department.
	(iii) To make recommendations to the Board pertaining to appointment, reappointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	
	(iv) Obtain and review assurance received from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and	
	(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems.	
	(v) Review the internal controls in place to prevent the leakage of material information to unauthorized persons.	
	(vi) Oversee the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.	
	(vii) Review and assess the company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans.	
	(viii) Review the risk policies adopted by the Entity on an annual basis.	
	(ix) Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements.	BAC recommends the Management to take corrective actions to mitigate/ reduce the impact of risks.
	(x) Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors.	The Board Audit Committee and the Board Integrated Risk Management Committee executes its tasks relevant to respective committees.

Rule No.	Applicable Requirement	Extent of Compliance
	(xi) To develop and implement policy on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken.	The assigned tasks are displayed in relevant Terms of Reference documents.
	(xii) if a change of auditor is recommended by the Audit Committee in circumstances where the audit opinion of the immediately disclosed financial period or any period where subsequent disclosure of audit opinion is pending and such opinion carries a modification or an emphasis of matter of going concern, then the Audit Committee report shall include the rationale of the Audit Committee for recommending the removal of the auditor.	
	(xiii) Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of a Listed Entity has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Exchange.	
	(2) Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.	
9.13.5	Disclosures in Annual Report	
	(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.	The Report of the Board Audit Committee is given on pages 224 to 225.
	(2) The Audit Committee Report shall contain the following disclosures:	
	(a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of a group company);	
	(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable).	
	(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.	
	(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.	
	(e) Whether the listed entity has a formal Audit Charter	
	(f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function;	
	(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity;	
	(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and	

Rule No.	Applicable Requirement	Extent of Compliance
	(l) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.	
9.14	Related Party Transactions Review Committee Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	The Company complies with the requirements stated under section 9.14
9.14.2	Composition The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee	The Company complies with the requirements stated under section 9.14.2
9.14.3	Functions i. Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein. ii. The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions. iii. When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality iv. The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	The Company complies with the requirements stated under section 9.14.3 Functions are performed by the RPTRC as per the Board approved Terms of Reference.
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. (3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.	The Company complies with the requirements stated under section 9.14.4

Rule No.	Applicable Requirement	Extent of Compliance
	(4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter.	
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	All related party transactions are reviewed by the BRPTRC prior to execution.
9.14.6	Shareholder Approval	No such situation has transpired since listing in CSE dated 11.03.2025
9.14.7	Disclosures	
	Immediate Disclosures A Listed Entity shall make an immediate Market Announcement to the Exchange; (a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Listed Entities shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year. The Market Announcement to the Exchange shall include: (i) the date of the transaction or the period where applicable (ii) the name of the relevant Related Party (iii) the relationship between the Listed Entity and the Related Party (iv) details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at (v) the rationale for entering into the transaction (vi) the following statement: "The Related Party Transactions Review Committee of the Entity is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transaction Review Committee is/is not (delete as applicable) obtaining an opinion from an independent expert prior to forming its view on the transaction."	No such situation has transpired since listing in CSE dated 11.03.2025
9.16	Additional Disclosures	The Company complies with the requirements stated under section 9.16
	(1) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested;	
	(2) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so;	
	(3) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;	
	(4) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	

Risk Management

Approach to risk management

Fintrex employs a comprehensive risk management strategy that integrates policy frameworks and governance structures sanctioned by the Board of Directors. This strategy utilizes various tools and techniques to identify, measure, mitigate, and manage all potential risks. The risk management process at FFL encompasses several key stages: risk identification, risk analysis, risk control, and risk review.

Employees are encouraged to recognize and report any risks they encounter during their daily tasks. A dedicated communication channel ensures these risks are promptly conveyed to the relevant Heads of Departments and subsequently to the Board Integrated Risk Management Committee (BIRMC).

The Risk Management Committee is responsible for analyzing these risks and implementing appropriate controls to mitigate them. Additionally, Internal Auditors assess the adequacy and effectiveness of the internal control systems and report their findings to the Board through the Board Audit Committee (BAC).

Risk Governance Structure

The Board of Directors holds the ultimate authority for overseeing risk management and setting the policies that define risk parameters. This responsibility is delegated to the Board Integrated Risk Management Committee (BIRMC), which is tasked with establishing and maintaining the company's risk management framework. The company's risk management policies are designed to identify and analyze the risks it faces, set appropriate risk parameters, and implement controls to monitor these risks and ensure compliance with established limits.

The BIRMC plays a crucial role in overseeing the company's risk management framework, working closely with key management personnel and the Board of Directors to fulfill its statutory, fiduciary, and regulatory duties. The BIRMC convenes monthly to evaluate all aspects of risk management. Over the past year, the committee has held twelve regular monthly meetings whilst the minutes of these meetings circulated to the Board of Directors.

Risk Culture

The ultimate Intension of Risk Management strategy of the Company is to enhance risk management capability at different levels of the organization which has an ongoing emphasis on risk culture. The approach to risk culture, under the banner of intelligent risk taking, ensures a focus on robust risk management behaviors and practices. This underpins the strategy and values across all three lines of defense, enables the Company to support better customer outcomes, develop a stronger and more sustainable business and deliver an improved cost base. FFL expects leaders to act as role models for strong risk behaviors and practices building clarity, developing capability and motivating employees to reach the required standards set out in the intelligent risk-taking approach. Colleagues are expected to:

- Consistently role-model the values and behaviors in Our Code, based on strong ethical standards.
- Empower others to take risks aligned to the Company's strategy, explore issues from a fresh perspective, and tackle challenges in new and better ways across organizational boundaries.
- Manage risk in line with appropriate risk appetite. Ensure each decision made keeps the Company , colleagues, customers, communities and shareholders safe and secure.
- Understand their role in managing risk, remaining clear and capable, grounded in knowledge of regulatory obligations.
- Consider risk in all actions and decisions.
- Escalate risks and issues early, taking action to mitigate risks and learning from mistakes and near-misses, reporting and communicating these transparently.
- Challenge others' attitudes, ideas and actions.

The target intelligent risk-taking behaviors are embedded in FFL's Critical People Capabilities and are clearly aligned to the core values of inclusive, curious, robust, sustainable and ambitious. These aims to act as an effective basis for a strong risk culture because the Critical People Capabilities form the basis of all recruitment and selection processes.

Training

Enabling employees to have the capabilities and confidence to manage risk is core to Company's learning strategy. The Company offers a wide range of learning, both technical and behavioral, across the risk disciplines. This training may be mandatory, role-specific or for personal development. Mandatory learning for all staff is focused on keeping all stakeholders of the Company safe. This is easily accessed online and is assigned to each person according to their role and business area. The system allows monitoring at all levels to ensure completion.

Our Code

FFL's conduct guidance, Our Code, provides direction on expected behavior and sets out the standards of conduct that support the values. The code explains the effect of decisions that are taken and describes the principles that must be followed. These principles cover conduct-related issues as well as wider business activities. They focus on desired outcomes, with practical guidelines to align the values with commercial strategy and actions. The embedding of these principles facilitates sound decision-making and a clear focus on good customer outcomes.

Where appropriate, if conduct falls short of Company's required standards, the accountability review process is used to assess how this should be reflected in pay outcomes for the individuals concerned. FFL's remuneration policy ensures that the remuneration arrangements for all employees reflect all available labor laws and other relevant standards. Any employee falling short of the expected standards would also be subject to internal disciplinary policies and procedures. If appropriate, the relevant authority would be notified.

Risk management framework (3 lines of defence)

The Company uses the industry-standard three lines of defence model to articulate accountabilities and responsibilities for managing risk. This supports the embedding of effective risk management throughout the organization.

1 First line of defence	2 Second line of defence	3 Third line of defence
The first line of defence incorporates most roles in the Company, including those in the customer-facing franchises, Technology and Services as well as support functions such as Human Resources, Legal and Finance. The first line of defence is empowered to take risks within the constraints of the risk management framework and policies as well as the risk appetite statements set by FFL and measures set by the Board. The first line of defence is responsible for managing its direct risks. With the support of specialist functions such as Legal, Human Resources and Technology, it is also responsible for managing its consequential risks by identifying, assessing, mitigating, monitoring and reporting risks.	The second line of defence comprises the risk function and is independent of the first line. The second line of defence is empowered to design and maintain the risk management framework and its components. It undertakes proactive risk oversight and continuous monitoring activities to confirm that FFL engages in permissible and sustainable risk-taking activities. The second line of defence advises on, monitors, challenges, approves, escalates and reports on the risk-taking activities of the first line, ensuring that these are within the constraints of the risk management framework and policies as well as the risk appetite statements set by the Company and measures set by the Board.	The third line of defence is the Internal Audit function and is independent of the first and second lines. The third line of defence is responsible for providing independent and objective assurance to the Board, its subsidiary legal entity boards and executive management on the adequacy and effectiveness of key internal controls, governance and risk management in place to monitor, manage and mitigate the key risks to achieving their objectives. The third line of defence executes its duties freely and objectively in accordance with the Institute of Chartered Accountants Code of Ethics and International Standards.

Risk appetite

The key to our long-term sustainable growth and profitability lies in the strong link between our risk appetite and our strategy, and the desired balance between risk and return. Risk appetite is an expression of the amount or type of risk we are willing to take in pursuit of our financial and strategic objectives, reflecting our capacity to sustain losses and continue to meet our obligations as they fall due, under both normal and a range of stress conditions.

Risk appetite guides strategic and operational decisions and is reviewed annually. Our level one risk appetite statements are:

- Capital Position - FFL aims to have a strong capital adequacy position measured by regulatory capital ratios. The Company manages its capital levels to support business growth, maintains depositors' and creditors' confidence, creates value for shareholders and ensures regulatory compliance.
- Funding and liquidity management - FFL's approach to liquidity risk management is governed by prudence and is in accordance with regulatory requirements.
- Earnings volatility - FFL aims to have sustainable and well-diversified earning streams in order to minimize earnings volatility through business cycles.
- Reputation - The Company has no appetite for compromising our legitimacy or for knowingly engaging in any business, activity or relationship which could result in foreseeable reputational risk or damage to the Company.
- Conduct – FFL has no tolerance for illegal, unethical or dishonest behavior which was knowingly conducted. It is expected that every employee will uphold the highest levels of integrity and take accountability for their actions in line with our values and code of ethics and conduct. Unintentional wrongdoing (unknowingly), provided it is investigated, remediated and not repeated will be handled on a case-by-case basis.

- Climate - We will actively and prudently manage our financial and non-financial climate risks caused by physical and transition risks by drivers, taking into consideration the pace and nature of a just energy transition to a lower carbon economy.

Level two risk appetite is cascaded into risk types. Level three risk appetite consists of portfolio limits which underline level one and two risk appetite limits.

Identification and measurement

Identification and measurement within the risk management process comprise:

- Regular assessment of the overall risk profile, incorporating market developments and trends, as well as external and internal factors.
- Monitoring of the risks associated with lending and credit exposures.
- Assessment of trading and nontrading portfolios.
- Review of potential risks in new business activities and processes.
- Analysis of potential risk in any complex and unusual business transactions.

The financial and non-financial risks that are faced by the Company are detailed in its Risk Indicators. This provides a common risk language to ensure consistent terminology is used across the Company. The risk Indicators are subject to review as required to ensure that they continue to fully reflect the risks that are faced by the Company.

Mitigation

Mitigation is a critical aspect of ensuring that the risk profile remains within the risk appetite of the company. Risk mitigation strategies are discussed and agreed upon within the Company.

When evaluating possible strategies, costs and benefits, residual risks (risks that are retained) and secondary risks (those that arise from risk mitigation actions themselves) are also considered. Monitoring and review processes are in place to evaluate results. Early identification and effective management of changes in legislation and regulation are critical to successful mitigation.

GRI 205-3

Confirmed Incidents of Corruption and Actions Taken

There were no confirmed incidents of corruption reported during the year under review.

Testing and monitoring

This activity is carried out to confirm to both internal and external stakeholders – including the Board, Senior Management and Internal Audit - that such processes and controls are being correctly implemented and operated adequately and effectively. A consistent testing and monitoring methodology is in place across the Company.

Testing and monitoring activity focuses on processes and controls relating to credit risk, financial crime risk, operational resilience, and compliance. However, a range of controls and processes relating to other risk types are also subject to testing and monitoring activity as deemed appropriate within the context of a robust control environment.

Stress testing

Stress testing – capital management

Stress testing is a key risk management tool and a fundamental component of the Company's approach to capital management. It is used to quantify and evaluate the potential impact of specified changes to risk factors on the financial strength of the Company, including its capital position.

Stress testing includes:

- Scenario testing, which examines the impact of a hypothetical future state to define changes in risk factors.
- Sensitivity testing, which examines the impact of an incremental change to one or more risk factors.

The process for stress testing consists of four broad stages:

Define scenarios	Identify macro and the Company specific vulnerabilities and risks.
	Define and calibrate scenarios to examine risks and vulnerabilities.
	Formal governance process to agree scenarios.
Assess impact	Translate scenarios into risk drivers.
	Assess impact to current and projected P&L and balance sheet across the Company.
Calculate results and assess implications	Aggregate impacts into overall results.
	Results from part of the risk management process
	Scenario results are used to inform FFL's business and capital plans.
Develop and agree management actions	Scenario results are analyzed by subject matter experts. Appropriate management actions are then developed.
	Scenario results and management actions are reviewed by the relevant Management Committees and Board Integrated Risk Management Committee.

Stress testing is used widely across the Company. The diagram below summarizes key areas of focus.

Specific areas that involve capital management include:
Strategic financial and capital planning – by assessing the impact of sensitivities and scenarios on the capital plan and capital ratios.
Risk appetite – by gaining a better understanding of the drivers of, and the underlying risks associated with, risk appetite.
Risk monitoring – by monitoring the risks and horizon scanning events that could potentially affect FFL's financial strength and capital position.
Risk mitigation – by identifying actions to mitigate risks, or those that could be taken, in the event of adverse changes to the business or economic environment.

Capital Sufficiency – going concern forward-looking view

Going concern capital requirements are examined on a forward-looking basis including as part of the annual budgeting process by assessing the resilience of capital adequacy and leverage ratios under hypothetical future states. These assessments include assumptions about regulatory and accounting factors (such as SLFRS 9). They incorporate economic variables and key assumptions on Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income drivers, such as impairments, to demonstrate that the Company maintains sufficient capital. A range of future states are tested. In particular, the capital requirements are assessed:

Based on a forecast of future business performance under adverse economic and market conditions over the forecast period. Scenarios of different severity may be examined.

The examination of capital requirements under both normal and adverse economic and market conditions enables FFL to determine whether its projected business performance meets internal plans and regulatory capital requirements.

The potential impact of normal and adverse economic and market conditions on capital requirements is assessed through stress testing, the results of which are used across the Company.

Stress and peak-to-trough movements are used to help assess the amount of capital the Company needs to hold in stress conditions in accordance with the capital risk appetite framework.

Capital Allocation

FFL has mechanisms to allocate capital across its legal entities and businesses. These aim to optimize the use of capital resources taking into account applicable regulatory requirements, strategic and business objectives and risk appetite.

Governance

Capital management is subject to substantial review and governance. The Board approves the capital plans, including those for key legal entities and businesses as well as the results of the stress tests relating to those capital plans.

Stress testing – liquidity

Liquidity risk monitoring and contingency planning

A suite of tools is used to monitor, limit and stress test the risks on the balance sheet. Limit frameworks are in place to control the level of liquidity risk, asset and liability mismatches and funding concentrations. Liquidity risks are reviewed at significant legal entity and business levels daily, with performance reported to the Asset & Liability Management Committee on a regular basis. Liquidity Condition Indicators are monitored daily. This ensures any build-up of stress is detected early and the response escalated appropriately through recovery planning.

Internal assessment of liquidity

Under the liquidity risk management framework, FFL maintains the Internal Liquidity Adequacy Assessment Process. This includes assessment of net stressed liquidity outflows under a range of severe but plausible stress scenarios. Each scenario evaluates either an idiosyncratic, market-wide or combined stress event as described in the table below.

Type	Description
Idiosyncratic scenario	The market perceives the Company to be suffering from a severe stress event, which results in an immediate assumption of increased credit risk or concerns over solvency.
Market-wide scenario	A market stress event affecting all participants in a market through contagion, potential counterparty failure and other market risks. FFL is affected under this scenario but no more severely than any other participants with equivalent exposure.
Combined Scenario	This scenario models the combined impact of an idiosyncratic and market stress occurring at once, severely affecting funding markets and the liquidity of some assets.

FFL uses the most severe outcome to set the internal stress testing scenario which underpins its internal liquidity risk appetite. This complements the regulatory liquidity coverage ratio requirement.

Stress testing – Recovery

The Company's recovery plan explains how FFL would identify and respond to a financial stress event and restore its financial position so that it remains viable on an ongoing basis.

The recovery plan ensures risks that could delay the implementation of a recovery strategy are highlighted and preparations are made to minimize the impact of these risks. Preparations include:

- Developing a series of recovery indicators to provide early warning of potential stress events.
- Clarifying roles, responsibilities, and escalation routes to minimize uncertainty or delay.
- Developing a recovery playbook to provide a concise description of the actions required during recovery.
- Detailing a range of options to address different stress conditions.
- Appointing dedicated option owners to reduce the risk of delay and capacity concerns.

The plan is intended to enable the Company to maintain critical services and products it provides to its customers, maintain its core business lines and operate within risk appetite while restoring the Company's financial condition. It is assessed for appropriateness on an ongoing basis and is updated annually.

1. Credit Risk

Credit risk is the risk that customers and counterparties face when failing to meet their contractual obligation to settle outstanding amounts.

The principal sources of credit risk are lending and related financial guarantees and undrawn commitments. Through its payment's activities, FFL is also exposed to settlement risk.

Governance

The Credit Risk function provides oversight and challenge of frontline credit risk management activities. Governance activities include:

- Defining credit risk appetite measures for the management of concentration risk and credit policy to establish the key causes of risk in the process of providing credit and the controls that must be in place to mitigate them.
- Approving and monitoring operational limits for business segments and credit limits for customers.
- Oversight of the first line of defence to ensure that credit risk remains within the appetite set by the Board and that controls are being operated adequately and effectively.
- Providing necessary guidelines for assessing the adequacy of expected credit loss (ECL) provisions including approving the key SLFRS 9 inputs (such as significant increase in credit risk (SICR) thresholds).
- Development and approval of credit grading models.

Risk appetite

Credit risk appetite aligns to the strategic risk appetite set by the Board and is set and monitored through risk appetite frameworks tailored to the Company's Personal and Corporate segments.

Personal

The personal credit risk appetite framework sets limits that control the quality and concentration of both existing and new business for each relevant business segment. These risk appetite measures consider the segments' ability to grow sustainably, and the level of losses expected under stress. Credit risk is further controlled through operational limits specific to customer or product characteristics.

Corporate

For Corporate credit, the framework has been designed to reflect factors that influence the ability to operate within risk appetite. Tools such as stress testing and economic capital are used to measure credit risk volatility and develop links between the framework and risk appetite limits. Four formal frameworks are used, classifying, measuring, and monitoring credit risk exposure across single name, sector concentrations and product and asset classes with heightened risk characteristics. The framework is supported by a suite of transactional acceptance standards that set out the risk parameters within which businesses should operate. Credit policy standards are in place for both the Corporate and Personal portfolios. They are expressed as a set of mandatory controls.

Credit stewardship

Risks are identified through relationship management and credit stewardship of customers and portfolios. Credit risk stewardship takes place throughout the customer relationship, beginning with the initial approval. It includes the application of credit assessment standards, credit risk mitigation and collateral, ensuring that credit documentation is complete and appropriate, carrying out regular portfolio or customer reviews and problem debt identification and management.

Asset quality

All credit grades map to an asset quality (AQ) scale, used for financial reporting. This AQ scale is based on CBSL guidelines and recommendations of IFRS 9 (Financial Instruments). Performing loans are defined as stage 1-2 (where the probability of default (PD) is less than 100%) and defaulted non-performing loans as Stage 3 under SLFRS 9 (where the PD is 100%). Loans are defined as defaulted when the payment status becomes over 90 days past due, or earlier if there is clear evidence that the borrower is unlikely to repay, for example bankruptcy or insolvency.

Mitigation

Mitigation techniques, as set out in the appropriate credit policies and transactional acceptance standards, are used in the management of credit portfolios across the Company. These techniques mitigate credit concentrations in relation to an individual customer, a borrower group or a collection of related borrowers. Where possible, customer credit balances are netted against obligations. Mitigation tools can include structuring a security interest in a physical or financial asset. Property is used to mitigate credit risk across a number of portfolios.

Assessment and monitoring

Practices for credit stewardship including credit assessment, approval and monitoring as well as the identification and management of problem debts differ between the Personal and Corporate portfolios.

Personal

Personal customers are served through a lending approach that entails offering a large number of small-value loans. To ensure that these lending decisions are made consistently, the Company analyses internal credit information as well as external data supplied by credit reference agencies (including historical debt servicing behaviour of customers with respect to both the Company and other lenders). FFL then sets its lending rules, accordingly, developing different rules for different products.

The process is then largely automated, with each customer receiving an individual credit score that reflects both internal and external behaviours and this score is compared with the lending rules set. For relatively high-value, complex personal loans, including some property mortgage lending, specialist credit managers make the final lending decisions. These decisions are made within specified delegated authority limits that are issued dependent on the experience of the individual.

Underwriting standards and portfolio performance are monitored on an ongoing basis to ensure they remain adequate in the current market environment and are not weakened materially to sustain growth.

The actual performance of each portfolio is tracked relative to operational limits. The limits apply to a range of credit risk related measures including projected credit default rates across products and the loan-to-value (LTV) ratio of the mortgage portfolios. Where operational limits identify areas of concern, management action is taken to adjust credit or business strategy.

Corporate

Corporate customers are entities which are grouped by industry sectors and geography as well as by product/asset class and are managed on an individual basis. Customers are aggregated as a single risk when sufficiently interconnected. A credit assessment is carried out before credit facilities are made available to customers. The assessment process is dependent on the complexity of the transaction. Credit approvals are subject to environmental, social and governance risk policies which restrict exposure to certain highly carbon intensive industries as well as those with potentially heightened reputational impacts. Customer specific climate risk commentary is now mandatory.

The credit decision is facilitated through an auto-decision making system, which utilises scorecards, strategies and policy rules. Such credit decisions must be within the approval authority of the relevant business approver.

The credit approvers are accountable for the quality of each decision taken, although the credit risk approver holds ultimate sanctioning authority. Transactional acceptance standards provide detailed transactional lending and risk acceptance metrics and structuring guidance. As such, these standards provide a mechanism to manage risk appetite at the customer/transaction level and are supplementary to the established credit risk appetite. Credit grades and loss given default (LGD) are reviewed frequently. The review process assesses borrower performance, including reconfirmation or adjustment of risk parameter estimates; the adequacy of security; compliance with terms and conditions; and refinancing risk.

Problem debt management

1. Personal

Early Warning Signal mechanism

Pre-emptive triggers are in place to help identify customers that may be at risk of being in financial difficulty. These triggers are both internal, using the Company's data, and external using information from credit reference agencies. Proactive contact is then made with the customer to establish if they require help with managing their finances. By adopting this approach, the aim is to prevent a customer's financial position deteriorating which may then require intervention from the Recoveries teams. Personal customers experiencing financial difficulty are managed by the Recoveries team. If the Recoveries team is unable to provide appropriate support after discussing suitable options with the customer, management of that customer moves to the Legal Team. If at any point in the collections and recoveries process, the customer is identified as being potentially vulnerable, the customer will be separated from the regular process and supported by a specialist team to ensure the customer receives appropriate support for their circumstances.

Collections

When a customer exceeds an agreed limit or misses a regular monthly payment, the customer is contacted by the Company and requested to remedy the position. If the situation is not regularized thereafter, where appropriate, the Recoveries team will become more involved, and the customer will be supported by skilled special debt management staff who endeavour to provide customers with tailored solutions. Solutions include short-term account restructuring, refinance loans and forbearance which can include interest suspension and 'breathing space'. In the event that an affordable/sustainable agreement with a customer cannot be reached, the debt will transition to the Recoveries team. For provisioning purposes, under SLFRS 9, exposure to customers managed by the Recoveries team is categorized as Stage 2 and subject to a lifetime loss assessment, unless it is over 90 days past due in which case categorized as Stage 3.

Recoveries

The Recoveries team will issue a notice of intention to the default customer and, if appropriate, a formal demand, while also registering the account with credit reference agencies where appropriate. Following this, the customer's debt may then be placed with a special debt collection unit in order to agree on an affordable repayment plan with the customer. An option that may also be considered, is the sale of unsecured debt. Exposures subject to formal debt recovery which are defaulted, under SLFRS 9, are categorized as Stage 3.

2. Corporate

Early problem identification

Each segment and sector have defined early warning indicators to identify customers experiencing financial difficulty, and to increase monitoring if needed. Early warning indicators may be internal, such as a customer's bank account activity, or external, such as a publicly listed customer's share price. If early warning indicators show a customer is experiencing potential or actual difficulty, or if relationship managers or credit officers identify other signs of financial difficulty, they may decide to classify the customer within the Risk of Credit Loss framework.

Risk of Credit Loss framework

The framework focuses on corporate customers whose credit profiles have deteriorated materially since origination. Expert judgment is applied by experienced credit risk officers to classify cases into categories that reflect progressively deteriorating credit risk to the Company. There are two classifications in the framework that apply to non-defaulted customers:

- Heightened Monitoring and Risk of Credit Loss. For the purposes of provisioning, all exposures subject to the framework are categorized under Stage 2 and subject to a lifetime loss assessment. The framework also applies to those customers that have met FFL's default criteria. Defaulted exposures are categorized under Stage 3 for provisioning purposes.

- Heightened Monitoring customers are performing customers that have met certain characteristics, which have led to significant credit deterioration. Collectively, characteristics reflect circumstances that may affect the customer's ability to meet repayment obligations. Characteristics include trading issues, covenant breaches, material PD downgrades and past due facilities.

Heightened Monitoring customers require pre-emptive actions (outside the customer's normal trading patterns) to return or maintain their facilities within FFL 's current risk appetite prior to maturity.

Risk of Credit Loss customers are performing customers that have met the criteria for Heightened Monitoring and also pose a risk of credit loss to the Company in the next 12 months if mitigating actions are not taken or not successful.

Once classified as either Heightened Monitoring or Risk of Credit Loss, a number of mandatory actions are taken in accordance with policies. Actions include a review of the customer's credit grade, facility and security documentation and the valuation of security. Depending on the severity of the financial difficulty and the size of the exposure, the customer relationship strategy is reassessed by credit officers, by specialist credit risk or relationship management units in the relevant business or by

Restructuring. Agreed customer management strategies are regularly monitored by the credit teams. The largest Risk of Credit Loss exposures are regularly reviewed by the BIRMC. BIRMC reviews and challenges the strategies undertaken for customers that pose the largest risk of credit loss to the Company.

Appropriate corrective action is taken when circumstances emerge that may affect the customer's ability to service its debt (refer to Heightened Monitoring characteristics). Corrective actions may include granting a customer various type of concessions. Any decision to approve a concession will be a function of specific appetite, the credit quality of the customer, the market environment and the loan structure and security. All customers granted forbearance are classified Heightened Monitoring as a minimum.

Other potential outcomes of the relationship review are to: remove the customer from the Risk of Credit Loss framework, offer additional lending and continue monitoring, transfer the relationship to Restructuring if appropriate, or exit the relationship.

The Risk of Credit Loss framework does not apply to problem debt management for business customers. These customers are, where necessary, managed by specialist in Credit Management, depending on the size of exposure or by the business recoveries team where a credit facility has been impaired.

Restructuring

Restructuring is carried out for corporate customers in financial difficulty to help them understand their options and how their restructuring or repayment strategies can be delivered. Helping the customer return to financial health and restoring a normal banking relationship is always the preferred outcome, however, where a solvent outcome is not possible, insolvency may be considered as a last resort.

Restructuring will always aim to recover capital fairly and efficiently. Throughout Restructuring's involvement, the mainstream relationship manager will remain an integral part of the customer relationship. Restructuring work helps FFL to remain safe and sustainable, contributing to its ability to champion potential.

Forbearance

Forbearance takes place when a concession is made on the contractual terms of a loan/debt in response to a customer's financial difficulties.

The aim of forbearance is to support and restore the customer to financial health while minimizing risk. To ensure that forbearance is appropriate for the needs of the customer, minimum standards are applied when assessing, recording, monitoring and reporting forbearance.

A credit exposure may be forborne more than once, generally where a temporary concession has been granted and circumstances warrant another temporary or permanent revision of the terms and conditions of the credit facility.

Impairment, provisioning, and write-offs

In the overall assessment of credit risk, impairment provisioning and write-offs are used as key indicators of credit quality. The Company's SLFRS 9 provisioning models, which use existing CBSL guidelines as the benchmark, incorporate term structures and forward-looking information. Regulatory conservatism has been removed as appropriate to comply with the SLFRS 9 requirement for unbiased ECL estimates. Five key areas may materially influence the measurement of credit impairment under SLFRS 9 – two of these relate to model build and three relate to model application:

Model build:

- The determination of economic indicators that have most influence on credit loss for each portfolio and the severity of impact (this leverages existing stress testing models which are reviewed annually).
- The build of term structures to extend the determination of the risk of loss beyond 12 months that will influence the impact of lifetime loss for exposures in Stage 2.

Model application

- The assessment of the SICR and the formation of a framework capable of consistent application.
- The determination of asset lifetimes that reflect behavioural characteristics while also representing management actions and processes (using historical data and experience).
- The choice of forward-looking economic scenarios and their respective probability weights.

SLFRS 9 ECL model design principles

Modelling of ECL for SLFRS 9 follows the conventional approach to divide the estimation of credit losses into its component parts of PD, LGD and EAD.

To meet SLFRS 9 requirements, the following aspect:

- Unbiased – material regulatory conservatism has been removed from SLFRS 9 parameters to produce unbiased estimates.
- Point-in-time – SLFRS 9 parameters reflect actual economic conditions at the reporting date instead of long-run average or downturn conditions.
- Forward-looking – SLFRS 9 PD estimates and, where appropriate, EAD and LGD estimates reflect forward looking economic conditions.

- Lifetime measurement – SLFRS 9 PD, LGD and EAD are provided as multi-period term structures up to exposure lifetimes instead of over a fixed one-year horizon. SLFRS 9 requires that at each reporting date, an entity shall assess whether the credit risk on an account has increased significantly since initial recognition. Part of this assessment requires a comparison to be made between the current lifetime PD (i.e. the PD over the remaining lifetime at the reporting date) and the equivalent lifetime PD as determined at the date of initial recognition. For assets originated before SLFRS 9 was introduced, comparable lifetime origination PDs did not exist. These have been retrospectively created using the relevant model inputs applicable at initial recognition.

Governance and Post Model Adjustment

The SLFRS 9 PD, EAD and LGD models are subject to FFL's model risk policy that stipulates periodic model monitoring, periodic re-validation and defines approval procedures and authorities according to model materiality. Various post model adjustments were applied where management judged they were necessary to ensure an adequate level of overall ECL provision. All post model adjustments were subject to formal approval through provisioning governance, and were categorised as follows (business level commentary is provided below):

- Deferred model calibrations – ECL adjustments where PD model monitoring indicated that actual defaults were below estimated levels but where it was judged that an implied ECL release was not supportable due to the influence of government support schemes. As a consequence, any potential ECL release was deferred and retained on the balance sheet.
- Economic uncertainty – ECL adjustments primarily arising from uncertainties associated with multiple economic scenarios and credit outcomes.
- Other adjustments – ECL adjustments where it was judged that the modelled ECL required to be amended.

Post model adjustments will remain a key focus area of the Company's ongoing ECL adequacy assessment process. A holistic framework has been established including reviewing a range of economic data, external benchmark information and portfolio performance trends. A key part of the assessment is also understanding the current levels of ECL coverage (portfolio by portfolio) against pre COVID-19 levels, recognizing changes in franchise portfolio/sector mix.

Refers to Note No. 20 of Financial Statements.

2. Capital, liquidity and funding risk

The Company continually ensures a comprehensive approach is taken to the management of capital, liquidity and funding, underpinned by frameworks, risk appetite and policies, to manage and mitigate capital, liquidity and funding risks. The framework ensures the tools and capability are in place to facilitate the management and mitigation of risk ensuring the Company operates within its regulatory requirements and risk appetite.

Regulatory capital consists of shareholders' equity, reserves and instruments issued that are available, have a degree of permanency and are capable of absorbing losses. A number of strict conditions set by regulators must be satisfied to be eligible as capital.

Capital risk is the inability to conduct business in base or stress conditions on a risk or leverage basis due to insufficient qualifying capital as well as the failure to assess, monitor, plan and manage capital adequacy requirements.

Liquidity consists of assets that can be readily converted to cash within a short timeframe with a reliable value. Liquidity risk is the risk of being unable to meet actual or potential financial obligations in a timely manner as they fall due in the short term.

Funding consists of on-balance sheet liabilities that are used to provide cash to finance assets. Funding risk is the risk that current or prospective financial obligations cannot be met as they fall due in the medium to long term, either at all or without increasing funding costs unacceptably.

Liquidity and funding risks arise in a number of ways, including through the maturity transformation role that banks perform. The risks are dependent on factors such as:

- Maturity profile;
- Composition of sources and uses of funding;
- The quality and size of the liquidity portfolio;
- Wholesale market conditions;
- Depositor and investor behaviour.

Sources of Risk

Capital

The eligibility of instruments and financial resources as regulatory capital is laid down by applicable regulation. Capital is categorised by applicable regulation under two tiers (Tier 1 and Tier 2) according to the ability to absorb losses, degree of permanency and the ranking of absorbing losses.

Liquidity

FFL manages its liquidity to ensure it is always available when and where required, taking into account regulatory, legal and other constraints. Liquidity resources of The Company are divided into primary and secondary liquidity as follows:
Primary liquid assets include cash and bank balances at commercial banks and excess investment in Government Securities above the CBSL requirement
Secondary liquid assets are undrawn loans and OD limits

Funding
FFL maintains a diversified set of funding sources, including customer deposits, bank borrowings, Instrumental Borrowings and equity capital.

Capital management
Capital management is the process by which the financial entities ensure that they have sufficient capital and other loss absorbing instruments to operate effectively including meeting minimum regulatory requirements, operating within Board approved risk appetite, maintaining credit ratings and supporting strategic goals. Capital management is critical in supporting the financial entities' businesses and is also considered at the Company.

Capital planning is integrated into the Company's wider annual budgeting process and is assessed and updated at least monthly. As a key operating entity, capital plans are produced and managed for the Company. This is summarized below.

Produce capital plans	Capital plans are produced for the Company, its key operating entities and its businesses over a three-year planning horizon under expected and stress conditions. Stressed capital plans are produced to support internal stress testing for regulatory purposes.
	Shorter term forecasts are developed frequently in response to actual performance, changes in internal and external business environment and to manage risks and opportunities.
Assess capital adequacy	Capital plans are developed to maintain capital of sufficient quantity and quality to support Company's business, and its strategic plan over the planning horizon within approved risk appetite, as determined via stress testing, and minimum regulatory requirements.
	Capital resources and capital requirements are assessed across a defined planning horizon.
	Impact assessment captures input from across the Company including the businesses processes.
Inform capital actions	Capital planning informs potential capital actions including buy backs, redemptions, dividends and new issuance to external investors or via internal transactions.
	Decisions on capital actions will be influenced by strategic and regulatory requirements, risk appetite, costs and prevailing market conditions.
	As part of capital planning, The Company will monitor its portfolio of issued capital securities and assess the optimal blend and most cost-effective means of financing.

Capital planning is one of the tools that FFL uses to monitor and manage capital risk on a going concern basis, including the risk of excessive leverage.

The Company's approach to capital management is mainly based on strategic and organizational requirements taking into consideration legal and regulatory requirements as well.

Liquidity risk management
The Company manages its liquidity risk taking into account regulatory, legal and other constraints to ensure sufficient liquidity is available where required to cover liquidity stresses. The size of the liquidity portfolio held in FFL is determined by referencing their liquidity risk appetite. The Company retains a prudent approach to setting the composition of the liquidity portfolio, which is subject to internal policies and limits over quality of counterparty and maturity mix.

The Company manages its liquidity risk through Asset and Liability Management (ALM) Policies. ALM is a key risk management discipline which directs the management of On-and-Off financial position assets and liabilities in such a way that the institution is able to offer competitively priced products and services to customers whilst maintaining an appropriate risk / reward profile that creates shareholder value. Assets and Liabilities Committee (ALCO) is entrusted with this task.

ALCO meets at least monthly and is responsible for managing and controlling the overall liquidity of the Company and reviews the impact of strategic decisions on Company's liquidity.

3. Interest Rate Risk
Interest rate risk arises from the provision to customers of a range of banking products with differing interest rate characteristics. When aggregated, these products form portfolios of assets and liabilities with varying degrees of sensitivity to changes in market interest rates. Mismatches can give rise to volatility in net interest income as interest rates vary. Interest Rate Risk comprises three primary risk types: gap risk, basis risk and option risk. To manage exposures within its risk appetite, FFL aggregates interest rate positions and hedges its residual exposure, primarily with interest rate swaps.

Structural hedging aims to reduce gap risk and the sensitivity of earnings to interest rate shocks. It also provides some protection against prolonged periods of falling rates. For further information on the types and sources of interest rate risk as well as on the purpose and methodology of the structural hedging carried out. Interest rate risk can be measured from either an economic value-based or earnings-based perspective, or a combination of the two.

Sensitivity of net interest earnings

Net interest earnings are sensitive to changes in the level of interest rates, mainly because maturing structural hedges are replaced at higher or lower rates and changes to coupons on managed rate customer products do not match changes in market rates of interest or policy rates of Central Bank of Sri Lanka. Earnings sensitivity is derived from a market-implied forward rate curve, which will incorporate expected changes in policy rates of Central Bank of Sri Lanka. The sensitivity of net interest earnings shows the expected impact of an immediate upward or downward change of 100 basis points.

At monthly ALCO meetings, the Committee reviews the market conditions and the impact to the Company. Prudential measures were taken to mitigate the interest rate risk.

4. Operational Risk

Operational risk is the risk of direct or indirect losses arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The objective is to manage the operational risks in order to strike a balance between risk and return. This balanced approach would avoid the occurrence of financial losses and reputation losses with overall cost effectiveness whilst avoiding control procedures that restrict initiative and creativity.

The primary responsibility for development and implementation of controls to address operational risk is assigned to BIRMC of the Company. Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit Department. The results of internal audit reviews are discussed with the management of the Company, Board Audit Committee and the Board of Directors.

5. Cyber Security Risk

With the increase in adoption and investment in digitization, security risks have emerged, which could occur due to the breach of confidentiality, integrity and availability of classified data such as customers' personal and financial information. Customer information is of critical importance and the Company is committed to protecting their privacy through information security initiatives.

FFL has identified the significance of cyber security as an emerging risk category and therefore has considered its requirements as a core component of the overall operational risk profile. The IT department has dedicated resources and device strategies to cope with cyber security risks.

The IT Steering Committee which meets every two months, discuss on the implementation of system security features to reduce the risk of cyber threats and to improve system capabilities with the assistance of BIRMC.

6. Strategic Risk

The risk that the Company's future business plans and strategies are inadequate to prevent financial loss or protect the Company's competitive position and generate expected shareholder returns.

The Company rolled out its three-year strategic plan in 2024/25, 2025/26, 2026/27 and the progress against the set objectives are monitored and reviewed periodically along with timely remedial action. Further branch profitability is also reviewed on a periodic basis.

7. Reputational Risk

The risk of potential/actual damage to the Company's image which may have a detrimental impact on the profitability and/or sustainability of the business. The Company is committed to maintain consistent communication with all its stakeholders to build strong and transparent relationships.

GRI 201-2

8. Climate Risk

Climate risk is the threat of financial loss or adverse non-financial impacts associated with climate change and the political, economic and environmental responses to it.

Sources of risk - Physical risks may arise from climate and weather-related events such as heatwaves, droughts, floods, storms and sea level rises.

They can potentially result in financial losses, impairing asset values and the creditworthiness of borrowers. FFL could be exposed to physical risks directly by the effects on its property portfolio and, indirectly, by the impacts on the wider economy as well as on the property and business interests of its customers. Transition risks may arise from the process of adjustment towards a low-carbon economy. Changes in policy, technology and sentiment could prompt reassessment of customers' financial risk and may lead to falls in the value of a large range of assets. The Company could be exposed to transition risks directly through the costs of adaptation within economic sectors and markets as well as supply chain disruption leading to financial impacts on it and its customers. Potential indirect effects include the erosion of FFL's competitiveness, profitability, or reputation damage.

9. Financial Crime Risk

Financial crime risk is presented by criminal activity in the form of money laundering, terrorist financing, bribery and corruption, sanctions and tax evasion, as well as fraud risk management.

Sources of risk -financial crime risk may be presented if FFL's customers, employees or third parties undertake or facilitate financial crime, or if FFL's products or services are used to facilitate such crime. Financial crime risk is an inherent risk across all lines of business.

10. Compliance Risk

Compliance risk is the risk that the behaviour of the Company towards customers fails to comply with laws, regulations, rules, standards and codes of conduct. Such a failure may lead to breaches of regulatory requirements, organizational standards or customer expectations and could result in legal or regulatory sanctions, material financial loss or reputational damage.

Sources of risk - Compliance risks exist across all stages of the Company's relationships with its customers and arise from a variety of activities including product design, marketing and sales, complaint handling, staff training, and handling of confidential inside information.

11. Model Risk

Model risk is the potential for adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. A model is defined as a quantitative method, system, or approach that applies statistical, economic, financial, accounting, mathematical or data science theories, techniques and assumptions to process input data into estimates.

FFL uses a variety of models in the course of its business activities. Examples include the use of model outputs to support customer decisioning, measuring and assessing risk exposures (including credit, market, and climate risk), calculating regulatory capital and liquidity requirements and automation of operational processes.

12. Corruption Risk

GRI 205

As a responsible financial institution, Fintrex Finance PLC recognizes that corruption poses a significant threat to ethical governance, stakeholder trust, and long-term sustainability. Corruption risk can manifest in various forms, including bribery, conflicts of interest, and unethical business practices, potentially undermining operational integrity and regulatory compliance.

To mitigate this risk, Fintrex has implemented a comprehensive Anti-Corruption Policy that outlines clear expectations for ethical conduct across all levels of the organization. This policy is supported by a robust governance framework that includes:

- Regular employee training on anti-bribery and ethical behavior
- A confidential whistleblower mechanism for reporting suspected misconduct
- Periodic internal audits and compliance reviews
- Strict enforcement of our Code of Conduct and disciplinary procedures

Our approach to managing corruption risk is proactive and preventive, ensuring that all employees, partners, and stakeholders operate within a culture of transparency, accountability, and integrity.

Smart Evaluation Smarter Access

As a distributor for Heshan Motors, a company specializing in square parts manufacturing, my business relies heavily on timely and efficient transportation. To meet this operational need, I decided to lease a three-wheeler. I approached Fintrex Finance PLC, and what followed was a truly remarkable experience.

Within just one day, my leasing facility was approved and processed, far exceeding my expectations. The process was refreshingly simple, with minimal documentation. Yet, I could clearly see that Fintrex was applying a smart and thorough evaluation of my financial profile. They assessed my debt-servicing capacity quickly and accurately, ensuring that the facility was not only accessible but also affordable and sustainable for me.

Their customer service stood out for its professionalism and warmth. I felt genuinely supported throughout the process, and it was evident that Fintrex values building strong, trust-based relationships with its clients.

This level of service and efficiency is rare, and it gave me the confidence to recommend Fintrex to several of my contacts who were also seeking financial assistance. For entrepreneurs like me, having access to finance that is both intelligently evaluated and swiftly delivered makes a significant difference. Fintrex has proven to be a financial partner that truly understands and supports our journey.

Mr. S. J. U. H. Sanjeewa
Distributor – Heshan Motors


WP JA - 1927

Report of the Board Audit Committee (BAC)

The Board appointed Board Audit Committee as at the end of the year comprises the following Non-Executive Directors of the Company.

Mr. Nilam Jayasinghe
(Chairman)
Independent Non-Executive Director

Mr. Shrihan B Perera
Non-Independent Non-Executive Director

Mr. Ahamed Sabry Ibrahim
Independent Non-Executive Director

The Secretary to the Board of the Company performs the Secretary's function to the Audit Committee.

Brief profiles of the members are given on pages 34 to 36 of the Annual Report.

The Audit Committee met 15 times during the year. The attendance of the members at Audit Committee Meetings is as follows:

Member	No. of Meetings
Mr. Nilam Jayasinghe (Chairman)	15/15
Mr. Shrihan B Perera	15/15
Mr. Shanthanu Nagpal (Served till 28/01/2025)	10/12
Mr. Ahamed Sabry Ibrahim (Appointed w.e.f 29/01/2025)	3/3

The Chief Executive Officer, Chief Financial Officer, other senior members of the Management team and the Chief Internal Auditor attended Committee meetings by invitation. The Audit Partner of the External Auditors, M/s. Ernst & Young, was also invited to attend two such meetings during the year. Proceedings of the Audit Committee meetings are reported to the Board of Directors.

Role of the Audit Committee

The Audit Committee assists the Board of Directors in fulfilling effectively its responsibilities relating to financial, Corporate Governance and other related affairs of the company. The functioning of the Committee is guided by Audit Committee Charter and Audit Charter. The Committee has been empowered to:

- examine internally any matter relating to the financial affairs of the company
- monitor and follow-up the Internal and External Audit programmes and plans, review the Internal Audit and External Audit reports
- analyse and review risks and examine the adequacy, efficiency and effectiveness of the Internal Control System and procedures in place to avoid or mitigate such risks
- review Accounting Policies, emerging accounting issues and disclosures according to Sri Lanka Accounting Standards (LKAS) / Sri Lanka Financial Reporting Standards (SLFRS) review and recommend Interim and Annual Financial Statements prepared for approval of the Board and submission to shareholders
- review the policy on the engagement of an External Auditor to provide non-audit services that are permitted under the relevant statutes, regulations, requirements and guidelines.

Financial Reporting

The Committee assists the Board of Directors to discharge their responsibility for the preparation and release of the Financial Statements that portray a true and fair view of the affairs of the Company in accordance with the Company's accounting records and in conformity with the Sri Lanka Accounting Standards, the Sri Lanka Financial Reporting Standards, the Companies Act No.7 of 2007, Finance Business Act no 42 of 2011, CBSL Directions and Rules on Corporate Governance under listing rules of Colombo Stock Exchange (CSE).

The Committee reviewed the Company's interim and annual financial statements prior to submission to the Board and recommended the release of the same to shareholders.

The Audit Committee reviewed and certified the profit reconciliation based on CBSL directions and LKAS/SLFRS and the resulting impact on the prudential ratios, in compliance with relevant regulations.

The Audit Committee reviewed the financial reporting systems in place to ensure the reliability and integrity of information provided. The review included the extent of compliance with LKAS/SLFRS and applicable laws & regulations, review of critical accounting policies and practices and any changes thereto, alternative accounting treatments, and material audit judgments.

External Audit

The Audit Committee is empowered to recommend the appointment of the External Auditor in compliance with the relevant statutes, the service period, Audit fee and any resignation or removal of the Auditor. The Audit Committee is satisfied that there are no conflicts of interest between the Company and the Auditor.

The Committee is satisfied that there is no cause to compromise the independence and objectivity of the Auditor. The Committee reviewed the effectiveness of the audit processes in accordance with applicable standards and best practices. The Audit

Committee will ensure that the engagement of an audit partner shall not exceed five years and that the audit partner is not re-engaged for the audit before the expiry of 3 years from the date of the completion of the previous term as per section 10.2 (d) of Direction No.5 of 2021 issued under the Finance Business Act no 42 of 2011.

The annual financial statements 2024/25 were reviewed with the External Auditor and their Engagement and Management Letter and Management's responses thereto were also reviewed.

In conforming with Best Practices, the Committee met with the External Auditor at two meetings in the absence of Chief Executive Officer and other Key Management Personnel to provide an opportunity in discussing whether there have been any improprieties, constraints, reservations or any other unsatisfactory matters arising from the audit which the auditor wished to discuss with the Audit Committee.

The Committee assists the Board of Directors in engaging the External Auditor for non-audit services in compliance with the respective statutes, to ensure that such engagement in non-audit services, does not impair the independence of the External Auditor.

Risks and Internal Controls

The Audit Committee reviewed the company's operations and monitored the effectiveness of internal controls and procedures and is of the view that adequate controls and procedures are in place to provide reasonable assurance to the Board, that the assets of the company are safeguarded and the financial position reflects a true and fair view of the affairs of the company based on the available information.

Additionally, the Committee assessed the effectiveness of the company's internal controls over financial reporting as at 31 March 2025, as required by Finance Companies (Corporate Governance) Direction 05 of 2021, as assessed in the Directors' Statement on Internal Control on pages 246 to 247.

The External Auditor has issued an Independent Assurance Report on the Director's Statement on Internal Control.

Internal Audit

During the year under review, the Audit Committee reviewed the adequacy of the scope, functions and resources of the Internal Audit Division, the results of the internal audit process and their evaluation of the Company's internal control systems. The Audit Committee also reviewed and approved the adequacy of coverage of the internal audit programme.

Regulatory Compliance

Audit Committee reviewed the information requirement of Companies Act No 07 of 2007, Finance Business Act No. 42 of 2011, CBSL regulations and Rules on Corporate Governance under the listing rules of Colombo Stock Exchange (CSE).

(Sgd.)
Nilam Jayasinghe
Chairman - Board Audit Committee

Report of the Board Integrated Risk Management Committee (BIRMC)

The composition and the attendance of the Board appointed Integrated Risk Management Committee during the financial year was as follows:

Name	Designation	Attendance/ No of meetings held
Mr. A. S. Ibrahim (Chairman)	Independent Non-Executive Director	12/12
Mr. J. R. F. Peiris	Non-Independent Non-Executive Director	12/12
Mr. J F R De Fonseka (Member w.e.f. 01.04.2024)	Independent Non-Executive Director	12/12
Mr. I.A. Wickramasinghe (Member w.e.f. 01.11.2024)	Non-Independent Non-Executive Director	5/5
Mr. K P Ariyaratne (Served till 30.09.2024)	Independent Non-Executive Director	5/6

The Committee held twelve (12) formal and scheduled meetings on a monthly basis during the year under review.

Brief profiles of the Directors representing the Committee are given on pages 34 to 36 of the Annual Report.

The Secretary to the Board of the Company performs the secretary's function to the Board Integrated Risk Management Committee (BIRMC).

Regular Participants

Chief Executive Officer
Chief Financial Officer
Risk Officer
Compliance Officer

Attend Upon Invitation

Any other members of the Board/Corporate Management/any other Staff Member will attend the Committee upon invitation.

Terms of Reference, Charter and Activities

Board Integrated Risk Management Committee is established by the Board of Directors to comply with the requirements specified in the Finance Companies (Corporate Governance) Direction No 05 of 2021, issued by the Central Bank of Sri Lanka in terms of the powers conferred by Section 12 of the Finance Business Act No. 42 of 2011. The composition and the scope of work of the Committee is in conformity with the provisions of the Section 10.3 of the aforesaid Direction.

The Terms of Reference (TOR) of the BIRMC was last reviewed and adopted by the Board of Directors in January 2024. It clearly sets out the membership, source of authority, duties and responsibilities of the BIRMC. Functions of the BIRMC in the Company's overall risk management framework have been discussed in detail on the page 226.

The activities of the Committee include;

- Assessing all risks, i.e., credit, market, liquidity, operational and strategic risks to the Company on a monthly basis through appropriate risk indicators and management information.
- Reviewing the adequacy and effectiveness of all management level committees such as the credit committee and the asset-liability committee to address specific risks and to manage those risks within quantitative and qualitative risk limits as specified by the committee.
- Making prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the Committee on the basis of the Company's policies and regulatory and supervisory requirements.
- Reviewing suitability of updated business continuity plan and develop disaster recovery plan
- Taking timely, and appropriate, corrective actions in ensuring conformity with the risk management policies of the Company.
- Monitoring the effectiveness and independence of Risk Management within the Company and ensure that adequate resources are deployed for this purpose.
- Reviewing the effectiveness of the compliance function to assess the Company's compliance with laws, regulations, regulatory guidelines, internal controls and approved policies in all areas of business operations.

Acting collectively, the members of the BIRMC evaluated its performance during the year as a subset of its performance, effectiveness and efficiency.

During the financial year 2024/25, the BIRMC supported execution of the overall business strategy within a set of prudent risk parameters that are reinforced by an effective risk management framework.

On behalf of the Board Integrated Risk Management Committee

(Sgd.)
A S Ibrahim
Chairman
Board Integrated Risk Management Committee

Report of the Board Human Resource and Remuneration Committee (BHRRC)

Board Human Resource and Remuneration Committee is established to assist, and advise, the Board in evaluating and recommending the Rewards, and Recognition, policies for all employees, and in ensuring the appropriateness of fees paid to the Independent Directors.

The composition and the attendance of the Board Human Resource and Remuneration Committee during the Financial Year 1 April 2024 to 31 March 2025, are as follows:

Name	Designation	Attendance/ No of meetings held
Mr. J. R. F. Peiris (Chairman- served till 28.01.2025)	Non-Independent Non-Executive Director	7/7
Mr. Shantanu Nagpal (Served till 28.01.2025)	Non-Independent Non-Executive Director	4/6
Mr. Shrihan Perera (Served till 28.01.2025)	Non-Independent Non-Executive Director	6/6
Mr J F R De Fonseka (Chairman w.e.f. 29.01.2025)	Independent Non-Executive Director	1/1
Mr. A.S. Ibrahim Member (w.e.f. 29.01.2025)	Independent Non-Executive Director	1/1

The Committee met Seven (7) times during the financial year that ended 31 March 2025, and the Board was kept informed about the proceedings and Board approval was obtained when, and where, required.

The Chief Executive Officer participated in all deliberations of this Committee and attended the meetings by invitation. The Head of Human Resources and Administration also attended when required.

Role of the Committee

- Maintain a competitive remuneration package for employees at all levels on par with industry standards. (The Company's remuneration policy is designed to ensure fair, transparent, and performance-driven compensation aligned with market benchmarks.)
- Gain assurance that the due processes, and procedures, have been followed in evaluating the performance of employees against pre agreed goals/ key performance indicators and recommend rewards/promotions, as determined by the Committee, for approval by the Board of Directors.
- Ensuring that the findings of the Great Places to Work Survey are operationalized, and the survey is regularly updated.
- Ensuring that a Training and Development program/calendar exists on an ongoing basis for all staff.
- Assessing the appropriateness of the Fees paid to Independent Directors relative to the market.
- Review the suitability/alignment of HR Policies with Short, Medium and Long term goals and objectives of the company.

The Committee recognizes rewards as one of the key drivers influencing employee behaviour, thereby impacting business results. Therefore, reward programs are designed to attract, retain, and motivate employees to deliver results by linking performance to demonstrable performance-based criteria. In this regard, the Committee focuses, particularly, on the individual performance of the Key Management Personnel in achieving the pre-agreed operating, and financial, targets and goals of the Company, both short-term and long-term.

Further, the Committee reviewed the succession plans in respect of the critical staff of, and the talent management process in the Company. The Succession Planning process mainly focused on assessing the readiness of identified employees for futuristic roles.

(Sgd.)
J F R De Fonseka
Chairman
Board Human Resource and Remuneration Committee

Report of the Board Nominations and Governance Committee Report (BNGC)

The Board Nominations and Governance Committee was established by the Board of Directors to ensure Board's oversight and control over selection of Directors and Chief Executive Officer.

The Committee's purpose is to review and report on the leadership and succession needs of the Company and ensure that appropriate procedures are in place for nominating, evaluating and succession planning for Directors and Chief Executive Officer (CEO) and the Corporate Management.

The composition of the Board Nominations and Governance Committee during the financial year ended 31 March 2025 was as follows:

Name	Designation	Attendance/ No of meetings held
Mr. Seminda Nilam Jayasinghe (Chairman w.e.f. 01.01.2024)	Chairman/ Director Independent Non-Executive Director	5/5
Mr. Ajit Damon Gunewardene	Director Non-Independent Non-Executive Director	5/5
Mr. Kapila Ariyaratne (served from 01.01.2024 to 30.09.2024)	Director Non-Executive	1/2
Mr. J.F.R. De Fonseka (Served from 30.09.2024 to 19.11.2024) (re-appointed as a member w.e.f. 20.12.2025)	Director Independent Non-Executive	3/3
Mr. Indrajit Wickramasinghe (served from 20.11.2024 to 19.12.2024) (re-designated as non-independent Director w.e.f. 20.12.2024)	Director Non-Independent Non-Executive Director	0

The Committee met Five (5) times during the financial year that ended 31 March 2025 and the Board was kept informed about the proceedings and Board approval was obtained when, and where, required.

Role of the Committee

The Role of the Board Nominations and Governance Committee:

- To review the structure, size and composition of the Board and make recommendations to the Board with regard to any change.
- To implement a formal/ transparent procedure to select/ appoint new directors and senior management and to appoint senior management with the recommendation of CEO.
- To review the leadership needs of the Company, both executive and non-executive with a view to ensure long term sustainability of the Company to compete effectively in the market place
- To implement a procedure for the appointment and re-appointment of Directors to the Board taking into account factors such as fitness, propriety including qualifications, competencies, independence and relevant statutory provisions and regulations.
- Prior to any appointment being made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- Prior to the appointment of a Director, ensure that the proposed appointee would disclose any other business interests that may result in a conflict of interest and report any future business interests that could result in a conflict of interest.
- To consider and recommend from time to time, the requirements of additional/ new expertise for Directors and senior management.
- To propose the maximum number of Company Board representations which any Director may hold in accordance with relevant statutory provisions and regulations.
- To formulate plans for succession for Directors in the Board and in particular for the key roles of Chairman and Chief Executive Officer taking into account challenges and opportunities facing the Company and skills needed in the future.
- To consider and recommend the requirement of additional new expertise and the succession planning for retiring Directors and senior management.

- To make recommendations to the Board concerning, suitable candidates for the role of Senior Independent Director in instances where Chairman is not an Independent Director, membership of other Board Committees as appropriate in consultation with the Chairpersons of those Committees.

- To monitor the progress of any relevant Corporate Governance or Regulatory Developments, that may impact the Committee and recommend any actions or changes it considers necessary for Board approval and ensure compliance with existing Laws and regulations.

- To invite any member of the Corporate Management, any member of the Company staff or any external advisers to attend meetings as and when appropriate and necessary.

Conclusion

The Committee will continue to assist the Board in selecting and evaluating the right candidate with the necessary skills, knowledge and experience, ensuring the desired diversity of the Board to meet the strategic and statutory demands of the Company.

(Sgd.)
Nilam Jayasinghe
Chairman
Board Nominations and Governance Committee

Report of the Board Credit Committee (BCC)

Composition of the Committee

The Board Credit Committee during the year comprised of three (03) Non- Executive Directors, two (02) of whom are non-independent and served/serve on the Board credit committee during the year.

Name	Designation	Attendance/ No of meetings held	Credit approvals via circulation
Mr. Ajit Gunewardene (Chairman) BCC member	Non-Executive Non-Independent Director	3/3	16/16
Mr. Ahamed Sabry Ibrahim BCC member	Non-Executive Independent Director	3/3	16/16
Mr. Indrajit Wickramasinghe (Appointed w.e.f. 20/11/2024) (Re-designated as a non-independent director w.e.f. 20/12/2024) BCC member	Non-Executive Non-Independent Director	2/3	3/16
Mr. K. Sivaskantharajah (Served till 5/8/2024)	Non-Executive Independent Director	1/3	5/16
Mr. Kapila P Ariyaratne (Served till 30/09/2024)	Non-Executive Independent Director	1/3	8/16
Mr J. F. R. De Fonseka (Served from 30/09/2024 to 19/11/2024)	Non-Executive Independent Director	0/3	2/16

Charter of the Committee

The Committee assists the Board of Directors and overseas the Company's credit and lending strategies as its primary activity whilst effectively fulfilling its responsibilities pertaining to credit direction, credit policy and lending guidelines to ensure that relevant regulations are complied with, in order to ensure that the company achieve its overall objectives.

Key responsibilities of the Committee are as follows;

- Review the Company's Credit Risk appetite and credit policies from time to time and make recommendations to the Board.
- Guide the Management on the risk appetite of the Company.
- Review, pricing of credit proposals to maximize returns and credit risk controls in lending to ensure quality of the Company's risk assets.
- To approve/recommend to the Board, credit facilities coming under the purview of the Committee as per Board approved delegated authority.
- Evaluate and recommend sector exposures and parameters based on the risk appetite of the Company.
- Review the cyclical aspects of the economy and the resultant quality of the loan portfolio.
- Monitor and evaluate special reports called for by the Board of Directors.

Activities During Fy 2024/25

- Approved credit proposals within the approved limits of the Committee and recommended other credit proposals above its purview to the Board of Directors.
- Reviewed, facilities where there were delays in repayment, including segments which were vulnerable to the current macroeconomic conditions and exposure to stressed sectors.
- Ensured the implementation of appropriate credit controls to maintain the quality of the portfolio.
- Reviewed lending facilities to ensure that they were in line with the Company's lending policies and credit risk appetite.
- Ensured that the lending portfolios were managed as per the stipulated credit risk parameters.

(Sgd)
Ajit Gunewardene
Chairman
Board Credit Committee

Report of the Related Party Transactions Review Committee Report (RPTRC)

The Related Party Transactions Review Committee was established by the Board of Directors to review proposed Related Party Transactions (RPTs), for the purpose of determining whether or not the transaction is on terms no less favorable to the Company than terms available to any unconnected third party under the same or similar circumstances.

The composition of the Board Related Party Transactions Review Committee during the financial year ended 31 March 2025 was as follows:

Name	Designation	Attendance/ No of meetings held
Mr. Seminda Nilam Jayasinghe (Chairman w.e.f. 01.01.2024)	Chairman/ Independent Non-Executive Director	2/2
Mr. Shrihan Perera (Member w.e.f. 01.01.2024)	Non-Independent Non-Executive Director	2/2
Mr. K. Sivaskantharajah (Served from 01.01.2024 to 05.08.2024)	Independent Non-Executive Director	1/1
Mr. Kapila Ariyaratne (Served from 05.08.2024 to 30.09.2024)	Non-Executive Director	0
Mr. Indrajit Wickramasinghe (Served from 20.11.2024 to 28.01.2025)	Non-Independent Non-Executive Director	0
Mr. J.F.R. De Fonseka (Member from 30.09.2024 to 19.11.2024) (Re-appointed as a Member w.e.f. 29.01.2025)	Director Independent Non-Executive	1/1

The Committee met twice during the financial year that ended 31 March 2025 including one meeting during the last quarter of the financial year.

Terms of Reference of the Committee

The Committee was established by the Board of Directors to assist the Board in reviewing all Related Party Transactions (RPTs) carried out by the Company, for purposes of ensuring transparency and fairness for all stakeholders.

Role of the Committee

The Role of the Related Party Transactions Review Committee (RPTRC):

- All related party transactions shall be prior reviewed and recommended by the RPTRC as required by Finance Business Act Directions No. 05 of 2021 on Corporate Governance

- The Committee shall take the necessary steps to avoid any conflicts of interest that may arise from any transaction of the Company with any person, and particularly with the categories of personnel stipulated as 'related parties" in the Finance Business Act Directions No. 05 of 2021 on Corporate Governance

- The committee shall ensure that the Company does not engage in business transactions with a related party in a manner that would grant such party "more favorable treatment" than that is accorded to other similar constituents of the Company

Reporting to the Board

The minutes of the RPTRC are tabled at the Board Meeting to ensure transparency and access to the proceedings of the meeting.

The Chairman of the Committee update the Board on any material related party transactions and concerns, if any at the Board Meetings.

Conclusion

The Committee will continue to assist the Board in complying with transactions with related parties, enabling to ensure ethical business conduct including transparency and fairness for all stakeholders.

The Scope of the Committee will further strengthen and expand to ensure adherence in terms of the Lising Rules of the Colombo Stock Exchange and disclosure requirements, as applicable.

(Sgd.)
Nilam Jayasinghe
Chairman
Board Related Party Transactions Review Committee

Smart Risks Smarter Rewards

At AD Auto Enterprises, our reputation is our most valuable asset. As one of Sri Lanka's leading car sales companies, we've built our name on trust, integrity, and a deep understanding of our customers' aspirations. Every vehicle we sell is more than just a transaction, it's a dream fulfilled, often made possible through financial assistance.

Recommending a financial partner to our clients is not a decision we take lightly. It's a calculated risk one that directly impacts on our credibility and the future of our business. That's why, after careful consideration, we chose to partner with Fintrex Finance PLC.

Fintrex stood out for their professionalism, digital-first approach, and a team that brings both experience and empathy to the table. Their seamless digital operations save time for both us and our clients, while their competitive rates make vehicle ownership more accessible. Most importantly, their unwavering commitment to service excellence has earned our complete trust.

Over the past two years, we've referred numerous clients to Fintrex and not once have we received a complaint. On the contrary, our customers often return with glowing feedback, which in turn enhances our own brand through positive word of mouth.

Choosing Fintrex was a smart risk. The reward? A stronger reputation, happier clients, and a partnership that continues to drive our growth.

Mr. Ajith Priyantha
Owner, AD Auto Enterprises


AD AUTO ENTERPRISES

Financial Statements

Financial Calendar

Financial Calendar – 2024/25
Annual Report & Annual General Meeting 2023/24
Audited Financial Statement Approved 2023/24 3rd June 2024
Twelfth Annual General Meeting 28th June 2024
Annual Report 2023/24 10th June 2024

Annual Report & Annual General Meeting 2024/25
Audited Financial Statement Approved 2024/25 29th May 2025
Thirteenth Annual General Meeting 30th June 2025
Annual Report 2023/24 06th June 2025

Proposed Financial Calendar 2025/26	
Submission of the Interim Financial Statements in Terms of the Rule 7.4 of the Colombo Stock Exchange (CSE)	**2025/26 to be Submitted on or before**
For the 3 Months Ended June 30, (Unaudited)	15-Aug-25
For the 3 and 6 Months Ended September 30, (Unaudited)	15-Nov-25
For the 3 and 9 Months Ended December 31, (Unaudited)	15-Feb-26
For the 3 Months and Year Ended March 31, (Unaudited)	30-May-26

Publication of the Six Month Financial Statements as per Requirements of the Central Bank of Sri Lanka	2024/25 Published in News Papers			2025/26 to be Published on or before
	English	Sinhala	Tamil	
For the Year Ended March 31, (Audited)	28-Jun-24	28-Jun-24	28-Jun-24	30-Jun-25
For the 6 Months Ended September 30, (Unaudited)	26-Nov-24	26-Nov-24	26-Nov-24	30-Nov-25

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

The Board of Directors of Fintrex Finance PLC has the pleasure in presenting its Annual Report on the State of Affairs of the Company to the Shareholders of Fintrex Finance PLC for the financial year ended 31 March 2025, together with the Audited Financial Statements of the Company and the Independent Auditors' Report on the said Financial Statements, conforming to the relevant statutory requirements. The Financial Statements, reviewed and recommended by the Board Audit Committee, were approved by the Board of Directors on 29 May 2025. The Report includes the information required by the Companies Act No.7 of 2007, Finance Business Act Directions No.05 of 2021 on Corporate Governance, and the Listing Rules of the Colombo Stock Exchange, and is also guided by the Recommended Best Practices on Corporate Governance.

This report was approved by the Board of Directors on 29 May 2025. The appropriate number of copies of the Annual Report will be submitted to the Central Bank of Sri Lanka and the Registrar of Companies within the statutory deadlines.

GENERAL

Fintrex Finance PLC was incorporated on 29th March 2007 under the Companies Act No.17 of 1982 as "ABC Investments Limited". The Company was re-registered under the Companies Act, No.7 of 2007 on 11 February 2009 under Registration No. PB878.

On 2 April 2009, the name of the Company was changed to "First Barakah Investments Limited". Consequent to the acquisition of 100% ownership of the Company by Melstacorp Limited, the name was changed to "Melsta Regal Finance Limited" on 09 February 2012. On 6th April 2018, 100% of the ownership of the Company was acquired by Bluestone 1 (Private) Limited and its name was changed to Fintrex Finance Limited on 03 September 2018. Upon the listing of the rated, unsecured, subordinated, redeemable high yield bonds on the Colombo Stock Exchange on 11 March 2025, the status of the Company was changed from Fintrex Finance Limited to Fintrex Finance PLC with effect from 26 March 2025.

Fintrex Finance PLC is a Licensed Finance Company in terms of the Finance Business Act, No.42 of 2011, having obtained registration under the said Act on 10th February 2012 and a Registered Finance Leasing Establishment in terms of the Finance Leasing Act No.56 of 2000, since 26th August 2012.

The Company has been assigned a national long-term rating of BB (lka) with a stable outlook by Fitch Ratings Lanka Limited. The Company's unsecured, subordinated redeemable debentures are listed on the Colombo Stock Exchange. The rating agency has assigned the National Long-Term Rating on subordinated, unsecured debentures at B+ (lka).

Registered Office of the Company is at No. 851, Dr. Danister De Silva Mawatha, Colombo 14.

Information required to be disclosed as per the Companies Act No. 7 of 2007	Reference to the Companies Act	Level of compliance by the Company
The nature of the business of the Company	Section 168 (1) (a)	Page 259
Completed and signed Financial Statements of the Company for accounting period completed.	Section 168 (1) (b)	Refer pages 254-323
Auditor's Report on Financial Statements of the Company.	Section 168 (1) (c)	Refer pages 250-253
Any changes made to the accounting policies during the year under review.	Section 168 (1) (d)	Refer pages 270
Particulars of the entries in the Interests Registers of the Company during the accounting period.	Section 168 (1) (f)	Refer pages 158
Total amount of donations made by the Company during the accounting period	Section 168 (1) (g)	-
Information on Directorate of the Company during and at the end of the accounting period.	Section 168 (1) (h)	Refer pages 239
Separate disclosure on amounts payable by the Company to the Auditor as Audit Fees and fees for other services rendered during the accounting period.	Section 168 (1) (i)	Refer pages 274
Auditors' relationship or any interest with the Company	Section 168 (1) (j)	Refer pages 241
Acknowledgment of the contents of this report/signatures on behalf of the Board by two Directors and the Secretary of the Company	Section 168 (1) (k)	Refer page 242

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activities of the Company are providing loans and advances, lease financing, gold loans, trade finance and mobilizing public deposits in forms of savings and term deposits.

There were no significant changes in the nature of the principal activities of the Company during the year under review.

This Report together with the Financial Statements reflects the state of affairs of the Company.

REVIEW OF PERFORMANCE AND FUTURE DEVELOPMENT PLAN

The Chairman's Review, Chief Executive Officer's Review and the Financial Capital, provide a comprehensive analysis of the Company's affairs together with the important events that took place during the year under review. These reports form an integral part of the Annual Report of the Board of Directors.

FINANCIAL STATEMENTS

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirement of the Companies Act No. 07 of 2007 and Finance Business Act No. 42 of 2011. These Financial Statements of the Company for the year ended 31 March 2025 which are duly certified by Chief Executive Officer and Chief Financial Officer, have been approved by the Board of Directors and signed by two Directors on behalf of the Board including the Chairman, appear in this Annual Report and forms an integral part of the Annual Report of the Board of Directors.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company, which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow, Significant Accounting Policies and Notes thereto attached to this report have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 and its amendments and the Companies Act No.07 of 2007.

Further, these Financial Statements also comply with the requirements of the Finance Business Act No.42 of 2011 and amendments thereto. The Statement of Directors' Responsibility for Financial Reporting appears on page 243 and forms an integral part of this Annual Report.

DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board has issued a statement on the internal control mechanism of the Company as per Section 16.1(ix) of the Finance Business Act Direction No. 05 of 2021 on Corporate Governance. The Directors' Statement on Internal Control over Financial Reporting is given on pages 246 to 247 and forms an integral part of the Annual Report of the Board of Directors on the affairs of the Company.

The Board has obtained an Assurance Report from the Independent Auditors, Messrs. Ernst & Young, Chartered Accountants on the Directors' Statement on Internal Controls over Financial Reporting as referenced on pages 246 to 247.

INDEPENDENT AUDITOR'S REPORT

The Company's Auditor Messrs. Ernst & Young, Chartered Accountants performed the audit of Financial Statements of the Company for the year ended 31 March 2025, and their report on those Financial Statements, as required by Section 168(1)(c) of the Companies Act appears on pages 250 to 253.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES DURING THE YEAR

Accounting policies adopted by the Company in the preparation of the Financial Statements are given in notes to the Financial Statements, which are, unless otherwise stated, consistent with those used in previous period.

The Company prepared their Financial Statements for all periods up to and including the year ended 31 March 2025, in accordance with Sri Lanka Accounting Standards which were in effect up to that date. The Significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given in notes to the Financial Statements.

ACCOUNTING PERIOD

The Financial Accounting period is from 1 April 2024 to 31 March 2025.

FINANCIAL RESULTS AND APPROPRIATIONS

Interest Income

The Company recorded a total interest income of Rs.3,498.92 million (Rs.2,761.98 million in financial year 2024) for the year ended 31 March 2025. This represents a growth of total interest income by Rs. 736.95 million or 27.0% compared to the previous year. A more descriptive analysis of the interest income is given in note no. 7.1 to the Financial Statements.

Profit and Appropriations

The Company's profit before taxation for the financial year 2024/25 amounted to Rs. 321.24 million in comparison to the profit before taxation of Rs.215.40 million in financial year 2023/24. The Company recorded a profit after tax of Rs.183.99 million (Profit after tax of Rs. 110.11 million in financial year 2023/24) for the year ended 31 March 2025. This represents a rise of Rs. 73.88 million which is 67.0% increase compared to the previous year. The Company recorded a total comprehensive income of Rs. 181.57 million (Rs. 114.77 million in the financial year 2023/24) for the year ended 31 March 2025. As per the guidelines and criteria laid down in the Section 3 (b) (i) of Finance Companies (Capital Funds) Direction No.1 of 2003 of the Central Bank of Sri Lanka, the Company transferred Rs. 9.19 million to the Company's 'Statutory Reserve Fund' during the year under review (Rs. 5.50 million in the financial year 2023/24).

Details of the Company's performance and appropriation of profit of the Company are given below.

Description	2024/25 Rs. '000	2023/24 Rs. '000
Profit/(loss) before income tax expense	**321,235**	215,405
Less: Income tax (expense) /benefit	**(137,241)**	(105,293)
Profit /(Loss) for the year after taxation	**183,994**	110,112
Other comprehensive income /(expenses)	**(2,428)**	4,660
Unappropriated profit brought forward from previous year	**300,375**	510,630
Profit available for appropriation	**481,941**	625,402
Less: Appropriations Transferred to statutory reserve fund	**(9,199)**	(5,505)
Transferred to/from RLAR	**46,339**	(319,522)
Unappropriated profit carried forward	**519,081**	300,375

EQUITY AND RESERVES

The Equity and Reserves of the Company as of 31 March 2025 and 31 March 2024 are as follows:

Description	2024/25 Rs. '000	2023/24 Rs. '000
Stated capital	**2,369,560**	2,369,560
Retained earnings	**519,081**	300,375
Other reserves (RLAR)	**273,182**	319,522
Statutory reserves	**68,623**	59,423
Total shareholders' funds	**3,230,446**	3,048,880

STATED CAPITAL

Issued and fully paid - Ordinary shares	As at 31 March 2025		As at 31 March 2024	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the period	**236,955,971**	**2,369,559,710**	236,955,971	2,369,559,710
Issued during the period	**-**	**-**	-	-
At the end of the period	**236,955,971**	**2,369,559,710**	236,955,971	2,369,559,710

DIVIDENDS

No dividends were paid during the year ended 31 March 2025 and no dividends are proposed for distribution from and out of the profit for the year under review.

SHARE INFORMATION

Information relating to earnings, and net asset value per share is given in the Financial Statements. Our parent company and the sole shareholder, Bluestone 1 (Pvt) Ltd, holds 100% of the ordinary shares of the Company.

SHAREHOLDING

Total number of shares (100%) issued by the Company is held by the Company's immediate parent, Bluestone 1(Pvt) Limited which is incorporated in Sri Lanka. The details are appended below:

Shareholder Name	No of Shares	Ownership %
Bluestone 1 (Pvt) Ltd	236,955,971	100%
Total	236,955,971	100%

DEBT CAPITAL

The Company issued Ten Million (10,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds on 28 February 2025 (Date of allotment is 04 March 2025 and the date of maturity is 04 March 2030), at the par value of Sri Lankan Rupees one hundred (LKR 100/-) each and raised Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) which has been recorded under Debt Instruments Issued and Other Borrowed Funds in Statement of Financial Position as at 31 March 2025.

Type	Amount raised (Rs.)	Type of interest	Tenure	Interest Rate (Coupon Rate)	Annual Effective Rate (AER)	Interest payment Frequency
A	855,600,000	Fixed	5 Years	13.15%	13.15%	Annual
B	144,400,000	Fixed	5 Years	12.74%	13.15%	Semi- Annual

Details of the outstanding debentures as of 31 March 2025 are provided in Note 28.2 to the Financial Statements.

EQUITABLE TREATMENT TO STAKEHOLDERS

The Company has always ensured equitable treatment for all stakeholders, with particular attention to depositors.

CAPITAL EXPENDITURE

The total capital expenditure incurred on Property, Plant and Equipment of the Company in the year ended 31 March 2025 amounted to Rs. 85.12 million (Rs.21.57 million in 2023/24). The detailed analysis of Property, Plant & Equipment belonging to the Company as at year end are disclosed in note no 24.

TAXATION

The Income Tax rate applicable to the Company's operations is 30% (30% in 2023/24). The Company was also liable for Value Added Tax (VAT) on Financial Services at 18%. (18% in financial year 2023/24) and Social Security Contribution Levy (SSCL) at 2.5% (2.5% in financial year 2023/24).

The Company has provided deferred taxation on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting Standard-LKAS 12 (Income Taxes).

THE BOARD OF DIRECTORS

The Board of Directors of the Company as of 31 March 2025 consisted of eight Directors with wide financial and commercial knowledge and experience. Their brief profiles are given on pages 34 to 36 of the Annual Report.

The names of the Directors who held office as at the end of the accounting period are tabulated below in terms of Section 168 (1) (h) of the Companies Act No. 07 of 2007. Further, the categorization of Executive and Non-Executive, Independent and Non-Independent as at 31 March 2025 is given below as per Finance Business Act Direction No. 05 of 2021 on Corporate Governance issued by Central Bank of Sri Lanka.

Name of the Director	Executive/ Non-Executive Status	Independent/Non-Independent Status	Date of appointment to the Board
Mr. Ajit Damon Gunewardene - Chairman	Non-Executive	Non-Independent	w.e.f. 6th April 2018
Mr. James Ronnie Felitus Peiris	Non-Executive	Non-Independent	w.e.f. 6th April 2018
Mr. Shantanu Nagpal	Non-Executive	Non-Independent	w.e.f. 24th April 2018
Mr. Ahamed Sabry Ibrahim	Non-Executive	Independent	w.e.f. 14th June 2021
Mr. Shrihan Blaise Perera	Non-Executive	Non-Independent	w.e.f. 16th July 2021
Mr. Seminda Nilam Jayasinghe	Non-Executive	Independent	w.e.f. 1st October 2021
Mr. Jayashantha Francis Rovindra De Fonseka	Non-Executive	Independent	w.e.f. 1st April 2024
Mr. Indrajit Asela Wickramasinghe	Non-Executive	Non-Independent	W.e.f. 1st November 2024
Mr. Kapila Prasanna Ariyaratne *	Non-Executive	Independent	w.e.f. 1st November 2023
Mr. Kathirgamar Sivaskantharajah **	Non-Executive	Independent	w.e.f. 1st October 2021

*Mr. Kapila Prasanna Ariyaratne (Non-Executive- Independent Director) resigned from the Board with effect from 30 September 2024.
** Mr. Kathirgamar Sivaskantharajah (Non-Executive- Independent Director) retired from the Board with effect from 05 August 2024.

RETIREMENT/CESSATION AND NEW APPOINTMENTS OF DIRECTORS

Mr. Kapila Prasanna Ariyaratne resigned from the Board with effect from 30 September 2024 and Mr. Kathirgamar Sivaskantharajah retired from the Board with effect from 05 August 2024 as per Finance Business Act Direction No. 05 of 2021 on Corporate Governance issued by Central Bank of Sri Lanka.

Mr. Jayashantha Francis Rovindra De Fonseka was appointed as an Independent Non-Executive Director of the Company with effect from 01 April 2024 and Mr. Indrajit Asela Wickramasinghe was appointed as an Independent Non-Executive Director of the Company with effect from 11 November 2024 and subsequently re-designated as an Non-Independent Non-Executive Director on 30 December 2024. The approval of the Central Bank of Sri Lanka has been obtained for both resignations and appointments in terms of Finance Companies (Assessment of Fitness and Propriety of Key Responsible Persons) No. 06 of 2021.

EXTENSION OF OFFICE OF THE DIRECTORS

The approval of the Governing Board of the Central Bank of Sri Lanka was granted on 12 June 2024 in terms of the Finance Business Act, Directions No.5 of 2021, for the Non-Independent Non-Executive Director, Mr. James Ronnie Felitus Peiris to continue in office, for a period of one (01) year after attaining the age of seventy-three (73) years. Accordingly, in terms of the said Regulatory approval read together with the shareholders' approval at the Annual General Meeting held on 28 June 2024, Mr. Ronnie Peiris continued to function as Non-Independent Non-Executive Director of the Company. As per the Board Resolution dated 10th April 2025, it was resolved to seek the approval of the Governing Board, for a further extension of office of Mr. Ronnie Peiris in terms of the said Directions and submitted the relevant documents to the Director – Department of Supervision of Non-Bank Financial Institutions.

RE – ELECTION OF DIRECTORS

In accordance with Articles 103 of the Articles of Association of the Company, Mr. Indrajit Asela Wickramasinghe who was appointed to the Board with effect from 11 November 2024 retires at the Annual General Meeting and being eligible, offer himself for re-election as a Director at the forthcoming Annual General Meeting of the Company.

In terms of Article 99 of the Articles of Association of the Company, Mr. Nilam Jayasinghe and Mr. Shrihan Perera retire by rotation and being eligible, offer themselves for re-election on the unanimous recommendation of the Board of Directors at the forthcoming Annual General Meeting.

DIRECTORS' DECLARATIONS IN TERMS OF THE FINANCE BUSINESS ACT DIRECTIONS NO. 05 OF 2021 ON CORPORATE GOVERNANCE

The Chairman and the Directors of the Company have made declarations as per the requirements in Section 16.1 (v) of the Finance Business Act Direction No. 05 of 2021 on Corporate Governance, stating that there is no ¬financial, business, family, or other material/relevant relationship(s) between the Chairman and the Director and/or amongst the members of the Board.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange and Finance Business Act Directions (Assessment of Fitness and Propriety of Key Responsible Persons) No. 06 of 2021, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria during the financial year under review and as at the date of such Declarations.

DIRECTORS INTERESTS AND INTEREST REGISTER

The Company maintains the Directors' Interest Register as required under the provisions of Section 168(1)(e) of the Companies Act No. 7 of 2007. The Directors have made necessary declarations of their interest in contracts (if any) or proposed contracts (if any) in accordance with Sections 192(1) and 192(2) of the Companies Act No. 7 of 2007. These interests have been recorded in the Interest Register, which is available for inspection in compliance with the terms of the Companies Act No. 7 of 2007. The particulars of the Directors' Interest in Contracts (if any) are provided in the Annual Report and form an integral part of the Annual Report of the Board of Directors. As a practice and in accordance with Corporate Governance principles, the Directors have refrained from voting on matters in which they were materially interested. The Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed in the notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

The Directors have disclosed transactions, if any, that could be classifi¬ed as Related Party Transactions in accordance with Sri Lanka Accounting Standard – LKAS 24 (Related Party Disclosure), which are detailed in the Financial Statements. These transactions disclosed by the Directors are provided in Note 41 to the Financial Statements, forming an integral part of the Annual Report of the Board of Directors on the affairs of the Company. The Board Related Party Transactions Review Committee has reviewed all related party transactions requiring their review for the year ended 31 March 2025, ensuring compliance with the relevant listing rules.

The Board confirms that the Company has not engaged in transactions with any related party in a manner that would grant such party 'more favourable treatment' than that accorded to other similar constituents of the Company.

The Board of Directors declares that the Company is in compliance with the applicable provisions of the Listing Rules pertaining to (RPTs) during the Financial Year ended 31 March 2025.

Except to the extent disclosed under note no. 41 to the Financial Statements, no Directors were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period under review except for the following debenture transaction which was reviewed by the Related Party Transactions Review committee.

DIRECTORS’ INTEREST IN ORDINARY SHARES AND DEBENTURES

The Directors’ shareholding and their relevant interests in the shares and debentures of the Company as of 31 March 2025 and 31 March 2024 are as follows:

Name	Position	No of Shares		No of Debentures	
		2025	2024	2025	2024
Mr. A. D. Gunewardene	Chairman	-	-	-	-
Mr. J. R. F. Peiris	Director	-	-	-	-
Mr. S. Nagpal	Director	-	-	-	-
Mr. A. S. Ibrahim	Director	-	-	58,000	-
Mr. S. B. Perera	Director	-	-	-	-
Mr. S. N. Jayasinghe	Director	-	-	-	-
Mr. J. F. R. De Fonseka	Director	-	-	-	-
Mr. I. A. Wickramasinghe	Director	-	-	-	-

DIRECTORS’ REMUNERATION

As required by Section 168 (1) (f) of the Companies Act No.07 of 2007, the Directors’ fees and emoluments for the financial year ended 31March 2025 and 31 March 2024 are stated below and disclosed under note nos. 11 and 41 to the Financial Statements.

Description	2024/25 Rs. ‘000	2023/24 Rs. ‘000
Directors’ Fees and Emoluments	6,400	5,300

BOARD SUB-COMMITTEES

The Board of Directors of the Company has formed six Board Sub-Committees, namely, Board Audit Committee, Board Integrated Risk Management Committee, Board Human Resource and Remuneration Committee, Board Credit Committee, Board Nomination and Governance Committee and Related Party Transactions Review Committee and the following Directors served as members of the said Committees:

BOARD AUDIT COMMITTEE

- Mr. S N Jayasinghe - Chairman
- Mr. Sabry Ibrahim - Member
- Mr. S B Perera - Member

The Report of the Board Audit Committee is given on pages 224 to 225.

BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

- Mr. A S Ibrahim - Chairman
- Mr. J R F Peiris - Member
- Mr. J F R De Fonseka - Member
- Mr. I A Wickramasinghe – Member

The Report of the Board Integrated Risk Management Committee is given on page 226.

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

- Mr. J F R De Fonseka - Chairman
- Mr. J R F Peiris - Member
- Mr. Sabry Ibrahim -Member

The Report of the Board Human Resource and Remuneration Committee is given on page 227.

BOARD CREDIT COMMITTEE

- Mr. A D Gunewardene - Chairman
- Mr. A S Ibrahim -Member
- Mr. I A Wickramasinghe - Member

The Report of the Board Credit Committee is given on page 230.

BOARD NOMINATION AND GOVERNANCE COMMITTEE

- Mr. S N Jayasinghe - Chairman
- Mr. A D Gunewardene -Member
- Mr. J F R De Fonseka -Member

The Report of the Board Nomination and Governance Committee is given on pages 228 to 229.

RELATED PARTY TRANSACTION REVIEW COMMITTEE

- Mr. S N Jayasinghe – Chairman
- Mr. S B Perera - Member
- Mr. J F R De Fonseka - Member

DONATIONS

The Company has not made any donations during the year under review.

HUMAN RESOURCES

The Company continues to invest in Human Capital Development and implement effective Human Resource Practices and Policies to improve work force efficiency, effectiveness and productivity and also to foster collaborative partnerships that enrich the work and learning environment for the staff.

AUDITORS

Messrs. Ernst & Young, Chartered Accountants served as the Auditors during the period under review. A total amount of Rs. 2,255,000/- is payable by the Company to the Auditors for the year under review as audit fees and non-audit fees. Details are given under note no. 11 to the Financial Statements.

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

The Auditors have expressed their willingness to continue in office. A resolution to reappoint the Auditors and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

STATUTORY PAYMENTS

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.

OUTSTANDING LITIGATION

In consultation with the Company's lawyers, the Directors confirm that no litigation currently pending against the Company will have a material impact on the reported financial results or future operations of the Company except disclosed under note no. 37 to the Financial Statements.

GOING CONCERN

The Board of Directors has reviewed the Company's corporate/business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Company are prepared based on the going concern concept.

ENVIRONMENTAL PROTECTION

The Company has not engaged in any activity that is harmful or hazardous to the environment.

CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date which require adjustment to or disclosure in the Financial Statements other than those disclosed under note no. 38 to the Financial Statements.

EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events and/or circumstances that have arisen since the reporting date that would require adjustments to or disclosure in the financial statements, other than those disclosed under note no. 36 to the Financial Statements.

CORPORATE GOVERNANCE

In compliance with Finance Business Act Direction No. 05 of 2021 on Corporate Governance, the Directors declare that,

- The Company complied with all applicable laws and regulations in conducting its business and have not engaged in any activity contravening the relevant laws and regulations,
- The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested,
- The business is a going concern with supporting assumptions,
- Internal Control procedures and Risk Management practices of the company are effective and adhered to.

ANNUAL GENERAL MEETING AND THE NOTICE TO THE MEETING

Annual General Meeting of the Company will be held virtually on 30 June 2025 at 2.30 pm. Notice of the meeting relating to the Annual General Meeting is enclosed at the end of the Annual Report.

ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by Section 168(1)(k) of the Companies Act, the Board of Directors hereby acknowledge the contents of this report.

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

A D Gunewardene
Chairman

J R F Peiris
Director

Aruni Gunawardena
Company Secretary

29 May 2025
Colombo

Statement of Director's Responsibility in Financial Reporting

In terms of Sections 150 (1), and 151 of the Companies Act No. 07 of 2007, the Directors of the Company are responsible for ensuring that the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and of the financial performance of the Company for each financial year within six months or within such extended period as may be determined by the Registrar General of Companies after the balance sheet date of the company.

The Financial Statements comprise of the Statement of Financial Position as at 31 March 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes thereto. Accordingly, the Directors confirm that the Financial Statements of the Company give a true and fair view of:

a) the financial position of the Company as at reporting date; and
b) the financial performance of the Company for the financial year ended on the reporting date.

The Financial Statements of the Company have been certified by the Company's Chief Executive Officer and Chief Financial Officer, as the officers responsible for their preparation, as required by the Sections 150 (1) (b) of the Companies Act. In addition, the Financial Statements of the Company have been signed by two Directors of the Company on May 29 ,2025 as required by the Sections 150 (1) (c) of the Companies Act and other regulatory requirements.

Under the Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Company's transactions are maintained and that the Company's financial position, with reasonable accuracy, at any point of time is determined by the Company, enabling preparation of the Financial Statements, in accordance with the Act to facilitate proper audit of the Financial Statements.

The Financial Statements for the year 2024/25, prepared and presented in this Annual Report have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS), Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Directions issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011 and amendments thereto, and the Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the Company maintains proper books of account and reviews the financial reporting system directly by them at their regular meetings and also through the Board Audit Committee, the Report of the said Committee is given on pages 224 to 225.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report. The Directors confirm that in preparing the Financial Statements exhibited on page 254, all applicable accounting standards have been complied with, and appropriate Accounting Policies have been selected and applied consistently based on the new financial reporting framework, while reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected.

The Directors also have taken reasonable measures to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal investigations, internal audit and financial and other controls required to carry on the business in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records.

The Directors' Statement on Internal Control is given on pages 246 to 247 of this Annual Report.

The Company's External Auditors, Messrs. Ernst & Young, Chartered Accountants, who were appointed in terms of Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and Minutes of shareholders' and Directors' Meetings and expressed their opinion in their report which appears on pages 250 to 253 of the Annual Report.

Compliance Report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and 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. The Directors further confirm that after considering the financial position, operating conditions, regulatory and other factors, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, the Company continues to adopt the Going Concern basis in preparing the Financial Statements.

The Directors are of the view that they have discharged their responsibilities as set out in this Statement.
By order of the Board,

Aruni Gunawardena
Company Secretary

29 May 2025

Chief Executive Officer's and Chief Financial Officer's Responsibility in Financial Reporting

The Financial Statements of Fintrex Finance PLC (Company) as at 31 March 2025 are prepared and presented in conformity with the requirements of the following:

- Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka,
- Statements of Alternative Treatments (SoAT) on Accounting issued by The Institute of Chartered Accountants of SL
- Companies Act No. 07 of 2007 and amendments thereto,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995,
- Finance Business Act No. 42 of 2011 and amendments thereto
- Finance Leasing Act No. 56 of 2000
- Directions, Circulars and Guidelines issued to licensed Finance Companies by the Central Bank of Sri Lanka,
- Listing Rules of the Colombo Stock Exchange (as amended)
- Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The formats used in the preparation of the Financial Statements and disclosures made comply with the specified formats prescribed by the Central Bank of Sri Lanka and also comply with the disclosure requirements of the Sri Lanka Accounting Standard LKAS 01 – Representation of Financial Statements.

The Accounting Policies used in preparation of financial statements are appropriate and are in accordance with the Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka and the Company has consistently applied the material accounting policies.

Application of Significant Accounting Policies and estimates that involve a high degree of judgment and complexity were discussed with the Board Audit Committee and Company's External Auditors. Comparative information has been restated to comply with the current presentation. We confirm that to the best of our knowledge, the Financial Statements, Significant Accounting Policies and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of the operations and the Cash Flows of the Company during the year under review. We also confirm that the Company has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

We are responsible for establishing, implementing and maintaining Internal Controls and Procedures within the Company.

We ensure that effective internal controls and procedures are in place, ensuring material information relating to the Company is made known to us for safeguarding assets, preventing and detecting fraud and/or errors as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the Internal Controls and Procedures of the Company for the financial period under review and are satisfied that there were no significant deficiencies and weaknesses in the design or operation of Internal Controls and Procedures, to the best of our knowledge. We confirm, based on our evaluations, that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and fraud that involves management or other employees. The Company's Internal Auditors also conduct periodic reviews to ensure that the internal controls and procedures are consistently followed.

The Financial Statements of the Company were audited by Messrs. Ernst & Young; Chartered Accountants and their Report is given on page 250. The Board Audit Committee pre- approves the audit and non-audit services provided by Messrs. Ernst & Young, in order to ensure that the provision of such services does not contravene with the guidelines issued by the Central Bank of Sri Lanka on permitted non-audit services or impair Ernst & Young's independence and objectivity.

The Company's Board Audit Committee, inter alia, reviewed all the internal and external audit and inspection programmes, the efficiency of internal control systems and procedures and also reviewed the quality of significant accounting policies and their adherence to statutory and regulatory requirements, the details of which are given in the 'Board Audit Committee report' on pages 224 to 225. The Board Audit Committee regularly examined the major decisions taken by the Assets and Liabilities Committee (ALCO) and the Credit Committee, during the year. The continuous inspection and audit functions, engagement of Internal Auditors and effective functioning of Board Audit Committee, ensure that the internal controls and procedures are followed consistently. To ensure complete independence, the External Auditors and the Internal Auditors have full and free access to the members of the Board Audit Committee to discuss any matter of substance.

However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting.

We confirm that to the best of our knowledge:

- The Company has complied with all applicable laws and regulations and guidelines and there is no material litigation against the Company other than those disclosed in Note 37 on page 307 of the Financial Statements.
- All taxes, duties, levies and all statutory payments by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at the reporting date have been paid, or where relevant provided for.

Jayathilake Bandara
Chief Executive Officer

Manjula Tennakoon
Chief Financial Officer

29 May 2025

Directors' Statement on Internal Control

Directors' Statement on Internal Control over Financial Reporting

In line with the section 16 (1) (ix) of Finance Companies Corporate Governance Direction No 05 of 2021; the Board of Directors of Fintrex Finance PLC ('the Company') presents this Report on Internal Control over Financial Reporting.

The Board of Directors (Board) is responsible for the adequacy and effectiveness of the system of internal controls in place at Fintrex Finance PLC. This mechanism is designed to provide a reasonable assurance to maintain proper accounting records, generate reliable financial information and safeguard assets of the Company. However, such a system is designed to manage the Company's' key areas of risk within an acceptable risk profile, rather than eliminating the risk of failure to achieve the policies and business objectives of the Company. Accordingly, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and this process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The Board regularly reviews this process by assessing key processes related risks against the compensating controls that may affect significant accounts of the Company.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Management assists the Board in the implementation of the policies and procedures on risk and control over Financial Reporting by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks. The Board's policies and procedures pertaining to Internal Control over Financial Reporting have been documented. The implementation of such policies and procedures is carried out with the assistance of the Management. The Internal Audit Department of the Company observes and checks them annually for suitability of design and operating effectiveness.

Key features of the processes adopted in applying and reviewing the design and effectiveness of internal control system on financial reporting.

- The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls with respect to financial reporting include the following:
- Various sub-committees are established by the Board to assist the Board in ensuring the effectiveness of the Company's daily operations and that the Company's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.
- In assessing the internal control system over Financial Reporting, identified officers of the Company continue to review and update all procedures and controls that are connected with significant accounts and disclosures of the Financial Statements of the Company. The Internal Audit Department continued to verify the suitability of design and effectiveness of these procedures and controls on an ongoing basis.
- Policies and Procedures are developed to capture all functional areas of the company, which are recommended by the relevant Board Sub Committees and approved by the Board. These Policies and Procedures are reviewed periodically and approved by the Board.
- The Internal Audit Department of the Company checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report. The annual audit plan is reviewed and approved by the Board Audit Committee. Findings of the internal audit are submitted to the Board Audit Committee for review at their periodic meetings.
- The Board Audit Committee of the Company reviews internal control issues identified by the Internal Audit Department, regulatory authorities and Management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. The Committee also reviews the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The Minutes of the Board Audit Committee meetings are tabled at the meetings of the Board of Directors of the Company. Further, details of the activities undertaken by the Board Audit Committee of the Company are set out in the 'Board Audit Committee Report' which appears in the Annual Report.

- Information systems and its surrounding technology infrastructure which support financial reporting are independently assessed by periodic information system audits to ensure confidentiality, integrity and availability triads are preserved to reinforce the confidence level of the data processing technology facilities.
- The Company adopts Sri Lanka Accounting Standards comprising LKAS and SLFRS and progressive improvements are made to its processes to comply with requirements of recognition, measurement, classification and disclosure. Financial reporting and management information processes will be further strengthened by constant monitoring and adaptation to market realities. The Company regularly reviews the current economic condition to ascertain its potential implications to ensure effective financial representation.

Confirmation

Based 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 Sri Lanka Accounting Standards and regulatory requirements of the Central Bank of Sri Lanka.

Review of the Statement by External Auditors

The External Auditor, Messrs. Ernst & Young, Chartered Accountants, have reviewed the above Directors' Statement on Internal Controls included in the Annual Report of the Company for the year ended 31 March 2025 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is in consistent with their understanding of the process adopted by the Board in the review of the design and effectiveness of the internal control system over financial reporting of the Company. Their report on the statement of Internal Control over Financial Reporting is given on pages 246 to 247 of this Annual Report.

Statement on Prudential Requirements, Regulations and Laws

The Board of Fintrex Finance PLC presents this report in compliance with prudential requirements, regulations and laws, in compliance with Section 16 (1) (ix) of the Finance Business Act Direction No. 05 of 2021-Corporate Governance.

The Board has implemented sufficient internal controls to ensure adherence to statutory and regulatory obligations. The Board affirms that the Company complies with all relevant prudential requirements, regulations, and legislation laws.

The Board confirms that there are no regulatory and supervisory concerns on lapses in the Company's risk management, or non-compliance with the Act, rules and directions.

By order of the Board

Nilam Jayasinghe
Chairman-Board Audit Committee

A D Gunewardene
Chairman

Jayathilake Bandara
Chief Executive Officer

29 May 2025

Independent Assurance Report

Shape the future
with confidence

Ernst & Young
Chartered Accountants
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WDPL/ CSD

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF FINTREX FINANCE PLC

Report on the Statement on Internal Control Over Financial Reporting included in the Directors' Statement on Internal Control

We were engaged by the Board of Directors of Fintrex Finance PLC ("The Company") to provide assurance on the Statement of Internal Control Over Financial Reporting included in the Directors' Statement on Internal Control for the year ended 31 March 2025 ("The Statement") included in the annual report for the year ended 31 March 2025.

Management's responsibility

Management is responsible for the preparation and presentation of the Statement in accordance with the "Guidance for Directors of License Finance Companies/ Finance Leasing Companies on the Directors' Statement on Internal Control" issued in compliance with section 16 (1) (ix) of Finance Companies Corporate Governance Direction No 05 of 2021, by the Institute of Chartered Accountants of Sri Lanka.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Sri Lanka Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities and Compliance With Slsae 3051

Our responsibility is to assess whether the Statement is both supported by the documentation prepared by or for directors and appropriately reflects the process the directors have adopted in reviewing the design and effectiveness of the internal control of the Company.

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3051, Assurance Report for License Finance Company/Finance Leasing Company on Directors' Statement on Internal Control, issued by the institute of Charted Accountants of Sri Lanka.

This Standard required that we plan and perform procedures to obtain limited assurance about whether Management has prepared, in all material respects, the Statement on Internal Control.

For purpose of this engagement, we are not responsible for updating or reissuing any reports, nor have we, in the course of this engagement, performed an audit or review of the financial information.

Summary of work performed

We conducted our engagement to assess whether the Statement is supported by the documentation prepared by or for directors; and appropriately reflected the process the directors have adopted in reviewing the system of internal control over financial reporting of the Company.

The procedures performed were limited primarily to inquiries of Company personnel and the existence of documentation on a sample basis that supported the process adopted by the Board of Directors.

SLSAE 3051 does not require us to consider whether the Statement covers all risks and controls or to form an opinion on the effectiveness of the Company's risk and control procedures. SLSAE 3051 also does not require us to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Statement has been prepared.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Statement included in the annual report is inconsistent with our understanding of the process the Board of Directors has adopted in the review of the design and effectiveness of internal control over financial reporting of the Company.

Ernst & Young

29 May 2025
Colombo

Shape the future
with confidence

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WDPL/CSD/DW

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FINTREX FINANCE PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Fintrex Finance PLC (the Company), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 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 our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Allowances for Expected Credit Losses of loans and lease receivables measured at amortised cost Allowances for expected credit losses of loans and lease receivables measured at amortised cost as stated in Notes 19 and 18 respectively, is determined by management on the accounting policies described in Note 3.3.2.5 to the financial statements. This was a key audit matter due to - the involvement of significant management judgements, assumptions and level of estimation uncertainty associated in estimating future cash flows to recover such loans and lease receivables; and - the materiality of the reported amount of Allowances for expected credit losses. Key areas of significant judgements, assumptions and estimates used by management in the assessment of the allowances for expected credit losses for loans and lease receivables include forward-looking macroeconomic scenarios and their associated weightages. These are subject to inherently heightened levels of estimation uncertainty and subjectivity. Further information on the key estimates, assumptions and judgements is disclosed in Note 20.	In addressing the adequacy of the allowances for expected credit losses of loans and lease receivables, our audit procedures included the following key procedures: - Assessed the alignment of the Company's allowances for expected credit losses computations and underlying methodology including responses to economic conditions with its accounting policies, on the best available information up to the date of our report. - Evaluated the design, implementation and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight, review and approval of allowances for expected credit losses, policies and procedures by the Board and the management. - Tested the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by cross checking to relevant source documents and accounting records of the Company. - Evaluated the reasonableness of credit quality assessments and related stage classifications. - In addition to the above, the following procedures were performed: For loans and lease receivables assessed on a collective basis for impairment: - Tested the key inputs and the calculations used in the impairment for expected credit losses. - Assessed the reasonableness of judgements, assumptions and estimates used by the Management in the underlying methodology and the management overlays. Our testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario. - Assessed the adequacy of the related financial statement disclosures set out in notes 3.3.2.5, 18, 19 and 20.

Information Technology (IT) systems related internal controls over financial reporting
 	
Company's financial reporting process is significantly reliant on IT systems and related internal controls. Further, key financial statement disclosures are prepared using data and reports generated by the IT systems, that are compiled and formulated with the use of spreadsheets.
 	
Accordingly, IT systems related internal controls over financial reporting were considered a key audit matter.
	Our audit procedures included the following key procedures:
	
	• Obtained an understanding of the internal control environment of the relevant significant processes and test checked key controls relating to financial reporting and related disclosures.
	• Involved our internal specialized resources and;
	  • Obtained and understanding IT Governance Structure of the Company
	  • Identified, evaluated and tested the design and operating effectiveness of IT systems related internal controls over financial reporting, relating to user access and change management, and
	  • Obtained a high-level understanding of the cybersecurity risks affecting the Company and the actions taken to address these risks primarily through inquiry.
	  • Tested source data of the reports used to generate disclosures for accuracy and completeness, including review of the general ledger reconciliations.

Other Information included in the Company's 2025 Annual Report

Other information consists of the information included in the Company's 2025 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2025 Annual Report is expected to be made available to us after the dated of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 8513.

Ernst & Young

29 May 2025
Colombo

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Note	Page	2025 LKR	2024 LKR	Change %
Gross income	6	272	**3,755,154,006**	2,882,333,920	30
Interest income			**3,498,928,074**	2,761,979,227	27
Interest expenses			**(1,755,645,157)**	(1,739,682,789)	(1)
Net interest income	7	272	**1,743,282,917**	1,022,296,438	71
Net fee and commission income	8	273	**223,897,411**	94,607,462	137
Other operating income	9	273	**32,328,521**	25,747,231	26
Total operating income			**1,999,508,849**	1,142,651,131	75
Impairment (charge)/ reversal on loans and receivables	20.1	284	**(271,672,171)**	168,833,143	(>100)
Net operating income			**1,727,836,678**	1,311,484,274	32
Operating expenses					
Personnel expenses	10	274	**(730,471,876)**	(571,157,294)	(28)
Premises, equipment and establishment expenses			**(228,006,262)**	(171,737,264)	(33)
Depreciation and amortisation charges			**(48,559,885)**	(39,557,368)	(23)
Other operating expenses	11	274	**(200,838,103)**	(159,267,303)	(26)
Operating profit before Taxes on financial services			**519,960,552**	369,765,045	41
Tax on financial services	12	275	**(198,724,967)**	(154,359,571)	(29)
Profit before income tax expense			**321,235,585**	215,405,474	49
Income tax expense	13	276	**(137,241,232)**	(105,293,599)	(30)
Profit for the year			**183,994,353**	110,111,875	67
Other comprehensive income / (expense)					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain / (loss) on employee benefits	31.1	304	**(3,469,363)**	(3,559,614)	3
Deferred tax effect on employee benefits	26.1	296	**1,040,809**	1,067,884	(3)
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Fair value gain/ (loss) on treasury bonds during the year			**-**	7,151,884	(100)
Other comprehensiveincome / (expense) for the year, net of tax			**(2,428,554)**	4,660,154	(>100)
Total comprehensive income for the year			**181,565,799**	114,772,029	58
Earnings per share					
Basic / diluted earnings per share	14.1	278	**0.78**	0.46	67

Figures in brackets indicate deductions.
The Accounting policies and Notes to the Financial Statements from pages 259 to 323 form an integral part of these Financial Statements.

Statement of Financial Position

For the year ended 31 March	Note	Page	2025 LKR	2024 LKR	Change %
ASSETS					
Cash and cash equivalents	15	278	**647,974,681**	333,164,117	94
Financial investments at amortised cost	16	279	**1,294,634,771**	1,018,267,562	27
Financial assets measured at fair value through other comprehensive income	17	279	**331,000**	50,402,825	(99)
Financial assets at amortised cost- Lease receivables	18	280	**8,187,236,275**	7,260,199,861	13
Financial assets at amortised cost- Loans and advances	19	282	**11,059,530,058**	5,915,589,930	87
Other non financial assets	21	288	**89,717,349**	85,098,161	5
Investment property	22	289	**18,600,000**	18,600,000	-
Right of use assets	23.1	291	**183,048,076**	180,713,243	1
Property, plant and equipment	24	292	**130,235,169**	89,690,615	45
Intangible assets	25	294	**4,880,319**	9,820,894	(50)
Deferred tax asset	26	296	**99,172,186**	159,344,494	(38)
Total assets			**21,715,359,884**	15,120,891,702	44
LIABILITIES					
Bank overdrafts			**190,078,988**	123,234,272	54
Financial liabilities at amortised cost- Due to customers	27	298	**9,736,479,471**	6,295,627,408	55
Financial liabilities at amortised cost- Debt issued and other borrowed funds	28	299	**7,344,571,776**	4,733,449,246	55
Lease liabilities	23.2	291	**198,186,189**	186,359,741	6
Other non financial liabilities	29	303	**910,496,781**	707,130,169	29
Current tax liabilities	30	303	**68,707,012**	-	100
Post employment benefit liability	31	304	**36,393,779**	26,210,777	39
Total liabilities			**18,484,913,996**	12,072,011,613	53
EQUITY					
Stated capital	32	307	**2,369,559,710**	2,369,559,710	-
Statutory reserve fund	33	307	**68,622,981**	59,423,264	15
Other reserves	34	307	**273,181,972**	319,521,842	(15)
Retained earnings	35	307	**519,081,225**	300,375,273	73
Total equity			**3,230,445,888**	3,048,880,089	6
Total liabilities and equity			**21,715,359,884**	15,120,891,702	44
Contingent liabilities and commitments	38	308	**22,000,000**	-	
Net assets per share (LKR)			**13.63**	12.87	

We certify that the Financial Statements are prepared and presented in Compliance with the requirements of the Companies Act No.7 of 2007.

Manjula Tennakoon
Chief Financial Officer

Jayathilake Bandara
Chief Executive Officer

The Board of directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the Board of Directors;

A. D. Gunewardene
Chairman

J. R. F. Peiris
Director

The Accounting policies and Notes to the Financial Statements from pages 259 to 323 form an integral part of these Financial Statements.

Colombo,
29 May 2025

Statement of Changes in Equity

	Stated Capital LKR	Statutory Reserve Fund LKR	Regulatory Loss Allowance Reserve (RLAR) LKR	Retained Earnings LKR	Total Equity LKR
Balance as at 31 March 2023	2,369,559,710	53,917,670	-	510,630,680	2,934,108,060
Total comprehensive income for the year					
Profit for the year	-	-	-	110,111,875	110,111,875
Other comprehensive income					
Other comprehensive income net of taxes	-	-	-	4,660,154	4,660,154
Other movements in equity					
Transferred to statutory reserve fund	-	5,505,594	-	(5,505,594)	-
Transferred to RLAR	-	-	319,521,842	(319,521,842)	-
Balance as at 31 March 2024	2,369,559,710	59,423,264	319,521,842	300,375,273	3,048,880,089
Balance as at 1 April 2024	2,369,559,710	59,423,264	319,521,842	300,375,273	3,048,880,089
Total comprehensive income for the year					
Profit for the year	-	-	-	183,994,353	183,994,353
Other comprehensive income					
Other comprehensive income net of taxes	-	-	-	(2,428,554)	(2,428,554)
Other movements in equity					
Transferred to statutory reserve fund	-	9,199,718	-	(9,199,718)	-
Transferred to RLAR	-	-	(46,339,871)	46,339,871	-
Balance as at 31 March 2025	2,369,559,710	68,622,981	273,181,972	519,081,225	3,230,445,888

Figures in brackets indicate deductions.
The Accounting policies and Notes to the Financial Statements from pages 259 to 323 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 March	Note	Page	2025 LKR	2024 LKR
Cash flows from/(used in) operating activities				
Interest received			**3,378,854,062**	2,500,818,410
Interest payments			**(1,755,645,157)**	(1,739,682,789)
Receipts from financial investments			**115,531,484**	251,880,642
Receipts from other operating activities			**242,483,466**	113,307,079
Cash payments to employees and suppliers			**(1,296,783,831)**	(1,003,857,880)
Operating profit/(loss) before changes in operating assets and operating liabilities (Note (a))			**684,440,025**	122,465,462
(Increase) / decrease in operating assets				
Net investment in loans and advances			**(6,342,648,713)**	(3,737,662,739)
Net investment in treasury bonds/ repos			**50,053,022**	(100,093,407)
Net Investment in treasury bills			**(257,053,750)**	281,607,253
Net Investment in money market funds			**(69,366,481)**	(478,357,185)
Net increase in other operating assets			**45,447,714**	(7,908,604)
Increase / (decrease) in operating liabilities				
Other financial liabilities due to customers			**3,440,852,063**	1,552,097,060
Net increase / (decrease) in other liabilities			**222,600,485**	587,113,066
			(2,225,675,634)	(1,780,739,094)
Gratuity paid	31.1	304	**(3,922,421)**	(4,113,746)
Income tax paid	30	303	**(7,321,103)**	-
Net cash flows generated from / (used in) operating activities			**(2,236,919,159)**	(1,784,852,841)
Cash flows from investing activities				
Purchase of intangible assets			**-**	(1,782,000)
Purchase of property, plant and equipment	25	294	**(85,115,850)**	(21,572,647)
Proceeds from disposal of property, plant and equipment	24	292	**-**	-
Net cash flows used in investing activities			**(85,115,850)**	(23,354,647)
Cash flows from financing activities				
Cash proceeds from obtaining term loans	28.1	299	**4,000,000,000**	3,134,811,181
Repayments of term loans	28.1	299	**(2,388,877,470)**	(1,333,737,880)
Cash proceeds from debt instruments issued	28.2	299	**1,000,000,000**	-
Repayment of debt instruments issued	28.2	299	**-**	-
Payment of lease liabilities	23.4	291	**(41,121,671)**	(35,122,987)
Net cash flows (used in) / generated from financing activities			**2,570,000,859**	1,765,950,314
Net (decrease) / increase in cash and cash equivalents during the year			**247,965,849**	(42,257,174)
Cash and cash equivalents at the beginning of the year			**209,929,845**	252,187,018
Cash and cash equivalents at the end of the year (Note (b))			**457,895,693**	209,929,845

Statement of Cash Flows

For the year ended 31 March	Note	Page	2025 LKR	2024 LKR
Note (a) : Reconciliation of (loss)/ profit before tax with cash flows from operating activities				
Profit/ (loss) before income tax expense			**321,235,585**	215,405,474
Depreciation of property, plant and equipment	24	292	**43,619,311**	33,097,179
Depreciation of right-to-use asset (ROU)	23.3	291	**50,621,317**	43,935,732
Amortization of intangible assets	25	294	**4,940,574**	6,460,189
Provision for gratuity	31.2	305	**10,636,060**	8,727,820
Impairment charge on loans and advances	20.1	284	**271,672,171**	(168,833,143)
Exchange gain/(loss)	9	273	**4,923**	32,027
Sundry income	9	273	**(13,739,358)**	(6,080,635)
Change in interest income receivables			**(4,542,528)**	(9,280,175)
Profit on disposal of ROU assets			**(8,030)**	(999,006)
			684,440,025	122,465,462
Note (b) : Reconciliation of cash & cash equivalents				
Cash in hand and cash at banks	15	278	**647,974,681**	333,164,117
Bank overdrafts			**(190,078,988)**	(123,234,272)
			457,895,693	209,929,845

Figures in brackets indicate deductions.

The Accounting policies and Notes to the Financial Statements from pages 259 to 323 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 General

Fintrex Finance PLC is a Licensed Finance Company in terms of the Finance Business Act, No.42 of 2011, having obtained registration under the said Act on 10th February 2012 and a Registered Finance Leasing Establishment in terms of the Finance Leasing Act No.56 of 2000, since 26th August 2012.

The Company (which was previously known as First Barakah Investments Limited), changed its name to Melsta Regal Finance Limited with effect from 09 February 2012 consequent to the acquisition of its 100% controlling stake by Melstacorp PLC. The Company was then acquired by Bluestone 1 (Pvt) Ltd on 06 April 2018 and its name was changed to Fintrex Finance Ltd with effect from 03rd September 2018. Upon the listing of the rated, unsecured, subordinated, redeemable high yield bonds on the Colombo Stock Exchange on 11 March 2025, the status of the Company was changed from Fintrex Finance Limited to Fintrex Finance PLC with effect from 26 March 2025.

The registered office and the principal place of business of the Company is located at No. 851, Dr. Danister De Silva Mawatha, Colombo-14.

1.2 Principal Activities and Nature of Operations

The principal activities of the Company comprised of providing loans and advances, lease financing, hire purchase financing, factoring, trade finance, hiring and mobilizing public deposits in forms of savings and term deposits. The Company obtained the registration under Finance Business Act No. 42 of 2011 on 10 February 2012. The finance leasing operation commenced subsequent to the registration under Finance Leasing Act No 56 of 2000 on 26 August 2012.

There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

1.3 Parent and Ultimate Parent Entity

The Company's immediate parent is Bluestone 1(Pvt) Limited which is incorporated in Sri Lanka.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with Sri Lanka Accounting Standards (SLFRs and LKASs) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the requirements of Companies Act No. 7 of 2007 and Finance Business Act No. 42 of 2011 and subsequent amendments thereto.

2.2 Responsibility of Financial Statements

Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and provisions of the Companies Act No. 07 of 2007. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

2.3 Approval of Financial Statements by Directors

The Financial Statements of the Company for the year ended 31 March 2025 (including comparatives for 31 March 2024) were approved and authorized for issue by the Board of Directors in accordance with Resolution of the Directors on 29 May 2025.

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following,

Investment Properties initially measured at cost and subsequently measured at Fair Value	Note 22
Financial Assets classified as fair value through other comprehensive income (FVOCI) are measured at fair value	Note 17
Liability for Defined Benefit Obligation carried at present value of Defined Benefit Obligations, calculated using projected unit credit method	Note 31

2.5 Functional and Presentation Currency

These Financial Statements are presented in the Sri Lankan rupees being, the functional and presentation currency unless indicated otherwise.

2.6 Materiality and Aggregation

In compliance with Sri Lanka Accounting Standards LKAS 01 on ‘Presenting of Financial Statements’, 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.

2.7 Rounding

The amounts in the Financial Statements have been rounded off to the nearest Rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 01 (Presentation of Financial Statements).

2.8 Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the Income Statement unless required or permitted by an Accounting Standard.

2.9 Use of Estimates and Judgments

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

a) Judgements
Classification and Impairment of Financial Assets

The Company used judgments when assessing of the business model within which the assets are held and assessment whether the contractual terms of the financial assets are solely-payment-of-principal-and-interest (SPPI) on the principal amount of the outstanding. The Company also used judgments when establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of Expected Credit Losses (ECL) and selection and approval of models to measure ECL.

2.9.1 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future.

Furthermore, the Management has assessed the existing and anticipated effects of current economic conditions on the Company and 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 of the Company continue to be prepared on a going concern basis.

2.9.2 Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The Company uses estimates when determining inputs into the ECL measurement model, including incorporation of forward-looking information. This includes an element of management's judgment, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, the change of which can result in different levels of allowances. The valuation of financial instruments is described in more detail in Note 44.

2.9.3 Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

2.9.4 Impairment losses on Loans and Receivables

The Company reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the profit or loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ.

If impairment is not required based on the individual assessment all such individually significant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics. This is required to determine whether a provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as aging buckets, levels of arrears, industries, etc.), and judgments on the effect of concentration of risks and economic data.

2.9.5 Impairment for Financial Assets classified as Fair Value through Other Comprehensive Income

The Company reviews its securities grouped under Financial Assets classified as Fair Value through Other Comprehensive Income at each reporting date to assess whether they are impaired. This requires similar judgment as applied to the individual assessment of loans and advances.

The Company also records impairment charges on Financial Assets classified as Fair Value through Other Comprehensive Income when there has been a significant or prolonged decline in the Fair Value below their cost. The determination of what is ‘significant’ or ‘prolonged’ requires judgment.

2.9.6 Defined Benefit Obligations

The value of the defined benefit obligations is determined using actuarial valuation technique. The actuarial valuation involves making assumptions on discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date. Due to the long–term nature of these plans, such estimates are subject to significant uncertainty. Refer Note 31 for the assumptions used.

2.9.7 Useful Lifetime 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.

2.9.8 Fair Valuation of Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially recognised at cost. Subsequent to initial recognition, the investment property is stated at fair values, which reflect market conditions at the Statement of Financial Position date. Gains or losses arising from changes in fair value are included in the Statement of Comprehensive Income in the year in which they arise.

Investment property is appraised in accordance with LKAS 40 and SLFRS 13. The Company measures Investment Property at fair value using the market approach. The Company engages independent professional valuers to assess fair value of Investment Property. The key assumptions used to determine the fair value of the Investment property are provided in Note 22.

2.9.9 Commitment and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured as defined in the Sri Lanka Accounting Standard - LKAS 37 “Provisions contingent liabilities and Contingent Assets”. Contingent Liabilities are not recognized in the Statement of Financial Position but are disclosed unless its occurrence is remote.

2.9.10 SLFRS 16 – Leases

2.9.10.1 Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

2.9.10.2 Estimating the incremental borrowing rate

As the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (“IBR”) to measure the lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company “would have to pay’’, which requires estimation when no observable rates are available (or when they need to be adjusted to reflect the terms and conditions of the lease). The Company estimates the IBR using observable input when available and is required to make certain entity-specific adjustments.

2.10 Presentation of Financial Statements

The Company presents its assets and liabilities in the Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in notes to the Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

3.1 Foreign Currency Translation

Transactions in foreign currencies are translated to Sri Lankan Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lankan Rupees at the exchange rates as at that date.

Non-monetary assets and liabilities which are stated at historical cost denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate at the dates of the transactions.

Non-monetary assets and liabilities that are stated at fair value, denominated in foreign currencies are translated to Sri Lankan Rupees at the exchange rate that the fair value was determined. Foreign exchange differences arising on translation are recognized in profit or loss.

3.2 Revenue and Expenses Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under SLFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time– requires judgment.

3.2.1 Interest

Interest income and interest expense are recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The EIR (and therefore, the amortised cost of the asset/ liability) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. The Company recognises interest income/ expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges). When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

If expectations regarding the cash flows on the financial asset/liability are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Statement of Financial Position with an increase or reduction in interest income/interest expense. The adjustment is subsequently amortised through Interest income/ Interest expense in the income statement.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate under interest income.

Interest from overdue rentals has been accounted for on cash received basis.

3.2.2 Fees and Commission Income

Fee and commission income, including account servicing fees and placement fees are recognized as the related services are performed. Fee and commission expense relate mainly to transaction and service fees which are expensed as the services are received.

3.2.3 Finance Lease Income

Assets leased to customers to whom the Company transfers substantially all the risks and rewards associated with ownership other than the legal title are classified as finance leases. Amounts receivable under finance leases are included under 'Lease Rental Receivable'. Leasing balances are stated in the Statement of Financial Position after deduction of initial rentals received.

The excess of aggregate rentals receivable over the cost of the leased assets constitutes the total unearned income. The unearned income is taken into revenue over the term of the lease, commencing from the month in which the lease is executed in proportion to the remaining receivable balance of the lease.

3.2.4 Hiring Rental Income

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

3.2.5 Other Income

Income earned from other sources, which are not directly related to the normal operations of the Company, is recognised as other income on an accrual basis.

3.2.6 Sale and Repurchase Agreements

Where government securities are sold subject to a commitment to repurchase them at a predetermined price (Reverse repos), the consideration paid is recognized in the Statement of Financial Position and the difference between sale and repurchase price is recognized as net gain from financial investments recorded under interest income.

3.2.7 Gain or Loss on Sale of Property, Plant and Equipment

Recognized as income in the period in which the sale occurs and is classified as other operating income.

3.2.8 Other Expenses

All other expenses are recognized on an accrual basis.

3.2.9 Income Tax Expense

As per the Sri Lanka Accounting Standard - LKAS 12 on Income Taxes, the tax expense/tax income is the aggregate amount included in determination of profits or loss for the period in respect of income tax and deferred tax. Income tax expense for the year comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent assets.

3.2.9.1 Current Tax

The amount of current tax payable or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or subsequently enacted at the reporting date in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 as amended by subsequent legislation.

Current tax liabilities are offset only if certain criteria are met.

3.2.9.2 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is measured at the tax rate that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if any.

The net increase/decrease in the carrying amount of the deferred tax liability net of deferred tax asset is recognized as deferred tax expense and conversely any net decrease is recognized as reversal to deferred tax expense in the Statement of Profit or Loss and Other Comprehensive income.

Temporary differences in relation to a right-of -use asset and lease liability are regarded as a net package (right-of use asset) for the purpose of recognizing deferred tax.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2.10 Value Added Tax (VAT) on Financial Services

VAT on financial services is calculated in accordance with Value Added Tax (VAT) Act No. 14 of 2002 and subsequent amendments thereto. The value base for value added tax on financial services for the Company is the adjusted accounting profit before tax and emoluments of employees. The adjustment to the accounting profit before tax is for economic depreciation computed on prescribed rates instead of the rates adopted in the Financial Statements. The value added tax rate is 18% on the value base for value added tax and is a disallowed expense for the purpose of the income tax liability as per Section 25(a) of the Value Added Tax Act No. 14 of 2002 and amendments thereto.

3.2.11 Social Security Contribution Levy (SSCL)

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of supplying financial services, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No.25 of 2022 (SSCL Act), at the rate of 2.5%, with effect from 01 October 2022.SSCL is payable on the Value Addition attributable to financial services. The Value Addition attributable to financial services shall be computed for the payment of SSCL on the business of supplying financial services by applying the attributable method referred into Chapter IIIA of the Value Added Tax Act No. 14 of 2002.

3.2.12 Deposit Insurance Scheme

In terms of the “Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulations, No. 02 of 2021” issued on 06 August 2021, all Finance Companies are required to insure their deposit liabilities in the “Sri Lanka Deposit Insurance and Liquidity Support Scheme”.

Deposits to be insured include demand, time and savings deposit liabilities and exclude the following.

- Deposit liabilities to member institutions
- Deposit liabilities maintained individually or jointly with any other party, by Directors, Key Management Personnel, other related parties, excluding shareholders as defined in the Finance Companies Act (Corporate Governance) Direction, No. 3 of 2008 for Licensed Finance Companies.
- Deposit liabilities maintained either individually or jointly with any other party, by former Directors or Key Management Personnel.
- Deposits falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act, funds which have been transferred to the Central Bank of Sri Lanka in terms of the relevant Directions issued by the Monetary Board.

- Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposit as at end of the month to be payable within a period of 15 days from the end of the respective month.
- Deposits placed by Finance Companies

3.2.13 Crop Insurance Levy (CIL)

In terms of the Finance Act No. 12 of 2013, all institutions under the purview of Banking Act No.30 of 1988, Finance Business Act No.42 of 2011 and Regulation of Insurance Industry Act No. 43 of 2000 are required to pay 1% of the profit after tax as Crop Insurance Levy to the National Insurance Trust Fund effective from 01 April 2013.

3.3 Assets and Liabilities and Basis of Measurement

3.3.1 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, balances with banks, placements with banks (less than 3 months), net of unfavourable bank balances and securities purchased under repurchase agreement (less than three months). For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of unfavorable balances.

3.3.2 Financial Instruments

3.3.2.1 Recognition and Initial Measurement

The Company initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.3.2.2 Classification

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. in particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated, the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the company’s stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or contractual cash flows such that it would not meet this condition. In making the assessment the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Company holds a portfolio of long-term fixed-rate loans for which the Company has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Company has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate by considering the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

3.3.2.3 Derecognition Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which thecompany neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

From 1st April 2018 any cumulative gain/loss recognised in OCI in respect of equity investment securities designated at FVOCI is not recognised in profit or loss on derecognition of such securities, as explained. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and repurchase transactions, because the Company retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modification of Financial Assets and Liabilities

Financial Assets

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial Liabilities

The Company derecognises financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification.

Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

3.3.2.4 Fair Value Measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When active market is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e, the fair value of the consideration given or received.

If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that

Difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

An analysis of the fair values of financial instruments and further details as to how they are measured are provided in Note 44.

3.3.2.5 Impairment losses on financial assets

Recognition of ECL

The Company recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments; and
- lease receivables.

No impairment loss is recognised on equity investments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Company does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as "Stage 1 financial instruments".

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as "Stage 2 financial instruments".

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

Credit-Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is past due for a period more than 90 days or classified as non-performing under CBSL Direction No. 1 of 2020 is considered credit impaired.

Loss allowances for ECL are presented in the Statement of Financial Position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- loan commitments and financial guarantee contracts: as a provision under other liabilities;
- debt instruments measured at FVOCI: no loss allowance is recognised in the Statement of Financial Position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in "impairment losses on financial instruments" in the Statement of Profit or Loss and OCI. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.3.3 Securities Purchased Under Resale Agreements

These are loans collateralised by the purchase of Treasury Bills and/or Guaranteed Commercial Papers from the counterparty to whom the loans are granted. The sale by the counterparty is subject to a commitment by the Bank to sell back the underlying debt securities to the borrower at a predetermined price.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

The Company reviews on date of the Statement of Financial Position whether the carrying amount of the property and equipment are lower than their recoverable amount. In such event the carrying amount is reduced to the recoverable amount and the reduction being an impairment loss is recognized immediately in the Statement of Comprehensive Income. The recoverable amount is the higher of the market value of the asset less estimated cost of disposal and its value in use.

The Company reviews on the Statement of Financial Position date whether the carrying amount of computer application software is lower than the recoverable amount. In such event the carrying amount is reduced to the recoverable amount and the reduction being an impairment loss is recognized immediately in the Statement of Comprehensive Income. The recoverable amount is the value in use.

3.3.4 Property, Plant and Equipment

3.3.4.1 Basis of Recognition

The cost of property and equipment comprising computers, office equipment, furniture fixtures and fittings and motor vehicles is recognized as an asset if it is probable that future economic benefits associated with the property and equipment will flow to the Company and cost of equipment can be measured reliably.

3.3.4.2 Measurement at Recognition

The cost of an asset comprises its purchase price or cost of construction and any directly attributable costs of bringing the asset to working condition for its intended use. The assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

3.3.4.3 Subsequent Measurement

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance are charged to expense during the financial period in which they are incurred.

3.3.4.4 Depreciation

The depreciation is provided for on the basis outlined below. Depreciation is provided on a straight-line basis such that the cost of the asset is depreciated over the period appropriate to the estimated life of the type of asset. The useful lives of the assets are as follows:

Motor Vehicle	- 05 Years
Computer equipment	- 04 Years
Office equipment	- 05 Years
Furniture and fittings	- 05 Years
Mobile Devices and Tabs	- 02 Years

Depreciation on Motor Vehicle-Hiring Fleet is recognized on a reducing balance basis over the estimated useful life.

Depreciation commences in the date the asset is available for use in the business of the Company and ceases in the date of disposal or end of its useful life time. Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

3.3.4.5 De-recognition

The carrying amount of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use and the gain or loss arising from the de-recognition is included in Statement of Comprehensive Income.

3.3.4.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

3.3.5 Investment Property

3.3.5.1 Basis of Recognition

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or administrative purpose.

3.3.5.2 Basis of Measurement

Investment properties are initially recognised at cost including related transaction costs. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions on the reporting date. Gains or losses arising from changes in fair value are included in the other income of the Statement of Profit or Loss in the year in which they arise.

3.3.5.3 Derecognition

Investment properties are derecognized when disposed of or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses retirement or disposal is recognized in the profit or loss in the year of retirement or disposal. When investment property that was previously classified as Property, Plant and Equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.3.6 Intangible Assets

3.3.6.1 Basis of Recognition

All software licensed for use by the Company, not constituting an integral part of related hardware are included in the Statement of Financial Position under the category intangible asset and carried at cost less accumulated amortization and any impairment losses.

The initial acquisition cost comprises license fee paid at the inception, import duties, non-refundable taxes and levies, cost of customizing the software to meet the specific requirements of the Company and other directly attributable expenditure in preparing the asset for its intended use.

3.3.6.2 Subsequent Expenditure

The initial cost is enhanced by subsequent expenditure incurred by further customization to meet ancillary transaction processing and reporting requirements tailor-made for the use of the Company constituting an improvement to the software. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

3.3.6.3 Amortization

The amortization is provided for on the basis outlined below. Amortization is provided on a straight-line basis such that the cost of the asset is amortized over the period appropriate to the estimated life of the type of asset. The useful lives of the assets are as follows:

Computer Software	- 04 Years
Software Core System	- 05 Years
ATM License Fee	- 10 Years
VISA License Fee	- 10 Years

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

3.3.6.4 De-recognition

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

3.3.7 Leases

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.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset representing the right to use the underlying asset and a lease liability at the lease commencement date.

3.3.7.1 Right-of-use Asset

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is also adjusted for certain subsequent re-measurements of the lease liability.

After the commencement date, Company measures the right-of-use asset on cost model.

3.3.7.2 Depreciation

Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset.

The right-of-use assets are subject to impairment.

3.3.7.3 Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments fixed payments, including in-substance fixed payments.

The lease Liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Company's estimation of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in the in-substance fixed lease payment.

If the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

After the commencement date, the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

3.3.7.4 Presentation in the statement of financial position

The Company presents right-of-use assets separately from other assets and lease liabilities separately from other liabilities in its' statement of financial position.

3.3.8 Employee Benefits

3.3.8.1 Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

Provision for gratuity on the employees of the Company are based on actuarial valuation as recommended by Sri Lanka Accounting Standard No.19 'Employee Benefits' (LKAS - 19). The actuarial valuation was carried out by a professionally qualified firm of actuaries, as at 31 March 2025. The valuation method used by the actuary is "Projected Unit Credit Method". The Company recognizes any actuarial gains & losses arising from defined benefit plan immediately in Other Comprehensive income and all expenses related to defined benefit plan in personnel expenses in the Statement of Profit or Loss. The assumption based on which the results of actuarial valuation was determined are included in note to the financial statements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past services or the gain or loss on curtailment is recognized immediately in profit or loss. The company recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

The Company provides for Gratuity under the payment of Gratuity Act No. 12 of 1983. Provision for Gratuity has been made for employees who have completed five (5) years of services with the company.

The liability is not externally funded.

3.3.8.2 Defined Contribution Plan

Defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognized as an employee benefit expense in profit or loss in the periods during services is rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.3.8.3 Employee's Provident Fund (EPF)

The Company and employees contribute 12% and 8% respectively on the basic salary of each employee to the Employee's Provident Fund managed by Central Bank of Sri Lanka.

3.3.8.4 Employee's Trust Fund (ETF)

The Company contributes 3% of the basic salary of each employee to the Employees' Trust Fund managed by Central Bank of Sri Lanka.

3.3.9 Provision for Liabilities

A provision is recognized in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event, that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.3.10 Commitments and Contingent Liabilities

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured.

Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote. Pending legal claims against the company form part of contingencies.

3.4 Subsequent Events

All material events which occur between the reporting date and the date on which the Financial Statements are authorized for issue, and the financial impact on the condition of the assets and liabilities are disclosed in the Financial Statements.

3.5 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the 'Direct Method' in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of Cash Flows' whereby gross cash receipts and gross cash payments on operating activities, investing activities and financing activities are recognized. Cash and cash equivalents include cash in hand and balances with banks.

3.6 Earnings per Share (EPS)

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.7 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter-period comparability.

4. NEW ACCOUNTING STANDARDS ISSUED DURING THE YEAR/ CHANGES TO ALREADY EXISTING ACCOUNTING STANDARDS

The Company applied for the first-time certain standards and amendments, if applicable, which are effective for annual periods beginning on or after 01 April 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments to the following Accounting Standards did not have a material impact on the Financial Statements of the Company.

- Amendments to SLFRS 3 Business Combinations: Updating a reference to conceptual framework.
- Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to LKAS 16 Property, Plant & Equipment: Proceeds before Intended Use

The Company has applied all relevant accounting standards which have been issued up to 31 March 2025 in the preparation of the Financial Statements for the year ended 31 March 2025.

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka. Accordingly, these accounting standards have not been applied in the preparation of the Financial Statements for the year ended 31 March 2025. Following amendment is not expected to have a material impact on the Financial Statements of the Company in the foreseeable future.

5.1 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

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

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

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

5.2 IFRS 18 Presentation and Disclosures in Financial Statements

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

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- Improve aggregation and disaggregation

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

5.3 Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.

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

6. GROSS INCOME

Gross income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. The specific recognition criteria, for each type of gross income, are given under the respective income notes.

For the year ended 31 March	2025 LKR	2024 LKR
Interest income (Note 7.1)	**3,498,928,074**	2,761,979,227
Net fee and commission income (Note 8)	**223,897,411**	94,607,462
Net other operating income (Note 9)	**32,328,521**	25,747,231
Total gross income	**3,755,154,006**	2,882,333,920

7. NET INTEREST INCOME

Accounting policy

The Company use the Effective Interest Rate (EIR) method for recognising the interest income and interest expenses of financial assets and financial liabilities that are measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income under SLFRS 09. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

7.1 Interest Income

For the year ended 31 March	2025 LKR	2024 LKR
Interest income on- Lease receivables	**1,803,729,466**	1,278,175,959
Interest income on- Loans and advances	**1,579,667,123**	1,231,922,626
Interest income on government securities	**66,286,018**	152,962,845
Interest income on placement with banks and other financial institutions	**49,245,466**	98,917,797
Total interest income	**3,498,928,074**	2,761,979,227

7.2 Interest Expenses

For the year ended 31 March	2025 LKR	2024 LKR
Interest expense on fixed deposits	**1,063,820,870**	974,065,346
Interest expense on saving deposits	**5,164,678**	3,967,912
Interest expense on other financial liabilities due to customers	**656,673,716**	738,183,038
Interest expense on interest bearing loans and borrowings	**29,985,893**	23,466,493
Interest expense on lease liabilities	**1,755,645,157**	1,739,682,789
Total interest expenses	**1,743,282,917**	1,022,296,438
Net interest income	**1,743,282,917**	1,022,296,438

8. NET FEE AND COMMISSION INCOME

Accounting policy

The Company earns fee and commission income from a diverse range of services it provides to its customers. These fees include credit-related fees and commission income. All fees and commissions are recognised to the Income Statement on an accrual basis. Fee and commission income that are integral to the EIR of a financial asset or financial liability are capitalised and included in the measurement of the EIR and recognised in the Income Statement over the expected life of the instrument.

For the year ended 31 March	2025 LKR	2024 LKR
Credit related fees and commissions income	**305,202,273**	94,607,462
Credit related fees and commissions expenses	**(81,304,862)**	-
Net fee and commission income	**223,897,411**	94,607,462

9. OTHER OPERATING INCOME

Accounting policy

Income earned on other sources, which are not directly related to the normal operations of the Company is recognised as other operating income on an accrual basis.

Other operating income includes recoveries of written-off loans and receivables, exchange gain/(loss) and other sundry income. The sundry income includes over three year un-identified deposits written back to income.

For the year ended 31 March	2025 LKR	2024 LKR
Recoveries from written-off contracts	**18,586,055**	18,699,617
Exchange gain/(loss)	**(4,923)**	(32,027)
Sundry income	**13,739,358**	6,080,635
Profit on disposal of ROU assets	**8,030**	999,006
	32,328,521	25,747,231

10. PERSONNEL EXPENSES

Accounting policy

Personnel costs includes salaries and bonus, other staff related expenses, terminal benefit charges and other related expenses. The provisions for bonus is recognised when 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.

Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in accordance with the respective statutes and regulations. The Company contributes 12% and 3% of gross salaries of employees to the Employees' Provident Fund and the Employees' Trust Fund respectively.

Defined benefit plans

Contributions to defined benefit plans are recognised in the Statement of profit or Loss and other comprehensive income based on an actuarial valuation carried out for the gratuity liability of the Company in accordance with LKAS 19, defined benefit obligations.

For the year ended 31 March	2025 LKR	2024 LKR
Salaries and wages	447,062,488	343,079,575
Defined contribution plan costs - EPF	49,275,313	38,947,407
Defined contribution plan costs - ETF	12,318,828	9,736,852
Defined benefit plan costs - retirement gratuity (Note 31.2)	10,636,060	8,727,820
Staff bonus	22,895,000	13,840,785
Other staff related costs	188,284,187	156,824,855
	730,471,876	571,157,294
10.1 No. of employees as at the year end	309	265

11. OTHER OPERATING EXPENSES

Accounting policy

Other operating expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earnings of the specific items of the income. All the expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement in arriving at the profit for the year.

Crop Insurance Levy

As per the provisions of the Section 14 of the Finance Act No. 12 of 2013, the Crop Insurance Levy was introduced with effect from 1 April 2013 and was payable to the National Insurance Trust Fund. Currently, the Crop Insurance Levy is payable at 1% of profit after tax.

Directors' Emoluments

Directors' Emoluments include fees paid to Non-Executive Directors.

For the year ended 31 March	2025 LKR	2024 LKR
Directors' emoluments	**6,400,000**	5,300,000
Auditors' remuneration		
- Statutory audit	**2,255,000**	2,050,000
- Non audit fees	**889,295**	1,515,327
Crop Insurance Levy	**1,843,000**	1,109,917
Deposit insurance premium	**11,904,842**	7,350,775
Legal expenses	**7,063,335**	11,644,781
Secretarial fees	**59,239**	215,397
Other expenses	**170,423,392**	130,081,106
Total other operating expenses	**200,838,103**	159,267,303

12. TAX ON FINANCIAL SERVICES

Tax on Financial Services include Value Added Tax on Financial Services and Social Security Contribution Levy on Financial Services.

Value Added Tax (VAT) on financial services

VAT on Financial Services is calculated in accordance with the Value Added Tax Act No. 14 of 2002 and subsequent amendments thereto. The base for the computation of VAT on Financial Services is the accounting profit before VAT on Financial Services and income tax, adjusted for the economic depreciation and emoluments payable to employees including cash benefits, non-cash benefits and provisions relating to terminal benefits. VAT on Financial Services was charged at 18% with effect from 1 January 2022.

Social Security Contribution Levy (SSCL) on financial services

As per the Social Security Contribution Levy (SSCL) Act No. 25 of 2022, effective from 1 October 2022, the Company is liable to pay SSCL on Financial Services at the rate of 2.5% on the value addition attributable to the supply of financial services. Further the non-financial services are also made liable on the turnover at the rate of 2.5%.

For the year ended 31 March	2025 LKR	2024 LKR
Value Added Tax on financial services	**174,490,215**	135,544,067
Social Security Contribution Levy	**24,234,752**	18,815,504
Total tax on financial services	**198,724,967**	154,359,571

13. INCOME TAX EXPENSE

Accounting policy

As per Sri Lanka Accounting Standard - LKAS 12 (Income Taxes), tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income tax expense is recognised in the Income Statement except to the extent it relates to items recognised directly in 'Equity' or 'Other Comprehensive Income (OCI)', in which case it is recognised in Equity or in OCI.

Current taxation

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current year and any adjustment to tax payable in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date. Accordingly, provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto at the rates specified in Note 3.2.9 to these Financial Statements.

Accounting estimates

Significant judgment was required to determine the total provision for current and deferred taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these Financial Statements. The Company recognised assets and liabilities for current and deferred taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Deferred tax assets and liabilities

Detailed disclosure of accounting policies and estimate of deferred tax is available in Note 26.1 to these Financial Statements.

For the year ended 31 March	2025 LKR	2024 LKR
Recognized in the profit or loss		
Current income tax expense (Note 13.1)	76,028,115	-
Prior years under provision/(over provision)	-	-
	76,028,115	-
Reversal on deferred tax (Note 26.1)	61,213,117	105,293,599
Income tax (expense) / benefit	137,241,232	105,293,599

For the year ended 31 March	2025 LKR	2024 LKR
Recognized in the other comprehensive income		
Income tax expense recognised in other comprehensive income		
Charge / (reversal) on deferred tax (Note 26.1)	(1,040,809)	(1,067,884)
	(1,040,809)	(1,067,884)

13.1 Numerical reconciliation of accounting profits to income tax expense

For the year ended 31 March	2025 LKR	2024 LKR
Accounting profit before tax	**321,235,585**	215,405,474
Adjustments		
Disallowable expenses	**614,318,274**	101,458,321
Capital portion of lease rentals receivables	**1,740,470**	8,892,774
Allowable expenses	**(330,499,876)**	(35,110,306)
Business profit / (loss)	**606,794,453**	290,646,263
Taxable business profit	**606,794,453**	290,646,263
Exempt income	**-**	-
B/F Loss from previous year	**(353,367,403)**	(290,646,263)
Total statutory income	**253,427,050**	-
Taxable income /(loss)	**253,427,050**	-
Current income tax expense @ 30%	**76,028,115**	-
Effective tax rate	**64.61%**	70.22%
Effective tax rate (Excluding deferred tax)	**52.84%**	41.75%
Effective tax rate (Excluding tax in financial services)	**26.39%**	28.48%

13.2 Numerical reconciliation of tax losses

For the year ended 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year (B/F)	**353,367,403**	644,013,666
Utilised during the year	**(353,367,403)**	(290,646,263)
Balance as at end of the year (C/F)	**-**	353,367,403

The expiry date of the C/F tax losses is 31 March 2029.

14. EARNINGS PER SHARE

Accounting policy

The Company presents Basic and Diluted Earnings per Share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the year, as per the Sri Lanka Accounting Standard - LKAS 33 (Earnings Per Share).

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares, which comprise of share options granted to employees. The Company does not have any potentially dilutive shares.

14.1 Basic/ diluted earnings per share

For the year ended 31 March	2025 LKR	2024 LKR
Profit/ (loss) attributable to equity holders of the company (Rs.)	**183,994,353**	110,111,875
Weighted average numbers of ordinary shares	**236,955,971**	236,955,971
Basic / diluted earnings/ (loss) per share (Rs.)	**0.78**	0.46

The diluted earnings per ordinary share is equal to the basic earnings per ordinary share since the Company does not have any convertible securities as at the reporting date.

14.2 Weighted average number of ordinary shares

	Outstanding No. of Shares		Weighted Average No. of Shares	
For the year ended 31 March	2025	2024	2025	2024
Number of shares in issue as at 1 April	**236,955,971**	236,955,971	**236,955,971**	236,955,971
Number of shares issued	**-**	-	**-**	-
Number of shares in issue/ weighted average number of ordinary shares at 31 March	**236,955,971**	236,955,971	**236,955,971**	236,955,971

15. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents includes cash/cheque in hand and balances with banks and other financial institutions. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

For the year ended 31 March	2025 LKR	2024 LKR
Cash and cheques in hand	**95,490,970**	158,983,134
Balances with bank and other financial institutions	**552,483,711**	174,180,983
	647,974,681	333,164,117

Rs. 95,490, 970 includes an amount of Rs. 14,364,183 comprising of cheques received by the Company on 31 March 2025 but not banked. Such amounts have deposited subsequent to the reporting date.

15.1 Net cash and cash equivalents for the purpose of the Cash Flow Statement

Accounting policy
For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

For the year ended 31 March	2025 LKR	2024 LKR
Cash and cash equivalents	**647,974,681**	333,164,117
Bank overdrafts	**(190,078,988)**	(123,234,272)
Net cash and cash equivalents	**457,895,693**	209,929,845

16. FINANCIAL INVESTMENTS AT AMORTISED COST

Accounting policy
Financial investments include Government Securities, securities purchased under resale agreements and money market funds. After initial measurement, these are subsequently measured at amortized cost using the EIR. EIR 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, if any, is included in interest income in the Statement of Profit or Loss.

For the year ended 31 March	2025 LKR	2024 LKR
Investments in treasury bills	**659,145,783**	402,092,033
Investments in repurchase agreement	**50,040,385**	100,093,407
Investment in money market funds	**585,448,603**	516,082,122
	1,294,634,771	1,018,267,562

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

For the year ended 31 March	2025 LKR	2024 LKR
Credit Information Bureau of Sri Lanka	**331,000**	331,000
Investments in treasury bonds	**-**	50,071,825
	331,000	50,402,825

The Company designated investments as equity securities at FVOCI because these equity securities represent investments that the Company intends to hold for long term for strategic purposes.

No strategic investments were disposed of during 2024/25, and there were no transfer of any cumulative gain or loss within equity relating to these investments.

18 FINANCIAL ASSETS AT AMORTISED COST- LEASE RECEIVABLES

Accounting policy

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. When the Company is the lessor under finance leases the amounts due under the leases, after deduction of unearned charges, are recognised on the statement of financial position. The finance income receivable is recognised in 'interest income' over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

Lease rental receivable include financial assets measured at amortized cost if both following conditions are made ;

1. Assets that are held within a business model whose objective is to hold the assets in order to collect contractual cash flows.
2. Contractual terms of the assets give rise on specific dates to cash flows that are solely payment of principal and interest on the principal outstanding.

After initial measurement, lease rental receivable is subsequently measured at amortised cost using the effective interest rate (EIR), less allowance for impairment. Amortised 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 losses arising from impairment are recognised in 'impairment (charge)/reversal on loans and other losses' in the statement of Profit or Loss.

For the year ended 31 March	2025 LKR	2024 LKR
Gross lease rental receivables	**11,493,960,840**	10,080,038,548
Unearned income	**(2,838,559,181)**	(2,504,255,554)
Total lease rental receivables	**8,655,401,659**	7,575,782,994
Allowance for individual impairment (Note 18.3.1)	**(3,868,141)**	(10,001,264)
Allowance for collective impairment (Note 18.3.2)	**(464,297,243)**	(305,581,869)
	8,187,236,275	7,260,199,861

18.1 Finance lease receivables within one year

For the year ended 31 March	2025 LKR	2024 LKR
Gross lease rental receivables	**3,875,131,795**	959,246,728
Unearned income	**(26,172,960)**	(26,702,727)
Total lease rental receivables	**3,848,958,835**	932,544,001
Allowance for individual impairment	**(3,660,503)**	(753,791)
Allowance for collective impairment	**(249,921,703)**	(185,335,883)
	3,595,376,629	746,454,327

18.2 Finance lease receivables from one to five years

For the year ended 31 March	2025 LKR	2024 LKR
Gross lease rental receivables	**7,618,829,045**	9,120,791,820
Unearned income	**(2,812,386,221)**	(2,477,552,827)
Total lease rental receivables	**4,806,442,824**	6,643,238,993
Allowance for individual impairment	**(207,638)**	(9,247,473)
Allowance for collective impairment	**(214,375,540)**	(120,245,986)
	4,591,859,647	6,513,745,534

18.2.1 Allowance for individual impairment

For the year ended 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**10,001,264**	300,319,491
Charge / (reversal) during the year	**(6,133,123)**	(290,318,227)
Write-off during the year	**-**	-
Balance as at end of the year	**3,868,141**	10,001,264

18.2.2 Allowance for collective impairment

For the year ended 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**305,581,869**	219,427,652
Charge / (reversal) during the year	**158,715,374**	86,154,217
Balance as at end of the year	**464,297,243**	305,581,869

18.2.3 Movements in impairment allowance for lease receivables

For the year ended 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**315,583,133**	519,747,143
Charge / (reversal) during the year	**152,582,251**	(204,164,010)
Write-off during the year	**-**	-
Balance as at end of the year	**468,165,384**	315,583,133

18 FINANCIAL ASSETS AT AMORTISED COST- LEASE RECEIVABLES (CONTD.)

18.4 Stage wise net lease receivables

As at 31 March 2025	Total lease rental receivables	Allowance for impairment losses	Net rental receivable
Stage 1	**5,776,743,592**	**(57,064,682)**	**5,719,678,910**
Stage 2	**1,957,988,657**	**(79,873,443)**	**1,878,115,214**
Stage 3	**920,669,411**	**(331,227,259)**	**589,442,152**
Total	**8,655,401,660**	**(468,165,384)**	**8,187,236,276**

As at 31 March 2024	Total lease rental receivables	Allowance for impairment losses	Net rental receivable
Stage 1	4,988,941,777	(36,941,055)	4,952,000,722
Stage 2	1,666,286,094	(58,738,409)	1,607,547,685
Stage 3	920,555,123	(219,903,669)	700,651,454
Total	7,575,782,994	(315,583,133)	7,260,199,861

19. FINANCIAL ASSETS AT AMORTISED COST- LOANS AND ADVANCES

Accounting policy

Loans and receivables include financial assets measured at amortized cost if both following conditions are made;

1. Assets that are held within a business model whose objective is to hold the assets in order to collect contractual cash flows.
2. Contractual terms of the assets give rise on specific dates to cash flows that are solely payment of principal and interest on the principal outstanding.

After initial measurement, loans and receivable are subsequently measured at amortised cost using the effective interest rate (EIR), less allowance for impairment. Amortised 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 losses arising from impairment are recognised in ‘impairment (charge)/reversal on loans and other losses’ in the statement of Profit or Loss.

As at 31 March	2025 LKR	2024 LKR
Gold loans	**1,501,777,126**	650,688,250
Loans secured by other assets	**9,828,639,281**	5,411,632,338
Trade finance receivables	**-**	5,065,771
Gross loans & advances to other customers	**11,330,416,407**	6,067,386,359
Allowance for individual impairment (Note 19.1.1)	**(72,189,735)**	(19,405,556)
Allowance for collective impairment (Note 19.1.2)	**(198,696,614)**	(132,390,873)
	11,059,530,058	5,915,589,930
19.1 Receivables from one to five years	**4,671,146,726**	2,705,996,232
Receivables within one year	**6,659,269,681**	3,209,593,698
	11,330,416,407	5,915,589,930

19.1.1 Allowance for individual impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**19,405,556**	258,791,910
Charge / (reversal) during the year	**52,784,178**	13,443,348
Write-off during the year	**-**	(252,829,701)
Balance as at end of the year	**72,189,735**	19,405,556

19.1.2 Allowance for collective impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**132,390,873**	119,697,827
Charge / (reversal) during the year	**66,305,741**	12,693,046
Write-off during the year	**-**	-
Balance as at end of the year	**198,696,614**	132,390,873

19.1.3 Movements in impairment allowance for loans & advances to other customers

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**151,796,429**	378,489,737
Charge / (reversal) during the year	**119,089,920**	26,136,393
Write-off during the year	**-**	(252,829,701)
Balance as at end of the year	**270,886,349**	151,796,429

Loans and advances to other customers with the contractual amount of Rs. 252,829,701 written off during the year ended 31 March 2024.

19.2 Stage wise net loans & advances

As at 31 March 2025	Total lease rental receivables	Allowance for impairment losses	Net rental receivable
Stage 1	8,761,931,730	(43,049,016)	8,718,882,714
Stage 2	1,763,831,927	(50,448,228)	1,713,383,700
Stage 3	804,652,750	(177,389,105)	627,263,645
Total	11,330,416,407	(270,886,349)	11,059,530,058

As at 31 March 2024	Total lease rental receivables	Allowance for impairment losses	Net rental receivable
Stage 1	4,593,414,927	(20,134,399)	4,573,280,528
Stage 2	861,134,852	(31,604,502)	829,530,349
Stage 3	612,836,580	(100,057,527)	512,779,053
Total	6,067,386,359	(151,796,429)	5,915,589,930

20. ALLOWANCE FOR IMPAIRMENT LOSSES

Accounting policy

Overview of the Expected Credit Loss (ECL) principles

The adoption of SLFRS 09 has fundamentally changed the Companies's loan loss impairment method by replacing LKAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. From 1 April 2018, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at Fair Value Through Profit or Loss (FVPL), in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under SLFRS 09.

The ECL allowance is based on the credit losses expected to arise over the life of the asset.

The 12 months ECL is the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on such process Company allocates loans into Stage 01, Stage 02, Stage 03 as described below.

Stage 1: A financial asset that is not originally credit-impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of lifetime expected credit losses (LTECL) that result from default events possible within next 12 month (12 MECL).

Stage 2: If a significant increase in credit risk (SICR) since origination is identified, it is moved to Stage 2 and the Company records an allowance for LTECL. The Company determines when a significant increase in credit risk has occurred based on the assessment of business model. It is considered that significant increase in credit risk takes place when a facility is overdue more than 30 days.

Stage 3: If a financial asset is credit impaired, it is moved to Stage 3 and the Company recognises an allowance for LTECL, with probability of default at 100%. The Company defines credit impaired and default according to direction issued by CBSL. A contract with past due for more than 90 days is considered as Default.

20.1 Impairment charge on loans and receivables

As at 31 March	2025 LKR	2024 LKR
Charge / (reversal) on lease receivables	152,582,251	(204,164,010)
Charge / (reversal) on loan and receivables	119,089,920	26,136,393
Charge / (reversal) on factoring receivables	-	9,194,474
	271,672,171	(168,833,143)

The company has been written-off Rs.279,628,919 during the year ended 31 March 2024.

20.2 Analysis of Expected Credit Loss model three stages

Balance as at 01 April 2024	Stage 1 LKR	Stage 2 LKR	Stage 3 LKR	Total LKR
Finance lease	36,941,055	58,738,409	219,903,669	315,583,133
Loans & advances	20,134,399	31,604,502	100,057,527	151,796,429
	57,075,454	90,342,911	319,961,197	467,379,562

Balance as at 01 April 2024	Stage 1 LKR	Stage 2 LKR	Stage 3 LKR	Total LKR
Movement During the Year				
Impairment charge for the year				
Finance lease	20,123,627	21,135,035	111,323,590	152,582,251
Loans & advances	22,914,617	18,843,725	77,331,578	119,089,920
	43,038,244	39,978,760	188,655,167	271,672,171
Write-off during the year				
Finance lease	-	-	-	-
Loans & advances	-	-	-	-
	-	-	-	-
Balance as at 31 March 2025				
Finance lease	57,064,682	79,873,443	331,227,259	468,165,384
Loans & advances	43,049,016	50,448,228	177,389,105	270,886,349
	100,113,698	130,321,671	508,616,364	739,051,733

20.2.1 Stage Transition

Balance as at 01 April 2024	Stage 1 LKR	Stage 2 LKR	Stage 3 LKR	Total LKR
Balance as at the beginning of the year	57,075,454	90,342,911	319,961,197	467,379,562
Changes due to loans and receivables recognised in opening balance that have:				
Transferred from Stage 1	(18,174,264)	13,412,732	4,761,531	-
Transferred from Stage 2	13,401,465	(22,518,675)	9,117,210	-
Transferred from Stage 3	4,772,799	9,105,943	(13,878,742)	-
Write-off during the year	-	-	-	-
Net remeasurement of loss allowance	43,038,244	39,978,760	188,655,167	271,672,171
Balance as at the end of the year	100,113,698	130,321,671	508,616,364	739,051,733

20.3 Allowance for individual impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**29,406,820**	576,716,145
Charge / (reversal) during the year	**46,651,056**	(267,680,406)
Write-off during the year	**-**	(279,628,919)
Balance as at end of the year	**76,057,876**	29,406,820

20.4 Allowance for collective impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**437,972,742**	339,125,479
Charge / (reversal) during the year	**225,021,115**	98,847,263
Balance as at end of the year	**662,993,857**	437,972,742

20.5 Allowance for total impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**467,379,562**	915,841,624
Charge / (reversal) during the year	**271,672,171**	(168,833,143)
Write-off during the year	**-**	(279,628,919)
Balance as at end of the year	**739,051,733**	467,379,562

20.6 Product wise individual impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**29,406,820**	576,716,145
Finance lease receivables	**(6,133,123)**	(290,318,227)
Loans & advances to other customers	**52,784,178**	(239,386,354)
Factoring receivables	**-**	(17,604,744)
Balance as at end of the year	**76,057,876**	29,406,820

20.7 Product wise collective impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**437,972,741**	339,125,479
Finance lease receivables	**158,715,374**	86,154,217
Loans & advances to other customers	**66,305,741**	12,693,046
Balance as at end of the year	**662,993,856**	437,972,741

20.8 Loan product wise total impairment

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**467,379,562**	915,841,624
Finance lease receivables	**152,582,251**	(204,164,010)
Loans & advances to other customers	**119,089,920**	(226,693,308)
Factoring receivables	**-**	(17,604,744)
Balance as at end of the year	**739,051,733**	467,379,562

20.9 Collateral held and other credit enhancement

The Company holds collateral and other credit enhancements against certain types of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

As at 31 March 2025	Gross loan balance	Security value
Stage 01		
Cash collateral	128,273,372	609,637,437
Gold and precious metals	1,419,863,221	2,118,162,561
Guarantors	1,210,041,280	-
Immovable properties	221,749,470	433,600,000
Vehicles and machinery	11,558,747,979	21,527,035,222
Stage 02		
Cash collateral	19,456,575	38,193,280
Gold and precious metals	73,583,386	112,969,409
Guarantors	67,938,231	-
Immovable properties	119,742,564	642,415,000
Vehicles and machinery	3,441,099,829	5,920,735,199
Stage 03		
Cash collateral	-	-
Gold and precious metals	8,330,520	60,684,764
Guarantors	113,116,448	-
Immovable properties	337,150,107	1,096,331,000
Vehicles and machinery	1,266,725,085	2,992,067,722

Impact of current economic condition on Expected Credit Losses

The determination of the allowance for expected credit losses is heavily dependent on the external macro environment and reliant on data and a number of estimates related to statistical models. The Company's expected credit losses for loans and receivables to customers are derived from the statistical models which are based on internally computed data comprising qualitative and quantitative factors including past due information and also incorporating forward looking information. The prevailing uncertain and volatile macroeconomic environment in the country meant that assumptions regarding the economic outlook are more uncertain which, combined with varying government responses, increases the level of judgment required by the Company in calculating the ECL.

The Company used a broad range of forward looking information as economic inputs in Company ECL model in calculating the ECL, such as:

- GDP Growth (%)
- Inflation (YoY Average)
- Interest Rate (PLR)
- Unemployment (% of Labor Force)

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements. To reflect this, Company used qualitative adjustments or overlays as temporary adjustments when such differences are significantly material.

Collectively assessed allowance for expected credit losses

In estimating collectively assessed ECL, the company makes judgements and assumptions in relation to the selection of an estimation technique or modelling methodology, noting that the modelling of the Company's ECL estimates are complex; and the selection of inputs for those models, and the interdependencies between those inputs.

20. ALLOWANCE FOR IMPAIRMENT LOSSES (CONTD.)

The modelling methodology applied in estimating in ECL in these Financial Statements is consistent with the applied in Financial Statements for the year ended 31 March 2024.

Sensitivity analysis of the expected credit loss model

The uncertainty on the current economic conditions introduced significant estimation uncertainty in relation to the measurement of the Company's allowance for expected credit losses. The rapidly evolving consequences of current economic conditions and government, business and consumer responses could result in significant adjustments to the allowance within the current and next financial years.

Given current economic uncertainties and the judgement applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Company should be considered as a best estimate within a range of possible estimates.

20.9 Allowance for impairment on total loans & receivables

ECL - Sensitivity analysis

Given the current economic uncertainties and the judgements applied to factors used in determining the expected default of borrowers in future periods. Expected credit losses reported by the company should be considered as a best estimate within a range of possible estimates.

Sensitivity effect on Statements of Financial Position increase/(decrease) in impairment provision

As at 31 March 2025	Stage 1	Stage 2	Stage 3	Total	Impact to the P&L Rs.
Change in Probability of Default (PD)					
Increase by 1%	13,280,724	10,149,622	-	23,430,345	23,430,345
Decrease by 1%	(13,280,724)	(10,149,622)	-	(23,430,345)	(23,430,345)
Change in Loss Given Default (LGD)					
Increase by 1%	8,877,850	14,541,586	8,519,473	31,938,908	31,938,908
Decrease by 1%	(8,877,850)	(14,541,586)	(8,519,473)	(31,938,908)	(31,938,908)
Change in Economic Factor Adjustment (EFA)					
Increase by 1%	2,353,609	2,316,030	-	4,669,639	4,669,639
Decrease by 1%	(2,353,609)	(2,316,030)	-	(4,669,639)	(4,669,639)

21. OTHER NON FINANCIAL ASSETS

Accounting policy

The Company classifies all non-financial assets other than Intangible Assets, Property, Plant & Equipment and Deferred Tax Assets under other non-financial assets. Other non-financial assets include prepaid expenses, rent deposit and other receivable amounts. These assets are non-interest earning and recorded at the amounts that are expected to be received. Prepayments that form a part of other non financial assets are amortized during the period in which it is utilized.

As at 31 March	2025 LKR	2024 LKR
Prepaid expenses	**46,111,936**	53,230,292
Advance for rent	**25,350,000**	26,770,000
Other receivables	**18,255,413**	5,097,869
	89,717,349	85,098,161

22. INVESTMENT PROPERTY

Accounting policy

Basis of recognition

Investment properties are those which are held either to earn rental or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

An investment property is recognised, if it is probable that future economic benefits that are associated with the investment property will flow to the Company and cost of the investment property can be reliably measured.

Basis of measurement

Fair value model

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the Statement of Financial Position date. Gains or losses arising from changes in fair value are included in the Statement of Profit or Loss in the year in which they arise.

The Company has decided not to revalue the property for the Financial Year ending 31 March 2025 since the Management do not observe any material appreciation of the property values in the area due to prevailing market conditions.

Derecognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Profit or Loss in the year of retirement or disposal.

Subsequent transfers to/from investment property

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment properties to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income statement. When the Company completes the construction or development of a self constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income Statement.

Determining fair value

External and independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the investment property portfolio as at each reporting date.

22 INVESTMENT PROPERTY (CONTD.)

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**18,600,000**	18,600,000
Change in fair value of investment property	**-**	-
Balance as at end of the year	**18,600,000**	18,600,000

22.1 Details of investment property

Investment property comprise of Lands acquired by the Company and is held for Capital Appreciation purposes. The professional valuation of Investment Property (Lands) of the company has been determined by an external, independent property valuer, M/S Prathap Chartered Valuation & Consultancy (Pvt) Ltd, on 31 March 2023. The Fair Value measurements of the Investment Property has been categorized as Level 03 Fair Value hierarchy.

The following table shows the valuation techniques used in measuring the Fair Value of Investment Property, as well as the significant unobservable inputs used.

Property Location	Land Extent	Valuation Technique	Significant Observable and Unobservable Inputs	Interrelationship between Key Inputs and Fair Value Measurement
Indiwinna, Hambanthota	1 rood and 1.4 perches	Comparison method of valuation - The comparison method to property valuation is an approach which uses the value of recently sold comparable assets to determine the market value of a property.	Per perch value in Hambanthota region ranges from Rs. 400,000/- to Rs.500,000/-	The estimated fair value would increase / (decrease) if comparable property value was higher / (lesser)

23. RIGHT OF USE ASSETS

Accounting policy

Measurement basis

Right-of-use assets are recognised at the commencement of the lease at the present value of the lease payment plus any prepaid lease rental.

Amortisation

The Company amortised right-of-use assets, using the straight line method over their estimated useful lives.

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term in accordance with the pattern of benefits provided. Leasehold property comprising of land use rights and is amortised on a straight line basis over the remaining lease term.

Determination of the lease term for the lease contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts for branches/head office and vehicle yard that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

23.1 Movement of right of use assets

As at 31 March	2025 LKR	2024 LKR
Cost		
Balance as at beginning of the year	**346,458,392**	252,082,371
Additions/ renewal operating lease during the year	**53,207,924**	99,111,707
Early termination of lease	**(251,775)**	(4,735,686)
Balance as at end of the year	**399,414,541**	346,458,392
Accumulated depreciation		
Balance as at beginning of the year	**165,745,149**	121,809,417
Depreciation charge for the year	**50,621,317**	43,935,732
Balance as at 31 March	**216,366,466**	165,745,149
Balance as at end of the year	**183,048,076**	180,713,243

23.2 Movement in lease liabilities

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**186,359,741**	135,005,713
Additions/ renewal operating lease during the year	**53,207,924**	92,211,707
Accretion of interest	**29,985,893**	23,466,493
Payments to lease creditors	**(71,107,564)**	(58,589,480)
Early termination of lease	**(259,805)**	(5,734,692)
Balance as at end of the year	**198,186,189**	186,359,741

23.3 Amounts recognised in profit or loss

As at 31 March	2025 LKR	2024 LKR
Interest on lease liabilities	**29,985,893**	23,466,493
Depreciation of right-of-use assets	**50,621,317**	43,935,732
	80,607,210	67,402,225

23.4 Amounts recognised in statement of cash flows

As at 31 March	2025 LKR	2024 LKR
Operating activities		
Payment of lease interest	**29,985,893**	23,466,493
Financing activities		
Payment of lease capital	**41,121,671**	35,122,987
Total cash outflow for leases	**71,107,564**	58,589,480

24. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used for more than one year. The Company applies the requirements of the Sri Lanka Accounting Standard - LKAS 16 (Property, Plant and Equipment) in accounting for these assets.

Accounting policy

Basis of Recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

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, 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.

Cost model

The Company applies cost model to property, plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

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 the Income Statement as incurred. Costs incurred in using or redeploying an item is not included under carrying amount of an item.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in the Income Statement when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is derecognised.

Depreciation

The Company provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight line basis over the periods appropriate to the estimated useful lives, based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Asset category	Useful live
Motor vehicle	5 Years
Computer equipment	4 Years
Office equipment	5 Years
Furniture and fittings	5 Years
Mobile devises and Tabs	2 Years

	Motor vehicle-Company fleet LKR	Office equipment LKR	Computer equipment LKR	Furniture & fittings LKR	Motor vehicle-hiring fleet LKR	Mobile devices & tabs LKR	Total LKR
Cost							
Balance as at 31 March 2023	1,165,268	51,253,602	59,049,345	119,311,150	12,854,297	5,146,510	248,780,172
Additions during the Year	-	9,013,688	4,598,278	7,906,681	-	54,000	21,572,647
Disposals during the Year	-	(3,288,749)	(2,782,975)	(12,470,495)	-	(171,000)	(18,713,219)
Adjustments during the year	-	-	-	-	11,755,339	-	11,755,339
Balance as at 31 March 2024	1,165,268	56,978,541	60,864,648	114,747,336	24,609,636	5,029,510	263,394,939
Additions during the Year	3,050,000	12,379,339	24,099,110	45,187,411	-	399,990	85,115,850
Disposals during the Year	-	(2,222,089)	(15,496,862)	(8,128,716)	-	(2,420,644)	(28,268,311)
Adjustments during the year	-	-	-	-	-	-	-
Balance as at 31 March 2025	4,215,268	67,135,792	69,466,896	151,806,031	24,609,636	3,008,856	320,242,478
Accumulated Depreciation							
Balance as at 31 March 2023	1,165,266	22,421,144	43,381,890	62,890,059	12,854,297	4,752,664	147,465,320
Depreciation charge for the year	-	8,242,639	7,379,030	17,068,237	-	407,273	33,097,179
Disposals during the Year	-	(3,228,181)	(2,763,509)	(12,450,826)	-	(171,000)	(18,613,516)
Adjustments during the year	-	-	-	-	11,755,339	-	11,755,339
Balance as at 31 March 2024	1,165,266	27,435,602	47,997,411	67,507,470	24,609,636	4,988,937	173,704,322
Depreciation charge for the year	455,860	10,724,923	9,440,848	22,854,553	-	143,127	43,619,311
Disposals during the Year	-	(2,096,517)	(14,806,315)	(7,992,848)	-	(2,420,644)	(27,316,324)
Adjustments during the year	-	-	-	-	-	-	-
Balance as at 31 March 2025	1,621,126	36,064,008	42,631,944	82,369,175	24,609,636	2,711,420	190,007,309
Carrying amount							
As at 31 March 2025	2,594,142	31,071,784	26,834,952	69,436,856	-	297,436	130,235,169
As at 31 March 2024	-	29,542,939	12,867,237	47,239,866	-	40,573	89,690,615

24.1 Cost of fully depreciated assets

Property, plant and equipment included fully depreciated assets amounting to Rs.153,313,369/- as at 31 March 2025 (As at 31 March 2024 - Rs.118,544,833/-)

24.2 Impairment of property, plant and equipment

The Board of Directors has assessed the potential impairment loss of property, plant and equipment as at 31 March 2025. Based on the assessment, no impairment provision is required to be made in the financial statements as at the reporting date in respect of property, plant and equipment. The management has taken necessary actions to safeguard the assets to ensure its future economic value would not diminish.

24.3 There were no items of property, plant and equipment pledged as at 31 March 2025.

25. INTANGIBLE ASSETS

An intangible asset is an identifiable monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others or for administrative purposes. The Companies's intangible assets include the value of computer software and license.

Accounting policy
Basis of Recognition
An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably. An intangible asset is initially measured at cost.

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, these assets are stated in the Statement of Financial Position at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure
Expenditure incurred on intangible assets is capitalised only when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. All other expenditure is expensed as incurred.

Derecognition of intangible assets
The carrying amount of an item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of intangible asset is included in the Income Statement when the item is derecognised.

Useful economic lives, Amortisation and impairment of intangible assets
Intangible assets are amortised on a straight line basis in the Income Statement from the date when the asset is available for use, over the best estimate of its useful economic life based on a pattern in which the asset's economic benefits are consumed by the Company. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The Company assumes that there is no residual value for its intangible assets.

Useful lifetime of computer software is as follows;

Asset category	Useful live
Computer software	4 Years
Software core system	5 Years
VISA license fee	10 Years
ATM license fee	10 Years

As at 31 March 2025	Computer Software LKR	Software - Core System LKR	VISA License Fee LKR	ATM Licensing Fee LKR	Total LKR
Cost					
Balance as at 31 March 2023	23,506,835	28,147,842	5,460,246	14,985,000	72,099,922
Additions during the year	1,611,000	171,000	-	-	1,782,000
Balance as at 31 March 2024	25,117,835	28,318,842	5,460,246	14,985,000	73,881,922
Additions during the year	-	-	-	-	-
Disposals during the Year	-	(1,350,000)	-	-	(1,350,000)
Balance as at 31 March 2025	25,117,835	26,968,842	5,460,246	14,985,000	72,531,922
Accumulated amortization					
Balance as at 31 March 2023	19,269,535	24,067,050	3,822,172	10,442,083	57,600,840
Amortization charge for the year	2,368,897	2,041,166	547,521	1,502,605	6,460,189
Disposals during the Year	-	-	-	-	-
Balance as at 31 March 2024	21,638,432	26,108,216	4,369,693	11,944,688	64,061,029
Amortization charge for the year	1,633,812	1,262,237	546,025	1,498,500	4,940,574
Disposals during the Year	-	(1,350,000)	-	-	(1,350,000)
Balance as at 31 March 2025	23,272,244	26,020,453	4,915,718	13,443,188	67,651,603
Carrying amount					
As at 31 March 2025	1,845,591	948,389	544,528	1,541,812	4,880,319
As at 31 March 2024	3,479,403	2,210,626	1,090,553	3,040,312	9,820,894

26. DEFERRED TAX LIABILITIES/ (ASSET)

Accounting policy

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses (if any), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credits and unused tax losses carried forward can be utilised.

Deferred tax assets / liabilities shall be recognised for temporary differences, unless it arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination.
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Accounting estimates

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available against which such tax losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with the future tax planning strategies.

26.1 Movement of net deferred tax liabilities

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	(159,344,494)	(263,570,209)
Recognized in the profit or loss		
Amounts reversing during the year	61,213,117	105,293,599
Recognized in the other comprehensive income		
Amounts originating / (reversing) during the year	(1,040,809)	(1,067,884)
Balance as at end of the year	(99,172,186)	(159,344,494)
Recognised in statement of profit or loss due to during the year transactions	61,213,117	105,293,599
Recognised in statement of profit or loss due to increase in tax rate	-	-
Deferred tax expense recorded in profit or loss	61,213,117	105,293,599

26.2 Origination of deferred tax assets / (liabilities)

For the year ended 31 March	Temporary Difference 2025 LKR	Tax Effect 2025 LKR	Temporary Difference 2024 LKR	Tax Effect 2024 LKR
Deferred tax assets :				
Employee benefits	**36,393,779**	**10,918,134**	26,210,777	7,863,233
Tax loss for the year	**-**	**-**	357,317,910	107,195,372
Bonus Provision	**23,040,370**	**6,912,111**	13,840,785	4,152,236
Provision for impairment	**318,932,452**	**95,679,736**	168,986,818	50,696,045
	378,366,600	**113,509,981**	566,356,291	169,906,886
Deferred tax liabilities :				
Property, plant and equipment	**(17,514,063)**	**(5,254,220)**	(13,749,044)	(4,124,713)
Accelerated depreciation for tax purpose - Leased assets	**(1,740,470)**	**(522,141)**	(2,412,434)	(723,730)
Right of use asset	**(15,138,113)**	**(4,541,434)**	(5,646,498)	(1,693,949)
Investment property	**(13,400,000)**	**(4,020,000)**	(13,400,000)	(4,020,000)
	(47,792,646)	**(14,337,795)**	(35,207,976)	(10,562,392)
Net deferred tax asset / (liabilities)		**99,172,186**		159,344,494

The tax base of the Company is computed in accordance with the Inland Revenue Act No. 24 of 2017 and amendments thereon. However Temporary Difference generated through Accelerated Depreciation for Tax Purpose on Leased Assets is applicable only for the contracts incepted prior to 01 April 2018 and computed in accordance of the provision available in the Inland Revenue Act No 10 of 2006. The temporary difference is significant due to claiming capital allowances in advance in previous financial years.

Deferred tax is measured using a tax rate of 30% (2023/24-30%) on temporary differences.

26.3 Movement in recognized deferred tax assets and liabilities

	2025			
For the year ended 31 March	Balance as at 01 April 2024	Charged / (Reversed) in Profit or Loss	Charged / (Reversed) in OCI	Balance as at 31 March 2025
Employee benefits	**7,863,233**	**2,014,092**	**1,040,809**	**10,918,134**
Bonus Provision	**4,152,236**	**2,759,875**	**-**	**6,912,111**
Right of use asset	**(1,693,949)**	**(2,847,485)**	**-**	**(4,541,434)**
Provision for impairment	**50,696,045**	**44,983,691**	**-**	**95,679,736**
Property, plant and equipment	**(4,124,713)**	**(1,129,507)**	**-**	**(5,254,220)**
Accelerated depreciation for tax purpose - Leased assets	**(723,730)**	**201,589**	**-**	**(522,141)**
Investment property	**(4,020,000)**	**-**	**-**	**(4,020,000)**
Tax loss for the year	**107,195,372**	**(107,195,372)**		**-**
	159,344,494	**(61,213,117)**	**1,040,809**	**99,172,186**

26. DEFERRED TAX LIABILITIES/ (ASSET)(CONTD.)

26.3 Movement in recognized deferred tax assets and liabilities (Contd.)

For the year ended 31 March	2024			
	Balance as at 01 April 2023	Charged / (Reversed) in		Balance as at 31 March 2024
		Profit or Loss	OCI	
Employee benefits	5,411,126	1,384,223	1,067,884	7,863,233
Bonus Provision	-	4,152,236	-	4,152,236
Right of use asset	(1,419,828)	(274,121)	-	(1,693,949)
Provision for impairment	71,594,931	(20,898,886)	-	50,696,045
Property, plant and equipment	(3,504,249)	(620,464)	-	(4,124,713)
Accelerated depreciation for tax purpose - Leased assets	(3,391,560)	2,667,830	-	(723,730)
Investment property	(1,340,000)	(2,680,000)	-	(4,020,000)
Tax loss for the year	196,219,789	(89,024,417)		107,195,372
	263,570,209	(105,293,599)	1,067,884	159,344,494

27. FINANCIAL LIABILITIES AT AMORTISED COST DUE TO CUSTOMERS

Accounting policy

Due to depositors comprise of interest bearing savings deposits and term deposits. Customer deposits are initially recognised at fair value net of transactions cost. Subsequent to the initial recognition they are measured at their amortised cost using the effective interest rate method. Interest expense on these deposits is recognised to the Income Statement.

Sri Lanka Deposit Insurance Scheme

Under the Direction No. 1 of 2021 [Finance Companies (Insurance of Deposit Liabilities)] issued by the Central Bank of Sri Lanka and subsequent amendments thereto, all the eligible deposit liabilities have been insured with the Sri Lanka Deposit Insurance Scheme implemented by the Monetary Board for compensation up to a maximum of Rs. 1,100,000/- for each depositor. The Company has paid Rs. 11,904,842/- as the premium of the said insurance scheme during the current financial year (2024 - Rs. 7,350,775/-).

As at 31 March	2025 LKR	2024 LKR
Savings deposits	**95,866,603**	90,646,284
Term deposits	**9,640,612,868**	6,204,981,124
	9,736,479,471	6,295,627,408

27.1 Contractual maturity analysis of customer deposits

As at 31 March 2025	Within one year LKR	1-5 Years LKR	Over 5 Years LKR	Total LKR
Savings deposits	**95,866,603**	**-**	**-**	**95,866,603**
Term deposits	**7,190,457,467**	**2,450,155,401**	**-**	**9,640,612,868**
Total due to customers	**7,286,324,070**	**2,450,155,401**	**-**	**9,736,479,471**

As at 31 March 2024	Within one year LKR	1-5 Years LKR	Over 5 Years LKR	Total LKR
Savings deposits	90,646,284	-	-	90,646,284
Term deposits	4,387,857,283	1,817,123,841	-	6,204,981,124
Total due to customers	4,478,503,567	1,817,123,841	-	6,295,627,408

We have raised fixed deposits with a pre-termination option to the customers, so fixed deposit pre-terminations may cause actual maturities to differ from contractual maturities.

28. DEBT ISSUED AND OTHER BORROWED FUNDS

Accounting policy

Due to banks include bank and other institutional borrowings. Subsequent to initial recognition, these are measured at their amortized cost using the EIR method. EIR is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. Interest paid/payable on these dues are recognized in the Statement of Profit or Loss under 'Interest Expenses

As at 31 March	2025 LKR	2024 LKR
Short term loans	**1,400,000,000**	2,350,000,000
Long term loans (Note 28.1)	**4,807,025,328**	2,331,556,677
High yeild bond (Note 28.2)	**1,000,000,000**	-
Interest payables	**137,546,448**	51,892,569
	7,344,571,776	4,733,449,246

28.1 Movement of long term loans

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**2,331,556,677**	2,415,294,557
Obtained during the year	**4,000,000,000**	1,250,000,000
Payments made during the year	**(1,524,531,349)**	(1,333,737,880)
Balance as at end of the year	**4,807,025,328**	2,331,556,677

28.2 Listed, rated, unsecured, subordinated high yield bonds

The Company issued Ten Million (10,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds on 28 February 2025 (Date of allotment is 04 March 2025 and the date of maturity is 04 March 2030), at the par value of Sri Lankan Rupees one hundred (LKR 100/-) each and raised Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) which has been recorded under Debt Instruments Issued and Other Borrowed Funds in Statement of Financial Position as at 31 March 2025.

Type	Amount Raised LKR	Type of Interest	Tenure	Interest Rate (Coupon Rate)	Annual Effective Rate (AER)	Interest Payment Frequency
Type-A	855,600,000	Fixed	5 Years	13.15%	13.15%	Annual
Type-B	144,400,000	Fixed	5 Years	12.74%	13.15%	Semi- Annual

28. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

Interest Rates

Type	Type of Interest	Tenure	31 March 2025		31 March 2024	
			Interest Rate (Coupon Rate)	Annual Effective Rate (AER)	Interest Rate (Coupon Rate)	Annual Effective Rate (AER)
Type-A	Fixed	5 Years	13.15%	13.15%	N/A	N/A
Type-B	Fixed	5 Years	12.74%	13.15%	N/A	N/A

Market Values

Type	Highest (LKR)		Lowest (LKR)		Period End (LKR)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Type-A	Not traded	N/A	Not traded	N/A	Not traded	N/A
Type-B	Not traded	N/A	Not traded	N/A	Not traded	N/A

28.3 High yield bond fund utilisation

Objective as per Prospectus	Amount Allocated as per Prospectus (LKR. Mn) (A)	Proposed Date of Utilisation as per Prospectus	Amounts Utilised (LKR. Mn) (B)	% of Utilisation against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested
1.To improve the capital adequacy ratio	Rs.1 Bn new capital was raised from the bond issuance and improved the Tier II capital ratio to 18.3% as of 31 March 2025 from 12.9% as of 28 February 2025.				
2.To grow the lending portfolio	1,000	Before 28 February 2026	500	50.00%	Money market fund

28.4 Contractual maturity analysis of interest bearing loans and borrowings

As at 31 March 2025	Within one year LKR	1-5 Years LKR	Over 5 Years LKR	Total LKR
Debt issued and other borrowed funds	4,105,874,515	3,238,697,261	-	7,344,571,776
Total loans and borrowings	4,105,874,515	3,238,697,261	-	7,344,571,776

As at 31 March 2024	Within one year LKR	1-5 Years LKR	Over 5 Years LKR	Total LKR
Debt issued and other borrowed funds	3,104,777,685	1,628,671,561	-	4,733,449,246
Total loans and borrowings	3,104,777,685	1,628,671,561	-	4,733,449,246

28.5 Long term loans analysed by lending institutions

Lending Institution	Credit rating	Capital Outstanding as at 31 March 2025 LKR	Interest Payable LKR	Borrowing Terms
Hatton National Bank PLC Loan 2	AA-(lka) Fitch	63,312,000	359,161	Repayable in 47 equal monthly installments of Rs. 3.959Mn and final payment of Rs. 3.927Mn together with interest at variable interest rate subject to monthly review after an initial grace period of 6 months.
				Security assigned- Lease Receivable of Rs.237.5Mn plus corporate Guarantee from Bluestone1 (Pvt) Ltd
Loan 3		186,688,000	254,203	Repayable in 47 equal monthly installments of Rs. 11.666Mn and final payment of Rs. 11.698Mn together with interest at variable interest rate subject to monthly review after an initial grace period of 6 months.
				Security assigned- Auto Loan Receivable of Rs.700Mn plus Corporate Guarantee for Rs. 750Mn from Bluestone1 (Pvt) Ltd
Loan 4		416,640,000	3,151,396	Repayable in 47 equal monthly installments of Rs. 10.42Mn and final payment of Rs. 11.26Mn at variable interest rate subject to monthly review.
				Security assigned- Auto Loan Receivable of Rs.800Mn.
Peoples' Bank PLC	AA-(lka) Fitch	75,000,000	365,260	Repayable in 8 semi annual equal installments at variable interest rate subject to monthly review.
				Security Assigned- Pro note and receipts
Nation Trust Bank PLC	A(lka) Fitch	430,555,556	1,872,268	Repayable in 35 equal monthly installments of Rs. 13,888,888/89 and final payment of Rs. 13,888,888/85 together with interest at variable interest rate subject to quarterly review.
				Security assigned - Rs.975.6 Mn over lease receivables.
Cargills Bank PLC	A(lka) Fitch	366,666,672	495,251	Repayable in 60 monthly equal installments of Rs. 8,333,333/- at variable interest rate subject to monthly review.
				Security Assigned-Loan Receivables of Rs. 782.6Mn.
National Development Bank PLC - Loan 1	A(lka) Fitch	142,852,000	40,820	Repayable in 41 equal monthly installments of Rs.9.524Mn and final payment of Rs. 9.516Mn together with interest at variable interest rate subject to monthly review.(after an initial grace period of 6 months). Security Assigned- Rs.525 Mn over lease receivables.

28. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

Lending Institution	Credit rating	Capital Outstanding as at 31 March 2025 LKR	Interest Payable LKR	Borrowing Terms
Loan 2		444,600,000	114,865	Repayable in 35 equal monthly installments of Rs.13.85Mn and final payment of Rs. 15.25Mn together with interest at variable interest rate subject to monthly review. Security Assigned- Rs.650.4 Mn over lease receivables and vehicle loan receivables
Sampath Bank PLC	AA-(lka) Fitch	770,100,000	1,311,491	Repayable in 47 equal monthly installments of Rs.20.9Mn and final payment of Rs. 17.7Mn together with interest at variable interest rate subject to monthly review. Security Assigned- Rs.525 Mn over lease receivables
				Security Assigned-Lease Receivables of Rs. 1,501.4Mn
Pan Asia Banking Corporation PLC	BBB(lka) Fitch	236,111,100	64,365	Repayable in 35 equal monthly installments of Rs.6,944,450/- and final payment of Rs. 6,944,250/- together with interest at variable interest rate subject to monthly review. Security Assigned- Rs.525 Mn over lease receivables
				Security Assigned-Lease Receivables of Rs. 385.7Mn
Bank of Ceylon	AA-(lka) Fitch	500,000,000	954,110	Repayable in 48 monthly equal installments of Rs. 10,416,667/- together with interest at variable interest rate subject to monthly review.
				Security Assigned-Lease Receivables of Rs. 670.5Mn
M-Power Capital Ltd Securitization 01		420,500,000	33,519,418	Repayable in 24 months at the fixed interest rate after an initial grace period of 6 months.
				Security Assigned- Lease & Smart Draft Receivables of Rs. 1,310.8Mn
Think Capital Partners (Pvt) Ltd - Securitization 02		750,000,000	81,812,474	Repayable in 24 months at the fixed interest rate after an initial grace period of 10 months.
				Security Assigned-Lease receivables of Rs.992.95Mn.

29. OTHER NON FINANCIAL LIABILITIES

Accounting policy

The Company classifies all non financial liabilities other than post employment benefit liability and current tax liabilities under other non financial liabilities. Other non financial liabilities include accruals, advances and provisions. These liabilities are non-interest bearing and recorded at the amounts that are expected to be paid.

As at 31 March	2025 LKR	2024 LKR
Vendor payables	**592,958,256**	550,411,809
Bonus provision	**23,040,370**	13,840,785
Insurance premium payables	**84,038,548**	16,504,914
Other payables	**210,459,607**	126,372,661
	910,496,781	707,130,169

30. CURRENT TAX LIABILITIES

Accounting policy

The Company is subject to income taxes and other taxes including VAT and SSCL on financial services. Significant judgment is required to determine the total provision for current, deferred and other taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The Company recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income, deferred tax amounts in the period in which the determination is made.

As at 31 March	2025 LKR	2024 LKR
Balance as at 1 April	**-**	-
Provision for the year	**76,028,115**	-
Less: Tax paid	**(7,321,103)**	-
Balance as at 31 March	**68,707,012**	-

31 POST EMPLOYMENT BENEFIT LIABILITY

Accounting policy

Company's end of service benefit obligations are measured based on the present value of projected future benefit payments for all participants for services rendered to date. The measurement of projected future benefits is dependent on the stipulated formula, salary assumptions, demographics of the Company covered by the plan, and other key measurement assumptions. The net periodic benefit costs associated with the Company defined benefit plans are determined using assumptions regarding the benefit obligations. Due to the long-term nature of these plans, such estimates are subjected to significant uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government Bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the Company.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with Sri Lanka Accounting Standard LKAS 19 on 'Employee Benefit'. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service.

Recognition of actuarial gains and losses

The Company recognises the total actuarial gains and losses that arise in calculating the Company obligation in respect of the plan in Other Comprehensive Income during the period in which it occurs.

Expected return on assets

Expected return on assets is zero as the plan is not pre-funded.

Funding arrangements

The gratuity liability is not externally funded.

As at 31 March	2025 LKR	2024 LKR
Present value of unfunded obligations	**36,393,779**	26,210,777
Present value of funded obligations	**-**	-
Total present value of obligations	**36,393,779**	26,210,777
Fair value of planned assets	**-**	-
Net retirement benefit obligations	**36,393,779**	26,210,777

31.1 Movement in present value of employee benefits

As at 31 March	2025 LKR	2024 LKR
Balance as at beginning of the year	**26,210,777**	18,037,088
Expenses recognised in the profit or loss (Note 31.2)	**10,636,060**	8,727,820
Actuarial (gain) / loss recognized in the other comprehensive income	**3,469,363**	3,559,614
Benefits paid during the year	**(3,922,421)**	(4,113,746)
Balance as at end of the year	**36,393,779**	26,210,777

31.2 Expenses recognized in the profit or loss

For the year ended 31 March,	2025 LKR	2024 LKR
Interest cost	**3,145,293**	3,607,418
Past service cost	**-**	-
Current service cost	**7,490,767**	5,120,402
	10,636,060	8,727,820

The provision for retirement benefits obligations for the year is based on the Actuarial Valuation carried out by professionally qualified actuaries, Messrs. Actuarial & Management Consultants (Pvt) Limited., as at 31 March 2025. The valuation method used by the actuary to value the Fund is the "Projected Unit Credit Method", the method recommended by the Sri Lanka Accounting Standards - LKAS 19 " Employee Benefits". The liability is not externally funded.

31.3 The assumptions used for the actuarial valuation are given below.

As at 31 March	2025	2024
Discount rate per annum	**10.0%**	12.0%
Annual salary increment rate	**8.0%**	7.0%
Staff turnover ratio		
Age 18 to 29	**47.0%**	21.0%
Age 30 to 34	**43.0%**	21.0%
Age 35 to 44	**24.0%**	21.0%
Age 45 to 49	**15.0%**	21.0%
Age 50 to 54	**6.0%**	21.0%
Age > 54	**0.0%**	0.0%
Retirement age	**60 Years**	60 Years
Mortality table	**A 1967/70**	A 1967/70
Average future work life time	**3.06 Years**	4.19 Years

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with the support of the independent actuarial expert. As per the guidelines issued by the Institute of Chartered Accountants of Sri Lanka, the discount rates have been adjusted to convert the coupon bearing yield to a zero-coupon yield to match the characteristics of the gratuity payment liability and the resulting yield to maturity for the purpose of valuing Employee benefit obligations as per LKAS 19. Further, the salary increment rate of 8% is considered appropriate to be in line with the Company's targeted future. Due to the discount rate and salary increment rate account the current market conditions and inflation rate. Salary increments when taking into assumptions used, nature of non-financial assumptions and experience of the assumptions of the Company, there is no significant impact to employment benefit liability because of prevailing macro-economic conditions.

31 POST EMPLOYMENT BENEFIT LIABILITY (CONTD.)

31.4 Sensitivity of assumptions used in actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position is the effect of the assumed changes in discount rate and salary increment rate to the total Comprehensive Income and retirement benefit obligation for the year ended 31 March 2025.

	Increase / (Decrease) in the Liability	
As at 31 March	**2025 LKR**	**2024 LKR**
Decrease in discount rate (1%)	**1,470,802**	1,004,514
Increase in discount rate (1%)	**(1,349,341)**	(936,889)
Decrease in salary increment rate (1%)	**(1,463,970)**	(1,041,816)
Increase in salary increment rate (1%)	**1,569,423**	1,100,900

31.5 Break up of actuarial (gain)/loss on the defined benefit obligation

	Increase / (Decrease) in the Liability	
As at 31 March	**2025 LKR**	**2024 LKR**
Experience adjustment (Financial and Demographic)	**433,882**	(541,398)
Due to changes in financial assumptions	**3,883,228**	3,806,636
Due to change in demographic assumptions	**(847,747)**	294,376
Total	**3,469,363**	3,559,614

31.6 Distribution of present value of defined benefit obligation in future years

	Increase / (Decrease) in the Liability	
As at 31 March	**2025 LKR**	**2024 LKR**
Within the next 12 months	**6,203,143**	3,611,853
Between 1 and 2 years	**14,610,966**	7,151,674
Between 2 and 5 years	**7,511,696**	10,160,119
Between 5 and 10 years	**4,783,951**	4,098,740
Beyond 10 years	**3,284,024**	1,188,391
Total	**36,393,780**	26,210,777
Weighted Average Duration of Defined Benefit Obligation (Years)	4	4

32 STATED CAPITAL

As at 31 March	2025 LKR	2024 LKR
Issued and fully paid - Ordinary shares of 236,955,971	**2,369,559,710**	2,369,559,710

Ordinary shares

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

33 STATUTORY RESERVE FUND

Statutory reserve fund was created to comply with the Direction No. 1 of 2003 (Capital Funds) issued by the Central Bank . The Company is required to transfer 5% of Net Profits to this Reserve Fund as long as the Capital Funds are not less than 25% of total deposit liabilities. During the Year 2024/2025, the Company transferred Rs.9,199,718/- to the Statutory Reserve Fund.

34 OTHER RESERVES

Other reserves represents the Regulatory Loss Allowance Reserve (RLAR).

35 RETAINED EARNINGS

This represents the undistributed earnings held by the Company to be used in the Company's operations. This could be used to absorb future possible losses or dividends payable.

36 EVENTS AFTER REPORTING DATE

There were no material circumstances that have arisen since the reporting date, which require adjustment to or disclosure in the Financial Statements.

37 LITIGATIONS AND CLAIMS

Litigation is a common occurrence in the industry due to the nature of the business undertaken. The Company has formal controls and policies in place for managing legal claims. Once professional advice has been obtained and the amount of loss is reasonably estimated, the Company makes adjustments to account for any adverse effects which the claims may have on its financial standing.

The Company confirms that there is no case filed against the Company which is not disclosed which would have a material impact on the Statement of Financial Position of the Company except the below mentioned. No adjustments have been made in the Financial Statement in this regard as management of the company believes that there is no likelihood of an unfavorable outcome.

38. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of the business, the Company may makes various commitments and incurs contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. However, the Company has identified Rs.22Mn commitments as at the period end for undrawn credit facilities relating to revolving loans. Also, the Company has made an impairment provision of Rs.2.2Mn for credit related commitments.

As at 31 March	2025 LKR	2024 LKR
Un-drawn revolving loan amount to the customers	22,000,000	-
Impairment Charge	2,200,000	-

There were no any material contingent liabilities, which require adjustment to or disclosure in the Financial Statements as at the reporting date, other than disclosed above.

38.1 Capital commitments

There were no material capital commitments which require disclosure in the Financial Statements as at reporting date.

39. COMPARATIVE FIGURES

Comparative figures have been re-classified wherever necessary and conformed to the current year classification.

40. ASSETS PLEDGED

The following assets have been pledged as securities against the Long-term and Short- term borrowings that have been disclosed under the Note 28.5 to the Financial Statements.

Lending Institute	Nature of Assets	Nature of Liability	Value of Assets Pledged
Cargills Bank	Vehicle Loans and Leases	Short Term Loan	468,943,638
	Loan and Advance/ Lease and Hire purchase receivables	Term Loan	551,151,514
Seylan Bank PLC	Lease Receivables	Short Term Loan	628,739,986
Union Bank	Lease Receivables	Short Term Loan	923,509,008
Hatton National Bank	Auto Loan Receiable	Short Term Loan	609,701,358
	Lease Receivables	Term Loan	81,843,079
	Auto Loan Receiable	Term Loan	233,677,124
	Auto Loan Receiable	Term Loan	667,965,117
Commercial Bank	Lease Receivables	Short Term Loan	650,492,173
National Development Bank	Lease / Loan Receivables / Corporate Guarantee	Loan Syndication	186,914,222
	Lease Receivables	Securitized Term Loan	578,229,800
M-power Capital Ltd	Lease Receivables / Vehicle loan receivable	NDB Securitization 01	553,785,294
Think Capital Ltd	Lease & Loan Receivables	NDB Securitization 03	1,065,094,792

Lending Institute	Nature of Assets	Nature of Liability	Value of Assets Pledged
Sampath Bank	Lease Receivables	Term Loan	1,160,121,572
Nations Trust Bank	Lease Receivables / Corporate Guarantee	Term Loan	1,003,551,519
Bank of Ceylon	Lease Receivable	Money market loan & Term Loan	1,676,767,049
Pan Asia Bank	Lease Receivable	Term Loan	463,097,978

41. RELATED PARTY DISCLOSURES

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", the details of which are reported below. The Pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

41.1 Parent and the ultimate controlling party

Fintrex Finance PLC is a subsidiary of Bluestone 1 (Pvt) Ltd. The ultimate parent of the Company is Fairfax Financial Holding, a Company incorporated in Canada.

41.1.1 Transactions with parent Company

There were no transactions occurred during the year with Bluestone 1 (Pvt) Ltd.

41.2 Transactions with Key Management Personnel (KMPs) and their Close Family Members (CFMs)

According to Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the board of directors of the Company, the immediate parent company, and Chief Executive Officer who directly report to Board of Directors have been classified as KMPs of the Company.

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include;

(a) the individual's domestic partner and children;
(b) children of the individual's domestic partner; and
(c) dependents of the individual or the individual's domestic partner
There were no any transactions with CFM during the year.

41.2.1 Compensations to Key Management Personnel (KMPs)

There were no compensation paid to key management personnel during the year other than those disclosed below.

Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling activities of the Company. Such KMPs include the Board of Directors of the Company, of its parent and Chief Executive Officer. Transactions with close family members of the KMPs, have also been taken in to consideration in the following disclosure.

According to Sri Lanka Accounting Standard - LKAS 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors), their Close Family Members (CFM) and selected key employees who meet the above criteria have been classified as Key Management Personnel of the Company. Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependents of the KMPs domestic partner.

41. RELATED PARTY DISCLOSURES (CONTD.)

For the year ended 31 March,	2025 LKR	2024 LKR
Short-term employee benefits	**42,381,475**	40,306,524
Directors fees and expenses	**6,400,000**	5,300,000
Total Key Management Personnel compensation	**48,781,475**	45,606,524

41.2.2 Transactions, Arrangements and Agreements involving KMPs, and their Close Members of the Family (CFMs)

CFMs of a KMPs are those family members who may be expected to influence, or be influenced by, that KMP in their dealing with the entity.

The Company carries out transactions with KMPs and their close family members in the ordinary course of its business on an arms length basis at commercial rates, except the loans given to staff under the Company's staff loan scheme uniformly applicable to all the staff of the Company.

For the year ended 31 March,	2025 LKR	2024 LKR
Items in Statement of Financial Position		
Deposit balance as of reporting date	**97,428,280**	119,251,278
	97,428,280	119,251,278
Items in Statement of Profit or Loss		
Interest accrued during the period	**6,929,615**	14,129,310
	6,929,615	14,129,310

41.2.3 There were no loans granted to the KMP's of the Company during the year or outstanding as at the reporting date.

41.2.4 Transactions with related companies

There is no transaction took place with related parties during the financial year under consideration.

42. FINANCIAL RISK MANAGEMENT

The Board of Directors possess the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated this responsibility to two sub committees of the Board.

The Board has established the Board Integrated Risk Management Committee (BIRMC) which is responsible for developing and monitoring risk management policies and procedures in specified risk areas .With the cooperation of the management, the committees make decisions on behalf of the Board. Senior Management is responsible for implementing the risk management framework by identifying risks and managing those risks with appropriate risk mitigation strategies. Monthly risk review reports are submitted by the Risk and Compliance officer to BIRMC Committee.

The BIRMC was set up to fulfil the requirement set out in the Finance Companies Act Direction No. 05 of 2021 on Corporate Governance for Finance Companies issued by Central Bank of Sri Lanka (CBSL) under Finance Business Act, No. 42 of 2011.

The Audit Committee is responsible for monitoring and reviewing risk management policies and procedures and reviewing the adequacy of risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Audit Committee presents vital matters to the Board whenever required and seeks for review and approval of the Board.

Risk management and related reporting issues that are associated with financial institutions valuations of complex transactions and their impact to capital requirements, has received unstinted attention in the recent decade. Numerous risks inherent to a financial institution due to its nature of business and also other factors, are managed through a process of ongoing identification, measurement and monitoring activities subject to risk limits and other controls. This process of risk management is critical to Company's continuing profitability and building reputation, with each individual in the Organisation being responsible and accountable for risk exposure relating to scope of work.

The Company's risk management process is streamlined in effect to ensure there is appropriate balance between risk and rewards. By instilling various controls and strategies, the Management continuously strives to mitigate risks in the attempt of generating higher profits.

As a finance Company is exposed to a number of risks arising from dealing in financial transactions, involving mainly financial assets and liabilities. Key risks associated with Company's business revolve around:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Currency risk

42.1 Credit risk

Credit risk is the potential loss incurred in the event that a borrower fails to fulfill agreed obligations. The Company's credit risk arises mainly from various accommodations granted and could be identified as the most significant risk faced by the Company.

i. Management of Credit Risk

Managing credit risk which is deemed the main risk element to a finance company like ours, the management takes into account all elements of credit risk exposures both at micro and macro levels. This includes analysing individual obligor default risk, industry specific risk and geographical risk as part of comprehensive credit risk management process.

In order to achieve this the Board of Directors has delegated responsibility for the oversight of credit risk of the Company to Board Credit Committee (BCC).

- A separate Credit evaluation department, is responsible for managing the Company's credit risk, including the following:
- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by, the Head of Credit, AGM- Business Channels Development, CEO, the Company Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing credit risk: Company Credit Committee assesses all credit exposures in excess of designated limits, before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and receivables, financial guarantees and similar exposures), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, and product types. Regular reports on the credit quality of portfolios are provided to Company Credit Committee, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

The Company is required to implement Company credit policies and procedures, with credit approval authorities delegated from the Company Credit Committee. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval. Regular audits of business units and Company credit processes are undertaken by internal audit.

42. FINANCIAL RISK MANAGEMENT (CONTD.)

ii. Cash and cash equivalents

Cash and cash equivalents comprise of cash and cheque in hand and cash at bank and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments.

The Company held cash and cash equivalents of Rs. 647.97Mn at 31 March 2024 (2023: Rs.333.16Mn). The cash and cash equivalents are held with financial institution counter parties that are rated at least BB+(lka) based on ICRA or Fitch ratings.

The cash and cash equivalents are held with the following Financial Institutions.

Bank	Balance as at 31 March 2025	Rating
Commercial Bank of Ceylon PLC	9,181,421	AA-(lka)
Peoples' Bank PLC	1,967,118	AA-(lka)
Sanasa Development Bank	100,529.24	BB+ (lka)
Cargills Bank	2,042,806	A (lka)
Hatton National Bank PLC	243,314,571	AA-(lka)
MCB Bank LTD	127,766	AA-(lka)
Nation Trust Bank PLC	27,534,243	A (lka)
National Development Bank PLC	71,499,655	A (lka)
Sampath Bank PLC	2,646,053	AA-(lka)
Seylan Bank PLC	104,494,812	A+(lka)
Bank of Ceylon	363,130	AA-(lka)
Pan Asia Bank	50,465,858	BBB (lka)
DFCC Bank	2,025,017	A (lka)
Union Bank	2,339,760	BBB-(lka)
NDB Wealth Money Fund	585,448,603	AA

42.1 Credit risk (Contd.)

iii. Collateral Management

The primary source of repayment of credit exposures is the cash flows while the collaterals obtained by the Company act as a possible secondary recourse. Collateral generally include cash, marketable securities, properties, stocks, trade debtors, other receivables machinery and equipment and other physical or financial assets and are assessed at the inception, in accordance with the guidelines issued by the Central Bank of Sri Lanka. Clear guidelines are in place to determine the suitability of collateral in credit risk mitigation based on their different characteristics and for valuation, to ensure the collaterals will continue to provide the anticipated secondary source of repayment in an eventuality. In mitigating credit risk, the Company resorts to obtaining collaterals which are valued by recognised external who possess the expertise to provide accurate valuations. Periodic estimation of values of collateral ensures that they will continue to provide the expected repayment source in an event where the primary source has not materialized. The collaterals vulnerable to frequent fluctuations in values are subject to stringent haircuts and/ or more frequent valuations. The Company also accepts personal guarantees, guarantees from other financial institutions and credit-worthy bodies as collateral for credit facilities. The financial strength of guarantors as against their cash flows, net worth, etc. is taken into consideration to establish their capacity to repay the facilities in case of a default.

The Company holds collateral in the form of vehicles, property, stocks, gold articles and guarantors and other credit enhancements against certain of its credit exposures.

iv. Significant Increase in Credit Risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or efforts. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing;

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectation).

If a Significant Increase in Credit Risk (SICR) since origination is identified, the facility is moved to Stage 2 and the Company records an allowance for Lifetime Expected Credit Losses (LTECL). The Company determines when a significant increase in credit risk has occurred based on the assessment of business model. It is considered that significant increase in credit risk takes place when a facility is overdue more than 30 days.

The maximum exposure to the credit risk at the reporting date is stated below.

As at 31 March	2025 LKR	2024 LKR
Loans and advances		
Finance lease receivables	**8,187,236,275**	7,260,199,861
Loans & advances to other customers	**11,059,530,058**	5,915,589,930
	19,246,766,333	13,175,789,791

The above stated Financial Assets are backed with the underlying securities.

As at 31 March	2025 LKR	2024 LKR
Debt and other instruments		
Cash and cash equivalents	**647,974,681**	333,164,117
Financial investments at amortised cost	**1,294,634,771**	1,018,267,562
Financial assets measured at fair value through other comprehensive income	**331,000**	50,402,825
Other receivables	**43,605,413**	31,529,702
	1,986,545,865	1,433,364,206

Credit is required to be granted according to the approved policies and procedures of the Company. Special attention is given to credit risk management in terms of analyzing customer creditworthiness through rigorous customer investigation before and after credit facilities are provided. Repayment of accommodations granted is closely monitored by those responsible for granting various facilities as well as those directly responsible for recovery activities. Indicators have been developed to measure risks associated with credit which are reviewed on a continuous basis for the entire organization as well as for each product and operational location.

42.1.1 Analysis of risk concentration

(a) Concentration by Industry

The Company monitors credit concentration risk by referring degree of credit exposure by various sectors. The following table shows the maximum credit exposure before deducting the respective provision for impairment of Company's loans and advances to various sectors as at the end of the financial year.

42 FINANCIAL RISK MANAGEMENT(CONTD.)

Sector	Balance as at 31 March 2025	As %	Balance as at 31 March 2024	As %
Agriculture & Fishing	**1,962,752,000**	**10%**	1,330,572,676	6%
Construction	**1,257,385,789**	**6%**	1,137,922,475	8%
Financial and business services	**885,579,339**	**4%**	476,372,710	4%
Infrastructure	**295,188,740**	**1%**	167,158,435	1%
Manufacturing	**3,558,533,605**	**18%**	1,980,608,856	14%
Services	**524,416,927**	**3%**	2,864,446,704	2%
Tourism	**1,063,488,185**	**5%**	690,235,936	27%
Trades	**2,171,136,018**	**11%**	1,660,813,733	2%
Transport	**2,401,878,817**	**12%**	1,829,318,621	16%
Other customers	**5,865,458,646**	**29%**	1,505,719,208	17%
Grand total	**19,985,818,067**	**100%**	13,643,169,353	100%

(b) Concentration by product

Product	Balance as at 31 March 2025	As %	Balance as at 31 March 2024	As %
Finance lease receivables	**8,655,401,659**	**43%**	7,575,782,994	56%
Hire purchase receivables	**-**	**0%**	-	0%
Secured loans	**9,828,639,281**	**49%**	5,411,632,338	40%
Gold loan receivables	**1,501,777,127**	**8%**	650,688,250	5%
Trade finance receivables	**-**	**0%**	5,065,771	0%
Factoring receivables	**-**	**0%**	-	0%
Grand total	**19,985,818,067**	**100%**	13,643,169,353	100%

42.1 Credit risk (Contd.)

42.1.2 Impairment assessment

For accounting purposes, the Company uses an Expected Credit Loss model (ECL)for the recognition of losses on impairment in accordance with SLFRS 9 commencing from 01 April 2018.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The Company computes ECL using three main components; a Probability of Default (PD), a Loss Given Default (LGD), and the Exposure At Default (EAD) under the collective assessment. These parameters are generally derived from internally developed statistical models and historical data are then adjusted to reflect forward-looking information.

PD – The probability of default represents the likelihood of a borrower defaulting on its financial obligation (as per “definition of default and credit impaired” above) either over the next 12 months (12m PD) or over the remaining lifetime (Lifetime PD) of the obligation. PD estimates are estimates at a certain date and days past due is the primary input into the determination of the term structure of PD for exposures. Days past due are determined by counting the number of days since the due date. The Company employs statistical models to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. The Company estimates LGD parameters based on historical recovery rates of claims against defaulted counterparties. They are calculated on a discounted cash flow basis using EIR as the discounting factor. LGD is usually expressed as a percentage of the EAD.

EAD – The exposure at default represents the expected exposure in the event of a default. The Company estimates EAD, taking into account the repayment of principal and interest from the reporting date to the default event together with any expected drawdowns of committed facilities. To calculate EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months. For all other loans EAD is considered for default events over the lifetime of the financial instrument.

For loans and advances above a predefined threshold, the Company individually assesses for significant increase in credit risk. If a particular loan is credit impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. If the Company determines that no provision is required under individual impairment, such financial assets are then collectively assessed for any impairments along with the remaining portfolio.

- Significant financial difficulty of the customer
- A breach of contract such as a default of payment
- Where the Company grants the customer a concession due to the customer experiencing financial difficulty
- It becomes probable that the customer will enter bankruptcy or other financial reorganization
- Observable data that suggests that there is a decrease in the estimated future cash flows from the credit granted

42.1.2.1 Valuation of immovable properties obtained as collateral

Land, land and building which are obtained as collateral against any accommodation are valued frequently based on the Board approved valuation policy. The valuation obtained at the initiation of loan is considered as collateral value for performing Loans. All residential properties obtained as collateral for non-performing loans are valued in every five years and the other properties are valued in every four years. The valuations are obtained from the panel of external, independent property valuers approved by the Board of Directors of the Company.

42.1.2.2 Write-off of loans and advances

Loans (and the related impairment allowance) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

42.1.2.3 Reversals of impairment

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance accordingly. The write-back is recognised in the Profit or Loss.

42 FINANCIAL RISK MANAGEMENT(CONTD.)

42.1.3 Credit quality by class of financial assets

The Company assesses the credit quality of financial assets using number of days in arrears. The table below shows the credit quality by number of days in arrears for all financial assets exposed to credit risk. The amounts presented are gross receivable amounts.

As at 31 March 2025	Carrying value LKR	Arrears period (Months)			
		1-3 LKR	3-6 LKR	6-12 LKR	12+ LKR
Finance lease receivables	**8,655,401,659**	**7,737,659,117**	**98,537,806**	**179,329,415**	**639,875,322**
Loans and advances to other customers	**11,330,416,408**	**10,525,763,658**	**43,772,791**	**259,652,455**	**501,227,504**
	19,985,818,067	**18,263,422,775**	**142,310,597**	**438,981,869**	**1,141,102,826**

As at 31 March 2024	Carrying value LKR	Arrears period (Months)			
		1-3 LKR	3-6 LKR	6-12 LKR	12+ LKR
Finance lease receivables	7,575,782,994	6,676,135,377	187,516,197	193,974,227	518,157,193
Loans and advances to other customers	6,067,386,359	5,454,875,281	79,278,565	160,206,137	373,026,376
	13,643,169,353	12,131,010,658	266,794,762	354,180,364	891,183,569

42.1.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under any circumstances.

The Company manage it's liquidity risk through Asset and Liability Management (ALM) Policies. ALM is a key risk management discipline which directs the management of On-and-Off financial position assets and liabilities in such a way that the institution is able to offer competitively priced products and services to customers whilst maintaining an appropriate risk / reward profile that creates shareholder value, ALCO is entrusted with this task.

The Company's approach to managing liqudity is to ensure that the Company will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed economic conditions without incurring unacceptable losses.

Liquidity management in current economic conditions

The Company took cognizance of the reality that preservation of capital is of utmost importance during the business downturn resulting from the current economic conditions and took necessary action to ensure that there is sufficient liquidity available for its operational requirements. Several important decisions were made in this regard affecting both the short- and long-term business horizons.

The availability of approved but unutilized funding facilities was a comfort factor during this period. As at 31 March 2025 the Company has the unutilised short term and overdraft facilities of Rs.581 Mn and long term facilities of Rs.200 Mn. Further, the Company has negotiated new working capital as well as term funding lines from financial institutions at very favourable interest rates.

Further, as disclosed in Note No. 44.2.1, the Company has sufficient net current assets to satisfy short-term working capital requirements of the Company.

The global situation on COVID-19 is easing off, and hence the company expects the threat caused by COVID 19 will gradually decline. However, the Management will continue to monitor developments, and will take timely action to mitigate any risks to the financial stability of the Company

42.2.1 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's Financial Assets and Liabilities as at 31 March 2025.

Description	Carrying value	Contractual maturity	Less than 3 Months LKR	3 to 12 Months LKR	1 to 5 Years LKR	Over 5 Years LKR
Financial Assets						
Cash & cash equivalents	647,974,681	647,974,681	647,974,681	-	-	-
Financial investments at amortised cost	1,294,634,771	1,294,634,771	1,149,892,222	144,742,549	-	-
Financial investments at FV through OCI	331,000	331,000	-	-	-	331,000
Gross loans & receivables to other customers	19,985,818,067	19,985,818,067	3,232,781,106	4,463,061,189	12,184,476,442	105,499,330
Other receivables	89,717,349	89,717,349	89,717,349	-	-	-
Total financial assets	22,018,475,867	22,018,475,867	5,120,365,357	4,607,803,738	12,184,476,442	105,830,330
Financial liabilities						
Bank overdrafts	190,078,988	190,078,988	190,078,988	-	-	-
Other financial liabilities due to customers	9,736,479,471	9,736,479,471	3,045,879,810	4,256,130,691	2,434,468,970	-
Interest bearing loans and borrowings	7,344,571,776	7,344,571,776	4,360,947	2,363,016,331	4,977,194,498	-
Lease Liabilities	198,186,189	198,186,189	9,440,570	30,896,940	87,700,869	70,147,810
Trade and other payables	910,496,781	910,496,781	910,496,781	-	-	-
Total financial liabilities	18,379,813,205	18,379,813,204	4,160,257,096	6,650,043,962	7,499,364,337	70,147,810
Contingent liabilities and commitments	22,000,000	22,000,000	12,756,300	9,243,700	-	-

42.3 Market risk

Market risk is the risk arising from fluctuations in market variables such as interest rates, foreign currencies and equity prices. This is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market variables. As the Company's operations involve granting accommodations, accepting deposits and obtaining funding facilities, the movements in interest rates constitute the most important market risk for the Company.

42.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.The fluctuation of interest rates is an external factor which is beyond the control of the Company. Though the Company is affected by movements in interest rates to the extent that its asset / libaility mismatches gives rise to interest paying liabilities being re-priced faster than its interest earning assets.

Management of Interest rate risk aims at capturing the risk arising from the maturity and re-pricing.Movements in interest rates are closely monitored. Further the Company maintains an adequate Net Interest Margin (NIM) therefore the increases in interest expenses can be absorbed. The assets and liabilities maturity mismatch is also closely monitored so that the possible adverse effects arising due to interest rate movements could be minimized. Although the mismatch in assets and liabilities in terms of maturity is widely prevalent in the industry, in view of the composition of the portfolio of the Company, this mismatch has been mitigated to a significant extent.

Further the decrease of policy rates and subsequent decrease in treasury bills rates compelled the market rates to reduce significantly. As a result the interest rate risk reduced for all financial institutions of the country including the Company.Due to the decrease in interest rates, cost of funds in the second half of the year reduced more than the lending yield as 70% of borrowings were at variable terms linked to basis of AWPLR while lending facilities were at fixed rates.This interest sensitivity gap was already addressed through minimizing gearing via fixed rated public deposits and improving lending yield through incremental disbrusements.Impact of this kind of interest rate risk in future will be reduced with the adaption of pricing model to price both assets and liability products, while considering flucutation in macroecenomic variables.

42. FINANCIAL RISK MANAGEMENT (CONTD.)

	Less than 30 days LKR	1-3 Months LKR	4-6 Months LKR	7-12 Months LKR	1-3 Years LKR	3-4 Years LKR	Over 5 Years LKR	Total LKR
Rate sensitive assets (RSA)	2,521,688,687	1,480,973,768	1,540,102,480	2,842,681,644	4,887,356,361	3,103,845,921	4,165,083,243	20,541,732,104
Rate sensitive liabilities (RSL)	963,247,337	2,277,072,409	3,646,354,594	2,972,792,428	3,991,878,391	2,301,540,033	1,118,245,043	17,271,130,235
Period gap	-	(796,098,641)	(2,106,252,114)	(130,110,784)	895,477,970	802,305,888	3,046,838,200	3,270,601,869
Cumulative gap	-	(796,098,641)	(2,902,350,755)	(3,032,461,539)	(2,136,983,569)	(1,334,677,681)	1,712,160,519	

The risk arises as a result of exchange rate difference is considered as minimal.

	Sensitivity effect on interest rate	
As at 31 March	**2025 LKR**	**2024 LKR**
Decrease in interest rate 5%	**85,608,026**	142,461,733
Increase in interest rate 5%	**(85,608,026)**	(142,461,733)

42.4 Operational risk

Operational risk is the risk of loss arising from fraud, systems failure, human error or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it should manage these risks through a control framework and by monitoring and responding to potential risks and management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- compliance with regulatory and other legal requirements
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development

Compliance with Company’s standards is supported by a programme of periodic reviews undertaken by Internal Audit.

The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Senior Management of the Company and Audit Committee. Audit Committee instructs the Management to take the corrective actions to overcome any deficiencies identified.

42.5 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company, as at the reporting date, do not hold ‘Financial instruments’ denominated in currencies other than its functional / reporting currency, hence do not get exposed to currency risk arising from translation of such balances in to the functional / reporting currency, which is Sri Lankan Rupees.

44.6 Impact to the Company due to Current Economic Condition

In spite of recording a loss in the current year, the company remains confident in its going concern status. While the financial performance for the year ended 31 March 2023 reflected a loss, the company's strong liquidity assets, satisfactory capital adequacy ratio, and forecasted future cash flows support its ability to continue operating.

The Company is expected to encounter macro-economic challenges such as the continuous devaluation of the rupee, import restrictions, rise in general inflation, down-grade of credit rates, depleting of foreign currency reserves, shortage of essential supplies, impact due to mismatch between lending and deposits rates, increase in policy rates and the resultant pressure on disposable income levels of general public.

Accordingly, the Company is expected to encounter numerous challenges in the form of subdued demand for credit and greater credit risk due to the potential loss of income of the customer base.

Towards, mitigating this risk, the company has taken steps to focus on asset backed short term lending, applying strict credit guidelines to minimize credit risk, secured additional liquidity through a broad basing deposit mobilizing to manage possible liquidity issues. The company has adopted strict cost management methods.

Based on these proactive analysis and our operating model, financial strength of the company and the backing of the group, the management is confident that the company has no impact to its business continuity and expects to manage the above challenges effectively.

43. CAPITAL MANAGEMENT

The Company is required to manage its capital taking into account the need to meet the regulatory requirements and to maintain a capital buffer against unexpected losses as well as to cater to the current and future business needs, stakeholder expectations and to seek available options for raising and generating capital.

Capital management is deemed a pivotal assessment exercise in sustaining an adequate buffer against losses arising from any unforeseen risks. Hence Management monitors Company's capital adequacy position closely through the Finance Division and reports to the Board monthly. Capital adequacy is a measure of the Company's ability to tolerate associated risks in doing its finance business. The main objective of maintaining adequate capital in terms of regulatory capital adequacy ratios is to safeguard the depositors, whilst sustaining customer confidence. The capital adequacy measurement being a widely accepted concept specifies the limit up to which Company can expand in terms of its risk weighted assets. In pursuit of business expansion and diversification, Company engages itself in activities dealing in financial instruments that regularly change the risk and capital profile of the Company. Accordingly, regulatory capital requirements ensure the Company does not move into undue expansion beyond specified limits and signals the Company to be cautious and not to take undue risk through growth of its assets especially in areas risky than others.

In this context, the Company's capital strength serves as a cushion in absorbing any unexpected losses that may arise and is a good indicator of Company's levels of safety towards stakeholders more importantly its depositors. The Company's policy on capital is to retain a strong capital base at all times as to ensure investor, creditor and market confidence and to back the sustainable growth of the Company.

The Company reviews its Capital Adequacy Ratios (CAR) on a monthly basis to ensure compliance to prudential requirements on capital. The Company's Core minimum capital ratios i.e. tire 1 capital ratio and total capital ratio were maintained well above the minimum regulatory requirements of 8.5% and 12.5% respectively throughout 2024/25 financial year.

The computation of the CAR ratios is in two parts and involves firstly a working to arrive at the Tier 1 capital and the capital base for the two ratios CCR and TRWCR respectively. A separate computation is carried out to derive at the total risk weighted assets as at a given date.

The details of the computation of capital and the ratios of the Company as at 31 March 2025 are given below:

As at 31 March	2025 LKR
Issued and paid-up ordinary shares	2,369,559,710
Statutory reserve fund	68,622,981
Retained earnings	519,081,225
General and other reserves	-
Less; Gain/(loss) on valuation of investment property	(14,700,000)
Tier I : Capital	2,942,563,916
Less; Adjustments to Tier 1 capital	(104,052,505)
Tier I : Capital (after adjustments)	2,838,511,411
Supplementary capital	1,000,000,000
Eligible Tier 2 Capital	3,838,511,411
Total Capital	3,838,511,411
Deductions	
Equity Investments in Unconsolidated Banking & Financial Subsidiaries	-
Investments in Capital of Other Banks / Financial Associates	-
Capital base	3,838,511,411
Total risk weighted assets	
Risk weighted amount for credit risk	19,492,024,616
Risk weighted amount for operational risk	1,461,055,554
Risk weighted assets	20,953,080,170
Tire 1 capital ratio (Minimum requirement 8.5%)	
Total eligible core capital (Tier I Capital)	2,838,511,411
Total risk-weighted assets	20,953,080,170
	13.55%
Total capital ratio (Minimum requirement 12.5%)	
Total capital base	3,838,511,411
Total risk-weighted assets	20,953,080,170
	18.32%

44. FINANCIAL INSTRUMENTS

44.1 Classification of financial assets & financial liabilities

The table below provide a reconciliation between line items in the Statement of Financial Position and categories of Financial Assets & Financial Liabilities of the Company as per SLFRS.

	As at 31 March 2025			As at 31 March 2024		
Description	**Finance asset at fair value through profit or loss LKR**	**Finance asset at amortized cost LKR**	**Finance asset at fair value through other comprehensive income (FVOCI) LKR**	**Finance asset at fair value through profit or loss LKR**	**Finance asset at amortized cost LKR**	**Finance asset at fair value through other comprehensive income (FVOCI) LKR**
Assets						
Cash and cash equivalents	-	647,974,681	-	-	333,164,117	-
Financial investments at amortized cost	-	635,488,988	-	-	616,175,529	-
Financial assets - FVOCI	-	-	331,000	-	-	50,402,825
Finance lease receivables	-	8,187,236,275	-	-	7,260,199,861	-
Loans & advances to other customers	-	11,059,530,058	-	-	5,915,589,930	-
Financial investments in treasury bills	-	659,145,783	-	-	402,092,033	-
Total financial assets	-	21,189,375,785	331,000	-	14,527,221,470	50,402,825

	As at 31 March	
	2025	2024
Description	**Finance liabilities at amortized cost LKR**	**Finance asset at amortized cost LKR**
Liabilities		
Bank overdrafts	190,078,988	123,234,272
Other financial liabilities due to customers	9,736,479,471	6,295,627,408
Debt issued and other borrowed funds	7,344,571,776	4,733,449,246
Lease liabilities	198,186,189	186,359,741
Total financial liabilities	17,469,316,424	11,338,670,667

44.2 Fair value measurement

The Company measures the Fair Value using the following Fair Value hierarchy, which reflects the significance of the inputs used in making the measurement. An analysis of Fair Value Measurement of Financial and Non-Financial Assets and Liabilities is provided below.

Level 1

Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

When available, the Company measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

44 FINANCIAL INSTRUMENTS (CONTD.)

Level 2

Inputs other than quoted prices included within level that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using;

(a) quoted prices in active markets for similar instruments,

(b) quoted prices for identical or similar instruments in markets that are considered to be less active, or

(c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level 3

Inputs that are unobservable.

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices of similar instruments for which significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

44.2.1 Assets and liabilities measured at fair value and fair value hierarchy

The following table provides an analysis of Assets & Liabilities measured at Fair Value as at the reporting date, by the level in the Fair Value Hierarchy into which the Fair Value measurement is categorized. These amounts were based on the values recognized in the Statement of Financial Position.

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Finance asset at fair value				
- Treasury bonds	-	-	-	-
- Unquoted shares	-	-	331,000	331,000
Total financial assets at fair value	-	-	331,000	331,000
Non-financial assets				
- Investment property	-	-	18,600,000	18,600,000
Total non-financial assets at fair value	-	-	18,600,000	18,600,000
Total assets at fair value	-	-	18,931,000	18,931,000

As at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Finance asset at fair value				
- Treasury bonds	-	50,071,825	-	50,071,825
- Unquoted shares	-	-	331,000	331,000
Total financial assets at fair value	-	50,071,825	331,000	50,402,825
Non-financial assets				
- Investment property	-	-	18,600,000	18,600,000
Total non-financial assets at fair value	-	-	18,600,000	18,600,000
Total assets at fair value	-	50,071,825	18,931,000	69,002,825

44.2.2 Level 3 fair value measurement

Investment property

Reconciliation from the opening balance to the ending balance for the Investment Property in the Level 3 of the Fair Value hierarchy is available in Note 22.

Note 22.1 provides information on Significant Unobservable Inputs used as at 31 March 2025 in measuring Fair Value of Land categorised as Level 3 in the Fair Value hierarchy.

Note 22.1 provides details of valuation techniques used and sensitivity of Fair Value measurement to changes in significant unobservable inputs.

The Company recognizes no transfers between levels of the fair value hierarchy as of the end of the reporting period.

Equity securities

Value of unquoted shares of Rs. 331,000 in the Company as at the end of the 31 March 2025 (Rs. 331,000 as at end of the 31 March 2024) categorized under Financial Investments - FVOCI, of which Fair Value can not be reliably measured is stated at Cost in the Statement of Financial Position.

44.2.3 Fair value of financial assets and liabilities not carried at fair value

Financial Assets	2025				2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cash and cash equivalents	647,974,681	647,974,681	-	-	333,164,117	333,164,117	-	-
Financial investments	1,294,634,771	1,306,444,993	-	-	1,018,267,562	1,031,174,760	-	-
Finance lease receivables	8,187,236,275	-	8,592,957,966	-	7,260,199,861	-	7,619,981,900	-
Loans & advances to other customers	11,059,530,058	-	10,121,192,967	-	5,915,589,930	-	5,413,686,376	-
Other receivables	89,717,349	-	89,717,349	-	84,759,994	-	84,759,994	-
	21,279,093,134	1,954,419,674	18,803,868,282	-	14,611,981,464	1,364,338,877	13,118,428,270	-
Financial liabilities								
Bank overdrafts	190,078,988	-	190,078,988	-	123,234,272	-	123,234,272	-
Other financial liabilities due to customers	9,736,479,471	-	8,668,599,113	-	6,295,627,408	-	5,605,133,799	-
Debt issued and other borrowed funds	7,344,571,776	-	7,213,666,730	-	4,733,449,246	-	5,206,794,171	-
Lease liabilities	198,186,189	-	198,186,189	-	186,359,741	-	186,359,741	-
Trade & other payables	910,496,781	-	910,496,781	-	707,130,169	-	707,130,169	-
	18,379,813,205	-	17,181,027,801	-	12,045,800,836	-	11,828,652,151	-

45. DIRECTORS RESPONSIBILITIES

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

SUPPLEMENTARY INFORMATION

Horizontal Analysis

Statement of Profit or Loss for the year ended 31 March	Percentage Change (%)					
	Current Year					Based Year
	2025 Rs,000	2025 %	2024 %	2023 %	2022 %	2021 Rs.'000
Gross Income	**3,755,154**	**131%**	77%	46%	30%	1,625,410
Interest Income	**3,498,928**	**126%**	78%	46%	26%	1,549,448
Interest Expenses	**1,755,645**	**244%**	241%	255%	29%	510,691
Net Interest Income	**1,743,283**	**68%**	-2%	-56%	25%	1,038,757
Net Other Operating Income	**256,226**	**237%**	58%	37%	98%	75,962
Total Operatng Income	**1,999,509**	**79%**	3%	-50%	30%	1,114,719
Impairment Charge/ (Reversal)	**271,672**	**15%**	-171%	-23%	-50%	236,407
Operating Expenses	**1,207,876**	**123%**	74%	51%	39%	541,992
Tax on Financial Services	**198,725**	**132%**	80%	-100%	58%	85,525
Profit before income tax	**321,236**	**28%**	-14%	-277%	75%	250,795
Income Tax	**137,241**	**143%**	86%	-500%	99%	56,480
Profit after income tax	**183,994**	**-5%**	-43%	-213%	69%	194,315

Statement of Financial Position As at 31 March	Percentage Change (%)					
	Current Year					Based Year
	2025 Rs,000	2025 %	2024 %	2023 %	2022 %	2021 Rs.'000
Assets						
Cash and cash equivalents	**647,975**	**289%**	100%	105%	87%	166,533
Investments	**1,294,966**	**443%**	348%	220%	191%	238,579
Leases,loans and advances	**19,246,766**	**130%**	57%	11%	35%	8,369,424
Other receivables	**89,717**	**97%**	87%	68%	75%	45,509
Net deferred tax assets	**99,172**	**100%**	100%	100%	100%	-
Investment property	**18,600**	**174%**	174%	174%	0%	6,800
Right of use asset	**183,048**	**196%**	192%	110%	74%	61,905
Intangible assets	**4,880**	**-73%**	-45%	-19%	-12%	17,953
Property,plant and equipment	**130,235**	**236%**	132%	162%	114%	38,710
Total Assets	**21,715,360**	**143%**	69%	23%	41%	8,945,413
Liabilities						
Bank overdraft	**190,079**	**52%**	-2%	-29%	-100%	125,464
Borrowings	**7,344,572**	**29%**	-17%	-49%	24%	5,705,517
Deposits from customers	**9,736,479**	**2038%**	1283%	942%	308%	455,374
Other payables	**1,145,077**	**183%**	127%	-31%	31%	405,071
Deferred tax liabilities	**68,707**	**255%**	-100%	-100%	-100%	19,358
Total Liabilities	**18,484,914**	**175%**	80%	20%	41%	6,710,784
Equity						
Stated Capital	**2,369,560**	**34%**	34%	34%	34%	1,769,560
Reserves	**860,886**	**85%**	46%	21%	68%	465,068
Total Equity	**3,230,446**	**45%**	36%	31%	41%	2,234,628
Total Liabilities and Equity	**21,715,360**	**143%**	69%	23%	41%	8,945,412

Vertical Analysis

Statement of Profit or Loss for the year ended 31 March	Percentage Change (%)				
	2025	**2024**	**2023**	**2022**	**2021**
Gross Income	**100%**	100%	100%	100%	100%
Interest Income	**93%**	96%	96%	93%	95%
Interest Expenses	**47%**	60%	76%	31%	31%
Net Interest Income	**0%**	35%	19%	62%	64%
Net Other Operating Income	**7%**	4%	4%	7%	5%
Total Operatng Income	**53%**	40%	24%	69%	69%
Impairment Charge/ (Reversal)	**7%**	-6%	8%	6%	15%
Operating Expenses	**32%**	33%	35%	36%	33%
Tax on Financial Services	**5%**	5%	0%	6%	5%
Profit before income tax	**9%**	8%	-19%	21%	15%
Income Tax	**4%**	6%	-10%	5%	3%
Profit after income tax	**5%**	11%	-9%	16%	12%

Statement of Financial Position As at 31 March	Percentage Change (%)				
	2025	**2024**	**2023**	**2022**	**2021**
Cash and cash equivalents	**3%**	2%	3%	2%	1.86%
Investments	**6%**	7%	7%	5%	2.67%
Leases,loans and advances	**89%**	87%	84%	89%	93.56%
Other receivables	**0%**	1%	1%	1%	0.51%
Net deferred tax assets	**0%**	1%	2%	0%	0.00%
Investment property	**0%**	0%	0%	0%	0.08%
Right of use asset	**1%**	1%	1%	1%	0.69%
Intangible assets	**0%**	0%	0%	0%	0.20%
Property,plant and equipment	**1%**	1%	1%	1%	0.43%
Total Assets	**100%**	100%	100%	100%	100%
Liabilities					
Bank overdraft	**1%**	1%	1%	0%	1%
Borrowings	**34%**	31%	27%	56%	64%
Deposits from customers	**45%**	42%	43%	15%	5%
Other payables	**5%**	6%	3%	4%	5%
Deferred tax liabilities	**0%**	0%	0%	0%	0%
Total Liabilities	**85%**	80%	73%	75%	75%
Equity					
Stated Capital	**11%**	16%	22%	19%	20%
Reserves	**4%**	4%	5%	6%	5%
Total Equity	**15%**	20%	27%	25%	25%
Total Liabilities and Equity	**100%**	100%	100%	100%	100%

Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

For the three months ended	1st Quarter 30 June 2024 Un-Audited LKR	2nd Quarter 30 Sep. 2024 Un-Audited LKR	3rd Quarter 31 Dec. 2024 Un-Audited LKR	4th Quarter 31 March 2025 Audited LKR
Gross income	795,992,791	935,946,179	957,680,052	1,065,534,984
Interest income	756,768,121	893,567,492	896,584,577	952,007,884
Interest expenses	(404,893,552)	(435,072,113)	(456,547,593)	(459,131,899)
Net interest income	351,874,569	458,495,379	440,036,984	492,875,985
Net fee and commission income	31,279,508	34,527,702	54,565,631	103,524,570
Other operating income	7,945,160	7,850,982	6,529,848	10,002,531
Total operating income	391,099,237	500,874,063	501,132,463	606,403,086
Impairment (charge)/ reversal on loans and receivables	(44,044,952)	(65,156,177)	(65,793,984)	(96,677,058)
Net operating income	347,054,285	435,717,886	435,338,479	509,726,028
Operating expenses				
Personnel expenses	(169,032,212)	(183,732,718)	(186,306,605)	(191,400,341)
Premises, equipment and establishment expenses	(50,056,782)	(55,030,384)	(61,395,328)	(61,523,768)
Depreciation and amortisation charges	(9,662,817)	(12,013,784)	(12,873,858)	(13,009,426)
Other operating expenses	(41,573,866)	(47,030,244)	(41,998,308)	(71,235,685)
Operating profit before taxes on financial services	76,728,608	137,910,756	132,764,380	172,556,808
Tax on financial services	(38,399,094)	(51,601,841)	(50,481,216)	(58,242,816)
Profit before income tax expense	38,329,514	86,308,915	82,283,164	114,313,992
Income tax expense	(19,777,618)	(41,427,659)	(40,004,958)	(36,030,997)
Profit for the period	18,551,896	44,881,256	42,278,206	78,282,995

Statement of Financial Position

As at	1st Quarter 30 June 2024 Un-Audited LKR	2nd Quarter 30 Sep. 2024 Un-Audited LKR	3rd Quarter 31 Dec. 2024 Un-Audited LKR	4th Quarter 31 March 2025 Audited LKR
ASSETS				
Cash and cash equivalents	280,106,554	517,596,204	417,173,656	647,974,681
Financial investments at amortised cost	1,045,556,182	995,713,774	1,041,375,872	1,294,634,771
Financial assets measured at fair value through other comprehensive income	47,251,078	331,000	331,000	331,000
Financial assets at amortised cost- Lease receivables	7,279,631,516	7,540,217,350	7,821,683,971	8,187,236,275
Financial assets at amortised cost- Loans and advances	7,330,345,842	9,075,791,025	9,656,994,765	11,059,530,058
Other non financial assets	117,116,754	120,858,655	97,266,101	89,717,349
Investment property	18,600,000	18,600,000	18,600,000	18,600,000
Right of use assets	170,914,798	174,519,610	192,619,266	183,048,076
Property, plant and equipment	116,920,392	131,057,330	132,319,808	130,235,169
Intangible assets	8,569,558	7,332,330	6,095,953	4,880,319
Deferred tax asset	139,566,877	98,139,218	74,202,045	99,172,186
Total assets	16,554,579,552	18,680,156,495	19,458,662,437	21,715,359,884
LIABILITIES				
Bank overdrafts	97,755,349	119,963,745	162,897,935	190,078,988
Financial liabilities at amortised cost- Due to customers	7,738,409,274	8,630,092,022	9,041,019,844	9,736,479,471
Financial liabilities at amortised cost- Debt issued and other borrowed funds	4,759,978,009	6,148,040,309	6,255,782,514	7,344,571,776
Lease liabilities	180,706,508	184,048,666	205,431,826	198,186,189
Other non financial liabilities	681,687,664	455,933,876	592,838,330	910,496,781
Current tax liabilities	-	-	16,067,785	68,707,012
Post employment benefit liability	28,610,777	29,736,514	30,032,756	36,393,779
Total liabilities	13,487,147,580	15,567,815,132	16,304,070,990	18,484,913,996
EQUITY				
Stated capital	2,369,559,710	2,369,559,710	2,369,559,710	2,369,559,710
Statutory reserve fund	59,423,264	59,423,264	59,423,264	68,622,981
Other reserves	340,251,306	373,285,434	333,866,342	273,181,972
Retained earnings	298,197,693	310,072,956	391,742,132	519,081,225
Total equity	3,067,431,972	3,112,341,364	3,154,591,447	3,230,445,888
Total liabilities and equity	16,554,579,552	18,680,156,495	19,458,662,437	21,715,359,884

FINANCIAL STATEMENTS IN USD

Following Statement of Profit or Loss and Statement of Financial Position have been presented in USD purely for the information purpose of stakeholders.

Statement of Profit or Loss and Other Comprehensive Income (USD)

For the Year ended	2025 USD	2024 USD	%
Gross income	12,643,616	9,704,828	30
Interest income	11,780,903	9,299,593	27
Interest expenses	(5,911,263)	(5,857,518)	(1)
Net interest income	5,869,639	3,442,076	71
Net fee and commission income	753,863	318,544	137
Other operating income	108,850	86,691	26
Total operating income	6,732,353	3,847,310	75
Impairment (charge)/ reversal on loans and receivables	(914,721)	568,462	(>100)
Net operating income	5,817,632	4,415,772	32
Operating expenses			
Personnel expenses	(2,459,501)	(1,923,089)	(28)
Premises, equipment and establishment expenses	(767,698)	(578,240)	(33)
Depreciation and amortisation charges	(163,501)	(133,190)	(23)
Other operating expenses	(676,223)	(536,254)	(26)
Operating profit before taxes on financial services	1,750,709	1,245,000	41
Tax on financial services	(669,108)	(519,729)	(29)
Profit before income tax expense	1,081,601	725,271	49
Income tax expense	(462,092)	(354,524)	(30)
Profit for the year	619,510	370,747	67
Other comprehensive income / (expense)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain / (loss) on employee benefits	(11,681)	(11,985)	3
Deferred tax effect on employee benefits	3,504	3,596	(3)
	-	-	
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Fair value gain/ (loss) on treasury bonds during the year	-	24,080	(100)
Other comprehensive income/ (expense) for the year, net of tax	(8,177)	15,691	(>100)
	-	-	
Total comprehensive income for the year	611,333	386,438	58
Earnings per share			
Basic / diluted earnings per share (USD)	0.003	0.002	67

A common exchange rate LKR 297 to 1 USD has been used on both current financial year and the previous financial year for the ease of comparison.

Statement of Financial Position (USD)

As at 31 March	2025 USD	2024 USD	%
ASSETS			
Cash and cash equivalents	2,181,733	1,121,765	94
Financial investments at amortised cost	4,359,040	3,428,510	27
Financial assets measured at fair value through other comprehensive income	1,114	169,706	(99)
Financial assets at amortised cost- Lease receivables	27,566,452	24,445,117	13
Financial assets at amortised cost- Loans and advances	37,237,475	19,917,811	87
Other non financial assets	302,079	286,526	5
Investment property	62,626	62,626	-
Right of use assets	616,323	608,462	1
Property, plant and equipment	438,502	301,989	45
Intangible assets	16,432	33,067	(50)
Deferred tax asset	333,913	536,513	(38)
Total assets	73,115,690	50,912,093	44
LIABILITIES			
Bank overdrafts	639,997	414,930	54
Financial liabilities at amortised cost- Due to customers	32,782,759	21,197,399	55
Financial liabilities at amortised cost- Debt issued and other borrowed funds	24,729,198	15,937,540	55
Lease liabilities	667,294	627,474	6
Other non financial liabilities	3,065,646	2,380,910	29
Current tax liabilities	231,337	-	100
Post employment benefit liability	122,538	88,252	39
Total liabilities	62,238,768	40,646,504	53
EQUITY			
Stated capital	7,978,316	7,978,316	-
Statutory reserve fund	231,054	200,078	15
Other reserves	919,805	1,075,831	(15)
Retained earnings	1,747,748	1,011,365	73
Total equity	10,876,922	10,265,590	6
Total liabilities and equity	73,115,690	50,912,093	44
Contingent liabilities and commitments	74,074	-	
Net assets per share (USD)	0.05	0.04	

A common exchange rate LKR 297 to 1 USD has been used on both current financial year and the previous financial year for the ease of comparison.

Interim Financial Statements In USD

Following Interim Financial Statements have been presented in USD purely for the information purpose of stakeholders.

Statement of Profit or Loss and Other Comprehensive Income (USD)

For the three months ended	1st Quarter 30 June 2024 USD	2nd Quarter 30 Sep. 2024 USD	3rd Quarter 31 Dec. 2024 USD	4th Quarter 31 March 2025 USD
Gross income	2,680,110	3,151,334	3,224,512	3,587,660
Interest income	2,548,041	3,008,645	3,018,803	3,205,414
Interest expenses	(1,363,278)	(1,464,889)	(1,537,197)	(1,545,899)
Net interest income	1,184,763	1,543,755	1,481,606	1,659,515
Net fee and commission income	105,318	116,255	183,723	348,568
Other operating income	26,751	26,434	21,986	33,679
Total operating income	1,316,832	1,686,445	1,687,315	2,041,761
Impairment (charge)/ reversal on loans and receivables	(148,300)	(219,381)	(221,529)	(325,512)
Net operating income	1,168,533	1,467,064	1,465,786	1,716,249
Operating expenses				
Personnel expenses	(569,132)	(618,629)	(627,295)	(644,446)
Premises, equipment and establishment expenses	(168,541)	(185,287)	(206,718)	(207,151)
Depreciation and amortisation charges	(32,535)	(40,450)	(43,346)	(43,803)
Other operating expenses	(139,979)	(158,351)	(141,408)	(239,851)
Operating profit before taxes on financial services	258,345	464,346	447,018	580,999
Tax on financial services	(129,290)	(173,744)	(169,970)	(196,104)
Profit before income tax expense	129,056	290,602	277,048	384,896
Income tax expense	(66,591)	(139,487)	(134,697)	(121,316)
Profit for the period	62,464	151,115	142,351	263,579

A common exchange rate LKR 297 to 1 USD has been used on both current financial year and the previous financial year for the ease of comparison.

Statement of Financial Position (USD)

As at	1st Quarter 30 June 2024 USD	2nd Quarter 30 Sep. 2024 USD	3rd Quarter 31 Dec. 2024 USD	4th Quarter 31 March 2025 USD
ASSETS				
Cash and cash equivalents	943,120	1,742,748	1,404,625	2,181,733
Financial investments at amortised cost	3,520,391	3,352,572	3,506,316	4,359,040
Financial assets measured at fair value through other comprehensive income	159,095	1,114	1,114	1,114
Financial assets at amortised cost- Lease receivables	24,510,544	25,387,937	26,335,636	27,566,452
Financial assets at amortised cost- Loans and advances	24,681,299	30,558,219	32,515,134	37,237,475
Other non financial assets	394,333	406,931	327,495	302,079
Investment property	62,626	62,626	62,626	62,626
Right of use assets	575,471	587,608	648,550	616,323
Property, plant and equipment	393,671	441,270	445,521	438,502
Intangible assets	28,854	24,688	20,525	16,432
Deferred tax asset	469,922	330,435	249,839	333,913
Total assets	55,739,325	62,896,150	65,517,382	73,115,690
LIABILITIES				
Bank overdrafts	329,143	403,918	548,478	639,997
Financial liabilities at amortised cost- Due to customers	26,055,250	29,057,549	30,441,144	32,782,759
Financial liabilities at amortised cost- Debt issued and other borrowed funds	16,026,862	20,700,472	21,063,241	24,729,198
Lease liabilities	608,439	619,692	691,690	667,294
Other non financial liabilities	2,295,245	1,535,131	1,996,089	3,065,646
Current tax liabilities	-	-	54,100	231,337
Post employment benefit liability	96,333	100,123	101,120	122,538
Total liabilities	45,411,271	52,416,886	54,895,862	62,238,768
EQUITY				
Stated capital	7,978,316	7,978,316	7,978,316	7,978,316
Statutory reserve fund	200,078	200,078	200,078	231,054
Other reserves	1,145,627	1,256,853	1,124,129	919,805
Retained earnings	1,004,033	1,044,017	1,318,997	1,747,748
Total equity	10,328,054	10,479,264	10,621,520	10,876,922
Total liabilities and equity	55,739,325	62,896,150	65,517,382	73,115,690

A common exchange rate LKR 297 to 1 USD has been used on both current financial year and the previous financial year for the ease of comparison.

10 Years Summary

	2025 LKR '000	2024 LKR '000	2023 LKR '000	2022 LKR '000	
Operating Results					
Gross Income	**3,755,154**	2,882,334	2,368,382	2,106,329	
Interest Income	**3,498,928**	2,761,979	2,264,367	1,955,827	
Interest Expenses	**1,755,645**	1,739,683	1,811,036	660,299	
Net Interest Income	**1,743,283**	1,022,296	453,332	1,295,528	
Net Other Operating Income	**256,226**	120,355	104,014	150,502	
Total Operatng Income	**1,999,509**	1,142,651	557,346	1,446,030	
Impairment Charge/ (Reversal)	**271,672**	-168,833	182,571	117,544	
Operating Expenses	**1,207,876**	941,719	819,511	753,479	
Tax on Financial Services	**198,725**	154,360	-	134,988	
Profit Before Income Tax	**321,236**	215,405	-444,736	440,018	
Income Tax	**137,241**	105,294	-225,647	112,521	
Profit After Income Tax	**183,994**	110,112	-219,089	327,498	
Financial Position					
Assets					
Cash and cash equivalents	**647,975**	333,164	341,259	312,049	
Investments	**1,294,966**	1,068,670	763,029	694,052	
Leases,loans and advances	**19,246,766**	13,175,790	9,269,294	11,287,520	
Other receivables	**89,717**	85,098	76,388	79,823	
Net deferred tax assets	**99,172**	159,344	263,570	33,633	
Investment property	**18,600**	18,600	18,600	6,800	
Right of use asset	**183,048**	180,713	130,273	107,833	
Intangible assets	**4,880**	9,821	14,499	15,863	
Property,plant and equipment	**130,235**	89,691	101,315	82,858	
Total Assets	**21,715,360**	15,120,892	10,978,227	12,620,432	
Liabilities					
Bank overdraft	**190,079**	123,234	89,072	81	
Borrowings	**7,344,572**	4,733,449	2,932,376	7,077,781	
Deposits from customers	**9,736,479**	6,295,627	4,743,530	1,858,225	
Other payables	**1,213,784**	919,701	279,141	531,745	
Deferred tax liabilities	**-**	-	-	-	
Total Liabilities	**18,484,914**	12,072,012	8,044,119	9,467,832	
Equity					
Stated Capital	**2,369,560**	2,369,560	2,369,560	2,369,560	
Reserves	**860,886**	679,320	564,548	783,041	
Total Equity	**3,230,446**	3,048,880	2,934,108	3,152,601	
Total Liabilities and Equity	**21,715,360**	15,120,892	10,978,227	12,620,432	
Financial Indicators					
Earning per share (Rs.)	**0.78**	0.46	-0.92	1.80	
Net assets per share (Rs.)	**13.63**	12.87	12.38	13.30	
Return on shareholders' funds (%)	**5.86**	3.68	-7.20	12.16	
Return on average assets (%)	**1.00**	0.84	-1.86	3.04	
Net interest margin (%)	**9.70**	8.42	4.12	12.58	
Cost to income ratio (%)	**60.41**	82.42	147.04	52.11	
Gross non performing loan (%)	**8.63**	11.24	11.21	6.50	
Net non performing loan (%)	**6.09**	8.89	4.74	0.29	
Core Capital Ratios (%)- Minimum required 8.5%	**13.55**	16.07	25.24	23.63	
Total Risk Weighted Capital Ratio (%)- Minimum required 12.5%	**18.32**	16.07	25.24	23.51	

	2021 LKR '000	2020 LKR '000	2019 LKR '000	2018 LKR '000	2017 LKR '000	2016 LKR'000
	1,625,409	1,970,881	1,649,056	1,244,630	979,627	742,384
	1,549,448	1,892,153	1,580,105	1,206,710	943,025	695,078
	510,691	772,623	675,008	489,619	430,092	264,312
	1,038,757	1,119,531	905,097	717,091	512,933	430,766
	75,962	78,728	68,951	37,920	36,602	47,307
	1,114,719	1,198,259	974,048	755,011	549,535	478,073
	236,407	612,166	225,661	241,608	102,608	127,919
	541,992	493,619	452,390	334,636	312,931	255,252
	85,525	62,438	87,943	35,962	24,750	18,995
	250,795	30,035	208,054	142,804	109,246	75,906
	56,480	-2,037	91,721	22,967	6,896	8,111
	194,315	32,072	116,333	119,837	102,350	67,796
	166,533	15,054	105,143	99,618	119,293	140,843
	238,579	332,587	306,841	420,195	363,277	273,287
	8,369,424	7,201,727	7,868,368	5,811,773	5,079,079	4,839,358
	45,509	70,175	56,500	28,745	28,652	60,944
	-	-	-	-	4,298	-
	6,800	6,800	6,800	23,200	23,200	5,200
	61,905	67,055	-	-	-	-
	17,953	22,396	23,341	27,294	34,683	34,554
	38,710	56,634	65,249	82,499	103,825	47,456
	8,945,412	7,772,428	8,432,243	6,493,325	5,756,308	5,401,643
	125,464	515,678	417,736	432,227	442,745	92,986
	5,705,517	4,756,931	5,469,502	1,540,302	2,106,202	2,648,309
	455,374	187,012	533,090	2,694,597	1,540,732	1,206,189
	405,071	226,501	375,840	321,690	287,288	175,135
	19,358	47,496	63,996	-	-	-
	6,710,784	5,733,618	6,860,164	4,988,816	4,376,967	4,122,619
	1,769,560	1,769,560	1,340,295	1,340,295	1,340,295	1,340,295
	465,068	269,251	231,784	164,215	39,047	-61,272
	2,234,628	2,038,811	1,572,079	1,504,510	1,379,342	1,279,023
	8,945,412	7,772,429	8,432,243	6,493,326	5,756,309	5,401,642
	1.10	0.21	0.87	0.89	0.76	0.51
	12.63	13.42	11.73	11.23	10.29	9.54
	9.09	2.10	7.41	8.31	7.70	5.45
	2.32	0.50	1.53	2.33	1.96	1.30
	12.87	13.70	12.60	12.29	8.90	8.64
	48.62	44.09	49.98	46.67	61.01	59.26
	9.80	21.26	7.71	5.74	7.10	4.66
	3.04	10.25	1.96	3.23	2.58	1.71
	23.10	23.00	17.00	25.00	26.00	25.00
	22.90	23.00	17.00	25.00	26.00	25.00

GRI Content Index

Statement of use	Fintrex Finance PLC has reported in accordance with the GRI Standards for the period 01 April 2024 to 31 March 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No Applicable GRI Sector Standards

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About Fintrex Finance on page 8-9	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	Introduction to our intergarted report on page 4			
	2-3 Reporting period, frequency and contact point	Introduction to our intergarted report on page 4, 7			
	2-4 Restatements of information	Introduction to our intergarted report on page 7			
	2-5 External assurance	Introduction to our intergarted report on page 6, 150-151			
	2-6 Activities, value chain and other business relationships	Our Product Portfolio on page 16-19 134			
	2-7 Employees	Human Capital on page 114-116			
	2-8 Workers who are not employees	Human Capital on page 116			
	2-9 Governance structure and composition	Corporate Governance on page 155-156			
	2-10 Nomination and selection of the highest governance body	Corporate Governance on page 159			
	2-11 Chair of the highest governance body	Corporate Governance on page 160			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance on page 160			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance on page 160			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance on page 161			
	2-15 Conflicts of interest	Corporate Governance on page 161			
	2-16 Communication of critical concerns	Corporate Governance on page 162			
	2-17 Collective knowledge of the highest governance body	Corporate Governance on page 162			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance on page 162			
	2-19 Remuneration policies	Human Capital on page 121 Corporate Governance on page 158			
	2-20 Process to determine remuneration	Human Capital on page 121			
	2-21 Annual total compensation ratio		2-21	Confidentialty constraints	The Company does not disclose the information
	2-22 Statement on sustainable development strategy	Chairman's Message on page 31			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	2-23 Policy commitments	Corporate Governance on pages 162-164			
	2-24 Embedding policy commitments	Corporate Governance on pages 162-164			
	2-25 Processes to remediate negative impacts	Social and Relationship Capital on page 133 Human Capital on page 123			
	2-26 Mechanisms for seeking advice and raising concerns	Social and Relationship Capital on page 133 Human Capital on page 123			
	2-27 Compliance with laws and regulations	Corporate Governance on pages 162			
	2-28 Membership associations	Intellectual Capital on page 108			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement on page 56-60			
	2-30 Collective bargaining agreements		2-30	Not applicable	FFL does not come under collective bargaining agreements
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality on page 61	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	Materiality on pages 62-69			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 70			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital on page 95			
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management on page 220			

GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital on page 121			
	201-4 Financial assistance received from government		201-4	Not applicable	FFL does not receive any financial assistance from the government
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 71			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Intellectual Capital on page 106			
	203-2 Significant indirect economic impacts	Our Socio Economic Impact on pages 74-75			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 71-72			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social & Relationship Capital on page 134			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 71			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management on page 221			
	205-2 Communication and training about anti-corruption policies and procedures	Risk Management on page 221			
	205-3 Confirmed incidents of corruption and actions taken	Risk Management on page 212			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 70			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	**Reason**	**Explanation**
GRI 207: Tax 2019	207-1 Approach to tax	Financial Capital on page 88			
	207-2 Tax governance, control, and risk management	Financial Capital on page 88 Financial Statements on page 275-277			
	207-3 Stakeholder engagement and management of concerns related to tax		207-3	Not applicable	Since FFL used to oblige tax responsibility ontime, this is not applicable
	207-4 Country-by-country reporting		207-4	Not applicable	FFL does not have overseas presence
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 71			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital on page140			
	302-2 Energy consumption outside of the organization		302-2	Not applicable	FFL does not currently track this information.
	302-3 Energy intensity		302-3	Not applicable	Information are not available
	302-4 Reduction of energy consumption	Natural Capital on page140			
	302-5 Reductions in energy requirements of products and services		302-5	Not applicable	Being a service organisation, this does not apply to FFL
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 70			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		303-1	Not applicable	Interaction with water is is minimal and is only limited to daily utility purposes.
	303-2 Management of water discharge-related impacts		303-2	Not applicable	Being a service organisation, this does not apply to FFL.
	303-3 Water withdrawal		303-3	Not applicable	Information are not available
	303-4 Water discharge		303-4	Not applicable	Information are not available
	303-5 Water consumption	Natural Capital on page 139			

GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital on page 118			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital on page 121			
	401-3 Parental leave	Human Capital on page 121			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital on page 123			
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital on page 123			
	403-3 Occupational health services	Human Capital on page 123			
	403-4 Worker participation, consultation, and communication on occupational health and safety		403-4	Not applicable	Information are not available
	403-5 Worker training on occupational health and safety	Human Capital on page 123			
	403-6 Promotion of worker health	Human Capital on page 123			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		403-5	Not applicable	Information are not available
	403-8 Workers covered by an occupational health and safety management system	Human Capital on page 123			
	403-9 Work-related injuries	Human Capital on page 123			
	403-10 Work-related ill health		403-10	Not applicable	No such occurance
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital on page 119			
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital on page 119			
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital on page 120			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital on page 117 Corporate Governance on page 156			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital on page 117			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital on page 116			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital on page 125			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital on page 125			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 72			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital on page 135			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/ incomplete	FFL does not currently track this information.
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 73			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		417-1	Not applicable	As a service organisation, our products and services does not have an impact on the environemnt and society.
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital on page 131			
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital on page 131			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality on page 73			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social and Relationship Capital on page 133			

Disclosure on CA Sri Lanka Gender Parity Reporting

Main Section	Strategies and Goals for Gender Parity	Page number	Remarks
Enablers	Gender Parity Policies	114	
	Diversity & inclusion policies	114	
	Gender pay equity policy	116	
	Specific policies on sexual harassment in the workplace	114	
	Systems and Processes	114, 120, 123	
	Process to handle grievance mechanisms for sexual harassment at workplace	123	
	Workplace practices to promote gender parity	120	
Composition	Composition	34	
	Board of Directors/ Governing Body	34, 155	
	Senior Leadership	155	
	Middle Management	155	
	The Major Employment Categories	115,116,117	
	Composition of Male/Female under:	115,116,117	
	Recruitment	117	
	Promotions	120	
	Key departments	115, 117	
	Major geographic locations	115	
	Exists	114	
Gender Gap Indicators	Gender Analysis in Each Pay Quartile	116	
	Raw Mean Gender Pay Gap	116	
	Raw Median Gender Pay Gap	116	
	Proportion of Women Who Received Training	119	
	Training Hours Analysed by Gender	119	
	Retention of Women at Work 12 Months After Maternity Leave	121	
	Proportion of Females who Received a Performance Bonus	120	
	Proportion of Women in IT, Engineering and Production Related Activities	-	We have six female employees in the IT department. Engineering and production-related activities are not relevant to our company's operations
Responsible Brand	Evaluation of gender bias in advertising and communications	-	We do not undertake gender bias advertising
	Activities that Support Gender Parity in the Supply Chain	-	There are no specific activities carried out during the year addressing gender parity. However, at the screening, selection or in any part of the engagement process, we do not discriminate based on gender.

Glossary of Financial Terms

A

ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

ACCRUAL BASIS

Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

ACCRUAL GAIN/(LOSS)

Gain or loss arising from the difference between estimates and actual experience in a corporation's defined benefit pension plan obligations.

AMORTIZATION

Gradual write-down of the cost of an intangible asset over its useful life.

AMORTISED COST

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or un- collectability.

B

BORROWINGS

All interest-bearing liabilities.

BORROWING COST

Interest and other costs that an entity incurs in connection with the borrowing of funds.

C

CAPITAL ADEQUACY RATIO

The relationship between capital and the risk weighted assets as prescribed by the Central Bank of Sri Lanka developed by modifying international best practices on maintenance of capital for financial Institutions, to suit the local requirements.

CAPITAL FUNDS

Shareholders' funds net of statutory reserves

CASH EQUIVALENTS

Highly liquid short-term investments which can be converted into cash immediately with original maturity periods of three month or less.

COLLECTIVE IMPAIRMENT PROVISION

Impairment which measured on a collective basis for homogeneous groups of loans that are not considered individually significant.

COMMITMENT

Credit facilities approved but not yet utilised by the clients as at the reporting date.

CONTINGENCIES

A condition or situation existing at reporting date where the ultimate outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

CORPORATE GOVERNANCE

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to owners and other.

COST TO INCOME RATIO

The operating expenses, excluding tax on financial services and impairment (charge)/reversal for loans and other losses, expressed as a percentage of total net operating Income.

COST OF FUNDS

Interest expenses expressed as a percentage of average interest-bearing liabilities.

CREDIT RATING

An evaluation of a corporate's ability to repay its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

CREDIT RISK

Credit risk is the potential loss arising from a borrower or counterparty failing to meet its obligations in accordance with the agreed terms.

CUSTOMER DEPOSITS

Money deposited by account holders and such funds are recorded as liabilities of the entity.

D

DEBT

An obligation that requires one party, the debtor, to pay money or other agreed-upon value to another party, the creditor.

DEFERRED TAX

The net tax effect on items which have been included in the income statement, that may become payable or receivable in a future period in respect of taxable temporary differences.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

Glossary of Financial Terms

DE RECOGNITION

Removal of a previously recognised financial asset or liability from an entity's Statement of Financial Position.

DISCOUNT RATE

A rate used to place a current value on future cash flows. It is needed to reflect the fact that money has a time value.

E

EARNINGS PER SHARE (EPS)

Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

ECONOMIC VALUE ADDED (EVA)

A measure of productivity which takes into consideration cost of total invested equity.

EFFECTIVE INTEREST RATE (EIR)

Rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

EFFECTIVE TAX RATE

Provision for taxation excluding deferred tax expressed as a percentage of the profit before taxation.

ELIGIBLE DEPOSITS

Customer Deposits inclusive of interest accrued after deducting for deposits balances of directors and KMPs.

EQUITY

Shareholders' fund.

EVENTS AFTER THE REPORTING PERIOD

Transactions that are not recognised as assets or liabilities in the Statement of Financial Position, but which give rise to the contingencies and commitments.

EXPECTED CREDIT LOSSES (ECL)

ECL approach is the loan loss impairment method under SLFRS 9 on "Financial Instruments". ECLs are the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). ECL measurements are unbiased and are determined by evaluating a range of possible outcomes.

EXPOSURE

A claim, contingent claim or position which carries a risk of financial loss.

F

FAIR VALUE

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions.

FINANCIAL ASSETS

Any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or contractual right to receive another financial asset from another entity.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

A financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

FVOCI include debt and equity instruments measured at fair value through other comprehensive income. A debt instrument is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity investments may be irrevocably classified as FVOCI when they meet the definition of Equity under LKAS 32 Financial Instruments: Presentation, and are not held for trading.

FINANCIAL LIABILITY

A contractual obligation to deliver cash or another financial asset to another entity to exchange assets or financial liabilities with another entity

FINANCIAL INSTRUMENT

Any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

FINANCE LEASE

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

FUNDING MIX

The total of shareholders' funds, customer deposits and borrowings from banks and other institutions

G

GLOBAL REPORTING INITIATIVE

GRI is a leading organisation in the sustainability filed. GRI promotes the use of sustainability reporting as a way for organisation to become more sustainable and contribute to sustainable development.

GOING CONCERN

The Financial Statements are normally prepared on the assumption that an entity is a going concern and will continue in operation for the foreseeable future.

GROSS NON PERFORMING ADVANCES

A loan placed on a cash basis (i.e, Interest Income is only recognized when cash is actually collected) after when six instalments or more are overdue, as there is reasonable doubt regarding the collectability of its instalments of capital and interest.

GROSS NPA RATIO

The total of the non-performing loans and receivables and non-performing Lease Rentals Receivables expressed as a percentage of the total of average loans and receivables and average Lease Rentals Receivables portfolio.

GROSS PORTFOLIO

The total of rental installments outstanding and the un-due capital receivable of the advances granted to customers under leasing, loans and other facilities

H

HIRE PURCHASE

A contract between hirer and financier where the hirer takes on hire a particular article from the financier, with the option to purchase the article at the conclusion of the agreed rental payments.

HTM (HELD TO MATURITY)

Investments Non-derivative financial assets with fixed or determinable payments and a fixed maturity that an entity has the positive intention and ability to hold till maturity.

I

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

IMPAIRMENT ALLOWANCES

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective (portfolio).

IMPAIRMENT CHARGE/REVERSAL

An increase/(decrease) of the difference between the carrying value of an asset and the sum of discounted future cash flows generating from the same asset compared to the previous reporting date.

INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance.

INTEGRATED REPORTING

A methodology of reporting an organisation’s strategy, governance, financial performance and prospects in relation to the creation of value over the short, medium and long-term in its economic, social and environmental context.

INTEREST SPREAD

This difference between the average interest rate earned on the interest earning assets and the average interest rate paid on the interest-bearing liabilities.

K

KEY MANAGEMENT PERSONNEL

People those who are having authority and responsibility for planning, directing and controlling the activities of the entity.

L

LENDING PORTFOLIO

Total value of lending products net of unearned income, amounts received in advance and allowance for impairment.

LIFETIME EXPECTED CREDIT LOSSES (LTECL)

Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. According to SLFRS 9 on “Financial instruments”, the ECL allowance should be based on LTECL unless there has been no significant increase in credit risk since origination.

LIQUID ASSETS

Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with banks and treasury bills & bonds.

LIQUIDITY ASSETS RATIO

Liquid assets expressed as a percentage of deposits liabilities and eligible borrowings.

LIQUIDITY RISK

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

LOANS AND RECEIVABLE

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intends to sell immediately or in the near term and designated as fair value through profit or loss or available-for- sale on initial recognition.

LOSS GIVEN DEFAULT (LGD)

LGD is the percentage of an exposure that a lender expects to lose in the event of obliger default.

M

MATERIALITY

The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of Financial Statements

Glossary of Financial Terms

N

NET ASSETS PER SHARE

Shareholders fund divided by total number of ordinary shares in issue.

NET INTEREST INCOME (NII)

The difference between incomes earned from interest earning assets and cost incurred on financial instrument/ facilities used for funding the interest earning assets.

NET INTEREST MARGIN (NIM)

The margin is expressed as net interest income divided by average interest earning assets.

NPL RATIO

Total non-performing loans as a percentage of the total lending portfolio.

NET PORTFOLIO

The total of rental installments outstanding and the un-due capital receivable of the advances granted to customers under leasing, loans and other facilities net of impairment charge for loans and other losses.

NON-PERFORMING ADVANCES

Rentals receivables in arrears equals to six rentals or more than six rentals have been categorised as non-performing.

O

OPERATIONAL RISK

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

P

PARENT

A parent is an entity which has one or more subsidiaries.

PROVISION

Amounts set aside against possible losses on net receivable of facilities granted to customers, as a result of them becoming partly or wholly uncollectible.

PROBABILITY OF DEFAULT (PD)

PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation.

PROVISION COVER

Impairment charge for loans and other losses expressed as a percentage of the total of non-performing loans and lease receivables before discounting for allowance for impairment charge on non-performing loans and lease receivables.

R

RELATED PARTIES

Parties who could control or significantly influence the financial and operating policies of the business.

RETURN ON AVERAGE ASSETS (ROA)

Profit after tax expressed as a percentage of the average assets.

RETURN ON AVERAGE EQUITY (ROE)

Attributable profits divided by average shareholders’ funds.

RIGHT OF USE OF ASSETS (ROU)

An asset that represents a lessee’s right to use an underlying asset for the lease term.

RISK WEIGHTED ASSETS

The sum total of assets as per the Statement of Financial Position and the credit equivalent of assets that are not on the Statement of Financial Position multiplied by the relevant risk-weighted factors.

S

SHAREHOLDERS’ FUNDS

This consists of issued and fully paid up ordinary shares and other reserves.

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

According to SLFRS 9, an entity should assess whether the risk of default on a financial instrument has increased significantly since initial recognition. The assessment should consider reasonable and supportable information that is relevant and available without undue cost or effort. There is a rebuttable presumption in the Standard that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due.

STATED CAPITAL

All amounts received by the Company or due and payable to the Company- (a) in respect of the issue of shares, (b) in respect of calls on shares.

STATUTORY RESERVE FUND

A capital reserve created as per the provisions of Finance Companies (Capital Funds) Direction No. 1 of 2003.

T

TIER I CAPITAL

Core capital representing permanent shareholders’ equity and reserves created or increased by appropriations of retained earnings or other surpluses.

TIER II CAPITAL

Supplementary capital representing revaluation reserves, general provisions and other capital instruments, which combine certain characteristics of equity and debt such as hybrid capital instruments and subordinated term-debts.

U

USEFUL LIFE

The period over which an asset is expected to be available for use by an entity or the number of production or similar units expected to be obtained from the asset by an entity.

V

Value Addition
Value of wealth created by providing leasing and other related services considering the cost of providing such services.

W

Working Capital
Capital required to finance the day to day operations computed as the excess of current assets over current liabilities.

Y

YIELD TO MATURITY

Discount rate at which the present value of future cash flows would equals the security’s current price.

Fintrex Branch Network

Branch	Contact No.	Address	Email
Signature Branch	0117977737	50, Ananda Coomaraswammy mawatha, Colombo 03	headofficebranch@fintrexfinance.com
Kurunegala	0377977901	15, Rajapihilla Road, Kurunegala	kurunegala@fintrexfinance.com
Matara	0417 977 979	No 469A,Anagarika Dharmapala Mawatha,Pamburana, Matara	matara@fintrexfinance.com
Kandy	0817977979	No 206,Katugastota Road,Kandy	kandy@fintrexfinance.com
Negombo	0377977901	No 79,Colombo Road, Negombo	negombo@fintrexfinance.com
Kiribathgoda	0117977415	No 67/3/A, Kandy Road, Kiribathgoda	kiribathgoda@fintrexfinance.com
Kalutara	0347 973477	398/A, Galle Main Road, Kalutara North, Kalutara	kalutara@fintrexfinance.com
Kegalle	0357977980	No 440 B,Kandy road, Meepitiya, Kegalle	kegalle@fintrexfinance.com
Kuliyapitiya	0377977979	1st Floor, No 47, Narammala madampe road, Kuliyapitiya	kuliyapitiya@fintrexfinance.com
Gampaha	0337977977	No 396/1/1,Colombo road,Gampaha	gampaha@fintrexfinance.com
Dambulla	0667977979	318, Sangeetha Building,Kandy road, Dambulla	dambulla@fintrexfinance.com
Galle	0917977988	No 93,Old Matra road,Pettigalawatta, Galle	galle@fintrexfinance.com
Nugegoda	0117460977	87 Dutugemunu St, Nugegoda	nugegoda@fintrexfinance.com
Malabe	117977450	No 867/2, Kandy road, Malabe	malabe@fintrexfinance.com
Maharagama	117977440	249,Wattegedara Junction,High level road, Maharagama	maharagama@fintrexfinance.com
Pettah	117977465	345 Main Street, Gaspaha Junction, Pettah	pettah@fintrexfinance.com

Fintrex Anthem

මේ මුතු ඇටයේ අගය තවත් වැඩි කරනා
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Together let's keep on moving...
Lifting each other ... reaching higher higher higher ...
Building the greatest place for all

නාම් එල්ලෝරුම් ඔන්රායි සේර්න්දූ
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පදපෙළ - නන්දන වික්‍රමගේ
තනුව/සංගීතය - ප්‍රනීත් පෙරේරා
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Notice of Meeting

FINTREX FINANCE PLC
Company Registration No. PQ 00325810
No.851, Dr Danister De Silva Mawatha, Colombo 14

NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Fintrex Finance PLC will be held by electronic means on June 30, 2025 at 2.30 p.m. centered at No.851, Dr Dannister De Silva Mawatha, Colombo 14 for the following purposes:

AGENDA
1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.

2. To re-elect Mr. Shrihan Blaise Perera as a Director in terms of Article 99 of the Articles of Association of the Company.
3. To re-elect Mr. Seminda Nilam Jayasinghe as a Director in terms of Article 99 of the Articles of Association of the Company. As the director
4. To re-elect Mr. Indrajit Asela Wickramasinghe as a Director in terms of Article 103 of the Articles of Association of the Company.
5. To pass the ordinary resolution set out below to re-appoint Mr. J R F Peiris who is 73 years of age and will be attaining the age of 74 years on 29th June 2025, as a Director of the Company:-

   "IT IS HEREBY RESOLVED THAT Mr. J R F Peiris who is 73 years of age and will be attaining the age of 74 years on 29th June 2025, be and is hereby appointed as a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act No.7 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr. J R F Peiris".

6. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company and to authorize the Directors to determine their remuneration.

7. To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

By Order of the Board
FINTREX FINANCE PLC

Company Secretary
06th June 2025

Notes:
1. A shareholder entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.
2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy is enclosed for this purpose.
4. The completed Form of Proxy must be fowarded to the Company Secretary by email to arunig@fintrexfinance.com or should be deposited at the Registered Office: No.851, Dr Danister Silva Mawatha, Colombo 14, 48 hours before the date of the Annual General Meeting.
5. The Annual Report of the Company for 2024/25 is available on the corporate website www.fintrexfinance.com and on the Colombo Stock Exchange website - www.cse.lk

Form of Proxy

I/We* ....
of ....
....being a shareholder / shareholders* of FINTREX FINANCE PLC hereby appoint
.... of
....or failing him/her*

Mr. Ajit Damon Gunewardene	or failing him*
Mr. James Ronnie Felitus Peiris	or failing him*
Mr. Shantanu Nagpal	or failing him*
Mr. Ahamed Sabry Ibrahim	or failing him*
Mr. Shrihan Blaise Perera	or failing him*
Mr. Seminda Nilam Jayasinghe	or failing him*
Mr. J.F.Rovindra De Fonseka	or failing him*
Mr. Indrajit Asela Wickramasinghe	

as my/our* Proxy to represent me/us* to speak and to vote on my/our* behalf at the Annual General Meeting of the Company to be held on the 30th day of June 2025 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

		FOR	AGAINST
1)	To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2025 together with the Report of the Auditors thereon.		
2)	To re-elect Mr. Shrihan Blaise Perera as a Director in terms of Article 99 of the Articles of Association of the Company.		
3)	To re-elect Mr. Seminda Nilam Jayasinghe as a Director in terms of Article 99 of the Articles of Association of the Company. As the director		
4)	To re-elect Mr. Indrajit Asela Wickramasinghe as a Director in terms of Article 103 of the Articles of Association of the Company.		
5)	To pass the ordinary resolution set out under item 5 of the Notice of Meeting to re-appoint Mr. J R F Peiris who is 73 years of age and will be attaining the age of 74 years on 29th June 2025 as a Director of the Company.		
6)	To pass the Ordinary Resolution set out under item 6 of the Notice of Meeting for the re-appointment of Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Board of Directors to determine their remuneration.		
7)	To authorize the Directors to determine donations for the year 2026 and up to the date of the next Annual General Meeting. ending 31st March		

In witness my/our hands this .... day of .... Two Thousand and Twenty Five.

....
Signature

Notes :
* Please delete what is inapplicable.

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name, address and the National Identity Card number and by signing in the space provided and filling in the date of signature.

2. The completed Form of Proxy must be fowarded to the Company Secretary by email to arunig@fintrexfinance.com or should be deposited at the Registered Office, No.851, Dr Danister De Silva Mawatha, Colombo 14, 48 hours before the date of Annual General Meeting.

3. If you wish to appoint a person other than the Chairman or a Director of the Company as your proxy, please insert the relevant details at the space provided (above the names of the Board of Directors) on the Proxy Form.

4. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration if such Power of Attorney has not already been registered with the Company.

5. In the case of a Company/ Corporation, the Proxy must be executed in accordance with the Articles of Association/Statute.

Corporate Information

Name of the Company
Fintrex Finance PLC

Legal Form of the Company Incorporated as a limited liability company under the companies Act No.07 of 2007 and Registered under the Finance Business Act No 42 of 2011 and the Finance leasing Act No. 56 of 2000. The company was quoted on the Colombo Stock Exchange on 11th March 2025 and changed its legal status to Public Limited Company.

Business Registration No
PQ 00325810
(Former Business Registration No. PB 878)

Date of Incorporation
29th March 2007

Date of Status Change
Legal status of the Company has been changed to "Public Limited Company (PLC) on 26th March 2025

Stock Exchange Listing
Unsecured subordinated Redeemable High Yield Bonds of the company are listed on the Colombo stock Exchange on 11th March 2025

Financial Year End
31st March

Registered office:
No 851, Dr. Danister De Silva Mawatha (Baseline Road), Colombo 14
Telephone: +94 11 7977977
Hotline: +94-11-7200100
Email: info@fintrexfinance.com

No of Branches:
16

Directorate
Mr. Ajit Damon Gunewardene – Chairman
(Non-Independent Non – Executive)
Mr. James Ronnie Felitus Peiris
(Non-Independent Non-Executive)
Mr. Shantanu Nagpal
(Non-Independent Non-Executive)
Mr. Ahamed Sabry Ibrahim
(Independent Non Executive Senior Director)
Mr. Shrihan Blaise Perera
(Non Independent Non-Executive)
Mr. Seminda Nilam Jayasinghe
(Independent Non-Executive)
Mr. Jayashanta Francis Rovindra De Fonseka
(Independent Non-Executive)
Mr. Indrajit Asela Wickramasinghe
(Non-Independent Non – Executive)

Board Sub committees operating :
- Board Audit Committee
- Board Human Resources and Remuneration Committee
- Board Integrated Risk Management Committee
- Board Nominations and Governance Committee
- Board Credit Committee
- Related Party Transaction Review Committee

Company Secretary :
Mrs. Aruni Gunewardena

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

Legal Advisers:
Shiranthi Gunawardena Associates.
No 22/1, Elliot Place, Colombo 08

Paul Rathnayake Associates.
No 59, Gregory's Road, Colombo 07

Tax Identification Number :
114014125

Bankers:
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
People's Bank
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
Sampath Bank PLC
Cargills Bank PLC
National Development Bank PLC
Seylan Bank PLC
Union Bank of Colombo PLC
DFCC Bank PLC
Sanasa Development Bank PLC
Muslim Commercial Bank Ltd

optima
Designing Your Year!
Designed & Produced by
Optima Designs (Pvt) Ltd.
A full service design and print company.
www.optimadesigns.lk

Fintrex Finance PLC
No. 851, Dr. Danister De Silva Mawatha (Baseline Road), Colombo 14, Sri Lanka.
Telephone: 0117 977 977
E-mail: info@fintrexfinance.com | Website: www.fintrexfinance.com