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CAPITAL ALLIANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31ST MARCH 2026

CAPITAL ALLIANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE		**QUARTER ENDED**		**YEAR ENDED**	
	Note	**31-Mar-26 Rs. (Unaudited)**	31-Mar-25 Rs. (Unaudited)	**31-Mar-26 Rs. (Unaudited)**	31-Mar-25 Rs. (Audited)
Interest Income	**2**	**2,084,572,983**	2,373,564,818	**8,976,861,611**	8,874,907,017
Interest Expenses	**3**	**(1,611,624,438)**	(1,666,396,950)	**(6,514,043,910)**	(5,842,375,955)
Net Interest Income		**472,948,545**	707,167,868	**2,462,817,701**	3,032,531,062
Net gains/ (loss) arise from Financial Assets Measured at FVTPL	**4**	**(538,002,340)**	572,191,520	**1,195,334,887**	4,541,597,988
Direct Expenses		**(22,544,337)**	(13,951,803)	**(57,605,560)**	(42,681,085)
Other Income		**9,564,998**	6,782,668	**37,514,907**	38,774,725
Net Operating Income		**(78,033,134)**	1,272,190,253	**3,638,061,935**	7,570,222,690
Operating Expenses					
Personnel Expenses		**(61,693,322)**	(186,915,513)	**(216,060,837)**	(554,470,901)
Depreciation and Amortisation		**(4,355,837)**	(4,440,124)	**(17,556,081)**	(19,047,677)
Other Expenses		**(118,263,253)**	(133,765,397)	**(537,441,996)**	(625,589,429)
Profit Before Tax		**(262,345,546)**	947,069,219	**2,867,003,021**	6,371,114,683
Income Tax Expenses	**5**	**31,037,212**	(319,084,175)	**(848,229,039)**	(1,950,520,698)
Profit for the year		**(231,308,334)**	627,985,044	**2,018,773,982**	4,420,593,985
Other Comprehensive Income					
Other Comprehensive Income for the year		**(3,877,272)**	2,309,471	**(3,877,272)**	2,309,471
Total Comprehensive Income for the year		**(235,185,606)**	630,294,515	**2,014,896,710**	4,422,903,456
Basic/ Diluted Earnings per Share (Rs.)	**6**	**(0.70)**	1.91	**6.13**	13.42

CAPITAL ALLIANCE PLC

STATEMENT OF FINANCIAL POSITION

AS AT	31-Mar-26 Rs. (Unaudited)	31-Mar-25 Rs. (Audited)
ASSETS		
Cash and Cash Equivalents	**432,844,197**	36,205,695
Financial Assets measured at Amortised Cost	**1,503,155,486**	3,003,008,988
Financial Assets measured at FVTPL	**82,040,899,662**	102,200,999,629
Amount due from Related Companies	**143,812,573**	23,182,317
Other Receivables	**20,370,321**	12,959,192
Deferred Tax Assets	**22,715,263**	27,748,880
Intangible Assets	**6,186,931**	7,490,561
Right-of-use Asset	**2,842,573**	4,466,900
Equipment	**27,013,045**	40,471,576
Total Assets	**84,199,840,051**	105,356,533,738
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities at Amortised Cost	**72,213,749,211**	87,809,641,973
Amounts due to Related Companies	**17,191,676**	4,685,733
Other Payables	**363,648,691**	1,179,367,985
Lease Liability	**4,291,580**	4,809,241
Retirement Benefit Obligation	**74,972,626**	92,823,233
Income Tax Payable	**385,633,876**	1,869,063,749
Total Liabilities	**73,059,487,660**	90,960,391,914
EQUITY		
Stated Capital	**723,348,421**	723,348,421
Special Risk Reserve	**2,960,754,827**	2,758,877,428
Retained Earnings	**7,456,249,143**	10,913,915,975
Total Equity	**11,140,352,391**	14,396,141,824
Total Liabilities and Equity	**84,199,840,051**	105,356,533,738
NAPS (Rs.)	**33.82**	43.70

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Signed

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Ms. S C Goonesekera
Manager - Finance

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

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Ms. A I C Nandasena
Director

Signed

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Mr. J M Jayasuriya
Director

8th May 2026
Colombo

CAPITAL ALLIANCE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2026

	Stated Capital	Special Risk Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2024 (Audited)	723,348,421	2,316,818,030	13,356,720,656	16,396,887,107
Profit for the Year	-	-	4,420,593,985	4,420,593,985
Other Comprehensive Income for the Year	-	-	2,309,471	2,309,471
Total Comprehensive Income	-	-	4,422,903,456	4,422,903,456
Dividend Paid	-	-	(6,423,648,738)	(6,423,648,738)
Transferred To the Special Risk Reserve	-	442,059,398	(442,059,398)	-
Balance as at 31st March 2025 (Audited)	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824
Balance as at 01st April 2025 (Audited)	**723,348,421**	**2,758,877,428**	**10,913,915,975**	**14,396,141,824**
Profit for the Year	**-**	**-**	**2,018,773,982**	**2,018,773,982**
Other Comprehensive Income for the Year	**-**	**-**	**(3,877,272)**	**(3,877,272)**
Total Comprehensive Income	**-**	**-**	**2,014,896,710**	**2,014,896,710**
Dividend Paid	**-**	**-**	**(5,270,686,144)**	**(5,270,686,144)**
Transferred To the Special Risk Reserve	**-**	**201,877,398**	**(201,877,398)**	**-**
Balance as at 31st March 2026 (Unaudited)	**723,348,421**	**2,960,754,827**	**7,456,249,143**	**11,140,352,391**

CAPITAL ALLIANCE PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED	**31-Mar-26**	31-Mar-25
	Rs.	Rs.
	(Unaudited)	(Audited)
Cash flows from Operating Activities		
Interest receipts and realised gains	**12,625,455,275**	15,233,088,111
Interest Payments	**(6,484,952,278)**	(5,455,356,180)
Payment of Direct Expenses	**(57,605,560)**	(42,681,085)
Other Receipts	**37,514,907**	38,779,419
Cash payments to Employees and Other payments	**(733,413,413)**	(768,302,673)
Operating Profit before changes in Operating Assets and Liabilities	**5,386,998,931**	9,005,527,592
(Increase)/Decrease in Financial Assets measured at Amortised Cost	**1,493,227,105**	(1,980,835,695)
(Increase)/Decrease in Financial Assets measured at FVTPL	**17,713,467,587**	(44,490,566,873)
(Increase)/Decrease in Other Receivables	**(7,690,230)**	247,588,512
(Increase)/Decrease in Amount due from Related Companies	**(119,936,969)**	(11,366,108)
Increase/(Decrease) in Financial Liabilities at Amortised Cost	**(15,624,984,394)**	50,076,225,970
Increase/(Decrease) in Amount due to Related Companies	**12,505,943**	(57,473,500)
Increase/(Decrease) in Other Payable	**(815,719,292)**	(1,956,118,879)
Net cash generated from Operating Activities	**8,037,868,681**	10,832,981,019
Gratuity Paid	**(39,040,000)**	-
Income Taxes Paid	**(2,324,684,508)**	(4,713,399,462)
Net cash generated from Operating Activities	**5,674,144,173**	6,119,581,557
Cash flows from Investing Activities		
Purchase of Equipment	**-**	(2,794,150)
Purchase of Intangible Assets	**(1,169,593)**	(4,677,104)
Net cash used in Investing Activities	**(1,169,593)**	(7,471,254)
Cash flows from Financing Activities		
Dividend Paid	**(5,270,686,144)**	(6,423,648,738)
Payment of lease liabilities	**(5,649,935)**	(5,263,962)
Net cash used in Financing Activities	**(5,276,336,079)**	(6,428,912,700)
Net increase/ (decrease) in cash and cash equivalents	**396,638,502**	(316,802,397)
Cash and cash equivalents at the beginning of the year	**36,205,695**	353,008,092
Cash and cash equivalents at the end of the year	**432,844,197**	36,205,695

1 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with LKAS 34 "Interim Financial Reporting". They do not include all the information required for a complete set of SLFRS/LKAS financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31st March 2025.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements for the year ended 31st March 2025.

	QUARTER ENDED		YEAR ENDED	
	31-Mar-26	31-Mar-25	**31-Mar-26**	31-Mar-25
	Rs.	Rs.	**Rs.**	Rs.
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
2 INTEREST INCOME				
Financial Assets measured at FVTPL				
Interest on Treasury Bills	**131,031,290**	428,439,819	**1,222,754,735**	1,252,298,920
Interest on Treasury Bonds	**1,865,584,417**	1,842,092,410	**7,396,720,249**	7,244,067,752
	1,996,615,707	2,270,532,229	**8,619,474,984**	8,496,366,672
Financial Assets measured at Amortised cost				
Interest on Securities Purchased Under Resale Agreements	**87,957,276**	103,032,589	**357,386,627**	378,523,737
Interest on Staff Loans	**-**	-	**-**	16,608
	87,957,276	103,032,589	**357,386,627**	378,540,345
	2,084,572,983	2,373,564,818	**8,976,861,611**	8,874,907,017
3 INTEREST EXPENSES				
Interest on Securities Sold under Repurchase Agreements	**1,501,958,679**	1,586,842,116	**6,215,217,734**	5,626,177,250
Interest Expense on Commercial Papers	**35,007,956**	17,753,425	**49,865,491**	60,561,644
Interest Expense on Bank Loans	**74,657,803**	61,801,409	**248,960,685**	155,637,061
	1,611,624,438	1,666,396,950	**6,514,043,910**	5,842,375,955
4 NET GAINS FROM FINANCIAL ASSETS MEASURED AT FVTPL				
4.1 NET GAIN/ (LOSS) FROM TRADING				
Net Gain on Government Securities	**162,598,059**	1,317,802,991	**2,780,507,202**	6,014,456,889
Net Gain on Quoted Shares	**34,709,052**	98,806,501	**184,195,142**	81,676,731
	197,307,110	1,416,609,492	**2,964,702,344**	6,096,133,620
4.2 NET GAIN/ (LOSS) FROM REMEASUREMENT OF FINANCIAL ASSETS AT FVTPL				
Remeasurement Gain/ (Loss) on Government Securities	**(564,009,119)**	(694,626,417)	**(1,851,239,007)**	(1,681,296,768)
Remeasurement Gain/ (Loss) on Quoted Shares	**(171,300,331)**	(149,791,555)	**81,871,550**	126,761,135
	(735,309,450)	(844,417,972)	**(1,769,367,457)**	(1,554,535,632)
	(538,002,340)	572,191,520	**1,195,334,887**	4,541,597,988

	QUARTER ENDED		YEAR ENDED	
5 INCOME TAX EXPENSE	**31-Mar-26**	31-Mar-25	**31-Mar-26**	31-Mar-25
	Rs.	Rs.	**Rs.**	Rs.
Income tax recognised in Profit or Loss				
Current Tax Expense for the year	**(28,156,517)**	322,060,233	**835,633,876**	1,954,602,260
Under Provision for the previous year	**352,212**	73,113	**5,899,858**	73,113
Deferred Tax Charge/ (Reversal) for the year	**(3,232,907)**	(3,049,172)	**6,695,305**	(4,154,675)
	(31,037,212)	319,084,175	**848,229,039**	1,950,520,698

6 BASIC/DILUTED EARNINGS PER SHARE

Earnings Per Share is calculated by dividing the Profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year and calculated as follows.

	QUARTER ENDED		YEAR ENDED	
	31-Mar-26	31-Mar-25	**31-Mar-26**	31-Mar-25
Profit attributable to ordinary shareholders - (Rs.)	**(231,308,334)**	627,985,044	**2,018,773,982**	4,420,593,985
Weighted average number of ordinary shares	**329,417,884**	329,417,884	**329,417,884**	329,417,884
Earnings per share - (Rs.)	**(0.70)**	1.91	**6.13**	13.42

7. Financial instruments- Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

Level - 1
Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2
Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3
Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values versus the Carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	31-Mar-26	31-Mar-25
Financial assets Measured at Fair Value		
Financial Assets measured at FVTPL	**82,040,899,662**	102,200,999,629
	82,040,899,662	102,200,999,629
Financial assets not measured at fair value		
Cash and Cash Equivalents	**432,844,197**	36,205,695
Financial Assets at Amortised Cost	**1,503,155,486**	3,003,008,988
Amounts due from Related Companies	**143,812,573**	23,182,317
Other receivables	**1,275,870**	2,382,360
	2,081,088,126	3,064,779,360
Total Financial Assets	**84,121,987,788**	105,265,778,989
Financial Liabilities not measured at Fair Value		
Financial Liabilities at Amortised Cost	**72,213,749,211**	87,809,641,973
Amounts due to Related Companies	**17,191,676**	4,685,733
Lease Liability	**4,291,580**	4,809,241
Other Payables	**363,399,700**	1,114,164,844
Total Financial Liabilities	**72,598,632,167**	88,933,301,791

7. Financial instruments- Fair Value Measurement (Contd.)

The following tables show an analysis of financial instruments at fair value and by level of Fair Value Hierarchy:

As at 31st March 2026	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial Assets recognised through Profit or Loss					
Investment in Government Securities	**81,149,130,313**	**81,149,130,313**	**-**	**-**	**81,149,130,313**
Investment in Quoted Shares	**891,769,349**	**891,769,349**	**-**	**-**	**891,769,349**
	82,040,899,662	**82,040,899,662**	**-**	**-**	**82,040,899,662**
Financial assets not measured at Fair Value					
Cash and Cash Equivalents	**432,844,197**	**-**	**-**	**432,844,197**	**432,844,197**
Financial Assets at Amortised Cost	**1,503,155,486**	**-**	**-**	**1,503,155,486**	**1,503,155,486**
Receivable from Related Companies	**143,812,573**	**-**	**-**	**143,812,573**	**143,812,573**
Other Receivables	**1,275,870**	**-**	**-**	**1,275,870**	**1,275,870**
	2,081,088,126	**-**	**-**	**2,081,088,126**	**2,081,088,126**
Total Financial Assets	**84,121,987,788**	**82,040,899,662**	**-**	**2,081,088,126**	**84,121,987,788**
Financial liabilities not measured at Fair Value					
Financial Liabilities at Amortised Cost	**72,213,749,211**	**-**	**-**	**72,213,749,211**	**72,213,749,211**
Amounts due to Related Companies	**17,191,676**	**-**	**-**	**17,191,676**	**17,191,676**
Other Payables	**363,399,700**	**-**	**-**	**363,399,700**	**363,399,700**
Lease Liability	**4,291,580**	**-**	**-**	**4,291,580**	**4,291,580**
Total Financial Liabilities	**72,598,632,167**	**-**	**-**	**72,598,632,167**	**72,598,632,167**

As at 31st March 2025	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial Assets recognised through Profit or Loss					
Investment in Government Securities	101,164,715,892	101,164,715,892	-	-	101,164,715,892
Investment in Quoted Shares	1,036,283,737	1,036,283,737	-	-	1,036,283,737
	102,200,999,629	102,200,999,629	-	-	102,200,999,629
Financial assets not measured at Fair Value					
Cash and Cash Equivalents	36,205,695	-	-	36,205,695	36,205,695
Financial Assets at Amortised Cost	3,003,008,988			3,003,008,988	3,003,008,988
Amount due from Related Companies	23,182,317	-	-	23,182,317	23,182,317
Other Receivables	2,382,360	-	-	2,382,360	2,382,360
	3,064,779,360	-	-	3,064,779,360	3,064,779,360
Total Financial Assets	105,265,778,989	102,200,999,629	-	3,064,779,360	105,265,778,989
Financial liabilities not measured at Fair Value					
Financial Liabilities at Amortised Cost	87,809,641,973	-	-	87,809,641,973	87,809,641,973
Amounts due to Related Companies	4,685,733	-	-	4,685,733	4,685,733
Other Payables	1,114,164,844	-	-	1,114,164,844	1,114,164,844
Lease Liability	4,809,241	-		4,809,241	4,809,241
Total Financial Liabilities	88,933,301,791	-	-	88,933,301,791	88,933,301,791

Level 1
The Company use quoted market prices of Colombo Stock Exchange (CSE) for measuring of fair value of Shares and the daily average government security rates issued by Public Debt Department of Central Bank of Sri Lanka for measuring Fair Value of Government Securities.

Level 2
Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3
Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

8. COMMITMENTS AND CONTINGENCIES

There were no other material litigations or claims that could have a material impact on financial position of the Company or which would lead to a disclosure in the financial statements for the year ended 31st March 2026.

8.1 Other Commitments

The value of forward purchase contracts (Government Securities) as at 31st March 2026 is Rs. 5,453,498,500 (31st March 2025 - Rs. 4,636,873,000) and the value of forward sales contracts (Government Securities) as at 31st March 2026 is Rs. 4,061,608,487 Rs. (31st March 2025-Rs.4,456,559,485).

9. EVENTS AFTER THE REPORTING PERIOD

There have been no other material events occurring after the date of the Statement of Financial Position that require adjustments to or disclosure in the Financial Statements.

10. NET ASSETS PER SHARE

	31-Mar-26	31-Mar-25
Net Assets Per Share (Rs.)	**33.82**	43.70

11. DISCLOSURES UNDER LISTING RULES

11.1 All known expenditure items have been provided for and there is no management fees or similar expenditure provided for in the interim accounts.

11.2 Stated capital

The number of shares represented by stated capital as at 31st March 2026 is 329,417,884 shares (31st March 2025 - 329,417,884 shares).

11.3 Market Price per Share

Information on shares of the Company for the quarter ended	31-Mar-26	31-Mar-25
Market Price Per Share (Rs.)	**51.60**	54.80
Highest Price per share during the quarter ended (Rs.)	**55.80**	57.00
Lowest Price per share during the quarter ended (Rs.)	**48.20**	49.50

11.4 List of Twenty Major Shareholders as at 31st March 2026

	Name of Shareholder/ Company	Shareholding	Percentage
1	Capital Alliance Holdings PLC	283,297,152	86.00%
2	Mrs. H.M.S.Perera	3,701,016	1.12%
3	Commercial Bank of Ceylon PLC/ Metrocorp (Pvt) Ltd	1,978,191	0.60%
4	Ashthi Holdings (Private) Limited	1,000,012	0.30%
5	MAC Holdings (Pvt) Ltd	500,000	0.15%
6	Mr. R.V.D. Piyathilake and Mr. R.V.D.C.G. Rajapakse	400,019	0.12%
7	People's Leasing & Finance PLC/Mr. T.M.D.P. Tennakoon	400,000	0.12%
8	Mr. H.G.D.R.D.K. Jayawardana	397,282	0.12%
9	Mr. T.L. Samarawickrama	357,668	0.11%
10	Mr. L.H.S.L. Silva	339,650	0.10%
11	Ms. H.A. Wijerama	333,660	0.10%
12	Dr. A.B. Samarakoon	320,291	0.10%
13	Mrs R.S. Mortier	313,600	0.10%
14	Mr. D.M.A.J. Weerasinghe	262,256	0.08%
15	Mr. K.R.K.J. Kumara	259,848	0.08%
16	Mr. S.D.K. Fernando	246,932	0.07%
17	Mr. Y.L. Nandasena	237,207	0.07%
18	Mr. U.L.S. Kumara	220,382	0.07%
19	Mr. V.C. Mahtani and Mrs. M.V. Mahtani	206,105	0.06%
20	People's Leasing and Finance PLC/L.K.Karunawathi	200,000	0.06%
20	Mr. L.S.S. Perera	200,000	0.06%
20	Senkadagala Finance PLC / A.D.Rayen	200,000	0.06%

11.5 Shareholding of the Directors/ Chief Executive Officer as at 31st March 2026

Name	Designation	Shareholding
Mr. W A T Fernando	Director	Nil
Mr. D A De Zoysa	Chairman	Nil
Mr. R J Arasaratnam *	Director	Nil
Mr. C S R S Anthony	Director	2,600
Ms. A I C Nandasena	Director	Nil
Ms. K A D Siriwardene	Director	Nil
Mr. J M Jayasuriya	Director	Nil
Mr. W D P De Mel **	Director	Nil
Mr. L H S L Silva	Chief Executive Officer	339,650

** Resigned with effect from 17th November 2025*
*** Appointed with effect from 4th September 2025*

11.6 Compliance relating to the Public Floating

Disclosure in accordance with the Section 7.13.1 (i) (b) of CSE Listing Rules

Float adjusted market capitalisation as at 31st March 2026 (Rs)	2,099,078,428
Public holding percentage	12.35%
Number of public shareholders	8,710

The Company had complied with the Minimum Public Holding requirement under Option 1 of CSE Listing Rule 7.13.1 (i) (b).