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CAPITAL ALLIANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30TH JUNE 2026

CAPITAL ALLIANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE

	Note	QUARTER ENDED 30-Jun-26 Rs. (Unaudited)	30-Jun-25 Rs. (Unaudited)
Interest Income	**2**	**1,809,733,270**	2,443,968,528
Interest Expenses	**3**	**(1,479,514,949)**	(1,762,416,662)
Net Interest Income		**330,218,321**	681,551,866
(Losses)/ Gains arising from Financial Assets measured at FVTPL	**4**	**(3,016,076,037)**	1,492,403,261
Direct Expenses		**(13,492,173)**	(12,962,406)
Other Income		**10,542,725**	12,869,808
Net Operating (Expense)/ Income		**(2,688,807,164)**	2,173,862,529
Operating Expenses			
Personnel Expenses		**(45,656,597)**	(49,420,833)
Depreciation and Amortisation		**(6,396,762)**	(4,483,773)
Other Expenses		**(68,760,812)**	(153,958,793)
(Loss)/ Profit Before Tax		**(2,809,621,335)**	1,965,999,130
Income Tax Expenses	**5**	**-**	(558,909,013)
(Loss)/ Profit for the period		**(2,809,621,335)**	1,407,090,117
Other Comprehensive Income			
Other Comprehensive Income for the period		**-**	-
Total Comprehensive (Expense)/ Income for the period		**(2,809,621,335)**	1,407,090,117
Basic/ Diluted (Loss)/ Earnings per Share (Rs.)	**6**	**(8.53)**	4.27

CAPITAL ALLIANCE PLC

STATEMENT OF FINANCIAL POSITION

AS AT		30-Jun-26 Rs. (Unaudited)	31-Mar-26 Rs. (Audited)
ASSETS			
Cash and Cash Equivalents		**58,098,943**	432,844,198
Financial Assets measured at Amortised Cost		**9,556,862,545**	1,503,155,486
Financial Assets measured at FVTPL		**59,421,776,061**	82,040,642,990
Amount due from Related Companies		**-**	143,812,573
Other Receivables		**99,725,402**	40,017,036
Deferred Tax Asset		**19,029,264**	19,029,264
Intangible Assets		**5,512,536**	6,186,931
Right-of-use Assets		**81,763,034**	89,596,818
Equipment		**2,117,249**	2,713,046
Total Assets		**69,244,885,034**	84,277,998,342
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities at Amortised Cost		**60,441,642,537**	72,216,189,590
Amounts due to Related Companies		**35,470,741**	40,060,239
Other Payables		**67,898,585**	361,483,875
Lease Liability		**73,847,946**	76,509,793
Retirement Benefit Obligation		**76,864,341**	74,972,626
Income Tax Payable		**236,355,747**	386,355,747
Total Liabilities		**60,932,079,897**	73,155,571,870
EQUITY			
Stated Capital		**723,348,421**	723,348,421
Special Risk Reserve		**2,958,962,234**	2,958,962,234
Retained Earnings		**4,630,494,482**	7,440,115,817
Total Equity		**8,312,805,137**	11,122,426,472
Total Liabilities and Equity		**69,244,885,034**	84,277,998,342
Net Assets per Share (Rs.)	Note 10	**25.23**	33.76

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

Signed
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Ms. W H S S Wijesinghe
Manager - Finance

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

Signed
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Mr. C S R S Anthony
Director

Signed
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Mr. W A T Fernando
Director

14th August 2026
Colombo

CAPITAL ALLIANCE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 30TH JUNE 2026

	Stated Capital	Special Risk Reserve	Retained Earnings	Total
	Rs.	**Rs.**	**Rs.**	**Rs.**
Balance as at 01st April 2025	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824
Profit for the Period	-	-	1,407,090,117	1,407,090,117
Other Comprehensive Income for the Period	-	-	-	-
Total Comprehensive Income	-	-	1,407,090,117	1,407,090,117
Dividend Paid	-	-	-	-
Transferred to the Special Risk Reserve	-	140,709,012	(140,709,012)	-
Balance as at 30th June 2025	723,348,421	2,899,586,440	12,180,297,080	15,803,231,941
Balance as at 01st April 2026	**723,348,421**	**2,958,962,234**	**7,440,115,817**	**11,122,426,472**
Loss for the Period	**-**	**-**	**(2,809,621,335)**	**(2,809,621,335)**
Other Comprehensive Income for the Period	**-**	**-**	**-**	**-**
Total Comprehensive Expense	**-**	**-**	**(2,809,621,335)**	**(2,809,621,335)**
Transferred to the Special Risk Reserve	**-**	**-**	**-**	**-**
Balance as at 30th June 2026	**723,348,421**	**2,958,962,234**	**4,630,494,482**	**8,312,805,137**

CAPITAL ALLIANCE PLC

STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED

	30-Jun-26	30-Jun-25
	Rs.	Rs.
	(Unaudited)	(Unaudited)
Cash flows from Operating Activities		
Interest Receipts and Realised Gains/ (Losses)	**(794,315,995)**	3,906,099,822
Interest Payments	**(1,362,132,106)**	(1,582,097,045)
Payment of Direct Expenses	**(13,492,173)**	(12,962,406)
Other Receipts	**10,532,725**	12,869,808
Cash Payments to Employees and Suppliers	**(131,754,252)**	(176,251,400)
Operating (Loss)/ Profit before Changes in Operating Assets and Liabilities	**(2,291,161,801)**	2,147,658,779
Increase in Financial Assets measured at Amortised Cost	**(8,038,698,444)**	(1,307,595,477)
Decrease in Financial Assets measured at FVTPL	**22,191,831,543**	2,211,365,707
Decrease/ (Increase) in Other Receivables	**(57,001,153)**	(453,919)
Decrease/ (Increase) in Amount due from Related Companies	**143,812,573**	(4,230,600)
Decrease in Financial Liabilities at Amortised Cost	**(11,891,929,896)**	(2,291,407,010)
(Decrease)/ Increase in Amount due to Related Companies	**(4,589,498)**	1,300,107
Decrease in Other Payable	**(276,163,111)**	(619,702,579)
Cash (Used in)/ Generated from Operating Activities	**(223,899,787)**	136,935,008
Gratuity Paid	-	(36,000,000)
Income Taxes Paid	**(150,000,000)**	(28,512,837)
Net Cash (Used in)/ Generated from Operating Activities	**(373,899,787)**	72,422,171
Cash flows from Investing Activities		
Purchase of Equipment	**-**	-
Net Cash (Used in)/ Generated from Investing Activities	**-**	-
Cash flows from Financing Activities		
Lease Payments	**(845,468)**	(1,412,484)
Dividend paid	**-**	-
Net Cash Used in Financing Activities	**(845,468)**	(1,412,484)
Net (Decrease)/ Increase in Cash and Cash Equivalents	**(374,745,255)**	**71,009,687**
Cash and Cash Equivalents at the Beginning of the Period	**432,844,198**	36,205,695
Cash and Cash Equivalents at the End of the Period	**58,098,943**	**107,215,382**

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 2026.

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 2026.

	QUARTER ENDED	
	30-Jun-26	30-Jun-25
	Rs.	Rs.
2 INTEREST INCOME		
Financial Assets measured at FVTPL		
Interest on Treasury Bills	**620,459,786**	618,912,080
Interest on Treasury Bonds	**1,051,740,335**	1,743,473,005
	1,672,200,121	2,362,385,085
Financial Assets measured at Amortised cost		
Interest on Securities Purchased Under Resale Agreements	**137,533,149**	81,583,443
Interest on Staff Loans	**-**	-
	137,533,149	81,583,443
	1,809,733,270	2,443,968,528
3 INTEREST EXPENSES		
Interest on Securities Sold under Repurchase Agreements	**1,353,060,585**	1,697,815,293
Interest Expense on Commercial Paper	**40,219,578**	-
Interest on Bank Loans	**86,234,786**	64,601,369
	1,479,514,949	1,762,416,662
4 (LOSSES)/ GAINS ARISING FROM FINANCIAL ASSETS MEASURED AT FVTPL		
4.1 NET (LOSES)/ GAINS FROM TRADING		
Net (Loss)/ Gain on Government Securities	**(3,462,178,270)**	1,639,599,203
Net Gain on Quoted Shares	**124,762,719**	60,703,402
	(3,337,415,551)	1,700,302,605
4.2 NET GAIN/ (LOSS) FROM REMEASUREMENT OF FINANCIAL ASSETS AT FVTPL		
Remeasurement Gain/ (Loss) on Government Securities	**464,575,951**	(327,253,207)
Remeasurement (Loss)/ Gain on Quoted Shares	**(143,236,437)**	119,353,863
	321,339,514	(207,899,344)
	(3,016,076,037)	**1,492,403,261**

	QUARTER ENDED	
5 INCOME TAX EXPENSES	**30-Jun-26**	30-Jun-25
	Rs.	Rs.
Income tax recognised in Profit or Loss		
Current Tax Expense for the period	**-**	548,779,503
Deferred Tax Expense/ (Reversal) for the period	**-**	10,129,510
	-	558,909,013

6 BASIC/ DILUTED EARNINGS PER SHARE

Earnings per Share is calculated by dividing the (loss)/ profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period and calculated as follows.

	QUARTER ENDED	
	30-Jun-26	30-Jun-25
(Loss)/ Profit attributable to Ordinary Shareholders - (Rs.)	**(2,809,621,335)**	1,407,090,117
Weighted Average Number of Ordinary Shares	**329,417,884**	329,417,884
Earnings per Share - (Rs.)	**(8.53)**	**4.27**

There were no potentially dilutive ordinary shares outstanding at anytime during the period, hence diluted earnings per share is equal to the basic earnings per share.

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:

	30-Jun-26	31-Mar-26
Financial Assets measured at Fair Value		
Financial Assets measured at FVTPL	**59,421,776,061**	82,040,642,990
	59,421,776,061	82,040,642,990
Financial Assets not measured at Fair Value		
Cash and Cash Equivalents	**58,098,943**	432,844,198
Financial Assets measured at Amortised Cost	**9,556,862,545**	1,503,155,486
Amounts due from Related Companies	**-**	143,812,573
Other Receivables	**1,801,816**	4,789,721
	9,616,763,304	2,084,601,978
Total Financial Assets	**69,038,539,365**	84,125,244,968
Financial Liabilities not measured at Fair Value		
Financial Liabilities measured at Amortised Cost	**60,441,642,537**	72,216,189,590
Amounts due to Related Companies	**35,470,741**	40,060,239
Lease Liability	**73,847,946**	76,509,793
Other Payables	**67,898,585**	361,483,875
Total Financial Liabilities	**60,618,859,809**	72,694,243,497

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 30th June 2026	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Financial Assets recognised through Profit or Loss					
Investment in Government Securities	**59,323,028,510**	**59,323,028,510**	**-**	**-**	**59,323,028,510**
Investment in Quoted Shares	**98,747,551**	**98,747,551**	**-**	**-**	**98,747,551**
	59,421,776,061	**59,421,776,061**	**-**	**-**	**59,421,776,061**
Financial assets not measured at Fair Value					
Cash and Cash Equivalents	**58,098,943**	**-**	**-**	**58,098,943**	**58,098,943**
Financial Assets at Amortised Cost	**9,556,862,545**	**-**	**-**	**9,556,862,545**	**9,556,862,545**
Amount due from Related Companies	**-**	**-**	**-**	**-**	**-**
Other Receivables	**1,801,816**			**1,801,816**	**1,801,816**
	9,616,763,304	**-**	**-**	**9,616,763,304**	**9,616,763,304**
Total Financial Assets	**69,038,539,365**	**59,421,776,061**	**-**	**9,616,763,304**	**69,038,539,365**
Financial liabilities not measured at Fair Value					
Financial Liabilities at Amortised Cost	**60,441,642,537**	**-**	**-**	**60,441,642,537**	**60,441,642,537**
Amounts due to Related Companies	**35,470,741**	**-**	**-**	**35,470,741**	**35,470,741**
Lease Liability	**73,847,946**			**73,847,946**	**73,847,946**
Other Payables	**67,898,585**	**-**	**-**	**67,898,585**	**67,898,585**
Total Financial Liabilities	**60,618,859,809**	**-**	**-**	**60,618,859,809**	**60,618,859,809**

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	81,004,359,253	81,004,359,253	-	-	81,004,359,253
Investment in Quoted Shares	1,036,283,737	1,036,283,737	-	-	1,036,283,737
	82,040,642,990	82,040,642,990	-	-	82,040,642,990
Financial assets not measured at Fair Value					
Cash and Cash Equivalents	432,844,198	-	-	432,844,198	432,844,198
Financial Assets at Amortised Cost	1,503,155,486	-	-	1,503,155,486	1,503,155,486
Amount due from Related Companies	143,812,573	-	-	143,812,573	143,812,573
Other Receivables	4,789,721	-	-	4,789,721	4,789,721
	2,084,601,978	-	-	2,084,601,978	2,084,601,978
Total Financial Assets	84,125,244,968	82,040,642,990	-	2,084,601,978	84,125,244,968
Financial liabilities not measured at Fair Value					
Financial Liabilities at Amortised Cost	72,216,189,590	-	-	72,216,189,590	72,216,189,590
Amounts due to Related Companies	40,060,239	-	-	40,060,239	40,060,239
Lease Liability	76,509,793			76,509,793	76,509,793
Other Payables	361,483,875	-	-	361,483,875	361,483,875
Total Financial Liabilities	72,694,243,497	-	-	72,694,243,497	72,694,243,497

Level 1
The Company uses 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 period ended 30th June 2026 except the below;

8.1 Other Commitments

The value of forward purchase contracts (Government Securities) as at 30th June 2026 is Rs. 8,728,691,000 (31st March 2026 - Rs. 5,453,498,500) and the value of forward sales contracts (Government Securities) as at 30th June 2026 is Rs. 7,081,947,035 (31st March 2026 - Rs. 4,061,608,487).

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

	30-Jun-26	31-Mar-26
Net Assets per Share (Rs.)	**25.23**	33.76

11. DISCLOSURES UNDER LISTING RULES

11.1 All known expenditure items including management fees and similar expenses have been provided for in the Interim Financial Statements.

11.2 Stated capital

The number of shares represented by stated capital as at 30th June 2026 is 329,417,884 shares (31st March 2026 - 329,417,884 shares).

11.3 Market Price per Share

Information on shares of the Company for the quarter ended	**30-Jun-26**	30-Jun-25
Market price per Share (Rs.)	**52.00**	51.80
Highest price per share during the quarter ended (Rs.)	**56.00**	56.00
Lowest price per share during the quarter ended (Rs.)	**42.00**	51.00

11.4 List of Twenty Major Shareholders as at 30th June 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	430,330	0.13%
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	387,282	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	261,897	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	206,105	0.06%
20	Senkadagala Finance PLC/ A.D.Rayen	200,000	0.06%

11.5 Shareholding of the Directors/ Chief Executive Officer as at 30th June 2026

Name	Designation	Shareholding
Mr. D A De Zoysa	Chairman	Nil
Mr. W A T Fernando	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

11.6 Compliance relating to the Public Floating

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

Float adjusted market capitalisation as at 30th June 2026 (Rs.)	2,115,350,354
Public holding percentage	12.35%
Number of public shareholders	8,871

Complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b).