

BUILT BEYOND BOUNDARIES

CAPITAL ALLIANCE PLC
ANNUAL REPORT 2025/26



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Introduction to the Report



We are pleased to present our 5th Annual Report for the period from 1 April 2025 to 31 March 2026, showcasing our commitment to transparency, accountability, and sustainable value creation. This report is prepared in accordance with the principles of Integrated Reporting (IR), providing a comprehensive view of our financial and non-financial performance. By integrating financial results with Environmental, Social, and Governance (ESG) considerations, we aim to demonstrate how our strategy, governance, and business model contribute to long-term value creation for all our stakeholders.

Sustainability remains a key pillar of our operations, and our ESG Reporting highlights our continued efforts to drive environmental responsibility, foster positive social impact, and uphold strong governance practices. Our focus areas include climate action, resource efficiency, social inclusion, ethical business conduct, and regulatory compliance. We align our initiatives with global frameworks such as the United Nations Sustainable Development Goals (SDGs), reinforcing our commitment to building a resilient and responsible organization.

The Annual Report includes the Independent Auditors' Report on the Financial Statements, confirming compliance with all applicable statutory requirements. The Company's Financial Statements were duly certified by the Chief Financial Officer and endorsed for submission to the Board of Directors by the Board Audit Committee. Subsequently, the Board of Directors approved the financial statements on 27th July 2026.

This report outlines our achievements, challenges, and strategic direction for sustainable growth. As we navigate the evolving business landscape, we remain dedicated to balancing profitability with purpose, ensuring that our success benefits our investors, employees, communities, and the environment.

We invite all stakeholders to explore our journey over the past year and our aspirations for the future.

Introduction to the Report

Reporting period and boundary

The report covers the operations of Capital Alliance PLC, hereinafter referred to as the “CALT”. It encompasses the 12-month period from 1 April 2025 to 31 March 2026, aligning with our standard annual reporting cycle. There are no significant changes in the scope or boundaries compared to previous reporting periods. Any reclassified or restated comparative financial information has been disclosed and explained in the relevant sections.

The Company does not have any subsidiaries, associates, joint ventures, overseas operations, or other business entities. Comprehensive details regarding the Company's shareholding structure and operations can be found on Pages 184-186, and 4. Unless explicitly stated otherwise, all discussions of key financial and non-financial aspects pertain solely to the Company.

Reporting Frameworks



Compliance

The presentation of both financial and non-financial information in this report complies with all relevant regulations and guidelines, including those issued by the Central Bank of Sri Lanka, the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, the Inland Revenue Act, No. 24 of 2017, CA Sri Lanka and all Directives issued by the Securities and Exchange Commission of Sri Lanka.

Materiality

At CALT, we adopt a double materiality approach to assess key financial and non-financial factors impacting our business and the broader economic, social, and environmental landscape. This ensures a comprehensive view of our strategic priorities, risks, and opportunities while reinforcing our commitment to responsible investing and sustainable financial practices.

Our assessment focuses on Financial Materiality, which identifies the factors affecting value creation, such as market volatility, regulatory changes, and financial performance and on the Impact Materiality, which evaluates how our investment decisions and operations influence the environment, communities, and society. By integrating both perspectives, we enhance resilience, transparency, and alignment with stakeholder expectations.

Our structured process includes stakeholder engagement, internal assessments, and compliance with global reporting standards to ensure meaningful and transparent disclosures. Further details on our materiality process and key topics can be found in the Material Matters section on pages 43-52 of this report.

Forward-Looking Statements

Prospective strategies are discussed in pertinent sections of the report, reflecting the Company's perspectives and beliefs at the time of its creation. However, considering the Company operates within a dynamic environment where uncertainties or evolving developments may result in deviations from the actual outcomes or actions outlined in these forward-looking statements, readers are cautioned against regarding such statements as a definitive guarantee of results or the course to be followed.

Feedback and Inquiries

The Company welcomes your comments, suggestions, and inquiries on this Report.

Contact Us

Mr. Channa Gunasekera - Chief Financial Officer

Capital Alliance PLC
6th Floor, M2M Veranda Offices, No. 34, W. A. D.
Ramanayake Mawatha, Colombo 02.

(94) 11 2317777 | (94) 11 2317788

channag@cal.lk | www.cal.lk



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your smart device to
view this report online

About Us



Capital Alliance PLC (CALT) began its journey as a Debt Dealer in 2000 and was recognized as an Authorized Primary Dealer by the Central Bank of Sri Lanka in 2003. On 15th December 2021, CALT achieved a significant milestone by being officially listed on the Colombo Stock Exchange (CSE).

Leveraging 25 years of expertise, Capital Alliance Holdings PLC (CAL Group) has established itself as a premier Investment Banking Group in Sri Lanka. CALT operates as a subsidiary of Capital Alliance Holdings PLC (CAL Group).

CALT forms the Government securities trading function of the Group and is acknowledged by the Central Bank of Sri Lanka as one of the five non-bank Primary Dealers in the country. CALT primarily focuses on trading government securities, with its business activities regulated by the Central Bank of Sri Lanka. Its operations are strictly limited to those specified in Schedule III of the Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009, as amended from time to time.

Our Offering

Primary Dealing in Government Securities

- Treasury Bills
- Treasury Bonds

Secondary market trading in Government Securities

- Treasury Bills
- Treasury Bonds
- Repurchase and Reverse Repurchase Agreements on Government Securities

The Vision and Mission statements and Core Values of the CAL Group are articulated as follows:

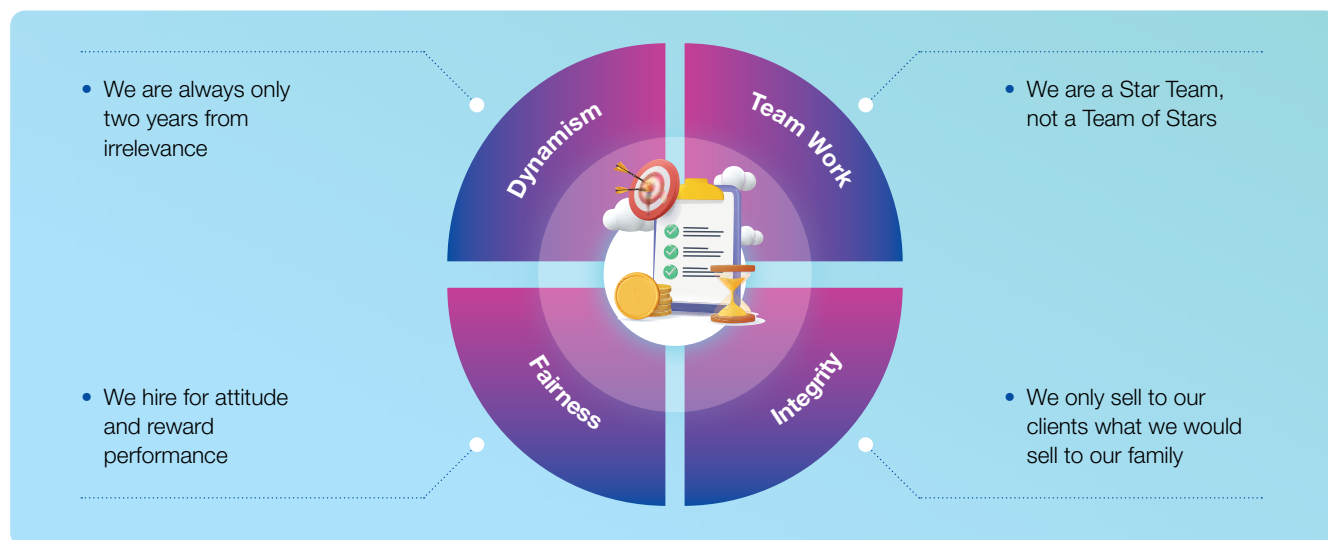
Our Mission

“To foster the development of capital markets as an efficient alternative to fulfil the banking needs of our customers”

Our Vision

“To be the leading capital markets solutions provider in frontier markets”

Core Values



What We Plan to Do in the Next 5 Years

Five-Year Strategic Plan

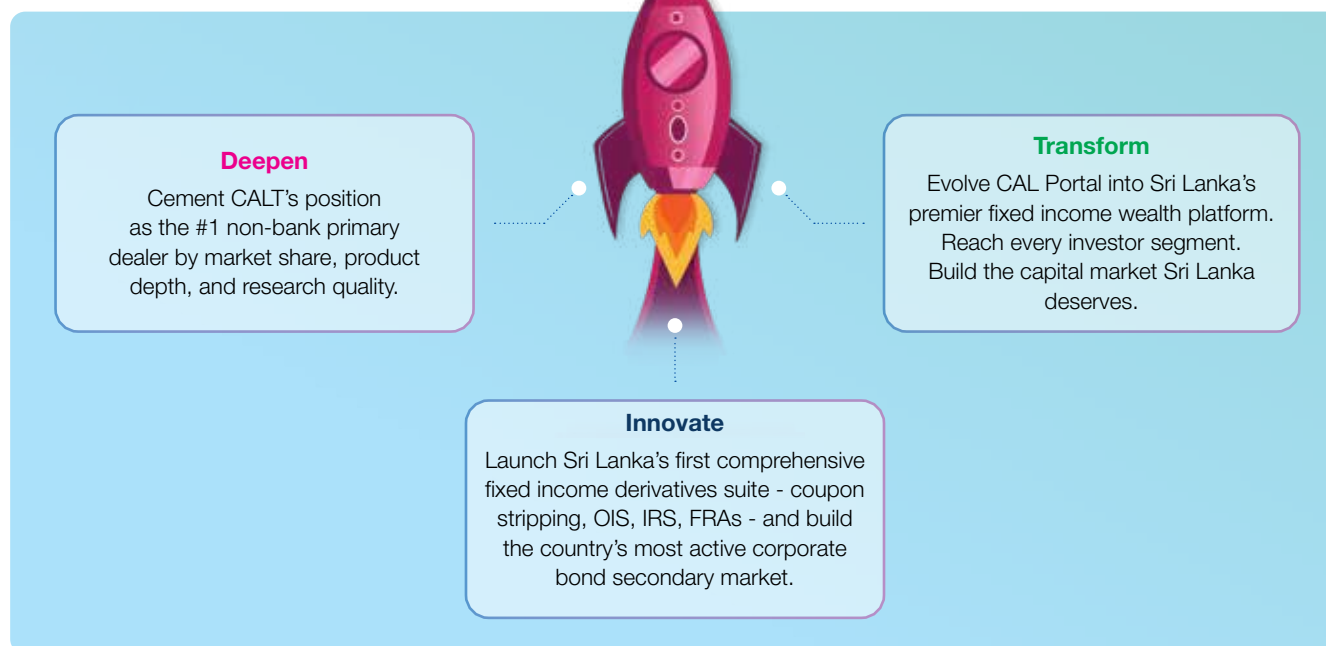
Transforming Sri Lanka's Capital Markets - From Primary Dealer to Full-Spectrum Fixed Income House

CALT enters FY2026/27 at a pivotal moment in both its own evolution and Sri Lanka's economic recovery. With external reserves strengthened, fiscal balances improving, debt restructured, and investor confidence returning, the fixed income market is entering a phase of deeper participation, greater sophistication, and increasing international engagement. This five-year strategic plan has therefore been developed to align CALT's growth trajectory with the country's next stage of financial sector development.

More than a response to current conditions, the plan provides a disciplined roadmap to strengthen market leadership, expand capabilities, diversify revenue streams, and build institutional resilience. Over the next five years, CALT aims to evolve from the country's leading non-bank primary dealer into a comprehensive fixed income institution that not only participates in markets, but also contributes meaningfully to their development, liquidity, and long-term stability.

Strategic Framework

Three Interlocking Ambitions



Capital Deployment Philosophy

Unlike banks, CALT does not deploy capital across lending portfolios. Every resource allocation decision is evaluated through three cross-cutting filters:

Filter	Guiding Discipline
Market Lens	Does this deepen Sri Lanka's sovereign debt market, respond to structural liquidity shifts, or open a product gap that no current market participant fills?
Value Lens	Will this enhance spread integrity, improve ROE, or build a fee-based income stream that reduces CALT's dependence on rate-cycle trading gains?
Execution Lens	Does CALT have - or can it build - the analytical capability, regulatory standing, and client trust to deliver this at scale and with credibility?

What we plan to do in the next 5 years

Five Strategic Pillars

01 Product Innovation

Sri Lanka's fixed income market is at an inflection point - and CALT intends to be the institution that defines what it becomes. The immediate priority is to move beyond plain vanilla government securities into a comprehensive fixed income and derivatives offering: coupon stripping to create zero-coupon instruments that allow institutional investors to precisely match duration; Overnight Index Swaps (OIS) and Interest Rate Swaps (IRS) to position CALT as the first non-bank primary dealer to offer institutional interest rate hedging in Sri Lanka; and Forward Rate Agreements (FRAs) to enable corporate treasuries to hedge future borrowing costs with certainty.

02 Geographic Aggression

Sri Lanka's investable savings base extends well beyond Colombo and the Western Province. A significant proportion of savings is held by individuals and institutions across other regions of the country, many of whom currently have limited access to government securities and relatively low awareness of CALT. Expanding our reach beyond the Western Province presents a significant opportunity to broaden market participation and strengthen CALT's presence nationwide.

CALT will drive targeted regional investor outreach and community-level financial literacy programmes across the country, taking the government securities conversation to investors where they live and work, rather than where it is most convenient for us. This effort will be supported by a digital platform that makes investing in government securities accessible from anywhere in the island. Together, these initiatives will build the retail fixed income investor base that sustains market volumes for years to come.

03 Technology as Competitive Moat

CALT's in-house technology development capability - a structural advantage over peers reliant on third-party systems - will be deployed to build client-facing tools that set the standard for fixed income access in Sri Lanka.

A key development is the integration of TradeX - CALT's secondary market platform - directly into the Portal experience. Through TradeX, clients will gain access to AI-driven portfolio analytics and real-time and end-of-day risk dashboards previously available only to institutional desks, democratising sophisticated

fixed income analysis for all Portal users. Client segmentation and CRM-led engagement will ensure every user receives a proposition calibrated to their financial profile and investment stage.

04 Research as Analytical Engine

CALT's research function is the analytical backbone of everything the Company does. The next five years will see this capability significantly enhanced through technology.

CALT will invest in centralised data infrastructure to consolidate market data, portfolio data, and macroeconomic indicators into a single intelligence layer. Layered on this foundation will be AI and machine learning-assisted forecasting models that deliver more accurate, more comprehensive, and more timely projections of yield curve movements, liquidity conditions, and macro scenarios. The outcome is a research function that does not merely describe the market - it anticipates it. Every trading decision, every portfolio position, and every client recommendation will be grounded in this analytical infrastructure, giving CALT a durable informational edge that competitors cannot easily replicate.

05 Responsible Growth & ESG Integration

Growth at CALT is not pursued at the expense of governance or long-term sustainability. The Company will formalise its ESG framework aligning disclosures with SLFRS S1/S2, and embedding board-level ESG oversight into the governance structure. This is not a compliance exercise; it is a recognition that the institutions best positioned for the decade ahead are those that build trust across all stakeholders - investors, regulators, employees, and the communities they serve.

By the end of the five-year period, the goal is for sustainability considerations to be embedded not as a separate reporting obligation, but as an integral dimension of how CALT evaluates opportunities, manages risk, and creates value - for its clients, its shareholders, and Sri Lanka's capital market ecosystem.

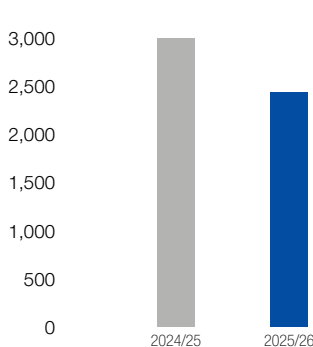
Financial Highlights

INDICATOR		2025/26 Rs.	2024/25 Rs.	Change %
Operating Results:				
Net Interest Income (NII)	Rs.	2,460,377,322	3,032,531,062	-19%
Net Operating Income	Rs.	3,635,604,456	7,570,227,383	-52%
Profit Before Tax (PBT)	Rs.	2,853,484,973	6,371,114,682	-55%
Profit After Tax (PAT)	Rs.	2,000,848,064	4,420,593,984	-55%
Total Comprehensive Income for the year	Rs.	1,996,970,792	4,422,903,455	-55%
Financial Position:				
Assets				
Financial Assets	Rs.	84,125,244,968	105,265,778,989	-20%
Other Assets	Rs.	152,753,374	90,754,749	68%
Total Assets	Rs.	84,277,998,342	105,356,533,738	-20%
Liabilities				
Financial Liabilities	Rs.	72,694,243,497	88,933,301,791	-18%
Other Liabilities	Rs.	461,328,373	2,027,090,123	-77%
Total Liabilities	Rs.	73,155,571,870	90,960,391,914	-20%
Equity	Rs.	11,122,426,472	14,396,141,824	-23%
Statutory Ratios:				
Capital Adequacy Ratio (CAR)	%	20.84%	16.15%	29%
Investor Ratios:				
Basic Earnings per Share (EPS)	Rs.	6.07	13.42	-55%
Diluted Earnings per Share (EPS)	Rs.	6.07	13.42	-55%
Market Price Per Share	Rs.	51.60	54.80	-6%
Market Capitalization	Rs.	16,997,962,814	18,052,100,043	-6%
Net Asset Value Per Share	Rs.	33.76	43.70	-23%
Dividend Per Share	Rs.	16.00	19.50	-18%
Dividend Payout Ratio	%	263.42%	145.31%	81%
Other Ratios:				
Return on Equity (ROE)	%	15.68%	28.71%	-45%
Return on Assets (Before Tax) (ROA)	%	3.01%	7.65%	-61%
Debt to Equity Ratio	Times	6.49	6.10	6%
Interest Yield	%	9.61%	10.84%	-11%
Interest on Borrowings	%	8.14%	9.34%	-13%
Interest Spread	%	1.47%	1.50%	-2%

Financial Highlights

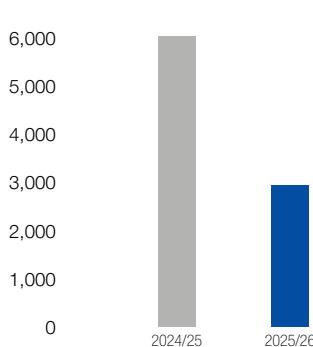
Net Interest Income

Rs. Mn



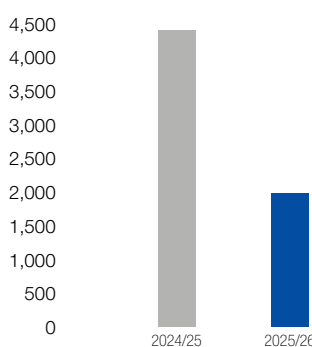
Net Gain from Trading

Rs. Mn



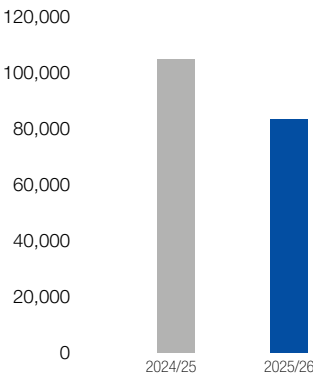
Profit After Tax

Rs. Mn



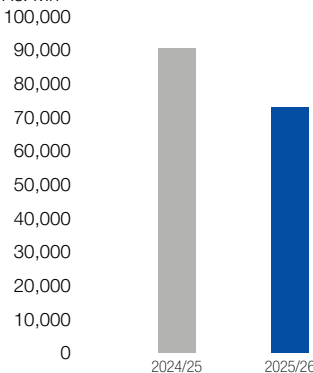
Total Assets

Rs. Mn



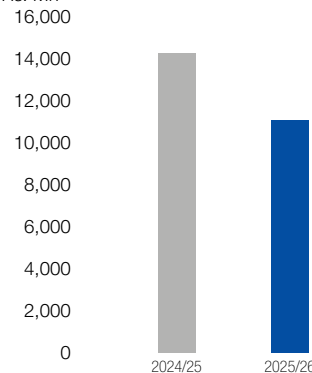
Total Liabilities

Rs. Mn



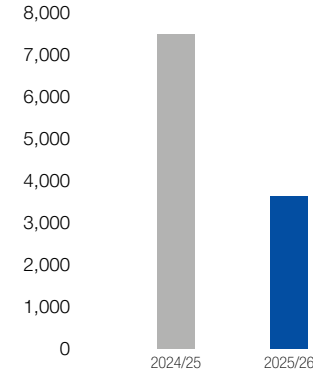
Total Equity

Rs. Mn



Net Operating Income

Rs. Mn

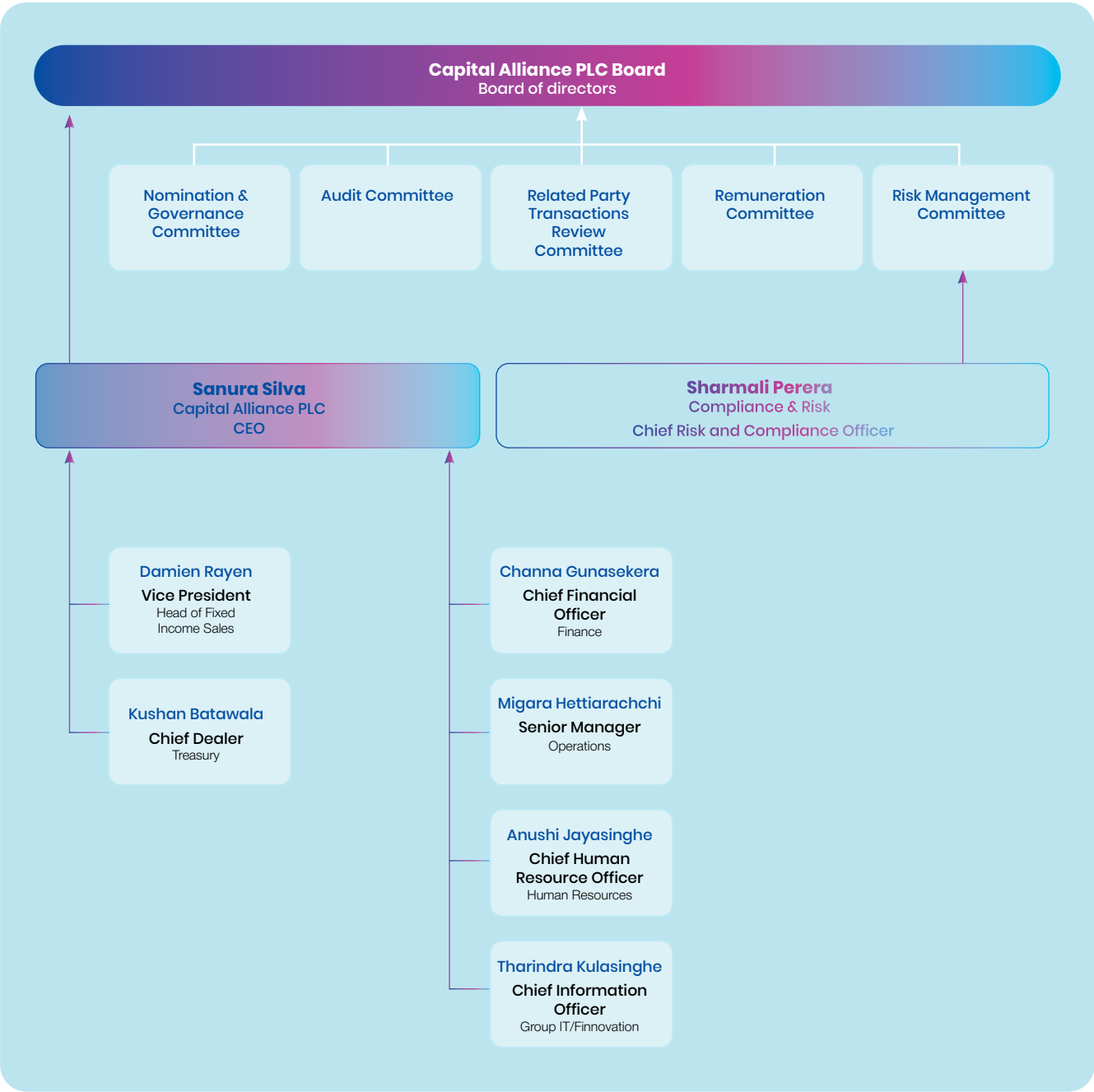


Economic Value Added Statement

Economic value-added statement is provided with the aim of disclosing value creation and value distribution of the Company among its key stakeholders.

	FY 2025/26 LKR '000		FY 2024/25 LKR '000	%
Value Created				
Interest income	8,976,862	88%	8,874,907	66%
Trading and Remeasurement Gains/(losses)	1,195,335	12%	4,541,598	34%
Other operating income	37,498	0%	38,779	0%
Total Direct Economic Value Generated	10,209,695	100%	13,455,284	100%
Value Distributed				
Operating costs	(341,919)	3%	(269,932)	1%
To clients as interest payments	(6,516,484)	48%	(5,842,376)	38%
To employees as salaries wages and other benefits	(216,061)	2%	(554,471)	4%
To the Government as income tax, SSCL and VAT on FS	(1,110,530)	8%	(2,356,662)	15%
To providers of capital as dividend	(5,270,686)	39%	(6,423,649)	42%
To society as Corporate Social Responsibility	(100)	0%	(11,250)	0%
Total Economic Value Distributed	(13,455,780)	100%	(15,458,339)	100%
Net Economic Value Distributed	(3,246,085)		(2,003,055)	

Management Structure



Chairman's Message

Dear Shareholders,

It is my privilege to write to you at the close of what has been, by any measure, an extraordinary year - one in which Sri Lanka's recovery was tested not once but twice by forces well beyond our shores, and one in which CAL, your company, once again proved the value of the principles we have spent nearly a quarter century building.

The Sri Lankan Economy

When I wrote to you a year ago, I spoke of encouraging progress and cautious optimism. I am pleased to report that the progress has held. Our economy grew by 5.0% in 2025, with Agriculture, Industry and Services all contributing meaningfully - a recovery that now feels broad, rather than fragile. The Central Bank reduced the policy rate by 25 basis points to 7.75% in May last year and, with admirable discipline, held it there even as the world around us grew louder. Inflation briefly moved into negative territory before recovering, and is expected to return to the Central Bank's 5% target by the second half of this year.

What gave me the greatest confidence, however, was not any single number but the quiet strengthening of our external position. Our migrant workers sent home a record US\$8 billion last year - an act of collective faith in their country that I believe deserves to be acknowledged far more often than it is. Our current account has now been in surplus for three consecutive years, our reserves have climbed to US\$7 billion, and our fiscal discipline has exceeded what the IMF asked of us. These are not abstractions. They are the buffers that allowed us to absorb the two shocks that followed.

And there were two. In April last year, the United States announced sweeping reciprocal tariffs that rattled global trade and placed our apparel sector in a precarious position almost overnight. Then, in the final weeks of our financial year, conflict erupted in the Middle East and the Strait of Hormuz - through which a fifth of the world's oil passes every day - was effectively closed. Brent crude spiked to levels not seen in a generation. For a country that imports every drop of the fuel it uses, this was a moment that, only a few years ago, would have been genuinely frightening. That it was not this time is, I think, the most important story of the year.

The resilience we have built is not rhetorical; it is structural - and it is what allows us to look ahead with confidence, even in a more uncertain world.

CAL Values

Years like this one remind me why values matter. When markets are calm, anyone can look clever. When the ground shifts beneath you twice in twelve months, what remains is your character. Our values - Integrity, Fairness, Dynamism, and Teamwork - are not words we put on a wall. They are the compass we reach for when

the decisions become genuinely difficult, and I have watched our team reach for them again and again this year.

We have a saying at CAL that many of you will have heard me repeat: "We are only two years away from irrelevance." It is meant to unsettle us, and it does. In a year of tariff shocks and oil spikes, that restlessness - the refusal to rest on what worked last year - is what kept us on the right side of the market. It is also what pushed us to keep investing in research, in technology, and in our people even when the easier course would have been to simply manage the quarter in front of us. I want to thank every member of the CAL team for holding that line.

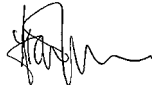
Our mission remains what it has always been - to develop Sri Lanka's capital markets as a genuine alternative to traditional banking, and to lead in the frontier markets we understand best. FY25/26 reaffirmed, for me, that living our values is not aspirational. It is, quite simply, how this company earns its right to exist.

What the Future Holds

Looking ahead, I will not pretend the path is without its bumps. The Iran conflict, if it drags on, will put pressure on our fuel bill, on inflation, and on the pace at which rates can be eased. But I want you to hold two things in your mind at once: that the world has become more uncertain, and that we, as a country, have become more prepared. Both are true.

At CAL, we are using this moment to lean forward. We are exploring new capital market instruments for our institutional and retail clients, building out our in-house technology capability - which I continue to believe is one of our most under-appreciated advantages - and sharpening the research function that underpins every decision we make. If, as we expect, Sri Lanka receives a sovereign credit rating upgrade in the coming months, the opportunity set for our capital markets will widen meaningfully. We intend to be ready when it does.

To our employees - thank you. To our clients - thank you for your trust, which we never take lightly. And to you, our shareholders, thank you for the patience and confidence you continue to place in this company. The road ahead will have its surprises, as this year reminded us. But we will walk it together, and I remain convinced we will walk it well.



Mr. D. A. De Zoysa
Chairman

27 July 2026

Chief Executive Officer's Review

Dear Shareholders,

When I sat down to write to you at this time last year, I had just taken on the role of CEO. I closed that letter by promising that we would move forward with resilience, dynamism, and a unified vision. I did not imagine, at the time, quite how thoroughly the year ahead would test each of those words. FY25/26 was a year in which the global rule-book was torn up twice - first in April last year, when sweeping U.S. reciprocal tariffs upended global trade, and then in the final weeks of our financial year, when war in the Middle East triggered the largest energy supply shock in modern history. Writing to you now, with the benefit of having lived through both, I am proud of how this team responded.

Against that backdrop, I am pleased to share that CAL delivered a bottom-line performance of LKR 2 billion for the year. It is a result that did not come easily. Spreads across fixed income instruments continued to compress as the market normalised, and the two external shocks of the year forced us to revisit positioning, recalibrate risk, and reassure clients on more occasions than I can count. But the result is, I believe, a fair reflection of a team that stayed focused on what matters - serving clients well, making disciplined calls, and refusing to chase what we did not understand.

The domestic backdrop, for most of the year, was genuinely encouraging. The economy grew 5% in 2025, above even the Central Bank's own estimate - and it did so across Agriculture, Industry, and Services, which is the kind of recovery that tends to last. The Central Bank made one calibrated cut to the policy rate, bringing it to 7.75% in May last year, and then held steady with a discipline I think deserves to be called out. Inflation dipped into negative territory early in the year and has since recovered; it is now on track to return to the 5% target by the second half of 2026. And the external numbers - record remittances of US\$8 billion, a third consecutive current account surplus, reserves rebuilt to US\$7 billion - are the clearest evidence I can point to that Sri Lanka is no longer the country it was three years ago.

Inside our market, the story was also one of structural improvement until the closing weeks of the year. The government's deliberate shift toward longer-tenor borrowing - less Treasury bills, more Treasury bonds - created sustained activity along the yield curve and gave primary dealers like ourselves a more meaningful role as intermediaries in the nation's duration strategy. The equity market's strong run, with the ASPI gaining over 41% in calendar 2025, did pull some flows away from fixed income. That is healthy - a deepening capital market is a good thing for everyone, including us - and it is something we have responded to through better advice and closer client engagement rather than by retreating.

There is a point I want to make directly. A stable, normalising market is, paradoxically, the most demanding environment for

an active primary dealer to operate in. When spreads are wide and volatility is high, you can be rewarded simply for showing up with conviction. When spreads compress, every basis point has to be earned - through better research, smarter positioning, and a willingness to build things your competitors are not building. That has been our philosophy this year. CAL Portal continues to expand access to fixed income for retail clients, and behind the scenes we have advanced research-backed work on new fixed income structures, hybrid products, and investment vehicles designed specifically for the needs of both institutional and retail investors in this market. Our in-house technology team remains one of the quietest and most consequential advantages we have.

I want to be honest about the year ahead. The Iran conflict has introduced real complexity for our monetary and fiscal policy path, and for the rate outlook that we, as a primary dealer, must navigate every day. Energy prices, inflation, the pace of easing - all of these are now more uncertain than they were twelve months ago. But here is what I keep coming back to: periods of dislocation are precisely the periods in which deep research and disciplined positioning create the most value. Markets reprice. Yield curves move. Capital reallocates. These are the moments a house like ours is built for, and they are the moments we intend to meet head-on.

As I close this chapter, I want to say thank you. To our Board of Directors, for your guidance and for the questions you ask that make us sharper. To the Central Bank and to our other regulators, for a partnership that has only grown stronger through a difficult year. To our clients, shareholders, and partners - your trust is something we work to earn every morning. And to my colleagues across CAL: you made this year a successful one, and you did it without fuss, without fanfare, and without losing the sense of humour that makes this a place worth coming to work. Thank you.

The pursuit of excellence is an ongoing journey, and FY26/27 will bring its own tests. We are setting our sights on deepening our fixed income capabilities, expanding thoughtfully into new capital market instruments, and continuing to invest in the research function that sits at the heart of everything we do. Sri Lanka's bond market has travelled an extraordinary distance since 2022 - and we intend to help it travel a great deal further. As always, we move forward with resilience, dynamism, and a unified vision. I am looking forward to reporting back to you again next year.



Mr. L. H. S. L. Silva
Chief Executive Officer

27 July 2026

Board of Directors

Mr. D. A. De Zoysa

Chairman - Non-Executive Non-Independent Director

Mr. D. A. De Zoysa has served as a Director since 2003 and currently serves as Chairman of Capital Alliance Holdings PLC and Capital Alliance PLC.

With a career spanning nearly four decades, Mr. De Zoysa brings a strong multi-sector perspective manufacturing and trading, risk and insurance services, travel and hospitality, and human resource advisory. His executive and board roles reflect a consistent focus on governance, risk management, ethics, and the disciplined development of diversified businesses.

He serves as the Managing Director of Associated Electrical Corporation Limited and holds directorships across a range of listed and unlisted entities, contributing to board-level decision-making, institutional strengthening, and long-term value creation.

Beyond his corporate responsibilities, Mr. De Zoysa is actively engaged in education as the Managing Trustee of Musaeus College, Colombo, where he provides leadership towards governance, institutional transformation, and the development of future generations.

Mr. De Zoysa holds a degree in Finance and Information Technology from the University of Technology, Sydney, and a master's in insurance and Sustainable Risk Management from Glasgow Caledonian University, London.

Membership of Board Subcommittees:

Member of Remuneration Committee
Member of Nominations Committee

Other Directorships Held:

Associated Electrical Corporation Ltd, Capital Alliance Holdings PLC, A E C Properties (Pvt) Ltd, Commercial Agencies (Ceylon) (Pvt) Ltd, Ajita De Zoysa and (Company) (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd, Corporate Druids (Pvt) Ltd, Wizard Entertainment (Pvt) Ltd, Aurora Amicitia (Pvt) Ltd, Granite Capital (Pvt) Ltd, SLT Campus (Pvt) Ltd, Park Street Social (Pvt) Ltd, Vivege Designs (Pvt) Ltd, Finco Holdings (Pvt) Ltd and its related entities (Finco Group)

Mr. W. A. T. Fernando

Non-Executive Non-Independent Director

Mr. Fernando has served on the board since founding the Company in October 2000. He has over 35 years of experience in the Primary Dealing industry. Mr. Fernando currently serves as the Chairman of Hemas Holdings PLC, Logicare (Private) Limited and Sri Lanka Technology Campus (Pvt) Ltd. He is a Fellow member of the Chartered Institute of Management Accountants (UK) and holds an MA in Financial Economics from the University of Colombo.

Other Directorships Held:

Ashthi Holdings (Pvt) Ltd, Capital Alliance Holdings PLC, CAL Bangladesh Limited, CAL Investment Consultancy FZ-LLC, CAL Securities Limited, Ceylon Tea Brokers PLC, ADZ Insurance Brokers (Pvt) Ltd, The Metal Factor, Rockland Distilleries (Pvt) Ltd and Hemas Holdings PLC.

Membership of Board Subcommittees:

Member - Remuneration Committee

Mr. C. S. R. S. Anthony

Non-Executive Non-Independent Director

Mr. Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of the Democratic Socialist Republic of Sri Lanka, Notary Public of Colombo, Commissioner for Oaths and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). A Life Member of the Bar Association of Sri Lanka ("BASL").

Membership of Board Subcommittees:

Member of Audit Committee
Member of Related Party Transactions Review Committee
Member of Risk Management Committee

Other Directorships Held:

Capital Alliance Holdings PLC, The Lighthouse Hotel PLC and Companies within Jetwing Group of Companies

Board of Directors

Mr. Deshal de Mel

Non-Executive Independent Director

Mr. Deshal de Mel is an economist with extensive experience in economic policy, corporate strategy, financial markets and international trade. He holds a Bachelor of Arts (Honours) degree in Philosophy, Politics and Economics from the University of Oxford and a Master of Science degree in International Political Economy from the London School of Economics and Political Science.

He commenced his career as a Research Economist at the Institute of Policy Studies of Sri Lanka and subsequently served as a Senior Economist at Hayleys PLC, where he was involved in economic analysis, strategic initiatives and business development. He has also served as an Economic Advisor to the Minister of Finance, Sri Lanka, contributing to policy formulation and economic reform initiatives.

Mr. de Mel has extensive experience in corporate governance and financial markets, having served on the Boards of several leading Sri Lankan companies and as a Commissioner of the Securities and Exchange Commission of Sri Lanka. He has also contributed to trade policy discussions and Sri Lanka's international economic engagements.

He was recognised as a Young Global Leader by the World Economic Forum in 2019 and has been actively engaged in research, policy advocacy and economic commentary on matters relating to Sri Lanka's economy and development.

Membership of Board Subcommittees:

Chairman - Risk Management Committee
Member of Audit Committee

Mr. J. M. Jayasuriya

Non-Executive Independent Director

Mr. Jayasuriya was appointed to the CALT Board on 28th November 2024. He currently serves on the Executive Committee at MAS Capital (Pvt) Ltd - Bodywear, the largest intimate apparel manufacturer in South Asia. In his capacity as Chief Marketing Officer, Mr. Jayasuriya gives leadership to all customer interface functions of MAS Capital (Pvt) Ltd - Bodywear across all global locations. Having served at MAS for over 20 years, Mr. Jayasuriya has played multiple senior management roles, including stints as Business Director and Financial Controller of the organization.

Having completed a MBA with distinction from Manchester Business School, UK Mr. Jayasuriya is an Honors Management Graduate of the University of Colombo whose well-rounded academic record also covers both CIMA & CIM qualifications. In addition, he has received Executive Education at the Harvard Business School and Kellogg School of Management in the US, Indian Institute of Management, Bangalore & Professional Lean Manufacturing training at AOTS-Nagoya, Japan.

Mr. Jayasuriya maintains versatility in his interests, with an active interest in sports administration, having served as the Hon. Treasurer of the Amateur Boxing Association of Sri Lanka, as well as the Manager of the Sri Lankan Boxing Team. He has also worked closely with National Olympic Committee and was appointed as a NOC Ambassador for Sri Lanka at the 15th Asian Games held in Doha, Qatar. Mr. Jayasuriya has also contributed as a lecturer for CIMA and a visiting lecturer at the University of Colombo. In recognition of his all-round achievements, Mr. Jayasuriya was honoured by the Chartered Institute of Management Accountants (CIMA, UK) awarding him the Gold Medal for CIMA Young Star of the Year for 2007.

Membership of Board Subcommittees

Chairman - Audit Committee (w.e.f. 28th November 2024)
Member - Risk Management Committee

Other Directorships Held

MAS Intimates Kenya (EPZ) Ltd
Texo (Pvt) Ltd

Ms. A. I. C. Nandasena*Non-Executive Independent Director*

Date of Appointment: 23 August 2021 Ms. Aloka Nandasena is a Partner of M/s. D. L. & F. De Saram, Attorneys-at Law, and Notaries Public, specialising in corporate and commercial law, banking and finance, and projects and infrastructure. Her diverse work experience, exceeding 10 years, includes three and a half years at the Colombo Stock Exchange (CSE). She has several academic qualifications which include LL. B (Hons), University of London, LL.M (University of Colombo), Attorney-at-law of Supreme Court of Democratic Socialist Republic of Sri Lanka and Notary Public of Colombo.

Membership of Board Subcommittees

Chairperson - Related Party Transactions Review Committee

Chairperson - Remuneration Committee

Member - Nomination and Governance Committee

Member - Risk Management Committee

Member - Audit Committee

Ms. K. A. D. Siriwardene*Non-Executive Independent Director*

Date of Appointment: 23 August 2021

Ms. Siriwardene counts for over two decades of experience in enterprise driven strategy implementation, organisational process excellence and implementation of large-scale IT systems, overseen by corporate governance and practical risk management in delivering client satisfaction across a plethora of industries in corporate and non-profit sectors both in Sri Lanka and overseas.

She holds a MSc in Business Computing from the University of Westminster, London, UK. She is currently the Co-Founder and Director at Advik Consulting, where she handles all facets of management consulting in areas of Strategy Execution, Project Management Office implementation and Business Process excellence.

Previously, she served as a Board Director and Group CEO of Davora Group of Companies, Strategy Implementation Consultant at Stax (Pvt) Ltd, Vice President of Delivery and Governance at Brandix i3 (Pvt) Ltd, Associate Director at Navantis IT (Pvt) Ltd. She is a former part-time lecturer at the University of Westminster London, UK. She is a member of the Women's Chamber of Industry and Commerce, SLASSCOM-Wtech, and Sri Lanka Institute of Directors. As a Rotarian, she was formerly the President of the club and is the current Secretary to the Board.

Membership of Board Subcommittees

Chairperson - Nomination and Governance Committee

Member - Related Party Transactions Review Committee

Member - Audit Committee

Member - Remuneration Committee

Member - Risk Management Committee

Key Executives

Mr. Sanura Silva

Chief Executive Officer

Sanura was appointed as Chief Executive Officer of Capital Alliance PLC on 11th April 2025. Having joined CALT in 2017, he leads the Company's Fixed Income and Equity portfolios and heads the trading team responsible for managing the Fixed Income Portfolio and servicing clients investing in Government Securities. In this role he drives the interest rate view and investment decision-making across Fixed Income and listed Equity to maximise the Company's trading profitability. As a member of the Group's Senior Leadership Team, he contributes to CAL's strategic direction while overseeing the macroeconomic research and analysis that guide the Group's investment decisions.

Sanura also serves as a Director of the Association of Primary Dealers, which plays an active role in the development of Sri Lanka's capital markets.

He holds a Bachelor of Science and a Master of Science from the University of Melbourne, Australia. He is a registered Investment Advisor licensed by the Securities and Exchange Commission of Sri Lanka and has passed CFA Level II.

Mr. Damien Rayen

Vice President - Head of Fixed Income Sales

Damien is the Head of Fixed Income Sales at Capital Alliance PLC. Starting his career in 2016 with CAL, he has been an integral part of CAL's growth story over the last 10 years. He has played a pivotal role in building a strong client base for CAL to invest and trade in government securities. With his macroeconomic analyst and fixed-income trader expertise, Damien has been a key member of the dealing team over the years. He played an instrumental role in introducing CAL Portal, the online trading platform for clients to invest in government securities.

Damien is an associate member of the Chartered Institute of Management Accountants (CIMA UK) & Registered Investment Advisor with the Securities and Exchange Commission of Sri Lanka. He is currently a Level 2 candidate of CFA.

Ms. H. M. S. Perera

Chief Risk & Compliance Officer

Drawing on 24-plus years of experience in the financial services industry, Ms. Perera is a founding member of CALT and has been an integral member since its establishment in 2000.

Reporting directly to the Board Risk Management Committee while being responsible for the effectiveness and compliance aspects of statutory reporting requirements, she has led the implementation of a comprehensive risk framework encompassing company and group-wide risk avenues.

This is of key strategic importance in realising the company's future goals, where new levels of income and market share are measured in line with the risk-reward balance. She started her career at Hatton National Bank in January 1984 where she held the position of Banking Assistant until January 1990. She was Manager - Margin Trading at Seylan Merchant Bank from January 1994 to January 1998 and was Assistant Manager - Treasury at Vanik Incorporation until January 2000.

An Associate Member of the Chartered Institute of Management Accountants (UK), Ms. Perera also serves on the Boards of Capital Alliance Investments Limited, Capital Alliance Securities (Pvt) Limited, Capital Alliance Partners Limited, Finnovation (Pvt) Limited, Ceylon Tea Brokers PLC and Capital Alliance Advisory Services (Pvt) Limited.

Mr. Tharindra Kulasinghe

Chief Information Officer - Company and Group

As CAL leverages information technology to accelerate growth and capitalize on expanding market opportunities both domestically and internationally, Mr. Kulasinghe leads the comprehensive transformation of the company and Group's IT ecosystem. His leadership spans technology infrastructure, fintech solutions, product development, digital transformation, and cybersecurity initiatives. He provides strategic direction for the conception, implementation, management, and support of all technology-driven initiatives across the organization.

Mr. Kulasinghe holds a Master of Engineering in Mechanical Engineering and Business Management, a Bachelor of Engineering in Mechanical Engineering, and PRINCE2 Project Management Professional certification. His distinguished career includes key leadership roles at premier technology firms such as MillenniumIT (now LSEG - London Stock Exchange Group Technology), where he spearheaded the implementation of capital markets systems for organizations including the London Metal Exchange. At Brandix i3 (now Fortude), he played an instrumental role in implementing ERP systems for global organizations across Malaysia and the United States.

With extensive expertise in integrating innovative technologies throughout CAL's operations and business functions, his contributions enable the Company and Group to consistently challenge industry conventions while pioneering new pathways in financial services markets. Mr. Kulasinghe serves as a Board Member for Finnovation (Pvt) Ltd, Fixed Income Investment I (Pvt) Ltd, and Fixed Income Investment II (Pvt) Ltd. Tharindra also currently serves on the Board of Rockland Distilleries Pvt. Ltd as an Independent Non-Executive Director.

Mr. Migara Hettiarachchi

Senior Manager - Operations

Mr. Hettiarachchi has over 16 years of diverse experience with CAL and currently heads the Operations Department of multiple CAL Group Companies dealing in Primary Dealing, Stock Brokering and Asset Management.

He is responsible for back-office functions relating to Government and Corporate Debt Securities, Money Market operations, SWIFT settlements.

He is a Member of Chartered Management Institute - UK (CMI).

Mr. Kushan Batawala

Vice President

Kushan was appointed Vice President of Capital Alliance PLC in April 2026. Having joined CAL in 2022, he is part of the Company's leadership team responsible for trading Government Securities in the primary and secondary markets, forming the Company's interest rate view and driving the funding and liquidity strategy.

He has over 10 years of experience across fixed income, foreign exchange and asset and liability management, having previously served on the Asset and Liability Management and Forex and Money Markets desks of Nations Trust Bank PLC.

He holds a Master of Science in Business Economics from the University of Sri Jayewardenepura and is an Associate Member of the Chartered Institute of Management Accountants, UK (ACMA, CGMA). He also holds a Diploma in Applied Statistics from the Institute of Applied Statistics, Sri Lanka.

Mr. Channa Gunasekera

Chief Financial Officer - Company and Group

Mr. Gunasekera holds a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is a Fellow of CA Sri Lanka and CIMA, UK.

He has over 20 years of C-level experience spanning Banking & Finance, Infrastructure, Manufacturing, Retail, Services and Consultancy. He has previously held the positions of CFO at HSBC-Sri Lanka & Maldives and multiple senior positions in the John Keells Group. He has previously served as a Member of Council of CA Sri Lanka, and brings in a wealth of knowledge and experience into the management team.

Key Executives

Ms. Anushi Jayasinghe

Chief Human Resources Officer - Company and Group

Mrs. Jayasinghe currently serves as the Chief Human Resources Officer at CAL. She is an experienced HR leader with expertise in talent management, employee engagement, and aligning HR with business strategy, who has held leadership roles at Hela Apparel Holdings, Heineken Lanka, and MAS Holdings, leading HR functions across multiple countries.

With an MBA from the University of Colombo and executive training from Stanford and the National University of Singapore (NUS), she brings strategic insight and a commitment to aligning CAL's HR strategies to foster growth and a positive workplace culture.

She is also a Fellow member of the Chartered Institute of Management Accountants (UK) who counts for over 12 years of experience in the areas of management accounting and finance at MAS Holdings prior to her shift to Human Resources.

Risk Management

Overview

In today's dynamic environment, marked by increasing regulatory requirements, changing consumer behaviours, emerging competitors, and innovative technologies, CAL's risk management approach emphasises both individual responsibility and collective oversight. We strengthen this approach through meticulous reporting, ensuring effective monitoring and mitigation of all significant risks within the Group's scope.

At CAL, risk management is a fundamental pillar of our business strategy, ensuring that we remain resilient, compliant, and competitive within Sri Lanka's evolving financial landscape. Our comprehensive risk strategy is aligned with broader corporate objectives and rooted in the Enterprise Risk Management (ERM) policy. It focuses on key risk areas critical to the ongoing success of the Company, including Financial and Earnings Volatility, Regulatory Compliance, Governance, Reputation and Brand, Business Continuity, and Employee Satisfaction.

Enterprise Risk Management (ERM) Framework

The ERM Framework is built on a systematic, four-step process designed to identify, assess, mitigate, and monitor risks effectively across all aspects of the business. This structured approach ensures that risks are proactively managed and fully integrated into our governance and decision-making processes, empowering the Company to navigate uncertainty while pursuing its strategic objectives.

1. Risk Identification

The first step is the identification of risks. Each Business Unit conducts quarterly Risk Control Self-Assessments (RCSAs), which help pinpoint potential risks specific to their operations. This process is vital for recognising both external and internal risks. Identified risks are systematically gathered and reviewed by the Risk and Compliance Unit, ensuring all material risk factors are considered within the Company's risk universe.

2. Risk Validation

Identified risks are submitted to the Executive Committee for validation. This phase involves a thorough review to ensure that all risks are accurately captured, categorised, and aligned with our strategic objectives and governance framework.

3. Risk Normalisation

Ownership and management responsibilities are assigned to specific risks, ensuring that risks are internalised within the organisation with clearly defined accountability. This step empowers business units and departments to take ownership of their risk management duties at the appropriate levels.

4. Risk Presentation

The final step shifts focus to continuous monitoring, reporting, and governance. We maintain a system of regular updates and reporting to the Board and senior management. This ongoing process ensures that risks are actively managed, mitigated, and controlled, providing transparency and governance to support strategic decision-making.

Three Lines of Defence Mechanism

The ERM Framework is operationalised on a day-to-day basis through a robust three lines of defence mechanism, ensuring effective risk management and control across all levels of the organisation.

First Line of Defence

Employees, together with their unit heads, serve as the frontline in risk management. They are responsible for managing risks on a daily basis and ensuring compliance with Board-approved policies, guidelines, and instructions. Business units including the Primary Dealer Unit, IT, Compliance, Operations, Finance, HR & Admin, and Research constitute this line.

Second Line of Defense

The second line comprises the Risk Management Committee and the Risk and Compliance division, providing centralised oversight, monitoring, and support to ensure that risk mitigation strategies are effectively implemented across the organisation.

Third Line of Defence

The Internal Audit function forms the third line, reporting independently to the Board Audit Committee. It conducts assurance activities to evaluate and strengthen the Company's risk management, control, and governance processes and providing objective assurance on risk exposures and practices in place.

Risk Governance

Role of the Board

The Board of Directors holds ultimate accountability for the Company's risk management. The Board has appointed a Risk Committee to oversee the Company's risk and compliance matters, and is responsible for setting risk appetite and tolerance levels, overseeing management's execution of the risk management framework, and fostering a sound risk-aware institutional culture.

Risk Management and Audit Committee

The Risk Management Committee actively monitors risk issues and ensures companies maintain adherence to the risk parameters set by the Board.

Risk Management

Risk and Compliance Unit

The Risk and Compliance Unit (RCU) is a key pillar of the Company's risk management framework, overseeing identification, assessment, and management of risks in alignment with Board-approved policies. As custodians of the Risk Registers, the RCU monitors evolving risks, ensuring proactive mitigation through quarterly reviews with the Executive Committee. Results are reported to the Risk Committee quarterly. Risk management at CAL goes beyond compliance - it is deeply embedded in business strategy, fostering a risk-aware culture amid regulatory shifts, market changes, and technological advancements.

Risk Appetite

The Company's risk appetite defines the level of risk the organisation is willing to accept in pursuit of its strategic objectives, while maintaining financial stability. The Company balances risk and return within regulatory boundaries, managing risks related to market volatility, liquidity, interest rates, and credit exposure. The Central Enterprise Risk Management Division oversees implementation and monitoring, ensuring risk-taking aligns with compliance, resilience, and sustainable profitability.

Risk Strategy

The Company's Risk Strategy emphasises the establishment of structured mechanisms to efficiently recognise risks, leverage potential opportunities, and alleviate any negative impacts. This strategy is enacted by integrating risk management into everyday business activities and embedding it within the strategic decision-making process.

Risk Tolerance

CAL has implemented a comprehensive set of risk management and mitigation policies, demonstrating its commitment to making informed and disciplined trading decisions within the risk management framework established by the Board of Directors, with the primary objective of minimising potential losses and ensuring long-term stakeholder value.

Our Risk Context - FY 2025/2026

The global and domestic risk landscape entering FY 2025/2026 continues to be shaped by persistent structural shifts, monetary policy recalibration, and an increasingly complex geopolitical environment. While the global economy avoided a broad-based recession, growth momentum remains uneven across regions, with advanced economies navigating the lagged effects of multi-year monetary tightening cycles and emerging markets contending with external financing pressures.

A defining feature of the global risk environment in FY 2025/2026 has been the acceleration of trade fragmentation, particularly arising from escalating tariff regimes and the restructuring of global supply chains. The progressive de-globalisation of trade flows

introduce indirect macro risks to Sri Lanka's recovery trajectory, particularly through dampened export demand, reduced tourism inflows, and potential volatility in worker remittances - all of which remain critical pillars of the country's external balance.

Domestically, Sri Lanka's macroeconomic stabilisation continued to consolidate during FY 2025/2026. The completion of the sovereign debt restructuring process and successive credit rating upgrades have meaningfully reduced the sovereign risk premium and improved access to international capital markets.

The accelerating integration of digital technologies into financial markets - including AI-driven analytics, client-facing digital platforms, and automated settlement systems - has simultaneously created operational opportunities and introduced new dimensions of cyber and technology risk. The evolving regulatory landscape continues to demand sustained compliance investment.

Within this environment, CAL maintained a proactive, forward-looking risk management posture - balancing commercial opportunity with disciplined risk controls, and positioning the organisation for sustained stability and growth.

Stress Testing

Stress testing is a core component of CAL's risk management framework and a critical tool for assessing the resilience of the business under adverse but plausible conditions. It is CAL's policy to regularly conduct a range of stress testing scenarios, evaluating potential vulnerabilities across capital, liquidity, and market risk exposures. These exercises test the Company's capacity to absorb shocks and inform actionable contingency planning.

Internal Stress Testing

Internal stress testing is conducted with a broader focus, encompassing both scenario and sensitivity analyses related to interest rate risk and liquidity risk. Internal models assess the effect of stressed market conditions on net capital, after accounting for collateral margins pledged under repurchase agreement borrowing arrangements.

Integration of VaR within the Stress Testing Framework

In addition to scenario and sensitivity analyses, CAL incorporates Value at Risk (VaR) models as part of its broader market risk assessment toolkit. Daily VaR provides an estimate of the potential trading loss over a one-day horizon at a 99% confidence level, supporting daily risk management and informing Board-approved trading limits.

Use of Stress Testing Outcomes

Stress testing outcomes serve both a risk measurement and a strategic function. Results inform the calibration of the Company's risk appetite and tolerance levels, guide corporate strategy and the annual budgeting process, and provide insights into whether the current business strategy remains sustainable under a range of adverse scenarios.

Types of Risks Faced by the Company

Market Risk

Market risk pertains to the possible financial losses resulting from fluctuations in the value of financial instruments due to changes in market variables such as interest rates, exchange rates, equity prices, and commodity prices. Within the domain of market risk, the primary risk encountered by the Company is interest rate risk.

Interest Rate Risk

Interest rate risk encompasses the potential for unexpected fluctuations in interest rates that could materially affect the Company's financial outlook. The Company has established risk thresholds aligned with its Board-approved risk appetite. Continuous monitoring, in-depth research, and statistical modelling form the basis of the interest rate risk management strategy. Risk dashboards are updated daily and presented quarterly to the Board Risk Committee.

Liquidity Risk

Liquidity risk is the risk of non-compliance with payment obligations on time or doing so at excessive cost. A Board-approved trading policy governs the management of liquidity risk, dictating specific limits including VaR, PV01, Modified Duration, single-entity exposure, cut-loss, and maximum holding period. All indicators are monitored daily by the RCU and reported to the Board Risk Committee every quarter. A contingency plan is maintained to safeguard against the possibility of a liquidity shortfall.

Counterparty Risk

The risk of a counterparty failing to honour their side of a transaction presents settlement risk where the Company could be short of security or cash on the settlement date. Senior management sets Counterparty Limits based on Board-recommended guidelines, with emphasis on prudent risk management practices.

Concentration Risk

The Company reduces the risk of losses stemming from excessive concentration in a single type of security through portfolio diversification. Investments within the same maturity bucket do not exceed a predetermined percentage of the maximum portfolio limit. Temporary adjustments to concentration limits require CEO approval, followed by review by the Board.

Operational Risk

Human Resource Risk

Human resource risk emerges from the possible detriment to the Company caused by employees' incapacity to collaborate effectively and fulfil their designated responsibilities. The Company addresses this through a robust Human Capital Development model, cultivating a dynamic work atmosphere that offers employees challenging experiences and meaningful career development.

Business Continuity Risk

Business continuity risk encompasses the potential detriment to the Company stemming from the breakdown of internal systems, including IT infrastructure. The Company addresses this risk through a thoroughly documented Business Continuity Plan (BCP), subject to annual audit, supplemented by regular business impact analyses and risk assessments.

System and Information Risk

System and information risk denotes the potential loss of data and information resulting from external cyber-attacks or internal breaches. The Company allocates resources to advanced information security measures, enforces two-factor authentication protocols, and engages independent third parties annually for vulnerability assessments and penetration testing.

Regulatory and Compliance Risk

Regulatory and compliance risk stems from the possibility of failing to adhere to regulatory obligations. The Company operates under the purview of the CBSL, SEC, and CSE. The RCU ensures continuous monitoring of regulatory updates; quarterly compliance reports are provided to the Board. Any instances of non-compliance are promptly reported to the respective regulator along with proposed corrective actions.

Reputational Risk

Reputational risk refers to the potential damage to the Company's public image, which can impact customers, investors, and other stakeholders. Proactive stakeholder engagement, stringent standards, and ongoing monitoring of service quality parameters are maintained to mitigate this risk effectively.

Strategic Risk

Strategic risk refers to the potential for the Company's actual performance to significantly differ from expected outcomes outlined in its strategy and business plan. The Board of Directors holds quarterly meetings focused on strategy, performance, and integrated risk management. The Management Committee and Board meetings also focus on evaluating the effectiveness of strategy execution and discussing corrective measures.

Risk Management Matrix

Risk Management Matrix - FY 2025/2026

The following matrix sets out the Company's key risks, their assessed impact and likelihood, year-on-year rating comparisons, and the corresponding management responses.

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating FY 2025/26	Risk Rating FY 2024/25	CAL Response
1	Macroeconomic Risk	Dollar shortage & required remedial fiscal measures	External Environment	Potential catastrophic impacts to macro-economic fundamentals including rapid rise in interest rates, currency depreciation, and pressure on the banking system	Medium	Medium	Continually forecast and assess the likelihood of occurrence; forecast granular details of how macro factors will play out and implement best possible mitigation processes
2	Market Risk	Interest Rate Risk	External Environment	Negative impact on profitability due to unfavourable changes in interest rates	High	Ultra-High	Manage portfolios; interest rate forecasts; data modelling and review of market trends; stop loss limits
3		Equity Price Risk	External Environment	Negative impact on profitability due to unfavourable changes in share prices	Medium	Medium	Manage portfolios; review of market trends; risk exposure limits; stop loss limits
4		Foreign Exchange Risk	External Environment	Loss of profits and increase in budgeted expenses	Medium	Medium	Planning and control of all payments in foreign currency
5	Credit Risk	Credit Risk in Investments - Default Risk	External Environment	Loss of reputation and brand image resulting in loss of profits	Medium	Medium	Due diligence; continuous monitoring; restructuring liabilities; relationship management
6		Counterparty Risk	Business Process	Delays in settlement; defaults could lead to loss of business and profits	Medium	Medium	Comprehensive evaluation of issuers
7		Management of Debtors	Business Process	Loss of revenue / loss of business relationships with clients	Medium	Medium	Monitoring debtors and approximate probable loss limits; providing accurate and timely information to all debtors
8	Liquidity Risk	Liquidity Risk	Business Strategies and Policies	Inability to make payments due to mismatches in investments; reputational risk if unable to wind down positions	Medium	Medium	Monitoring liquidity requirements; contingency funding lines; monitoring of repo borrowings including maturity profiles; effective treasury management
9	Operational Risk	Conflict of Interest	Business Process	Brand reputation and possible legal implications	Low	Low	Ensure independence between the different strategic business units

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating FY 2025/26	Risk Rating FY 2024/25	CAL Response
10	Operational Risk	Cyber Security	Technology and Data	Loss of data and reputation	Medium	Medium	Continuous training on cyber security risks; conducting vulnerability assessments and audits; continuously monitoring antivirus protections
11	Operational Risk	Stability of Core Systems and Automation	Business Process	Disruption to business activities	High	High	Continuous monitoring of systems and connectivity; establishing system documentation; ongoing automation to eliminate manual processes
12	Operational Risk	Overall Succession Planning Framework	Organisation and People	Disruption to smooth transitioning of key roles within the Company	Medium	Medium	Establishing a framework for succession planning based on competencies and skills across all levels
13	Operational Risk	Staff Attrition	Organisation and People	Disruption to continuity of smooth business operations	Medium	Medium	Focus on human resource development activities; monitor staff turnover; SOPs in place for new staff; efficient staff hiring processes
14	Operational Risk	Ad-hoc Changes in Tax Structure	Business Process	Loss of profitability; inability to meet budgeted profits for the Company	Medium	Medium	Effective tax planning strategies; continuous communication with external consultants for tax advisory services
15	Operational Risk	Regulatory Risk	Business Process	Failure to adhere to laws, regulations, and directives issued by CBSL, CSE, SEC, IRD, and other governing bodies; revocation of licenses and imposition of penalties	Medium	Medium	Thorough and efficient monitoring of regulations set forth by all regulatory bodies

Annual Report of the Board of Directors

The Board of Directors of Capital Alliance PLC is pleased to present the Annual Report and the Audited Financial Statements for the financial year ended 31st March 2026, as approved on 27th July 2026.

Review of Business

During the year under review, the Company recorded a Net Operating Income of LKR 3,636 Mn, compared to LKR 7,570 Mn in the previous year.

The Company concluded the financial year ended 31st March 2026 with a post-tax profit of LKR 2,001 Mn, a significant decline from the post-tax profit of LKR 4,421 Mn reported in the previous year. The decrease in profitability mainly attributable to the reduction in trading gains.

Future Developments

The Chairman's Message (Page 11), Chief Executive Officer's Review (Page 12), and the Operating Landscape (Page 28-33) provide an overview of the Company's future developments.

Principal Activities

The main activity of the Company is operating as a Primary Dealer in Government Securities.

Legal Status

Capital Alliance PLC was incorporated on 10th August 2000 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 and it was listed on Colombo Stock Exchange (CSE) on 15th December 2021 and thereafter the Company's shares have been traded.

Financial Results

The Company achieved a post-tax profit of LKR 2,001 Mn, compared to a net profit after tax of LKR 4,421 Mn in the FY 2024/25.

A summary of the financial results for the year is set out below.

	2026 LKR Mn	2025 LKR Mn
Net Operating Income	3,636	7,570
Profit Before Tax	2,853	6,371
Profit After Tax	2,001	4,421
Total Comprehensive Income	1,997	4,423

The Financial Statements of the Company are set out on Pages 136 to 184 of the Annual Report.

Board of Directors

Directorate

The following were the Directors of the Company as at 31st March 2026.

Mr. D. A. De Zoysa *Chairman (Non-Executive Non-Independent Director)*

Mr. W. A. T. Fernando (Non-Executive Non-Independent Director)

Mr. C. S. R. S. Anthony (Non-Executive Non-Independent Director)

Ms. A. I. C. Nandasena (Non-Executive Independent Director)

Ms. K. A. D. Siriwardene (Non-Executive Independent Director)

Mr. J. M. Jayasuriya (Non-Executive Independent Director)

Mr. W. D. P. De Mel (Non-Executive Independent Director)- (Appointed w.e.f. 04th September 2025)

The profiles of the Directors are given on Pages 13 to 15 of the Annual Report.

Interest in Shares

The shareholdings of Directors were as listed below.

Name	Designation	Shareholding	
		31- Mar-2026	31- Mar-2025
Mr. W. A. T. Fernando	Director/ CEO *	Nil	Nil
Mr. D. A. De Zoysa	Director/ Chairman	Nil	Nil
Mr. C. S. R. S. Anthony	Director	2,600	2,600
Ms. A. I. C. Nandasena	Director	Nil	Nil
Mr. R. J. Arasaratnam**	Director	N/A	3,312
Ms. K. A. D. Siriwardene	Director	Nil	Nil
Mr. J. M. Jayasuriya	Director	Nil	Nil
Mr. W. D. P. De Mel***	Director	Nil	N/A

* On 11th April 2025, Mr. W. A. T. Fernando had stepped down as Chief Executive Officer and continues to serve on the board of directors as a Non-Independent, Non-Executive Director.

** Mr. R. J. Arasaratnam resigned from the Board of Directors with effect from 17th November 2025.

*** Mr. W. D. P. De Mel was appointed to the Board of Directors with effect from 4th September 2025.

Other Directorship/ Significant Positions of Directors

Information on other directorships and significant positions held by the current Directors of the Company is available on pages 13 to 15.

Related Party Transactions

Related party transactions were disclosed during Directors' meetings and are detailed in Note 28 of the financial statements. The Directors confirm that the Company complied with Section 9 of the Colombo Stock Exchange (CSE) Listing Rules concerning related party transactions for the financial year 2025/26.

Directors' Interests

In compliance with the Companies Act, No. 7 of 2007, the Company upheld an Interests Register throughout the reviewed period. All Directors have duly made declarations as stipulated in Section 192(2) of the aforementioned Companies Act. The Interest Register is accessible for inspection as mandated by the Companies Act.

The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director. The transactions with entities where a Director of the Company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note 28 to the Financial Statements.

Remuneration and Fees

Details of Directors' remuneration and fees are set out in Note 28.3 to the financial statements. All fees and remuneration have been duly approved by the Board of Directors of the Company.

Risk Management and Internal Control

The Board of Directors has ensured that an effective and comprehensive system of internal controls is in place to monitor, control, and manage the risks faced by the Company. This system enables the Company to conduct its business in an orderly manner, safeguard its assets, and ensure the reliability and accuracy of its records.

Exposure to Risk

The Company's risk exposure had been disclosed in Note 31 to the financial statements.

Annual Report of the Board of Directors

Corporate Governance

The Directors recognize their responsibility for the Company's corporate governance and internal control systems, ensuring accountability to shareholders by providing strategic direction and safeguarding the Company's assets. The Board is satisfied with the effectiveness of the internal control system as of the date of signing the financial statements. Details on compliance with recommended corporate governance practices can be found on pages 87 to 109 of the Annual Report.

The Company's performance is continuously monitored through review meetings to ensure alignment with established targets. Additionally, regular Board meetings enhance this oversight, reinforcing the review process and ensuring compliance with all statutory and regulatory requirements.

Dividend

For the financial year 2025/26, the Company distributed dividends totaling LKR 5,271 Mn under review out of the profits of the Company.

Donations

The donations made by the company are disclosed under Note 10 to the Financial Statements.

Significant Accounting Policies

The accounting policies applied in preparing the financial statements are outlined on pages 140 to 150. There were no changes in the Company's accounting policies during the year under review.

Going Concern

The Board of Directors has assessed the Company's business plans and is confident that it has sufficient resources to sustain operations in the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

Capital Expenditure

Details of equipment and their movements during the year are given in Note 20 to the financial statements.

Reserves

The movements in reserves during the financial year 2025/26 have been presented in the statement of Changes in Equity on Page 138 of the Annual Report.

Income Tax Expenses

Income tax expenses have been computed in accordance with the provision of the Inland Revenue Act, No. 24 of 2017 and subsequent Amendment Act No. 14 of 2023 as disclosed in Note 11 to the financial statements.

Stated Capital

The stated capital of the Company as at 31st March 2026 was LKR 723,348,421 consisting of 329,417,884 ordinary shares. (2025 - 329,417,884 ordinary shares - LKR 723,348,421).

Share Information and Substantial Shareholders

Details required by the CSE Listing Rules, including the distribution of shareholding with respective percentages, the top 20 major shareholders, public holding and ratios, and market price information, are stated under Investor information on Page 184-186 of the Annual Report.

Statutory Payments and Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and employees have been made on time, and that the Company has not engaged in any activities that violate laws and regulations.

Equal Opportunities

The Company is committed to providing equal opportunities to all employees irrespective of their gender, marital status, age, religion, race, or disability. It is the Company's policy to give full and fair consideration to persons, with respect to applications for employment, continued employment, training, career development and promotion, having regard for each individual's particular aptitudes and abilities.

Events Occurring After the Reporting Date

There were no material events after the financial reporting period which require an adjustment to or a disclosure in the financial statements and refer the Note 30 to the financial statements.

ESG Risks and Opportunities

The Company's business operations may have both direct and indirect environmental impacts. Our policy is to carry out these activities in an environmentally responsible manner, minimizing negative effects and ensuring compliance with all relevant regulations.

Environment Protection

The Company has not engaged in any activities, which have caused detriment to the environment or activities they have carried out on environment protection.

Appointment of Auditors

A resolution for the re-appointment of the Messrs KPMG, Chartered Accountants, as auditors of the company for the year 2026/27 will be proposed at the Annual General Meeting. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor), with the Company providing audit and tax services.

Auditors' Remuneration

The Auditors' fees and expenses paid for the statutory audit and non-audit services are disclosed under the Note 10 in the Financial statements.

Auditor's Right to Information

Every individual serving as a Director of the Company at the time of this report's approval affirms that, to the best of their knowledge, there is no pertinent audit information that the Company's Auditors are unaware of.

Each Director has fulfilled their responsibilities by taking all necessary measures to become acquainted with any pertinent audit information and to ensure that the Company's Auditors are aware of that information.

Outstanding Litigation

There were no material litigations or claims that could have material impact to the financial position of the company.

Contingency Liabilities

The material contingent liabilities are disclosed in Note 29 in the Financial statements.

Annual General Meeting

The Annual General Meeting of the Company is scheduled for the 24th September 2026. The notice calling for the Meeting and the agenda can be found on Page 196 of the Annual Report.

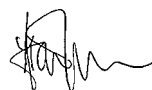
Acknowledgement of the Content of the Report

In accordance with Section 168 (1) (k) of the Companies Act, No. 7 of 2007, this Report is signed on behalf of the Board of Directors by two Directors and the Company Secretaries, as authorized by the Board Resolution passed on 27 July 2026, after acknowledging the contents of this Annual Report.

This Annual Report is signed for and on behalf of the Board.



Mr. W. A. T. Fernando
Director



Mr. D. A. De Zoysa
Chairman



S. S. P. Corporate Services (Private) Limited
Company Secretaries

27 July 2026

Management Discussion and Analysis

Operating Landscape

Global Economic Environment

An Economy Tested - Twice

FY25/26 unfolded as a tale of two halves. The world entered the year having already absorbed the first wave of disruption - sweeping U.S. reciprocal tariffs that upended global trade flows. Then, in the final months of the financial year, a second and far larger shock arrived: the outbreak of war in the Middle East. Between these two events, the global economy demonstrated resilience. By the end of the year, it was being tested in ways not seen since the 2022 energy crisis.

The Tariff Shock - and the World's Response

The year opened with the announcement, on 2 April 2025, of sweeping U.S. reciprocal tariffs: a baseline 10% rate on all trading partners, with country-specific surcharges reaching 34% on China and 20% on the European Union. The immediate market reaction was sharp - global equities fell, supply chain uncertainty surged, and growth forecasts were revised downward almost universally. The IMF's April 2025 WEO had projected global growth at 3.3% for 2026; by the July 2025 update, it revised this to 3.0% for 2025 amid trade-related drag. As some tariff rates were subsequently moderated and businesses adapted, the January 2026 WEO recovered the baseline to 3.3% for 2026 and 3.2% for 2027 - a level still below pre-pandemic averages of 3.7%, but evidence of an economy absorbing an external shock without breaking.

Different economies absorbed the tariff shock differently. China, the primary target, saw its growth cushioned by domestic stimulus, with its 2026 forecast revised to 4.4% as lower effective tariff rates and policy support offset trade headwinds. India, largely insulated, maintained its position as the world's fastest-growing major economy at 6.5% for both 2026 and 2027. Advanced economies showed greater fragility: U.S. growth was placed at 2.0% for 2025, the Eurozone at 1.4%, and the UK - burdened by its own structural challenges - at a modest 0.8% for 2026. Central banks, navigating between slowing growth and sticky inflation, broadly continued their easing cycles: the U.S. Federal Reserve cut to a target range of 3.50%-3.75% by December 2025, the ECB held its deposit rate at 2.00%, and the Bank of England held at 3.75%.

Then Came the War

On 28 February 2026, in the final weeks of our financial year, joint U.S.-Israeli military strikes on Iran changed the calculus entirely. The closure of the Strait of Hormuz triggered the largest energy supply disruption in modern history. Brent crude surged from approximately US\$70 per barrel before the strikes to a peak of US\$126 per barrel. The IEA coordinated the largest-ever emergency stock release of 400 million barrels from 32 economies - yet prices held above US\$100 as the near-blocked off approximately 15 million barrels of crude and 5 million barrels of oil products from global markets every single day.

The IMF's April 2026 World Economic Outlook - published in the shadow of the war - revised 2026 global growth downward to 3.1%, compared to the 3.3% that would have prevailed absent the conflict. Inflation, which had been on a steady downward path, is now projected to tick upward in 2026 before resuming its decline in 2027. In a severe scenario modelled by the IMF - where disruptions are prolonged - global growth could fall to as low as 1.8%, approaching the recessionary threshold of 2.0% seen only four times since 1980.

Emerging and Frontier Markets: Unequal Exposure

The war's impact, like most global shocks, is felt most acutely where buffers are thinnest. Energy-importing emerging and developing economies face the sharpest squeeze with higher fuel and fertilizer costs, rising inflation, tighter financial conditions, and reduced room for monetary easing. The IMF estimates that growth in emerging markets excluding China could be reduced by 1.3 percentage points in 2026 under the adverse scenario - nearly twice the decline projected for advanced economies. Commodity exporters benefit from higher prices; for most developing economies, however, the mathematics of an oil shock are simply unfavorable.

India, with its scale and partly insulated energy mix, remains relatively resilient. Turkey - a significant energy importer - saw its 2026 forecast cut by 0.8 percentage points to 3.4%. Egypt, similarly, exposed, was downgraded to 4.2% for 2026. In frontier markets, the combination of higher fuel import bills, rising food prices, and elevated shipping costs create genuine vulnerability - particularly for countries that entered this period with weak fiscal positions or limited reserves.

Global Fixed Income: The Rate Outlook Rewritten

For global fixed income markets, the war has introduced the most difficult policy environment for central banks since 2022: a simultaneous growth slowdown and inflationary impulse - the conditions classically associated with stagflation risk. J.P. Morgan Asset Management's Q2 2026 Fixed Income Views noted that the Federal Reserve has indicated it will keep monetary policy on hold until the conflict's impact on price stability and employment is better understood. The ECB and Bank of England - both with a singular mandate of price stability - signaled their next move could be a hike rather than a cut, if energy prices remain elevated. European sovereign bond yields surged in the immediate post-strike period: UK 2-year Gilt yields jumped 39 basis points in a single session.

J.P. Morgan expects the 10-year U.S. Treasury to hold in the 3.75%-4.25% range while the Fed remains on hold, with better risk-reward at the front end of the curve. Alliance Bernstein, writing before the conflict, had correctly identified the conditions for a constructive fixed income year - slower growth, easing inflation, lower rates - noting that 2026 would be a year where

Management Discussion and Analysis

“there’s a lot of factors working in favour of fixed income” but requiring flexibility. That flexibility is now being tested. Goldman Sachs had similarly flagged curve steepening as a major source of opportunity; the war has intensified that dynamic, as short-end yields reprice upward on inflation fears while long-end rates face competing pressure from growth concerns.

The medium-term case for fixed income, however, remains intact. If the conflict is contained in duration and scope - the IMF’s reference forecast assumption - energy prices should normalise, central banks will retain space to ease, and bond yields will trend lower. Emerging market fixed income, in particular, remains a compelling space for selective investors: many EM central banks raised rates early, inflation is declining, and real yields are high by historical standards. For a primary dealer operating in a recovering sovereign market, that global backdrop offers both caution and genuine opportunity.

Sri Lankan Socio/Economic/Industry Environment

A Recovery That Held

Sri Lanka’s story in FY25/26 is one of hard-won stability meeting new tests - and holding. The economy that had contracted by a cumulative 9.5% between 2021 and 2023 grew by 5.0% in 2025 (CBSL, March 2026 Monetary Policy Review), with Q4 2025 recording 4.8% year-on-year growth - a broad-based expansion across Agriculture (+2.1%), Industry (+7.3%), and Services (+3.1%). While this showed a quarter-on-quarter contraction due to cyclone Ditwah which struck in late 2025, killed 635 people, and affected approximately 10% of the population - moderating fourth-quarter activity, the full year GDP value clocked in higher than the Central Bank’s 2025 estimate of 4.5%. This confirmed the ADB’s April 2026 Development Outlook statement which noted that “Sri Lanka’s economic recovery remained resilient in 2025, supported by broad-based growth, subdued inflation, and improving financial conditions.”

Inflation, Deflation, and Recovery

Inflation’s path during the year was one of the most striking features of the domestic economy. A 20% electricity tariff reduction in January 2025, combined with falling global oil prices feeding into domestic fuel costs, pushed headline CCPI inflation to -3.6% in Q1 2025 and the CBSL formally acknowledged a deviation from its 5% target. However, by H2 2025, inflation recovered to -0.3% in July, 1.2% in August, 2.1% by December. The direction is clear, and CBSL projects inflation returning to target by H2 2026. The CBSL made one calibrated monetary policy adjustment: a 25 basis point OPR cut bringing the OPR to 7.75% on 22 May 2025.

The External Sector: Three Years of Rebuilding, One Year of Proof

The external Sector performance of Sri Lanka for FY25/26 was impeccable. Workers’ remittances reached a record US\$8.0 billion in 2025, a 22.8% increase from 2024. The current account recorded a full-year surplus of US\$1.7 billion in 2025, recording a surplus for the third consecutive year driven by remittances and services exports. Gross official reserves rose from US\$6.3 billion at end April 2025 to US\$7.0 billion by end March 2026. The momentum continued into 2026: the current account recorded a cumulative surplus of US\$487 million in January-February 2026 alone, with remittances growing 26.5% year-on-year in the first three months of the year.

External Sector Indicator	2024	2025
Workers’ Remittances	US\$6.5 Bn	US\$8.0 Bn
Current Account Balance	US\$1.2Bn Surplus	US\$1.7 Bn Surplus
Gross Official Reserves	~US\$6.1 Bn	US\$7.0 Bn (Mar 2026)

The pressure on the Sri Lanka rupee remained remarkably contained. The rupee depreciated 5.6% against the U.S. dollar in 2025, well within the range consistent with the IMF’s flexible exchange rate framework. By 2026, the rupee had depreciated a further 3.2% year-to-date, a reflection of the broader external shock resulting from the war in the Middle East.

Fiscal Consolidation: The Numbers That Matter

Sri Lanka’s fiscal performance has been the bedrock of its recovery. The primary surplus reached 5.4% of GDP in 2025 - more than double the IMF EFF target of 2.3% - driven by VAT reform and revenue mobilisation (World Bank Sri Lanka Development Update, April 2025). The 2026 Budget maintained this discipline, targeting a primary surplus of not less than 2.3% of GDP, an overall fiscal deficit of approximately 5.1% of GDP, and a revenue-to-GDP ratio above 15.3%. Public debt, which peaked at 119.2% of GDP at end-2022, had declined to an estimated 101.1% of GDP by end-2025.

The IMF EFF program remained on track. The Fourth Review was completed on 1 July 2025, releasing approximately US\$350 million and bringing total disbursements to approximately US\$1.74 billion. A staff-level agreement on the Fifth Review was reached in October 2025. Bilateral debt restructuring reached completion with Japan (US\$2.5 billion, March 2025) and the Export-Import Bank of India (US\$931 million, May 2025). The banking system’s liquidity buffer - averaging over LKR 130 billion in surplus throughout the year - provided an additional domestic shock absorber.

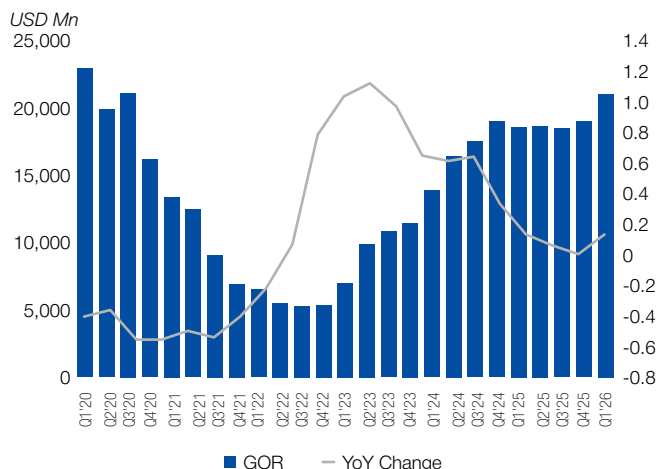
Management Discussion and Analysis

How Sri Lanka Absorbed the External Shocks

FY25/26 brought two external shocks in quick succession. The U.S. reciprocal tariff announcement in April 2025 initially set a 44% rate on Sri Lankan goods - later moderated to 20% - posing a direct challenge to the apparel sector that accounts for a significant share of foreign exchange earnings. The reserve buffer held. Remittance inflows remained strong. IMF program credibility kept investor confidence anchored. The recovery trajectory stayed intact.

Then came the Iran war. For Sri Lanka as a net energy importer, the implications are real: a higher fuel import bill, upward pressure on inflation, and added complexity for CBSL's policy path. But this is a country that now has US\$ 7 billion in gross reserves, a current account in surplus for three consecutive years, a primary surplus exceeding IMF targets, and a credible institutional framework. The resilience is not rhetorical - it is structural.

CBSL Gross Official Reserves and Y-o-Y Change

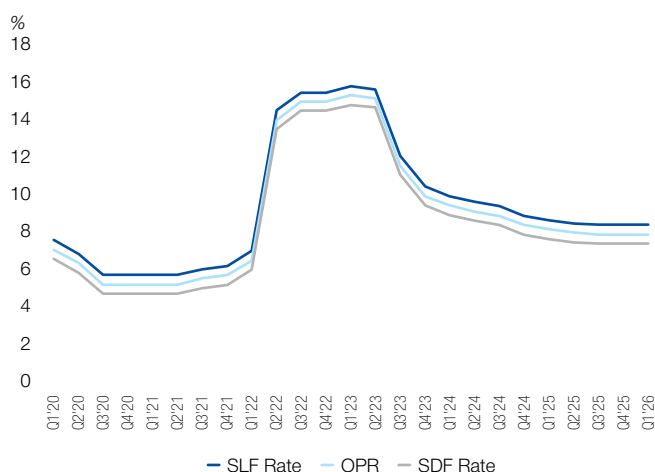


Primary Dealer Context

The Market That CAL Operates In

For a primary dealer, the quality of the operating environment is defined by the health of the government securities market. On that measure, FY25/26 was a year of structural improvement punctuated by late-year volatility. Government securities yields trended lower across the curve, reflecting easing monetary conditions and improving sovereign risk perception - before the Iran conflict introduced new uncertainty in the final weeks.

CBSL Policy Rate Corridor-SLF, OPR & SDF



Rate Indicator	April 2025 (Open)	High	Low	March 2026 (Close)	FY Average
1-Year T-Bill Rate	8.22%	8.40%	7.91%	8.16%	8.07%
5-Year T-Bond Rate	10.40%	10.71%	9.51%	9.80%	9.81%

The government's deliberate shift toward longer-tenor borrowing - Treasury bill outstandings declined from LKR 4.10 trillion to LKR 3.14 trillion while Treasury bond outstandings rose from LKR 14.60 trillion to LKR 15.57 trillion (March 2025 to December 2025) created sustained activity along the yield curve and reinforced the role of primary dealers as critical intermediaries in the duration-extension strategy. Banking system liquidity averaged LKR 154.6 billion in H1 2025 and LKR 119.2 billion in H2 2025, peaking at LKR 412.9 billion by 6 March 2026, providing a continuously well-funded demand base for government securities and directly supporting secondary market activity.

The equity market's strong performance - the ASPI gained 41.7% in calendar year 2025, reaching an all-time high of 19,923 in August 2025 before extending to 23,957 by late January 2026 - created some reallocation of investor flows from fixed income to equities. This is a healthy development for Sri Lanka's capital market overall, and one that skilled primary dealers navigate through deepened client advisory rather than retreating from the fixed income proposition.

CAL's Position and Competitive Approach

Within Sri Lanka's standalone primary dealer segment, CAL maintains a leading position - earned not through scale alone, but through the quality of its research, the depth of its client relationships, and the consistency of its market judgement. In a market where all primary dealers have access to the same instruments and the same yield curve, what differentiates is the ability to read that curve more accurately, position portfolios more intelligently, and serve clients with greater insight.

That differentiation is grounded in CAL's research function. Every portfolio decision, every client engagement, every product innovation is preceded by rigorous analysis. The Company does not operate on market intuition or reactive positioning - it operates on evidence, modelled scenarios, and a disciplined investment process that has consistently placed it on the right side of Sri Lanka's market cycles. In a stable market, this approach demands creativity to generate superior returns. In a volatile one, it provides discipline to avoid costly mistakes.

Innovation: Products, Processes, and Technology

Stability, paradoxically, demands innovation. When market conditions are orderly and yields are compressing, the obligation to create value for clients and shareholders requires moving beyond the familiar. CAL is actively exploring new forms of capital market instruments - fixed income structures, hybrid products, and investment vehicles designed to serve the evolving needs of both institutional and retail investors while providing resilience against external shocks. These are not exploratory conversations; they are research-backed strategic initiatives grounded in a clear understanding of client needs and regulatory feasibility.

Process innovation is equally central to CAL's competitive approach. The Company maintains its own internal technology development capability - a genuine differentiator in a market where most firms rely on third-party systems. This means faster iteration, tighter integration between research and execution, and the ability to build client-facing tools that are specific to the nuances of Sri Lanka's fixed income market. Technology is not a supporting function at CAL; it is a source of competitive advantage that underpins every client's interaction.

None of these decisions are made on an ad-hoc basis. The Company's experienced research team ensures that every strategic initiative is grounded in analysis, stress-tested against multiple scenarios, and aligned with the long-term interests of its stakeholders. This research-first culture is why CAL has consistently been on the right side of market turns - and why it approaches the current period of global uncertainty not with apprehension, but with the confidence that comes from preparation.

Management Discussion and Analysis

Risk Management

In FY25/26, CAL continued to prioritise prudent risk management amidst a uniquely challenging operating environment - one shaped by global trade disruptions, a natural disaster, and a late-year geopolitical shock that reordered energy markets worldwide. The Company fully complied with all relevant regulations, guidelines, and directives issued by the Central Bank of Sri Lanka (CBSL), reinforcing its commitment to regulatory excellence. Complementing this compliance, CAL's robust corporate governance framework enabled the proactive identification, assessment, and mitigation of risks across all facets of the business. This comprehensive approach to governance and risk management allowed CAL to navigate the year's considerable volatility with resilience, maintaining stability in its operations and sustaining the confidence of all stakeholders.

Future Outlook

Sri Lanka: Better Buffered, Facing New Tests

Sri Lanka enters FY26/27 with a cautious optimism. Three years ago, Sri Lanka was navigating one of the most severe economic crises in its modern history - foreign reserves had fallen to critically low levels, the currency had come under acute pressure, and the country's standing with international creditors and capital markets had been significantly impaired. Today, gross official reserves stand at US\$7.0 billion, the current account has been in surplus for three consecutive years, bilateral debt restructuring is substantially complete, and the IMF programme - validated through the combined Fifth and Sixth Reviews in April 2026 - remains firmly on track. The 2026 Budget targets a primary surplus of at least 2.3% of GDP, total revenue above 15.3% of GDP, and an overall fiscal deficit of approximately 5.1% of GDP. In plain terms: the government is collecting more, spending more responsibly, and reducing its dependence on debt to fund itself. Public debt, which peaked at 119.2% of GDP in 2022, is on a structural decline. These are not cosmetic improvements - they are the measurable outcome of three years of sustained, often painful, reform.

The IMF targets gross official reserves reaching US\$9.3 billion by end-2026, against the current US\$7.0 billion. That trajectory - if maintained - means a deeper external buffer, a more stable rupee, and a sovereign risk profile that continues to improve quarter by quarter. Remittances grew 26.5% year-on-year in the first quarter of 2026, adding further ballast to the external position. The inevitable consequence of all of this, and the single most consequential event the market is watching for, is a sovereign credit rating upgrade. When it arrives, it will lower the government's cost of borrowing, attract a new generation of foreign capital into the government securities market, and reprice Sri Lankan fixed income assets in ways that benefit every participant in the market.

That is the foundation. But the environment in which Sri Lanka must build is more complicated than it was a year ago.

The World Bank projects growth at 3.1% for 2026, with the ADB noting that growth will moderate before rebounding in 2027, reflecting the post-cyclone reconstruction drag and the spillover from the Middle East conflict. The Iran war - and the closure of the Strait of Hormuz it triggered - has introduced an energy shock that raises Sri Lanka's fuel import bill, pushes domestic inflation upward, and complicates CBSL's policy path. The CBSL's accommodative stance, confirmed at 7.75% in its January and March 2026 reviews, will need to be calibrated carefully in the months ahead. These are real pressures, but what they do not change is the structural story. A country with US\$7.0 billion in reserves, a current account surplus, a primary surplus exceeding IMF targets, and a trillion-rupee domestic liquidity buffer is a country with the capacity to absorb shocks without being destabilised - something that cannot be said of Sri Lanka

at any point in recent memory. The buffers built during FY25/26 are precisely what they were designed for - to provide stability when external conditions deteriorate. They are being tested now, and the early evidence confirms that Sri Lanka's strengthened institutional and financial architecture is performing as intended.

CAL: Prepared, Positioned, and Looking Ahead

For CAL Treasuries, the picture that emerges from this economic landscape is one of disciplined engagement with a market that is both more challenging and more full of genuine opportunity than it has been in years. As risk premia fall, the yield curve lengthens, foreign participation grows, and the government actively extends its debt maturity profile - the fixed income market is deepening, diversifying, and becoming relevant to a wider and more sophisticated pool of investors. CAL Treasuries is positioned precisely at that intersection.

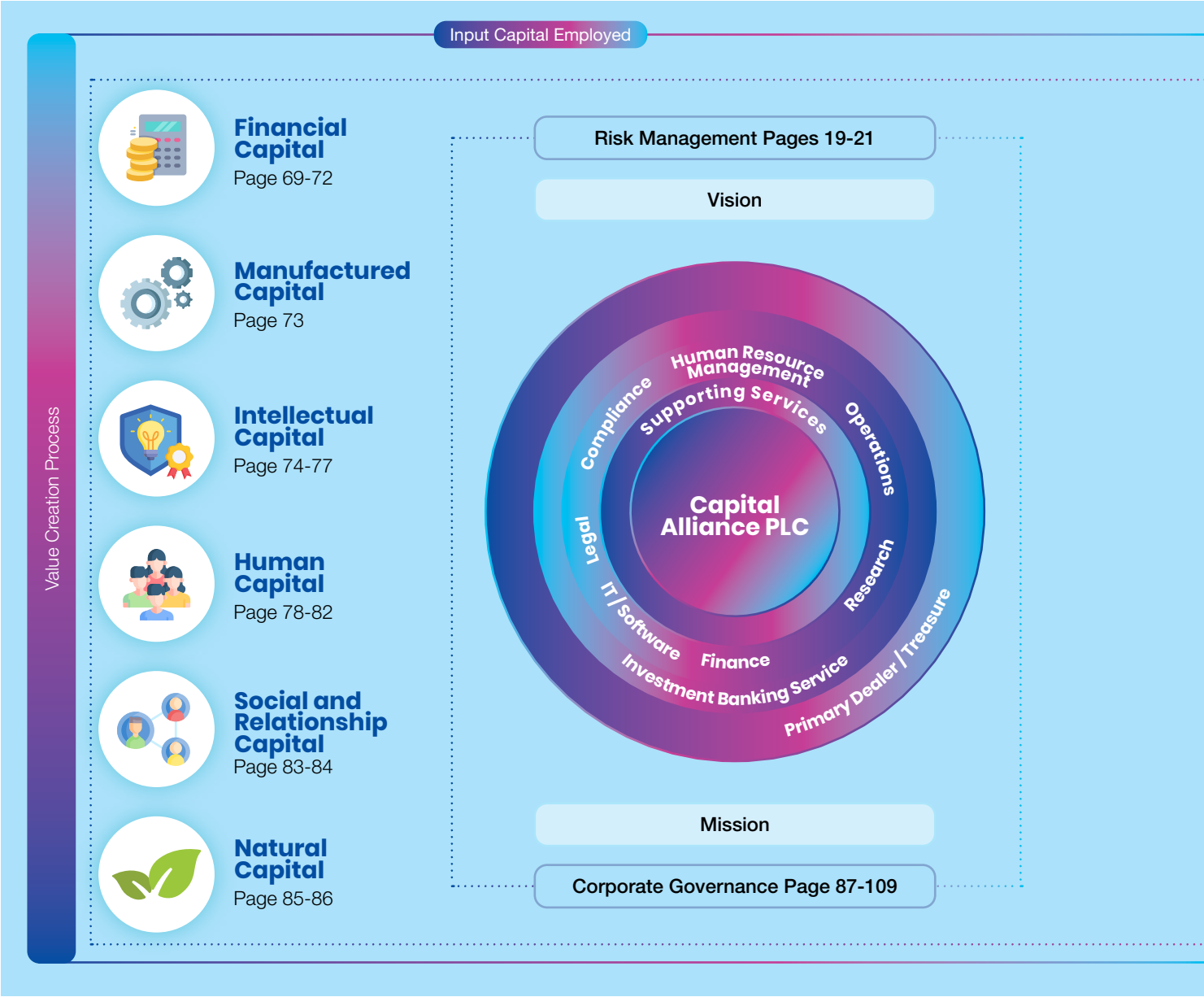
The Company does not wait for market conditions to stabilise before acting. CAL Treasuries maintains a continuous state of preparedness - grounded in rigorous research, disciplined risk management, and proactive portfolio positioning - so that when disruption arrives, the response is considered and timely rather than reactive. That same discipline extends to client advisory and the ongoing development of new products and capabilities designed to serve stakeholders across all market conditions. In periods of dislocation, markets reprice, yield curves shift, and capital flows move. These are precisely the conditions in which deep research and disciplined positioning create value - for clients, for shareholders, and for the capital market ecosystem that CAL has helped build.

CALT approaches FY26/27 with a clear strategic mandate: deepen its fixed income capabilities, expand into new capital market instruments, leverage its technology infrastructure to serve clients with greater precision, and continue to invest in the research function that underpins every decision it makes.

Business Model

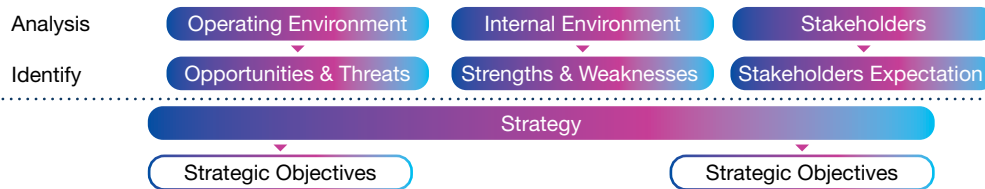
Our Business Model

Our operational framework details how we generate value by utilizing our capital and converting it through our business activities, thus impacting our stakeholders, society, and the environment. We continuously assess our external environment to identify risks and opportunities pertinent to the CALT, prompting necessary adjustments to our business model and strategies. As responsible corporate citizens, we constantly enhance our processes and technology to minimize any negative social and environmental impacts that may result from our business model.



Sustainable Development Goals





Net Operating Income - LKR 3.64 Bn
Net Operating Income Growth - (52%)

Profit After Tax (PAT) - LKR 2,001 Mn
PAT Growth - (55%)

Total Assets - LKR 84,278 Mn
Assets Growth - (20%)

Total Equity - LKR 11.1 Bn
Equity Growth - (23%)

Earnings Per Share (EPS) - LKR 6.07
Net Assets Per Share (NAPS) - LKR 33.76

Return on Equity (ROE) - 15.68%
Return on Assets (ROA) - 3.01%

No. of New Customer onboarded - 3,700+

No. of Employees in 2025/26 - 42

No. of Interns in 2025/26 - 5
No. of Value distributed to Employees - LKR 216 Mn

Value distributed to Shareholders - LKR 5.3 Bn
Value Distributed to Society - LKR 0.1 Mn

Energy Consumption - 76.59 Gj
Water Consumption - 1.75 m³

Financial Capital

- Financial Sustainability and Growth
- Contribution to the Economic Sustainability
- Increased profitability and liquidity
- Strong capital

Manufactured Capital

- Creation of Wealth
- Flexible and Agile Business Process
- Safe environment

Intellectual Capital

- Business Continuity
- Increase Accountability and Transparency
- Innovative, Sustainable, Socially responsible business entity
- Upgraded system
- Improved digital solution

Human Capital

- Improved Productivity and Efficiency towards Group's Strategic Direction
- Employee Retention
- Employee satisfaction
- Motivated and dedicated team with a positive attitude

Social and Relationship Capital

- Sustainability of the Industry
- Improved customer satisfaction
- Convenience through digital channels
- New business partnerships

Natural Capital

- Environmental sustainability

Shareholder returns & sustainable business growth

Convenience through digital channels. Higher returns, superior customer service

Better Compensation, Career Growth, Better Working Environment & Work Life Balance

Community Development, Responsible Business Practices & Environment Sustainability

Community Investment, Internship Opportunities



Snapshot of Our Capital Position and Strategic Outcomes

At CALT, our robust capital position serves as the foundation for sustainable growth, resilience, and value creation. By strategically managing our resources across Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural Capitals, we continue to strengthen our business, drive innovation, and foster stakeholder confidence.

Financial Capital	• Widen Wealth (WW)
Manufactured Capital	• Inspired Innovations (II)
Intellectual Capital	• Inspired Innovation (II)/ Client Centricity (CC)
Human Capital	• Employee Empowerment (EE)
Social & Relationship capital	• Client Centricity (CC)/ Social Sustainability (SS)
Natural Capital	• Social Sustainability (SS)

In alignment with the International Integrated Reporting Framework, integrated reporting necessitates incorporating the business model as a fundamental element within the report's content structure.

 Financial Capital		Widen Wealth (WW)	Refer the Pages 69-72
Indicator		Value Creation Status	Key Drivers
Profit After Tax		2025/26 2024/25	• Positive ROE • Positive ROA
Return On Equity (ROE)		2025/26 2024/25	• Financial Stability • Strong Capital Adequacy Ratio
Return On Assets (ROA)		2025/26 2024/25	
Earnings Per Share (EPS)		2025/26 2024/25	
Shareholders' Equity		2025/26 2024/25	
Dividend Paid		2025/26 2024/25	



Human Capital		Employee Empowerment (EE)	Refer the Pages 78-82
Indicator		Value Creation Status	Key Drivers
No. of employees		2025/26 2024/25	• Annual Workforce Plan • Annual Training Budget • Group HR Function • Compliance and best practices • HR Policy Framework • Recruitment and Selection • Remuneration and Benefits • Performance Management • Training and Development • Employee Relations • Employee Engagement • Employee Health and Safety • Work-Life Balance
No. of new recruits		2025/26 2024/25	
Total Employee Benefits Paid		2025/26 2024/25	
Total Training Hours		2025/26 2024/25	
Membership Subscriptions		2025/26 2024/25	
Staff covered by the health plan (%)		2025/26 2024/25	



Manufactured Capital		Inspired Innovations (II)	Refer the Pages 73
Indicator		Value Creation Status	Key Drivers
No. of Recurring Users of CAL Online WEB App		2025/26 2024/25	• Technology Roadmap
No. of new customers to CAL onboarded digitally		2025/26 2024/25	
Cost of Investment - Computer Software (Rs.)		2025/26 2024/25	
Cost of Investment - Computer & IT Equipment (Rs.)		2025/26 2024/25	

Snapshot of Our Capital Position and Strategic Outcomes

[illegible]

Social & Relationship Capital		Client Centricity (CC), Social Sustainability (SS)	Refer the Page 83-84
Indicator		Value Creation Status	Key Drivers
Growth in Customer base (%)		2025/26 2024/25	• Client Relationships • Transparency of information • Customer Privacy • Value Added Services • CAL Foundation • Corporate Social Responsibility Activities Internship Programme
No. of Reported incidents pertaining to the breach of customer privacy		2025/26 - None 2024/25 - None	
CAL Foundation		The CAL Foundation has been given the mandate to uplift and enable differently abled kids in Sri Lanka to realize their full potential.	
Corporate Social Responsibility Services		Settlement of Utility bills of "Sith Sevana Mentally Handicapped Children's Development Society" at Thanamalwila. Donations to "Centre For Handicapped" Donation to Spectacle camp	
Value of Total Donations (Rs.)		2025/26 2024/25	
Internship Programme (No. of Interns Recruited)		2025/26 2024/25	

Natural Capital		Social Sustainability (SS)	Refer the Pages 85-86																								
Indicator		Value Creation Status	Key Drivers																								
Paper Usage		<table><tr><td>2025/26</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2024/25</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	2025/26												2024/25												• Technology adoption • Automation to minimize paper-based processes
2025/26																											
2024/25																											
Electricity Consumption		<table><tr><td>2025/26</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>2024/25</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	2025/26												2024/25												
2025/26																											
2024/25																											
Paperless office		• Process automation • Emphasis on the reuse of paper before it is recycled																									

Stakeholder Engagement

Our Stakeholders

At CALT, we recognize that our stakeholders play a pivotal role in shaping our business strategy, market presence, and long-term sustainability. As a primary dealer, we operate in a highly regulated and dynamic financial ecosystem where trust, transparency, and accountability are paramount. Our stakeholders - including investors, regulatory bodies, clients, employees, financial institutions, and the broader market, directly influence and are impacted by our operations.

In line with our commitment to Environmental, Social, and Governance (ESG) principles, we actively engage with stakeholders to foster sustainable financial practices, uphold ethical standards, and contribute to a resilient economic system. We prioritize responsible investing, risk management, and regulatory compliance while striving to create long-term value for all our stakeholders.

By maintaining open communication and aligning our business objectives with stakeholder expectations, we ensure a balanced approach that integrates financial performance with sustainability considerations. Through collaboration and continuous engagement, we aim to drive positive economic impact while upholding our ESG commitments and reinforcing our role as a trusted financial intermediary.

CALT has identified eleven key stakeholder groups that are significantly impacted by its business activities, outcomes, or outputs, or whose actions play a crucial role in shaping CALT's ability to generate long-term value.



Stakeholder Engagement Process

We recognize stakeholder engagement is essential for sustainable growth, regulatory compliance, and responsible financial practices. We operate in a dynamic and highly regulated environment, which requires proactive interaction with key stakeholders, including regulatory bodies, investors, clients, financial institutions, employees, and market participants.

Our engagement process is structured to foster transparency, trust, and collaboration, ensuring that stakeholder concerns are addressed while aligning our operations with long-term value creation. A core aspect of this process is integrating Environmental, Social, and Governance (ESG) principles, reinforcing our commitment to ethical business practices, financial stability, and sustainable development.



By continuously assessing stakeholder expectations and market developments, we refine our engagement strategies to align with evolving financial, regulatory, and ESG landscapes. Our commitment to stakeholder dialogue ensures that we uphold market integrity, strengthen relationships, and contribute to a stable and sustainable financial system.

Stakeholder Engagement

Power	High	Keep Satisfied Governments Regulators	Managed Closely Shareholders Investors Customers Business Partners
	Low	Minimal Efforts Community Environment	Keep Informed Employees
		Low	High
		Interest	

Outlined below are the various communication channels CALT uses to promote transparent interactions and cultivate mutually beneficial relationships while consistently gathering feedback from our stakeholders. Through these engagements, CALT actively enhances financial literacy and addresses capacity-building needs, reflecting our commitment as a primary dealer dedicated to achieving the nation's 'Sustainable Development Goals' (SDGs).

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
 Shareholders/ Investors	- Annual General Meeting - Annual report - Interim Financial Statements - Corporate website - Extraordinary General Meetings - Press Conferences/ Press Releases - Social Media Platforms	● ● ● ● ● ● ●	- Credibility and Financial Position - Credit Rating - Competitive Strengths - Cost management - Capital and liquidity management - IT Security and fraud management - Digitization and process automation - Risk management - Regulatory compliance and disclosures - Business ethics and anti-corruption - Compliance with laws and regulations, including the laws governing money laundering and terrorist financing - Human and labour rights	- Financial capital - Social and relationship capital - Financial reports - Corporate governance - Investor information - Materiality assessment
SDG Impact:    				

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
 Customer	- Relationship Managers - One-on-one meetings - Press Conferences/ Press Releases - Corporate Website - Social Media Platforms	● ● ● ● ●	- Timeliness and relevance of Products and Services - Availability of market information - Service Excellence - Digital Access - Information Security and Customer Privacy	- Intellectual capital - Social and relationship capital - Financial Capital - Manufactured capital - Materiality assessment
SDG Impact:   				
 Employees	- Espresso Meetings - Formal and informal discussion - Internal communication channels - Training programs - Recreational activities - Town Hall sessions - Incontro Meetings - Counselling - Awards Ceremonies	● ● ● ● ● ● ● ● ●	- Pay and Benefits - Human and labour rights - Development opportunities - Career Prospects - Connectivity to Management - Diversity and Inclusion - Job Satisfaction - Work-life Balance	- Human capital - Social and relationship capital - Financial Capital - Intellectual capital - Corporate governance - Materiality assessment
SDGs Impact:     				
 Business Partners	- One-on-one meetings - Networking - Corporate Website - Social Media Platforms	● ● ● ●	- Credibility and Financial Position - Credit Rating - Competitive Strengths - IT Security and fraud management - Regulatory compliance and disclosures - Business ethics and anti-corruption - Compliance with laws and regulations, including the laws governing money laundering and terrorist financing	- Financial capital - Social and relationship capital - Intellectual capital - Annual report of the Board of Directors - Corporate governance - Materiality assessment
SDG Impact:     				

Stakeholder Engagement

Stakeholder	Ways of Engagement	Frequency of Engagement	Key Concerns	Reference to the Annual Report
 Community and Environment	• Press Conferences/Press Releases • Corporate Website • Social Media Platforms • Annual Report • Community Initiatives	• • • •	• Community development • Internships	• Social and relationship capital • Natural capital • Corporate governance • Our approach towards sustainable development • Materiality assessment
SDG Impact:          				
 Government and Regulators	• Regulatory Audits • Interim Financials • Annual Report • Regulatory submissions/filings • Other meetings	• • •	• Business ethics and anti-corruption • Compliance with laws and regulations, including the laws governing money laundering and terrorist financing • Security • Human and labour rights	• Natural Capital • Intellectual capital • Financial reports • Corporate governance • Materiality assessment
SDG Impact:  				

Materiality Assessment

Materiality

Material issues are aspects that significantly impact the sustainability of our value creation process in the short, medium, and long term. We recognize that these issues influence our financial performance, risk profile, and broader responsibilities as a primary dealer.

The foundation of our strategy lies in addressing the needs, expectations, and key concerns of our stakeholders. Our materiality assessment identifies critical financial and ESG (Environmental, Social, and Governance) factors, ensuring that our business remains resilient, responsible, and aligned with global sustainability goals.

We actively engage with our internal and external stakeholders to gain deep insights into their priorities and concerns regarding economic, environmental, governance, and social matters as follows:



Materiality Determination Process

Materiality analysis is a crucial process for CALT, allowing us to identify key issues of critical importance to both our business and stakeholders, across internal and external domains. Engaging with stakeholders is a vital aspect of strong sustainability practices, aiding in the identification and resolution of:

- Significant impacts related to business operations and strategy;
- Stakeholders significantly affected; and
- Stakeholders with substantial potential to influence CALT.

CALT includes six unique stakeholder clusters as follows:



Materiality Assessment

This process serves as a foundation for improving performance, refining our sustainability framework, and implementing corporate governance practices throughout CALT. Through materiality analysis, CALT identifies aspects of utmost importance to both its stakeholders and itself, aligning with its economic, social, and environmental agenda aimed at promoting sustainable value creation.

Key ESG Driven Material Issues

Double Materiality	Environment	Social	Governance
Financial materiality	Sustainable investment opportunities	- Employee well-being, diversity, and inclusion - Investor protection	- Regulatory compliance - Board accountability
Impact materiality	- Energy efficiency and responsible resource management - Digital transformation - Identification and mitigation of climate-related financial risks - ESG reporting and disclosure requirements (SLFRS S1 & SLFRS S2)	- Corporate social responsibility (CSR) programs - Responsible stakeholder engagement - Ethical business practices - Ethical culture and compliance training	- Transparency in corporate governance - Adequate financial disclosures - Anti-corruption measures

By embedding ESG considerations into CALT materiality framework, we strengthen our commitment to the long-term financial performance, responsible market participation and for the sustainable economic growth. Our approach ensures that CALT remains a trusted partner in the primary dealer industry, while contributing to the nation's broader sustainability objectives.

Opportunities to be Capitalized

Importance to Stakeholders	High		3, 6, 8, 10, 11, 14	12, 13, 16, 20, 21, 22, 23, 24, 25, 26, 29
	Moderate		18, 31	27, 28
	Low			
		Low	Moderate	High
Importance to the Company				

Risks to be mitigated

Importance to Stakeholders	High		7	1, 2, 5, 6, 8, 14, 17
	Moderate		4, 9, 30	15, 19
	Low			
		Low	Moderate	High
	Importance to the Company			

Stakeholder	Political	Economic	Social	Technological	Environmental	Legal
Investors/ Shareholders	1. Lack of political and policy consistency	5. Economic slowdown	11. Increased influence of social media	25. Increased demand for Digital Technology and Strategic Resources		20. Directions and guidelines to counter impacts of the pandemic
	2. Lack of desired level of transparency and accountability	6. Depreciating currencies	12. Demand for non-financial information	21. Higher regulatory capital requirements		
		7. Downgrading of the credit rating	13. Demand for more transparency and accountability			22. New compliance requirements
		8. Rising inflation and interest rates	24. Increased demand for Sustainable Financial Performance			
			29. Need to improve business resilience			
Customers	3. Changes in Tax Policies		14. Changing customer expectations	17. Cybersecurity threats		23. Compliance requirements for digitalized client onboarding
			26. Increased importance of Brand Equity and organizational Reputation			
Employees			15. Staff recruitment and retention becoming more challenging	18. Technology driving change in job skills		
			28. Employee Empowerment			
Society and environment	4. Corruption	9. Declining global competitiveness of Sri Lanka	16. Need to commit to Sustainable Development Goals (SDGs)	19. Import restrictions related to IT equipment	30. Environmental threats and disasters	
Business partners		10. A more collaborative approach	27. Strategic partnerships			
Government	1. Lack of political and policy consistency					

Materiality Assessment

	Material Topic	GRI Disclosure	Impacted Capital
1.	Lack of political and policy consistency	GRI 102-15, 201-1,207-1, 207-2, 207-3	Financial Capital
2.	Lack of desired level of transparency and accountability	GRI 201,207	Financial Capital
3.	Changes in Tax Policies	GRI 207-1, 207-2,207-3	Financial Capital
4.	Corruption	GRI 205	Financial Capital, Social & Relationship Capital
5.	Economic slowdown	GRI 201-1	Financial Capital, Social & Relationship Capital
6.	Depreciating currencies	GRI 102-15, 201-1	Financial Capital
7.	Downgrading of the credit rating	GRI 102-15, 201-1	Financial Capital
8.	Rising inflation and interest rates	GRI 102-15, 201-1	Financial Capital
9.	Declining global competitiveness of Sri Lanka	GRI 102-15, 201-1	Financial Capital, Social & Relationship Capital
10.	A more collaborative approach	GRI 102-9,102-10,102-13	Social & Relationship Capital
11.	Increased influence of social media	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Intellectual Capital
12.	Demand for non-financial information	Social & Relationship Capital, Natural Capital	
13.	Demand for more transparency and accountability	GRI 201,207	Financial Capital
14.	Changing customer expectations	GRI 416	Social & Relationship Capital, Natural Capital
15.	Staff recruitment and retention becoming more challenging	GRI 102-40, 102-42,102-43, 102-44, 201-3, 404-1,404-2	Human Capital
16.	Need to commit to Sustainable Development Goals (SDGs)	GRI 102-40, 102-42, 102-43, 102-44, 201-1, 204-1, 302-1, 302-4, 413-1	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
17.	Cybersecurity threats	GRI 102-15, 203-1	Manufactured Capital
18.	Technology driving change in job skills	GRI 102-40, 102-42,102-43, 102-44, 401-1, 401-2, 401-3	Manufactured Capital, Human Capital
19.	Import restrictions related to IT equipment	GRI 102-15, 204-1	Manufactured Capital, Social & Relationship Capital
20.	Directions and guidelines to counter impacts of the pandemic		Social & Relationship Capital
21.	Higher regulatory capital requirements	GRI 102-40, 102-42,102-43, 102-44, 201-1	Financial Capital, Intellectual Capital
22.	New compliance requirements	GRI 102-40, 102-42, 102-43, 102-44, 201-1	Intellectual Capital
23.	Compliance requirements for digitalized client onboarding	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Intellectual Capital, Social & Relationship Capital
24.	Increased demand for Sustainable Financial Performance	GRI 102-40, 102-42, 102-43, 102-44, 201-1, 204-1, 302-1, 302-4, 413-1	Financial Capital
25.	Increased demand for Digital Technology and Strategic Resources	GRI 102-40, 102-42, 102-43, 102-44, 203-1	Manufactured Capital, Intellectual Capital
26.	Increased importance of Brand Equity and Organizational Reputation	GRI 102-2	Intellectual Capital, Social & Relationship Capital
27.	Strategic partnerships	GRI 102-13	Social & Relationship Capital
28.	Employee Empowerment	GRI 404,405	Human Capital
29.	Need to improve business resilience	GRI 102-2,102-9	Financial Capital, Human Capital, Intellectual Capital, Social & Relationship Capital, Natural Capital
30.	Environmental threats and disasters	GRI 102-15, 302-1, 302-4, 413-1	Natural Capital

Management approach

CALT systematically addresses its material concerns through strategic planning, ensuring accountability and resource allocation align with their significance in achieving strategic objectives. Department Heads are assigned responsibility, and resources are distributed accordingly to enhance the organization's long-term value.

To drive goal achievement on material matters, CALT incorporates relevant objectives and targets into the Key Performance Indicators (KPIs) of Key Management Personnel, subject to regular review.

A robust framework of policies guides employees in conducting business ethically, transparently, and responsibly, ensuring alignment with material concerns. Compliance is reinforced through internal and external audits and verifications, which assess adherence to internal controls, policies, and procedures. Findings are consistently reported to the Board of Directors and/or Management Committees, facilitating informed decision-making and enabling timely corrective actions when necessary.

Materiality Assessment

We recognize that material issues impact both our financial performance and the broader economic, environmental, and social landscape. Our Double Materiality Assessment ensures that we evaluate the material issues from two key perspectives as follows:

- Financial Materiality on how the ESG factors affect CALT's value, risk profile, and long-term financial performance.
- Impact Materiality on how our business activities influence the Economy, Society, and Environment.

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Financial Capital	Shareholders/ Investors	Revenue: Trading and investment Leverage Market making Client services	• Financial stability and performance by maintaining liquidity • Managing risks • Regulatory compliance • Strategic decision making	• Increase in regulatory compliance • Integration of ESG Factors • Technological advancements such as AI, big data analysis • Market volatility and economic shifts • Stakeholder expectations and transparency
		Cost: • Economies of scale • Operational efficiency • Funding costs	• Costs associated with implementing regulatory frameworks • Operational costs • Environmental and social costs • Investments in new technology	• Technological advancements • Sustainability and ESG costs • Fluctuations in global economic condition • Costs associated with market risk management • Attracting and retaining skilled personnel
		Risks: • Buffer against losses • Creditworthiness and counterparty risk • Regulatory compliance • Risk management	• Market volatility • Creditworthiness • Liquidity management • Regulatory compliance	• Technological and cyber risks • Climate change and environmental risks • Market and risk volatility

Materiality Assessment

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Manufactured Capital	• Shareholders • Customers	Revenue: • Advanced trading platforms • Market access • Customer Satisfaction and Retention • Value-added Services	• Invest in advanced trading platforms, risk management systems, and other technological infrastructure • Operational scalability • Maintenance and upgradation of facilities	• Cybersecurity and data protection • Regulatory compliance and risk management • Innovation and competitive edge • Advanced technology integration
		Cost: • Operational efficiency • Maintenance and downtime • Scalability • Automation	• Costs of maintaining and upgrading the technological infrastructure • Regulatory compliance costs • Cybersecurity expenditures • Environmental and sustainability costs	• Enhanced cyber security needs • Sustainability and Environmental Costs • Continued technological advancements • Operational resilience investments
		Risks: • Operational risk • Regulatory compliance • Market risk management • Technology risk • Liquidity risk	• Increasing focus on sustainability and environmental regulations • Evaluating the potential financial losses from any technology disruptions and the costs of mitigating these risks. • Maintain sufficient capital buffers and liquidity reserves to manage these risks	• Need to account for the increased complexity and potential vulnerabilities of new technologies. • To invest in advanced compliance systems and ensure their infrastructure meets evolving regulatory standards. • Impact of market and credit risks on the value and stability of manufactured capital and ensure adequate risk management measures are in place.

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Intellectual Capital	• Employees	Revenue: • Expertise and Skills • Innovative Financial Products • Client Relationships • Brand Reputation	• Value of intellectual capital and its direct impact on revenue • Consider investments in more efficient and profitable trading strategies • Brand equity and customer loyalty • Value and impact of research and analytical functions on revenue generation.	• Invest in intellectual capital to develop, integrate, and maintain these technologies. • Investment in data analytics • Continuous learning and talent development on intellectual capital and revenue • Client relationship management
		Cost: • Operational Efficiency • Automation and Technology • Training and Development • Employee Retention	• Talent acquisition and retention • Research & development cost • Employee training and development	• Investment in advanced technologies and cybersecurity • Acquire advanced analytics tools
		Risks: • Risk Management Expertise • Regulatory Compliance • Crisis Management • Data Security	• Evaluate the adequacy of cybersecurity measures and their effectiveness in mitigating these risks. • The costs associated with maintaining regulatory compliance • Effectiveness of risk management strategies and the role of intellectual capital in minimizing potential losses • Risks associated with technological advancements.	• Substantial investments in R&D • Climate change and ESG compliance • Advanced cybersecurity threats • Market volatility

Materiality Assessment

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Human Capital	• Employees	Revenue: • Expert Trading and Market Analysis • Client Relationships • Product Innovation • Advisory Services	• Training & retention • Effective client relationship management • Investments in human capital for innovation and product development • Operational efficiency	• Investment in upskilling employees • ESG expertise • Ongoing professional development and continuous learning
		Cost: • Operational Efficiency • Technology Utilization • Training and Development • Attrition and Retention	• Investments in hiring, training, and retaining skilled employees • Impact on financial performance, risk management, and overall business strategy	• Mandatory specific disclosures • Track and report on ESG-related human capital metrics and impact on overall cost. • Require initial capital expenditures and ongoing operational costs.
		Risks: • Risk Management Expertise • Regulatory Compliance • Crisis Management • Ethical Standards	• Fluctuations in labor market conditions • Risks associated with strategic workforce planning, talent acquisition, and succession planning	• Manage and disclose ESG-related human capital metrics • Invest in reskilling and upskilling programs to address skill gaps

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Social and Relationship Capital	- Professional Bodies - Regulators - Investment Banking - Financial Industry Associations - Business Collaborations	Revenue: - Client Relationships - Market Access - Strategic Partnerships	- Client retention and loyalty - Market Reputation and Brand Value - Adhere to ethical standards, regulatory requirements, and risk management practices	- Increasing emphasis on client experience - Adoption of advanced technologies - Focus on ESG and Corporate Responsibility - Digital Transformation and Client Engagement
		Cost: - Operational Efficiency - Employee Retention	- Training and development programs - Ongoing monitoring and reporting of Key Performance Indicators (KPIs) - Investments in technology infrastructure	- Digital transformation initiatives - Regulatory developments - Client experiences enhancements - ESG considerations - Talent management strategies
		Risks: - Crisis Management - Reputation Management	- Regulatory compliance - Cybersecurity and data privacy - Employee relations and talent management - Operational resilience - Interconnectedness of client relationships	- Advancements in technology - Regulatory developments - ESG considerations - Evolving client expectation - Talent management strategies

Materiality Assessment

Capital	Stakeholder	Impact on Corporate Value creation	Current Impact	Future Impact
 Natural Capital	Environment	Revenue: - Environmental Factors in Investments - Green Investments	- Client demand for ESG integration - Cost savings and efficiency - Commitment to environmental stewardship and sustainable business practices	- Integration of natural capital in risk management practices - Enhanced market reputation - Technological innovation
		Cost: - Regulatory Compliance - Sustainable practices	- ESG integration - Technology adoption - CSR initiatives	- Opportunities for operational efficiencies - ESG integration - Advancements in technology
		Risks: - Environmental stewardship - Climate change and natural disasters	- Ensure operational resilience - Protecting financial performance - Maintaining stakeholder trust - Safeguarding reputation	- Climate change - Market dynamics - Technological advancements - Stakeholder expectations

Operating Context and Our Responses

Operating Context and our Responses

The past year presented a dynamic and evolving financial landscape, shaped by macroeconomic fluctuations, regulatory developments, and market volatility. Global economic uncertainties, inflationary pressures, and interest rate adjustments influenced investor sentiment and market liquidity. The Central Bank policy adjustments and liquidity management measures played a critical role in influencing market yields and investor sentiment. The Regulatory bodies continued to emphasize transparency, risk management and compliance, necessitating adaptive strategies for CALT to maintain its operational efficiency and market stability.

Strengths	Impact to CAL	Our Responses
A skilled workforce	Capability to deliver advanced services and solutions that drive business growth.	Strengthened workforce capabilities through continuous development. Providing clients with data-driven market insights for informed decision-making amid volatility.
High caliber governance body and Senior Management	Outstanding strategic planning and execution.	Implemented professional development programs and talent strategies to cultivate leadership from within and externally.
Regulatory Environment	CALT operates under strict regulatory requirements, emphasizing risk management, compliance, and transparency.	Invested in compliance training and resources to foster integrity and accountability.
Robust governance structure & risk management practices	Reduces fraud, risk, and reputational damage from non-compliance.	Focus on risk management through assessments, stress testing, and scenario analysis to mitigate various risks.
Strong business and client relationships	Boosts ability to deliver tailored services, enhancing CAL's reputation and service quality.	Allocating resources to enhance customer relationships and management through training.
Brand name	A strong brand name enhances customer retention and acquisition.	Expand digital marketing to enhance CALT's recognition in the industry.
Diversified Business Segments	Diversification in investment banking reduces profit volatility and addresses varied customer needs.	A skilled workforce fosters market opportunities, innovation, and client engagement.
State of the art technology and innovation	Advancements in AI and data analytics are reshaping industry practices and client expectations.	Leveraging automation, AI, and data analytics to enhance efficiency, trading, and client solutions at CALT.
Financial Stability	A strong balance sheet enables CAL to uphold credit ratings and capitalize on opportunities.	Managing risks and diversifying funding to navigate market fluctuations.

Weaknesses	Impact to CAL	Our Responses
Difficulty retaining skilled personnel due to prevailing economic conditions.	Leads to disruptions, delays, and higher expenses, lowering efficiency.	Implementing automation to minimize manual tasks and improve employee well-being through competitive pay and flexibility.

Operating Context and Our Responses

Opportunities	Impact to CAL	Our Responses
Opportunities for process automation	The automation of processes will enhance productivity across all business functions.	Adopt a proactive approach and embrace new technology.
Increasing digital adoption by clients	Utilizing digital platforms to broaden and diversify client interactions.	Improved digital products and services focused on delivering better customer experience.
Digital adoption allows businesses to expand beyond geographical limits.	Building a diverse, proactive team to meet evolving customer needs.	Staff training and development in IT, including new AI/ML techniques.
Commitment to Sustainable Development Goals (SDGs)	Enhancing CAL's brand value.	Adopt an ESG framework and develop sustainable investment products.

Threats	Impact to CAL	Our Responses
Talent outflow risk amid economic downturn	Higher employee turnover and challenges in attracting qualified professionals.	Boost staff welfare through competitive pay, flexibility, and an expanded bench program.
Cybersecurity risk	Increased cybercrime and malware risks, jeopardizing the company's reputation.	Enforced stricter monitoring protocols and increased cybersecurity audits.
Economic deceleration	Decline in market turnover, investment activity, and client transactions.	Expand CAL's international operations while managing costs effectively.
Exchange rate fluctuations	An increase in foreign currency expenses alongside rising revenue generated in foreign currencies.	Strengthen CAL's foreign divisions and optimize currency hedging strategies.
Regulations on currency and limitations on imports.	Difficulty in foreign currency payments and higher import costs in dollars.	Shift to cost-effective alternatives while maintaining service quality.
Volatility in interest rates	Rising asset market volatility affecting margins and capital.	Enhancing asset-liability alignment and managing interest rate risk.
Increased interest rates/funding costs	Rising funding expenses limiting growth and raising operational costs.	Efficient working capital management and exploring alternative funding for business expansion.
Increasing penalties and sanctions for non-compliance.	Rising regulatory costs affect financial metrics.	Engagement in industry groups supporting regulatory reforms.

Our Strategy and Strategic Imperatives

Our Strategy

Our strategy is focused on building a resilient, forward-looking organization capable of delivering long-term value in a rapidly evolving financial landscape. At CALT, we are committed to translating our purpose into meaningful action by embedding our values and culture into every layer of our strategic framework. Informed by a deep understanding of market dynamics, regulatory expectations, and the evolving needs of our clients, our strategy defines the path toward achieving our corporate objectives while sustaining our leadership in the primary dealer space. Central to this approach are our five strategic imperatives, which serve as the guiding pillars for our decisions, priorities, and pursuit of operational and strategic excellence.

Short Term Stability and Optimization	Medium Term Growth and Differentiation	Long Term Leadership and Impact
• Enhance operational efficiency through targeted process improvements and automation initiatives to streamline workflows and reduce turnaround times. • Expand market share across key fee-based business verticals by leveraging strategic partnerships, innovation, and client-focused solutions. • Develop an integrated digital ecosystem to enable scalability, improve client experience, and support the growth of our fee-based offerings. • Attract, retain, and nurture a high-performing team with an innovation-driven mindset, fostering a culture of continuous learning and agile thinking.	• Expand our overseas operations by introducing new business verticals aligned with our core competencies and growth strategy. • Launch innovative investment banking and derivative products tailored to the evolving needs of the Sri Lankan and Bangladesh markets. • Strengthen the balance sheet to support the growth of leverage-based business opportunities and enable strategic expansion.	• Establish a strong presence in selected frontier markets with the strategic objective of becoming the leading investment bank across the regions.

Our Strategy and Strategic Imperatives

Our Strategic Imperatives

CALT has consistently sustained its success by aligning its efforts around clearly defined strategic imperatives that address the core dimensions of its business. These imperatives reflect CALT's ongoing commitment to integrating sustainability into day-to-day decision-making, creating long-term value for all stakeholders while proactively managing and mitigating any adverse impacts arising from its operations.



CALT's strategy and strategic imperatives provide a focused roadmap for achieving our corporate objectives while sustaining a competitive edge in Sri Lanka's primary dealer industry. In a dynamic financial landscape shaped by regulatory developments, evolving investor expectations, and global macroeconomic shifts, our strategy is built on agility, foresight, and responsible growth.

Grounded in our core principles of integrity, performance excellence, and market discipline, we remain committed to innovation, client-centric solutions, and operational efficiency. At the same time, we recognize the increasing importance of Environmental, Social, and Governance (ESG) considerations in shaping the future of financial services. Our strategy integrates ESG principles across all business activities-ensuring ethical trading, transparency, inclusive access to financial markets, and a low-impact operational footprint.

Our five strategic imperatives: Client Centricity, Inspired Innovation, Employee Empowerment, Widening Wealth, and Social Sustainability serve as the foundation for long-term value creation. They guide our efforts to scale responsibly, support national financial market development, and contribute meaningfully to the broader socio-economic progress of the country.

As we look to the future, we remain committed to delivering stakeholder value through a strategy that is resilient, growth-oriented, and aligned with global ESG best practices.

Strategy and Resource Allocation

In the dynamic environment of the primary dealer industry, strategy and resource allocation play a crucial role in driving organizational success. This document serves as a comprehensive guide to understanding how CALT formulate the investment decisions, allocate resources, and pursue CALT's strategic objectives. The main goal driving this initiative is to secure CALT's continued growth over the medium to long term, while optimizing resource allocation. Aligned with the corporate plan, the following sections outline the specific areas designated for prioritized resource allocation in the upcoming years.

- **Strategic Objectives:** CALT's strategy is guided by clear and defined strategic objectives that are aligned with the mission and vision. These objectives serve as the foundation for CALT's decision-making processes and resource allocation strategies.
- **Performance Analysis:** We conduct a thorough analysis of CALT's overall performance trajectory to assess its strengths, weaknesses, opportunities, and threats. This analysis informs strategic direction and resource allocation decisions of CALT.
- **Capital Allocation Methodologies:** We employ various methodologies to allocate capital for investments, including risk-adjusted returns analysis, portfolio optimization techniques, and scenario planning. These methodologies help CALT to prioritize investment opportunities and maximize returns while managing risks effectively.

By aligning CALT's strategy with the mission and vision, prioritizing risk management, embracing innovation, and integrating sustainability principles, we position ourselves for sustainable growth and success in the ever-evolving marketplace.

The strategy and resource allocation of CALT can be delineated into four distinct phases of activities.



Our strategy stems from the CALT vision “to be the leading capital market solution provider in the frontier markets”. Our strategy is guided by six key pillars as follows.



Profitability
and Financial
Stability



Be the most
trusted brand
for investments
in Sri Lanka



Demonstrate
leadership in
compliance and
ethics



Become
digital to the
core



Strengthen
knowledge
systems as a key
business enabler



Promote
fairness and
equality in the
workplace

Profitability and Financial Stability	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
Strategically utilize market position and take advantage of the downward adjusting yield curve to generate significant capital gains within its trading portfolio.	Refer Financial Highlights on Page 07 to 09.
Implementing rigorous cost control measures with the goal of reducing operational expenses.	
Embraced digital operations to reduce administrative costs.	
Balance Sheet Management	
Focus for the Future	
Explore opportunities to broaden fund-based revenue streams.	New Products additions
Capital Impacted	Financial Capital
Contribution to SDGs	

Be the most trusted brand for investments in Sri Lanka	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
Implemented a fully functional virtual trading room and maintained uninterrupted operations throughout the year.	- Fulfilled bid commitments in the primary auctions. - Achieved ZERO downtime throughout the year. - Awarded for the ‘Most Respected Entities in Sri Lanka for Sector Winner - Investment Banking’ from LMD
Focus for the Future	
Leveraged on the CALT’s new brand identity to position as a leading frontier market in Sri Lanka.	Refer Page 83 to 84 for the ‘social media footprint’ under non-financial highlights
Capital Impacted	Intellectual Capital
Contribution to SDGs	

Strategy and Resource Allocation

Demonstrate leadership in compliance and ethics	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
Conducted quarterly verifications to evaluate the full compliance status of CALT.	a. the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred - None ii. instances for which non-monetary sanctions were incurred - None b. the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period - None ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods - None c. the significant instances of non-compliance - None
Performed bi-annual internal audits	
Deployed a new digital monitoring tool to efficiently track compliance with all regulatory requirements set by the Central Bank of Sri Lanka (CBSL).	
Compliance training and ongoing awareness on ethics and integrity	
Conducted vulnerability assessments every quarter to evaluate the threat level for a potential information security breach	
Focus for the Future	
Introduction of new tools and techniques to enable regular vulnerability assessments to be conducted internally	Incorporated mandatory information security training as a routine exercise for all staff
Capital Impacted	• Intellectual Capital • Human Capital • Social and Relationship Capital
Contribution to SDGs	   

Become digital to the core	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
Enhancements were made to the CAL Online mobile and web app to provide customers with a comprehensive digital experience.	• Refer Page 73 for the No. of New Digital Customers and no. of active customers under non-financial highlights • Introduced CAL Online 2.0 • Introduce CAL GPT - an AI powered chatbot which enables customers to question the most risk-free government securities and the benefits they can provide.
The customer on-boarding process was integrated into the CAL Online mobile and web app	
Transferred the process of employee recruitment and onboarding to digital platforms.	
Work-from-home was integrated into the mainstream work practices	
Focus for the Future	
Enhanced the onboarding process by incorporating video technology to streamline the KYC process.	Enhanced employee experience by integrating digital solutions across all stages of the employment lifecycle.
Enhance the existing customer experience through the utilization of the Customer Portal and other digital channels.	Implemented further internal process automation through Robotic Process Automation tools to boost productivity.
Capital Impacted	• Manufactured Capital • Intellectual Capital
Contribution to SDGs	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 17 Partnerships for the Goals

Strengthening knowledge systems as a key business enabler	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
The social media presence of CALT underwent a revitalization, featuring a greater emphasis on research-based content to enhance customer engagement. Initiated the foundational steps for establishing a centralized research database aimed at creating a unified research portal. This portal is intended to streamline the sharing of research data across all Group businesses for improved functional collaboration. Substantial investments were allocated to training and development programs aimed at enhancing the macro forecasting expertise of the MIU team, led by seasoned international economists.	- Awarded 'Certificate of Recognition' from LankaPay in recognition of the pioneering efforts towards enabling transactions via 'JustPay'. - CAL's Social Media (Facebook, YouTube) followers doubled during the year.
Focus for the Future	
Create additional client-facing analytics utilizing the internal business intelligence platform.	Invested resources to bolster the capabilities of the analytics unit by implementing AI-based machine learning models.
Capital Impacted	- Manufactured Capital - Intellectual Capital - Social and Relationship Capital
Contribution to SDGs	    

Promote fairness and equality in the workplace	
Key Initiatives for FY 2025/26	Key Outputs for FY 2025/26
Recruited 4 males and 1 female in FY 2025/26 Work-from-home was seamlessly integrated into the standard work practices.	- No. of reported incidents of discrimination - ZERO - No. of grievances reported - ZERO - Refer Page 78 to 82 under Human Capital
Focus for the Future	
Enhance the culture of performance by fostering increased employee engagement and fostering better collaboration among teams.	Emphasized the importance of efficient succession planning.
Capital Impacted	- Human Capital - Social and Relationship Capital
Contribution to SDGs	    

Our Approach towards Sustainable Development

At CALT, we recognize that financial institutions play a crucial role in driving sustainable economic growth. As a primary dealer, we are committed to integrating sustainability into our core operations, ensuring that our financial activities contribute to long-term economic stability while fostering environmental and social well-being.

Our approach to sustainable development is anchored in responsible financial stewardship, ethical business practices, and a commitment to Environmental, Social, and Governance (ESG) principles. We believe that by embedding sustainability into our decision-making processes, we can create long-term value for our stakeholders while supporting a resilient and inclusive financial ecosystem.

Commitment to ESG Principles

Our ESG framework serves as a guiding force in aligning our operations with global sustainability standards. We actively evaluate the environmental and social impact of our financial decisions, ensuring that our investments and market activities contribute to sustainable progress. Key aspects of our ESG approach include:

Environmental Performance

We are committed to minimizing our carbon footprint by adopting energy-efficient practices.

Indicator		2024/25	2025/26
Paper Usage	No.	2,170	13,725
Water consumption	m3	2.64	1.75
Energy Consumption	Gj	274.2	76.59

Social Performance

We foster financial inclusion, ethical business conduct, and community engagement to promote social well-being and economic empowerment.

Indicator		2024/25	2025/26
Employees			
Total Employees	No.	36	42
Permanent Employees	No.	28	32
Non-permanent Employees	No.	8	10
Total Employee Benefits	LKR Bn	0.5	0.2
Female Representation in Workforce	%	25	24
Total no. of Injuries	No.	None	None
Employee Turnover / Transfer	%	11	10
Employee Retention	%	89	90
Total Employee Benefits Distributed	LKR Mn	554	216
No. of Permanent Staff Recruited	No.	5	5
Male	No.	4	4
Female	No.	1	1
No. of Interns	No.	5	5
Employee Age for Permanent Staff			
Below 30 years	No.	9	15
30 - 50 years	No.	16	14
Over 50 years	No.	3	3
Training and Development	LKR Mn	6.34	16.9
Community			
Donations & Other Social Contributions	LKR Mn	11.25	0.10
Income Tax Paid	LKR Mn	4,713	2,325



Governance Performance

Strong governance practices, transparency, and compliance with regulatory standards remain at the core of our operations, ensuring trust and accountability.

Indicator		2024/25	2025/26
Board & Executive Governance			
Board Members	No.	7	7
Executive Directors	No.	1	0
Non-Executive Independent Directors	No.	3	4
Non-Executive Non-Independent Directors	No.	3	3
Representation of Independent Directors	%	43	57
Board Members - Gender wise			
Male	No.	5	5
Female	No.	2	2
Female Representation in Board	%	29%	29%
Risk Management & Regulatory Compliance			
Major non-compliances	No.	Zero	Zero
Audit Committee Meetings Conducted	No.	5	6
Audits Conducted on Management systems	No.	3	3
Policy on Environmental, social and governance sustainability	Yes/No	Yes	Yes
Policy on Whistleblowing	Yes/No	Yes	Yes
Policy on Anti-money laundering (AML) & Know Your Customer (KYC)	Yes/ No	Yes	Yes

Alignment with the United Nations Sustainable Development Goals (SDGs)

As a responsible financial institution, we acknowledge our role in advancing the United Nations Sustainable Development Goals (UN SDGs). Sustainability principles are deeply embedded in our operations, making sustainable value creation a core element of CALT's growth strategy. In alignment with our business model and stakeholder interests, our sustainability objectives correspond to 13 of the 17 SDGs.

By embedding sustainability into our corporate strategy, we ensure that our financial activities not only drive economic growth but also contribute to a more sustainable and equitable future. Moving forward, we remain dedicated to strengthening our ESG commitments, enhancing sustainable financial practices, and fostering long-term value creation for all our stakeholders.

Sustainable Development Goals (SDGs)



Our Approach towards Sustainable Development

SDGs	Activities achieved in FY 2025/26
No Poverty 	Offering employees a salary well above Sri Lanka's minimum wage to ensure financial stability and a better quality of life.
Good Health and Well-being 	- Provided comprehensive healthcare options, promoted healthy lifestyles, and maintained high workplace standards. - Invested LKR 0.7 million (2025 - LKR 5 million) to enhance healthcare facilities, benefiting 37 employees (2025 - 36). - Extended leave provisions for illnesses, complications, or potential health risks. - Offered workplace facilities and flexible working hours to support employee well-being. - Maintained a safe and supportive work environment with zero occupational diseases or work-related fatalities.
Quality Education 	- Offered learning opportunities to all team members to enhance their skills, knowledge, and commitment to sustainable development and lifestyles. - Invested LKR 16.9 million (2025 - LKR 6.3 million) in training and development to strengthen employee capabilities. - Allocated LKR 588K (2025 - LKR 542K) for staff professional membership reimbursements. - Provided youth with employment opportunities, educational support, and training to enhance their employability.
Gender Equality 	- CALT upholds gender equality by providing equal opportunities for both men and women, recruiting 4 males (2025 - 5) and 1 female (2025 - 1) during the year. - The Group's workforce comprises 76% males and 24% females, reflecting our commitment to diversity and inclusion.
Clean Water and Sanitation 	- Installed water purifiers within office premises to ensure access to clean drinking water for employees. - Introduced initiatives to promote water conservation, reduce wastage, and maintain a hygienic office environment.
Affordable and Clean Energy 	- Energy consumption for FY 2025/26 was 76.59 GJ, compared to 274.2 GJ in FY 2024/25. - Increased employee awareness on energy conservation and implemented measures to improve energy efficiency.
Decent Work and Economic Growth 	- Foster a fair and inclusive work environment, providing equal opportunities for both men and women. Our commitment to non-discrimination applies to all aspects of employment, including recruitment, selection, training, and development, irrespective of age, marital status, religious beliefs, or any other legally protected status. - Maintain a safe, discrimination-free workplace with a zero-tolerance policy towards sexual harassment. Our Policy on Sexual Harassment, Discrimination, Bullying, and Harassment sets clear guidelines for leadership to uphold a culture of respect and dignity for all employees. - Uphold strict opposition to child labor and condemn all forms of forced labor. At CALT, employment is voluntary, and employees have the freedom to leave in accordance with their contracts. We are committed to maintaining a workplace that upholds fairness, integrity, and human rights.

SDGs	Activities achieved in FY 2025/26
Industry, Innovation and Infrastructure 	• Our dedicated tech team at CAL is constantly driving innovation and advancing research and development. • Transitioned to cloud technology, implemented a state-of-the-art CRM platform, introduced robotic process automation, and developed our proprietary data analytics platform, along with a digital investment banking product, CAL Portal.
Reduced Inequities 	• Ensure fairness in company decisions and policy matters.
Sustainable Cities and Communities 	• Implement proper waste management practices within the office premises by providing separate garbage bins for biodegradable and non-biodegradable waste, ensuring effective waste segregation, responsible disposal, and environmentally sustainable waste management
Responsible Consumption and Production and Life on Land  	• Energy consumption for FY 2025/26 was 76.59 GJ, compared to 274.2 GJ in FY 2024/25.
Partnerships for the Goals 	• For information on CALT's sustainability business partners, please refer to page 39 to 42 of this annual report. • Collaborated with various organizations to advance our sustainability objectives and support the achievement of the Sustainable Development Goals.

Value Creation Supported by Our ESG Framework

How environmental care, social conscience and governance discipline convert into long-term stakeholder value at Capital Alliance PLC

At Capital Alliance PLC, Environmental, Social, and Governance (ESG) framework is not a reporting exercise bolted onto our business - it is a lens through which we see risk, opportunity and impact more clearly. It sharpens our understanding of how our operations touch society and the environment, and it disciplines the governance that sits behind every decision we make. Read this way, ESG stops being a compliance checklist and becomes a value-creation engine: a structured way of turning today's challenges into tomorrow's advantage.

This framework sits at the center of our strategy. It converts environmental stewardship, social responsibility and governance excellence into three reinforcing sources of resilience - protecting the capitals we depend on while opening new avenues for sustainable growth.

Three Pillars, One Value Chain

Environmental Stewardship

We treat the environment as a stakeholder, not a line item. Our framework helps us pinpoint where our footprint is heaviest, so we can act - reducing consumption, conserving resources and embedding sustainable practice into daily operations. The pay-off is twofold: alignment with global sustainability goals and a reputation as a corporate citizen that leads rather than follows.



Social Responsibility

Our influence extends well beyond our balance sheet, into the communities where we operate. The framework gives us a disciplined way to identify social issues and respond to them - building inclusive, equitable workplaces, backing community initiatives and investing in employee well-being. The result is a stronger social license to operate and deeper, more durable relationships with the people who make our business possible.



Governance Excellence

Everything above rests on governance. Transparency, accountability and ethical conduct are not aspirations at Capital Alliance PLC - they are the operating standard our ESG framework enforces across every business unit. That discipline is what lets us navigate regulatory complexity and industry disruption with confidence, rather than being caught out by it.



Strategic Advantage

The real dividend of this framework is foresight. By feeding ESG insight directly into strategic planning, Capital Alliance PLC anticipates industry-wide shifts instead of reacting to them - turning risk mitigation into a source of innovation and competitive edge.



Positive Impact, Sustainable Goals

Ultimately, this is about balance: economic growth weighed against ecological and social responsibility, decision by decision. That balance is what allows us to compound long-term value for our stakeholders while contributing to a more sustainable future for everyone our business touches.



Value Creation Supported by Our ESG Framework

ESG in Action — FY 2025/26 Snapshot

Environmental	Social	Governance
Lower-Footprint Operations • Paperless office drive cut daily paper use through process automation and reuse-before-recycle practice • National grid electricity remains our primary operational energy source • Water consumption is managed while conservative initiatives are in place • E-waste - mainly computers, is either donated or routed to authorized recyclers, while ensuring environmentally friendly waste disposal in line with regulations set by central environmental authorities.	Promoting Equality & Expanding Opportunities • Gender equality and non-discrimination embedded across employment practice, regardless of gender, religion or race • Workforce expansion has widened employment opportunity in the communities we serve • Trusted Leadership & Governance	Promoting Equality & Expanding Opportunities • Voluntary adherent to the Code of Best Practice on Corporate Governance - 2023 • Leadership and senior management actively champion good governance and sustainable development

Taken together, environmental stewardship, social responsibility and governance excellence are not three separate obligations - they are one integrated capability. It is this capability that lets Capital Alliance PLC navigate complexity with confidence, capture opportunity ahead of the market, and keep converting sustainability into stakeholder value, year after year.

Technology and Innovation at CAL

In fiscal year 2025/26, CALT accelerated its digital evolution, deploying strategic investments in technology to drive operational excellence, elevate client engagement, and fortify systemic resilience. By embedding intelligence and automation deep within our technological infrastructure, we expanded market accessibility while enhancing platform performance, operational agility, and regulatory oversight across all business lines.

We expanded customer acquisition and engagement capabilities by incorporating Artificial Intelligence directly into the onboarding workflow. By leveraging AI-driven verification and automated data extraction, we significantly reduced registration friction, lowered turnaround times, and increased verification accuracy for new registrants. In line with our commitment to client-centric digital empowerment, we also introduced a self-service feature on CAL Online that enables customers to instantly download balance confirmation statements for past financial years for tax filing purposes. Previously a manual and labor-intensive process, this feature now gives clients instant access to essential documentation while freeing up valuable operational capacity. Driven by these advancements across our digital portal and the CAL Online mobile application, CALT successfully onboarded over 3,700 new clients during the year under review. Our digital channels remained the preferred mode of engagement for retail investors, who executed 1,800 transactions amounting to LKR 2.7 billion in total deal value.

A further significant development was the introduction of TradeX, a proprietary bidding system designed to facilitate the seamless transaction of government securities between CAL Treasuries and fund managers. By digitising this process end-to-end, TradeX delivers greater transparency, speed, and operational efficiency in the institutional fixed-income space.

To support this broader transaction volume across retail and institutional segments, we carried out targeted upgrades across our primary dealing system and core database architecture, boosting capacity and performance to seamlessly manage high-volume transaction flows with minimal latency. Backend services were further optimized to ensure operational stability and uninterrupted system availability during peak market hours.

Operational efficiency was significantly elevated through end-to-end process automation. By deploying automated bank reconciliations and automated settlement workflows, CALT eliminated manual intervention from daily payment matching, fund clearing, and deal settlements, thereby reducing operational risk, minimizing processing delays, and driving greater overall operational agility. CALT also made sustained investments in software and IT infrastructure to future-proof its technology stack and maintain business continuity.

On the compliance front, we strengthened our internal controls by integrating upgraded transaction monitoring and secure reporting tools. These capabilities ensure timely identification of potential risks, real-time transaction oversight, and full alignment with Anti-Money Laundering (AML) best practices and regulatory guidelines.

Cybersecurity remained a foundational priority during the year. CAL completed its annual evaluation against the NIST Cybersecurity Framework, recording a 7.72% improvement in overall posture compared to the previous period - a clear reflection of the maturity gained through sustained investment in this domain. The annual Vulnerability Assessment and Penetration Testing (VA/PT) exercises were conducted across all core systems, while a Data Loss Prevention (DLP) solution was implemented to safeguard sensitive information against unauthorised exposure or exfiltration. Employee awareness was further reinforced through simulated phishing campaigns, ensuring that our people remain a strong first line of defence against social engineering threats.

As CALT continues to evolve, these technological advancements reaffirm our commitment to building a secure, accessible, and performance-driven digital ecosystem for our client, laying a strong foundation for sustainable growth in the years ahead.



Financial Capital



FINANCIAL CAPITAL VALUE CREATION MODEL

WIDEN WEALTH (WW)

STRATEGIC PRIORITIES

Positive ROE/ROA

Financial Stability

KEY DRIVERS

- Optimal Asset Allocation
- Diversification
- Working Capital Management
- Technology and Innovation

- Asset Liability Management
- Portfolio Management
- Leverage and Funding

Value Created to Investors,
Employees, Clients & Society

Sustainable
Development



Financial Capital

Financial Review

For the financial year ended 31st March 2026, the Company recorded a post-tax profit of LKR 2,001 Mn, compared to LKR 4,421 Mn in the previous year. The decline in profitability is primarily attributed to the normalisation of trading and remeasurement gains on government securities, following the exceptionally strong trading performance recorded during FY 2024/25.

During the year under review, interest rates and government security yields continued to stabilise, in contrast to the sharp decline witnessed in FY 2024/25 which had driven exceptionally high trading and remeasurement gains. As a result, the Company's trading gains and net operating income moderated during the year. The current year's performance, therefore, reflects a return to more sustainable levels amid a normalising macroeconomic environment.

The Company reduced its asset base by 20%, to LKR 84,278 Mn as of 31st March 2026, compared to the previous year's asset base of LKR 105,357 Mn. This reflects a deliberate rebalancing of the Company's investment portfolio, as holdings of financial assets measured at fair value through profit or loss (Government Securities) were reduced following the normalisation of interest rates during the year.

Income Statement Analysis

Company Profitability

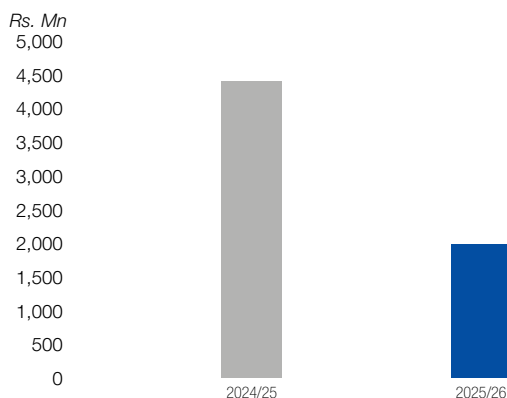
Capital Alliance PLC reported a profit after tax of LKR 2,001 million for the year ended 31st March 2026, reflecting a normalisation of operational performance following an exceptionally strong prior year. The Company recorded a Net Operating Income of LKR 3,636 million, compared to LKR 7,570 million in the previous financial year.

The current year's performance was primarily influenced by lower net gains from trading activities and a higher remeasurement loss on financial assets at fair value through profit or loss (FVTPL), following the exceptional trading gains recorded in the prior year. While the prior year benefitted from exceptional market movements driven by the sharp decline in interest rates, the current year's results reflect the Company's performance under more normalised market conditions.

As a result of the normalisation in market conditions, the Company's Return on Equity (ROE) declined to 15.68% for the financial year ended 31st March 2026, compared to 28.71% recorded in FY 2024/25. Similarly, the Return on Assets (ROA), before tax, decreased to 3.01%, down from 7.65% in the previous year.

The year-on-year reduction in both ROE and ROA reflects the moderation in trading and remeasurement gains during the current financial year, as opposed to the exceptionally elevated gains recorded in the previous year following the sharp decline in interest rates.

Profit After Tax



Net Operating Income

The key components of Net Operating Income are; Net Interest Income, Gains /(Losses) from trading and Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL.

The primary contributor to Net Operating Income during the financial year 2025/26 was net gains from trading, which amounted to LKR 2,965 million, compared to LKR 6,096 million in the previous financial year. This was largely driven by capital gains on Treasury Bills and Bonds, reflecting the more moderate movement in government security yields during the year, in contrast to the exceptional gains recorded in FY 2024/25.

The Company's overall profitability for the year continued to be influenced by trading gains from treasury securities, albeit at a more moderate level than in the prior year. In addition, the Company recorded a remeasurement loss of LKR 1,769 million on financial assets measured at fair value through profit or loss (FVTPL), compared to a loss of LKR 1,555 million reported in the previous financial year.

In the current financial year, Net Interest Income decreased to LKR 2,460 Mn from LKR 3,033 Mn reported in FY 2024/25.

Net Operating Income

Rs. Mn
8,000

7,000

6,000

5,000

4,000

3,000

2,000

1,000

0



2024/25

2025/26

Net Interest Income

The Company recorded a total interest income of LKR 8,977 Mn in FY 2025/26, representing a 1.1% increase compared to LKR 8,875 Mn in the previous period. Interest expenses for the year increased to LKR 6,516 Mn, compared to LKR 5,842 Mn in FY 2024/25, reflecting the higher cost of funding under repurchase agreements. Consequently, the Company's net interest income (NII) decreased to LKR 2,460 Mn.

The interest spread slightly reduced to 1.47% in FY 2025/26 from 1.50% in FY 2024/25.

Net Gains/ (Losses) on Trading

The Company's net capital gains on trading amounted to LKR 2,965 Mn in FY 2025/26, compared to LKR 6,096 Mn in FY 2024/25. This reduction reflects the more moderate movement in Treasury Bill and Bond yields during the year, following the exceptional gains realised in the prior year. Net capital gains from the trading of quoted shares also moderated during the year, in line with more stable equity market conditions, following the strategic diversification into quoted equity investments within the allowable regulatory limits undertaken in the previous year.

Net capital gains/(losses) on trading primarily comprise net capital gains/(losses) on Treasury Bills, Treasury Bonds, and quoted shares, all classified under financial assets measured at fair value through profit or loss (FVTPL). This classification allows the company to reflect the fair value changes in these assets directly in the profit or loss, impacting overall profitability based on market.

Net Fair Value gains/(losses) from Financial Assets at FVTPL

The Company recorded a net fair value loss from financial assets at fair value through profit or loss (FVTPL) of LKR 1,769 Mn in FY 2025/26, compared to a loss of LKR 1,555 Mn in the previous

financial year. This remeasurement loss was primarily attributable to government securities, reflecting movements in market yields during the year.

Net fair value gains/(losses) primarily consist of remeasurement gains/(losses) on government securities and quoted shares, classified under financial assets measured at FVTPL. This classification ensures that changes in the fair value of these financial assets are immediately reflected in the profit or loss, providing a transparent view of the company's financial performance based on market valuation.

Operating Expenses

The Company's Operating Expenses decreased significantly by LKR 417 million during the financial year 2025/26. This reduction was primarily driven by a decline in Personnel Expenses of LKR 338 million, reflecting the Company's strategic decision to align performance-based compensation with profitability levels amid lower trading and interest income. This approach enabled greater flexibility in managing the cost-to-income ratio in a dynamic operating environment.

In addition, the decline in operating expenses was further supported by a reduction of LKR 83 million in other expenses, primarily due to lower Value Added Tax (VAT) on financial services and the Social Security Contribution Levy during the year. This was partly offset by an increase of LKR 5 million in depreciation and amortisation expenses.

Profit Before Tax (PBT) & Profit After Tax (PAT)

For the financial year ended 31st March 2026, the Company reported a pre-tax profit of LKR 2,853 million, representing a decline of LKR 3,518 million compared to the previous year. The post-tax profit stood at LKR 2,001 million, down from LKR 4,421 million recorded in the financial year 2024/25.

The total tax expense, inclusive of the deferred tax charge, amounted to LKR 853 million for the year under review.

Financial position analysis

Assets

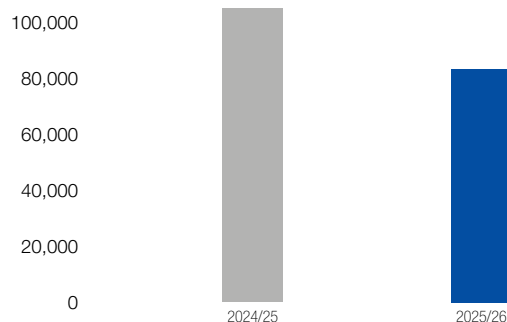
Following the normalisation of market conditions impacting the Company's primary dealer unit, total assets decreased by LKR

Financial Capital

21,079 Mn in FY 2025/26, representing a 20% decline from the previous year. This reduction was primarily driven by a LKR 20,160 Mn decrease in the value of the portfolio of financial assets (Government securities and quoted shares) measured at fair value through profit or loss (FVTPL), as the Company rebalanced its investment portfolio in line with prevailing market conditions.

Total Assets

Rs. Mn
120,000

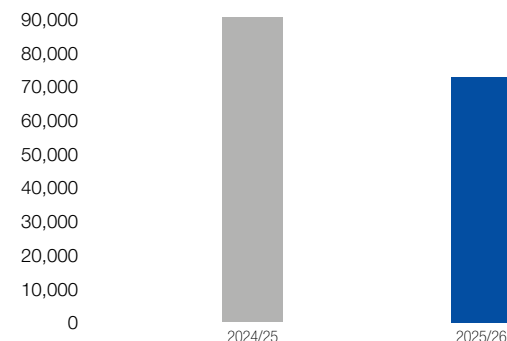


Liabilities

The Company's total liabilities decreased by LKR 17,805 Mn during the current financial year, representing a 20% decline compared to the previous year. This reduction was primarily attributable to a decrease in securities sold under repurchase agreements, which amounted to LKR 72,216 Mn at the financial year-end, compared to LKR 87,810 Mn in the previous year, in line with the reduction in the Company's investment portfolio.

Total Liabilities

Rs. Mn
100,000

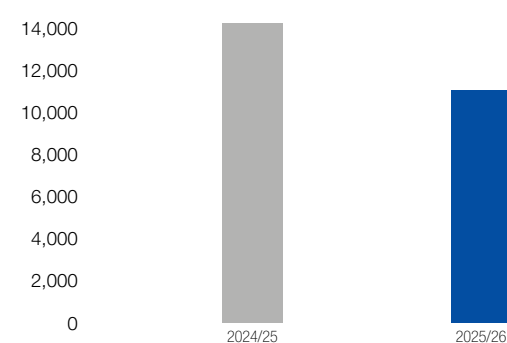


Equity

The total equity attributable to shareholders declined from LKR 14,396 million to LKR 11,122 million during the financial year. This reduction is primarily attributable to dividend payments totaling LKR 5,271 million made during the year, partly offset by the profit for the year of LKR 2,001 million.

Total Equity

Rs. Mn
16,000



Core Capital

The Company's policy is to maintain a strong capital base to safeguard investor, creditor and market confidence, support the sustainable growth and development of the business, and ensure ongoing compliance with applicable regulatory requirements.

As an authorised Primary Dealer supervised and regulated by the Central Bank of Sri Lanka (CBSL), the Company is required to maintain the minimum core capital and risk-weighted capital adequacy ratios prescribed by the CBSL.

The minimum core capital requirements applicable to Primary Dealer companies, as stipulated in CBSL Direction No. 01 of 2021 and subsequent amendments, are set out below:

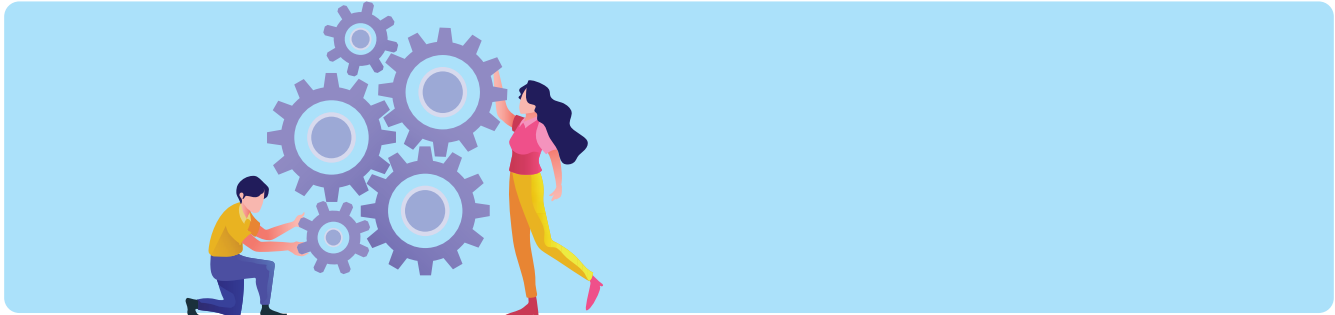
Effective date	Minimum core capital requirement
Prior to 1 January 2022	LKR 1.0 bn
By 1 January 2022	LKR 2.0 bn
By 1 January 2023	LKR 2.5 bn
By 1 January 2026 (prevailing requirement)	LKR 4.0 bn
By 1 January 2027	LKR 5.0 bn

Status of Compliance	As at 31 March 2026	As at 31 March 2025
Minimum Core Capital Required	LKR 4.00 bn	LKR 2.50 bn
Actual Core Capital	LKR 11.01 bn	LKR 11.32 bn
Status of Compliance	Complied	Complied

The Company maintained core capital above the applicable minimum regulatory requirements at both reporting dates.



Manufactured Capital



In fiscal year 2025/26, CALT accelerated its digital evolution, investing in technology to drive operational excellence, elevate client engagement, and strengthen systemic resilience, embedding intelligence and automation across our infrastructure to expand market accessibility and platform performance.

We integrated Artificial Intelligence into the onboarding workflow, using AI-driven verification and automated data extraction to cut registration friction and turnaround times while improving accuracy. Building on this, we rolled out fully digital onboarding, letting new clients open and activate accounts entirely online, and introduced self-service balance confirmation downloads on CAL Online for past financial years' tax filing, previously a manual process. These digital channels drove over 3,700 new client onboardings and 1,800 retail transactions worth LKR 2.7 billion during the year.

We also launched TradeX, a proprietary bidding system digitising government securities transactions between CAL Treasuries and fund managers, and upgraded our primary dealing system and core database architecture to handle higher transaction volumes with minimal latency and greater stability.

Operational efficiency was further elevated through automated bank reconciliations and settlement workflows, removing manual intervention from daily payment matching, fund clearing, and deal settlements.

Funding flows sit on the same shared payment architecture: JustPay integration enables clients to fund accounts directly from a linked bank via a "Transfer and Create" flow, and creation plans extend this to automated, recurring periodic investing.

We also upgraded our digital assistant with wider query coverage and better accuracy, strengthening self-service support group-wide.

On compliance, upgraded transaction monitoring and secure reporting tools now ensure timely risk identification, real-time oversight, and alignment with AML regulations.

Cybersecurity remained a priority: our NIST Cybersecurity Framework evaluation showed a 7.72% improvement year-on-year, supported by annual VA/PT exercises, a new Data Loss Prevention (DLP) solution, and simulated phishing campaigns to reinforce employee awareness.

These advancements reflect our continued commitment to a secure, accessible, performance-driven digital ecosystem, laying a strong foundation for sustainable growth ahead.



Intellectual Capital



INTELLECTUAL CAPITAL VALUE CREATION MODEL

INSPIRED INNOVATIONS (II) /CLIENT CENTRICITY (CC)

STRATEGIC PRIORITIES

Brand Reputation

Knowledge Systems

KEY DRIVERS

- Industry Standing
- Regulatory Compliance
- Ethics and Integrity
- Partner Networks

- Research
- IT Infrastructure
- Information Security Systems

Value Created to Investors,
Employees, Clients & Society

Sustainable
Development

Technological Developments

During FY 25/26, CALT accelerated its digital evolution, deploying strategic investments in technology to drive operational excellence, elevate client engagement, and fortify systemic resilience. By embedding intelligence and automation deep within our technological infrastructure, we expanded market accessibility while enhancing platform performance, operational agility, and regulatory oversight across all business lines.

A key advancement was the integration of Artificial Intelligence directly into the customer onboarding workflow. Through AI-driven verification and automated data extraction, we significantly reduced registration friction, shortened turnaround times, and improved verification accuracy for new registrants. Complementing this, we introduced a self-service feature on CAL Online that enables customers to instantly download balance confirmation statements for past financial years for tax filing purposes—transforming what was previously a manual, labour-intensive process into instant, on-demand access while freeing up valuable operational capacity. Driven by these enhancements across our digital portal and the CAL Online mobile application, CALT successfully onboarded over 3,700 new clients during the year, with digital channels remaining the preferred mode of engagement for retail investors, who executed 1,800 transactions amounting to LKR 2.7 billion in total deal value.

A further milestone was the launch of TradeX, a proprietary bidding system that facilitates the seamless transaction of government securities between CAL Treasuries and fund managers. By digitising this process end-to-end, TradeX delivers greater transparency, speed, and operational efficiency across the institutional fixed-income space.

To support higher transaction volumes across retail and institutional segments, we carried out targeted upgrades to our primary dealing system and core database architecture, boosting capacity and performance to manage high-volume transaction flows with minimal latency. Backend services were further optimized to ensure operational stability and uninterrupted availability during peak market hours. Operational efficiency was elevated through end-to-end process automation, with automated bank reconciliations and settlement workflows eliminating manual intervention from daily payment matching, fund clearing, and deal settlements—reducing operational risk and processing delays. Alongside these initiatives, CALT made sustained investments in software and IT infrastructure to future-proof its technology stack and maintain business continuity.

On the compliance front, we strengthened our internal controls by integrating upgraded transaction monitoring and secure reporting tools. These capabilities ensure timely identification of potential risks, real-time transaction oversight, and full alignment with Anti-Money Laundering (AML) best practices and regulatory guidelines.

Together, these advancements reaffirm CALT's commitment to leveraging technology for a more efficient, secure, and customer-centric financial ecosystem—laying a strong foundation for sustainable growth in the years ahead.

Information Security Systems

CALT continues to prioritize a resilient and proactive information security posture to combat the rising tide of global cyber threats targeting financial institutions. We maintain a strong focus on safeguarding data and information assets by continuously enhancing our security infrastructure and control environment.

Cybersecurity remained a foundational priority during the year. CAL completed its annual evaluation against the NIST Cybersecurity Framework, recording a 7.72% improvement in overall security posture compared to the previous period—a clear reflection of the maturity gained through sustained investment in this domain. Our annual Vulnerability Assessment and Penetration Testing (VA/PT) exercises were conducted across all core systems and infrastructure to proactively identify and address potential weaknesses.

To further strengthen our defences, we implemented a Data Loss Prevention (DLP) solution to safeguard sensitive information against unauthorised exposure or exfiltration. Our stringent access control policy continues to enforce multi-layered security protocols, ensuring that only authorized personnel can access critical systems and financial data, while client personal information remains encrypted to reinforce the confidentiality of sensitive data across our platforms.

To build a cyber-aware culture, we reinforced employee awareness through simulated phishing campaigns and ongoing training, ensuring our people remain a strong first line of defence against social engineering and other cyber threats.

Aligned with the NIST Cybersecurity Framework, our approach emphasizes continuous improvement, risk management, and operational resilience. Through these measures, CALT remains steadfast in its commitment to the highest standards of information security, ensuring client trust and data protection remain uncompromised.

Regulatory Compliance

As a licensed Primary Dealer, CALT operates in a highly regulated environment and places significant emphasis on maintaining full compliance with all applicable laws, regulations, and directives. Regulatory compliance forms a key component of our intellectual capital, reflecting the collective expertise, discipline, and governance frameworks that underpin our operations.

CALT is highly regulated. Laws and regulations applicable to the business are internalized through well-defined policies, procedures, and control mechanisms, supported by clear

Intellectual Capital

oversight structures. Each business head is accountable for ensuring that their respective areas operate in full compliance with applicable legal and regulatory requirements, including monitoring any new developments. These responsibilities are complemented by dedicated governance frameworks that provide enterprise-wide oversight and assurance, ensuring consistent and comprehensive regulatory adherence across all business activities.

Furthermore, based on the principle that compliance is a shared responsibility, we continued to foster a strong compliance culture across the organization by enhancing awareness and understanding among employees at all levels. This was achieved through ongoing training programmes, workshops, and knowledge-sharing initiatives aimed at equipping our teams with the necessary tools to identify, interpret, and act in accordance with regulatory expectations.

Throughout the year, we remained fully compliant with the regulatory standards set by the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission (SEC), and other relevant authorities. Our compliance infrastructure is further strengthened through regular monitoring, internal audits, risk-based controls, and continuous upskilling on evolving regulatory requirements.

We view compliance not only as a statutory obligation but also as a pillar of sustainable value creation—essential for preserving market confidence, protecting our reputation, and enhancing stakeholder trust. By embedding regulatory knowledge and ethical conduct into our intellectual capital, we ensure long-term resilience and contribute meaningfully to the integrity of the financial system.

Further details of our compliance performance and governance measures can be found in the Compliance Report on pages 87 to 130 of this Annual Report.

	Oversight Responsibility
Laws, rules, regulations, directives and circulars issued by Central Bank of Sri Lanka	Compliance & Risk Department
Laws, rules, regulations, directives and circulars issued by Financial Intelligence Unit of Central Bank of Sri Lanka	Compliance & Risk Department
Securities and Exchange Act No. 36 of 1987 and other Laws, rules, regulations, Directives, circulars issued by the Securities and Exchange Commission of Sri Lanka	Compliance & Risk Department
Rules, Directives and Circulars issued by the Colombo Stock Exchange	Compliance & Risk Department
Rules, Directives and Circulars issued by the Colombo Stock Exchange through Central Depository System	Compliance & Risk Department
Companies Act No. 07 of 2007	Company Secretary Finance Department Compliance & Risk Department
Foreign Exchange Act No. 07 of 2017 and other related laws, regulations, Directions and Circulars issued by the Department of Foreign Exchange of Central Bank of Sri Lanka	Finance Department Compliance & Risk Department
Inland Revenue Act No. 24 of 2017 and other related laws, regulations, Directions and circulars issued by the Inland Revenue Department of Sri Lanka	Finance Department
Laws, Rules, Directions and circulars governing labor and employment laws	Human Resource Department

Ethics and Integrity

Ethics and integrity are fundamental pillars of CALT's intellectual capital and are deeply embedded in our culture, governance, and day-to-day operations. The commitment to ethical conduct is not a reactive measure—it is a proactive, enduring value that has shaped our identity since inception.

This commitment is ingrained in CALT's core values and forms the foundation of how we conduct business. Our Code of Conduct is the cornerstone of this commitment, serving as a comprehensive guide to conducting our operations legally, ethically, and with integrity. It articulates the Group's position on critical matters such as confidentiality, fair dealing, conflicts of interest, anti-bribery and corruption, anti-money laundering, anti-competitive behavior, and intellectual property rights. As such, it serves as a principal reference point for all Directors and employees, helping them navigate complex situations and make sound ethical decisions in their daily responsibilities.

We reinforce these principles through regular training, awareness campaigns, and leadership-driven communication, ensuring that the expectations of ethical behavior are clearly understood and consistently applied across all levels of the organization. Senior management plays a pivotal role in setting the tone from the top, embedding ethical considerations into our business strategy, risk culture, and performance frameworks.

In addition, our Whistleblowing Policy provides a secure and confidential channel through which employees and Directors can report concerns or observations related to misconduct or unethical behavior. The policy is designed to protect whistleblowers and ensure impartial investigations. Notably, there were no incidents reported under CALT's whistleblowing mechanism during the current financial year, underscoring the strength of our ethical culture and internal controls.

We maintain a zero-tolerance stance towards unethical practices, supported by a robust governance and compliance framework. At CALT, ethics and integrity are not viewed merely as compliance obligations but as strategic assets that enhance our intellectual capital, reinforce stakeholder trust, and support the long-term sustainability of our business.

Key Performance Indicators

Indicator		FY 2024/25	FY 2025/26	Remarks
 IT Investment (LKR Mn)		4.7	1.2	Increased support to support digitization, automation, and internal system upgrades
 System Availability / Uptime		100%	100%	Critical for uninterrupted trading, settlement, and customer-facing operations
 Transaction Monitoring Enhancements Implemented		Fully deployed	Fully deployed	Strengthens AML/CFT compliance and governance infrastructure
 AML Training		100%	100%	Ensures ethical decision-making and regulatory awareness across the organization by all staff

Focus for the Future	
Medium Term	Long Term
Establish a robust internal vulnerability assessment framework by deploying advanced tools and methodologies, supporting a proactive approach to cybersecurity.	Leverage AI and machine learning technologies to strengthen the capabilities of our analytics unit and support data-led decision-making across the organization.
Enhance the digital customer journey by upgrading the Customer Portal and other online engagement channels to deliver seamless and intuitive user experience.	Institutionalize information security awareness by embedding mandatory training programs into our corporate learning agenda, promoting a culture of compliance and cyber hygiene.
Develop an AI-powered data intelligence layer to detect trends, anomalies, and growth opportunities, with natural language queries and predictive analytics embedded into dashboards to enhance decision-making across the organization.	Introduce AI-powered workflow engines to streamline internal processes such as compliance checks, document verification, and exception handling.
Contribution to Sustainable Development Goals (SDGs)	 



Human Capital



At Capital Alliance PLC, our people are the cornerstone of our success. In an environment characterized by evolving customer expectations, increasing regulatory requirements, technological disruption, and heightened market complexity, the strength of our organization lies in the expertise, commitment, and integrity of our workforce.

We believe that sustainable business growth can only be achieved through a highly engaged, capable, and motivated team. Our Human Capital strategy is therefore focused on attracting, developing, and retaining talented professionals while fostering a work environment that promotes inclusivity, well-being, continuous learning, and high performance.

Guided by sound governance practices and a strong commitment to regulatory compliance, we continuously enhance our employee value proposition to ensure that Capital Alliance PLC remains an employer of choice within the financial services industry. Through strategic investments in talent, leadership development, employee welfare, and organizational culture, we create long-term value for both our people and our stakeholders.

A Talented Workforce with Diverse Expertise

Our workforce represents a diverse blend of professional experience, academic excellence, and technical expertise that enables us to effectively navigate a dynamic and increasingly sophisticated business environment.

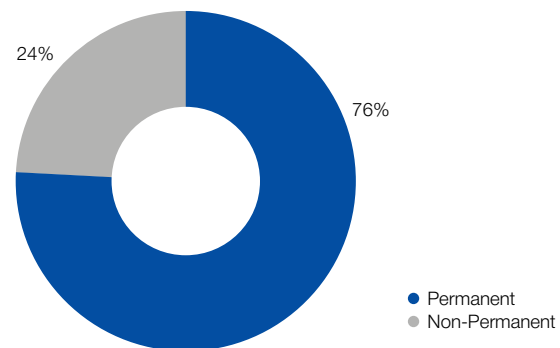
The Workforce in Numbers

During the financial year under review, Capital Alliance PLC employed 42 individuals, comprising 32 permanent employees and 10 non-permanent employees.

We are pleased to report a staff turnover rate of 10% during the year, reflecting the strength of our employee engagement initiatives, supportive work environment, and commitment to fostering a workplace where individuals can build rewarding and long-term careers.

A majority of our employees are retained on a permanent basis, providing stability, continuity, and a strong foundation for sustainable organizational growth.

Employment Type



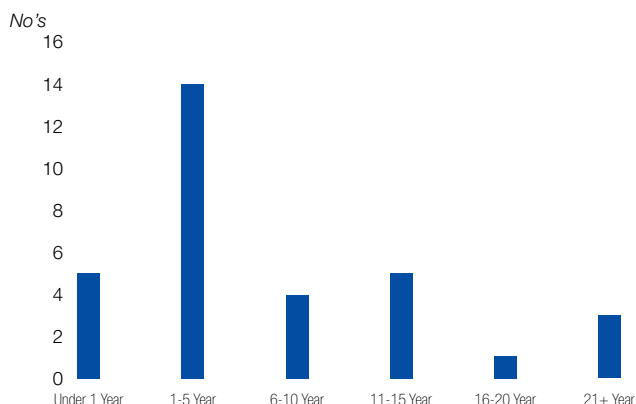
Employee Tenure

The tenure profile of our workforce demonstrates a healthy balance between experienced professionals and new talent entering the organization.

A significant proportion of our employees have served the organization for over a decade, bringing valuable institutional knowledge, deep industry expertise, and leadership capability. At the same time, newer employees contribute fresh perspectives and innovative thinking that support business agility and continuous improvement.

Approximately 44% of the workforce possesses between 1 to 5 years of service, while a further 31% have accumulated between 6 and 20 years of experience. This blend of long-standing expertise and emerging talent creates a resilient workforce well positioned to achieve our strategic objectives.

Analysis of Tenure



Staff Credentials

We are committed to attracting and retaining individuals with strong academic qualifications and professional credentials.

The majority of our employees hold Bachelor's and Master's degrees, reflecting a workforce with a robust academic foundation across multiple disciplines. In addition, several team members possess globally recognized professional qualifications in finance, accounting, and investment management, including CFA, CIMA, Chartered Accountancy, and Registered Investment Advisor certifications.

This combination of academic achievement and professional expertise strengthens our ability to deliver innovative solutions, maintain high professional standards, and respond effectively to the evolving needs of our stakeholders.

Employee Qualifications

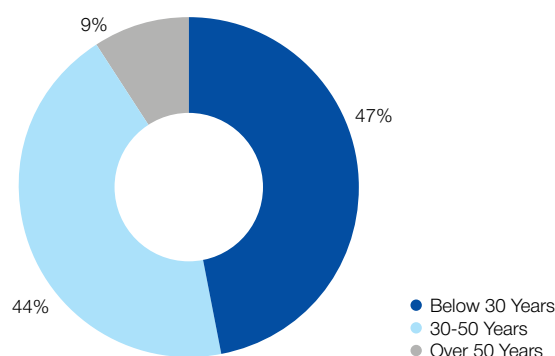


Diversity Analysis

At Capital Alliance PLC, diversity is recognized as a critical enabler of innovation, sound decision-making, and organizational resilience.

Our workforce is composed of employees across multiple age groups, creating a dynamic environment that combines fresh perspectives, professional maturity, and extensive industry experience. This balanced age profile contributes to effective knowledge transfer, mentorship, and organizational continuity.

Employee Age Representation

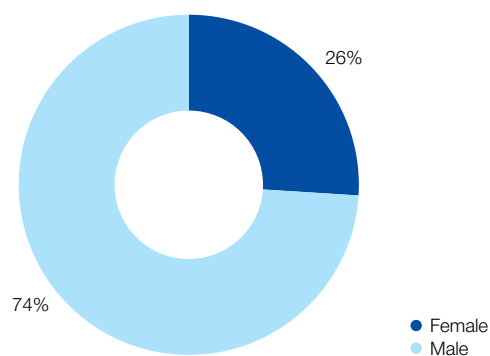


Gender Diversity

We remain committed to building an inclusive workplace that provides equal opportunities for all employees.

While the current workforce comprises a higher proportion of male employees, we continue to strengthen our focus on diversity and inclusion through equitable recruitment practices, merit-based advancement opportunities, and policies that support a respectful and inclusive work environment. These efforts aim to foster greater workforce diversity while ensuring that all employees have the opportunity to reach their full potential.

Overall Gender



Human Capital

Human Capital Strategy and Governance

Capital Alliance PLC has established a people-centric approach to Human Capital Management that is designed to unlock the full potential of our employees while supporting organizational performance and long-term sustainability.

HR Function and Commitment to Compliance

The Human Resources function serves as a centralized strategic partner responsible for overseeing all aspects of Human Capital Management across the organization.

The HR team works closely with business leaders to attract, develop, and retain talent while ensuring alignment between people strategies and organizational objectives. Through a disciplined and proactive approach to workforce planning, employee engagement, performance management, and leadership development, we cultivate a high-performance culture that supports both individual and organizational success.

Our Policy Ecosystem

Our commitment to fairness, transparency, and employee well-being is supported through a comprehensive framework of policies, including:

- Sexual Harassment, Discrimination, Bullying and Harassment Policy
- Grievance Handling Policy
- Holiday Leave and Sabbatical Policy
- Paternity Leave Policy
- Performance Management Policy
- Membership Subscription Policy

Core Values of Our Human Capital Strategy

Four key principles guide our approach to creating value through our people:

- Inclusivity
- Performance-Driven Recognition
- Continuous Growth
- Holistic Work Environment

These principles shape our culture and influence every stage of the employee lifecycle.

Core Values of the CAL HR Strategy and Value Creation Approach



Inclusivity



Performance
Driven Recognition



Continuous
Growth



Holistic Work
Environment

Inclusive Opportunities

Creating an inclusive workplace remains central to our Human Capital philosophy.

We strive to provide equitable opportunities for all employees irrespective of age, gender, ethnicity, religion, marital status, or other personal characteristics. By fostering a culture built on fairness and mutual respect, we enable employees to contribute confidently and realise their full professional potential.

The Human Resources team continuously reviews and enhances policies and practices to ensure our workplace remains innovative, respectful, collaborative, and inclusive.

Compliance and Best Practices

Ensuring compliance is not only a responsibility; it is a critical part of our overall HR strategy. We have aligned our commitment to regulatory compliance with the Shop and Office Employees (Regulation of Employment and Remuneration) Act as well as global best practices, guided by the regulations of the International Labour Organization (ILO) conventions and the United Nations Global Compact for Human Rights. Moreover, fairness and diversity are promoted at all organizational levels by our dedication to equal opportunity, which also guarantees a workplace free from discrimination based on age, marital status, religion, or any other legally protected trait.

Recruitment and Selection

At CAL, our recruitment and selection process is guided by principles of fairness, transparency, and merit. We seek to attract and retain individuals with the right blend of technical expertise, professional competence, and cultural alignment. Through structured assessment and selection practices, we ensure that every recruitment decision supports our commitment to building a high-performing and values-driven workforce

Comprehensive Onboarding

To enable a smooth transition into the organization, all new recruits participate in a comprehensive onboarding programme conducted by members of the leadership team. The programme introduces employees to CAL's culture, values, governance framework, policies, and business operations, while providing the tools and knowledge required to perform effectively in their roles. This structured approach facilitates faster integration, enhances employee engagement, and supports long-term success within the organization.

Remuneration and Benefits

CAL PLC's remuneration framework is designed to attract, motivate, and retain high-calibre talent while maintaining fairness, equity, and market competitiveness. Compensation structures are benchmarked against industry standards and are aligned

with individual performance, responsibilities, and professional expertise. In addition to fixed remuneration, employees are eligible for performance-based incentives that recognise individual contributions and support a culture of excellence and accountability

	2025/26 (Rs)	2024/25 (Rs)
Salaries and other staff benefits	190 Mn	517 Mn
Defined benefit plan - gratuity	5.7 Mn	15 Mn
Defined contribution plans (EPF)	16 Mn	18 Mn
Defined contribution plans (ETF)	4 Mn	4 Mn
Other employee related cost	0.5 Mn	0.2 Mn
Total Employee benefits	216.1 Mn	554.2 Mn

A full range of benefits are provided by Capital Alliance PLC to promote work-life balance and employee well-being:

- Comprehensive health coverage includes life, hospitalization, surgery, and personal accident insurance.
- In-House Outpatient Claims: Simplified procedure for reimbursement of medical costs. Preferential Staff Loans: Specialized rates for loans.
- Mobile connectivity is the availability of a SIM card and a cell phone with data allotment.
- Up to six days of paternity leave are available to assist new fathers.
- Options for Leave: Sabbatical and holiday leave for relaxation and personal development.
- Professional Development: Payment for subscriptions to professional associations.
- Special Needs Support: A program designed to help staff members who have children with special needs.

Performance-Driven Recognition

At CAL PLC, we foster a performance-oriented culture that recognizes and rewards individual and team contributions. We believe that acknowledging excellence motivates employees to consistently achieve their goals, demonstrate accountability, and contribute meaningfully to organizational success. Through structured recognition mechanisms, outstanding performance, innovative thinking, and exceptional commitment are valued and rewarded, reinforcing a culture of high performance and continuous improvement

Performance Management

Our performance management framework is designed to align individual objectives with the strategic goals of the organization. Employee performance is assessed through a structured process that incorporates Key Performance Indicators (KPIs), supervisor evaluations, self-assessments, and annual performance reviews.

Human Capital

This comprehensive approach enables management to evaluate achievement against agreed targets, identify development opportunities, and provide constructive feedback that supports continuous improvement. The framework also empowers employees to take ownership of their professional growth while fostering a culture of accountability, engagement, and excellence.

Learning and Development

Our learning and development approach combines on-the-job training, knowledge-sharing opportunities, leadership development programmes, and external learning interventions. Knowledge transfer remains a key component of our development strategy, enabling employees to acquire practical expertise through direct exposure to business operations, mentorship, and collaborative learning experiences. Leadership development initiatives also play an important role in strengthening managerial effectiveness and preparing high-potential employees for future responsibilities.

In addition, employees participated in externally facilitated training programmes and industry-led learning forums conducted by recognized subject matter experts. These programmes provided valuable exposure to emerging market trends, regulatory developments, industry best practices, and professional knowledge that support both personal and organizational growth.

Collectively, these learning initiatives contribute to building a capable, agile, and future-ready workforce while reinforcing our commitment to employee development and long-term organizational effectiveness. Through continuous investment in learning and capability building, we empower our people to achieve their full potential and support the sustainable growth of the organization.

During the year, we allotted 362 hours of collective training for all our staff members - providing continuous professional and knowledge growth alongside skill enhancement to reach organisational and individual goals.

Holistic Work Environment

At CAL PLC, our team of bright minds is provided with a harmonious work environment with the proper balance in work and life obligations. When professional obligations exceed the right balance, we ensure that the team receives the right reinforcements to ensure well-balanced mind and physical health.

Championing Work-Life Harmony

The culture at CAL PLC thrives on employee well-being, which has contributed to forming an exceptional team of professionals. As a means of enjoying true relaxation, we offer 10 days of paid leave each year, providing staff with the freedom to rejuvenate their minds, explore and undertake non-work passions and enjoy a work-free environment.

Parenthood and work ethic are embedded into the CAL corporate culture, as we strive to prioritise the parental duties of our staff. Upon their return to work following the birth of a child, we provide supportive and flexible options of remote scheduling, flexible hours and phased gradual re-assimilation to work; these are tailored to accommodate a well-adjusted work-life schedule for our new mothers and fathers.

A three-month sabbatical is provided to our senior employees, which promotes self-discovery, academic growth and monetary pauses from work to find a balanced footing between professional goals and personal aspirations.

Employee Well-being

At CAL, the well-being of our employees is reflected through the various non-financial benefits offered for their health, safety and all-around well-being. Putting health and happiness as priorities we provide our employees with comprehensive wellness programs, including healthcare coverage, access to resources that provide mental health and regular wellness workshops.

Grievance policy and managing employee concerns in a confidential and formal process ensures that our staff are respected and valued irrespective of the circumstances. Those in duress are provided with the right recourse, ensuring that they return to a normal and enjoyable work environment.

We also maintain a strict zero-tolerance policy on sexual harassment workplace bullying and discrimination and any kind of harassing behavior. The HR department and the management ensure that all allegations and misconduct are promptly investigated with thorough testimonies from both parties.

Future ready

At Capital Alliance PLC, succession planning is a key component of our long-term human capital strategy, ensuring the organization is equipped with a strong pipeline of capable leaders and skilled professionals to meet future business demands. Through a structured approach to talent identification, development, and succession management, we continue to strengthen organizational resilience and support sustainable growth.

We actively collaborate with universities and professional institutions to attract emerging talent and enhance our recruitment pipeline. These partnerships provide opportunities to identify high-potential candidates, facilitate knowledge exchange, and support the development of future industry professionals. Through internships, graduate engagement initiatives, and industry-academia collaborations, undergraduates gain valuable exposure to corporate environments, strengthening their readiness to transition successfully into the workforce.

By investing in future talent and fostering leadership continuity, we aim to build a workforce that remains agile, innovative, and well-positioned to create long-term value for all stakeholders.



Social and Relationship Capital



STRATEGIC PRIORITIES · CC & SS

Managing client expectations & overall experience / Community investment

KEY DRIVERS

Client relationships / Transparency of information / Customer privacy / Value-added services / CAL Foundation / CSR activities / Internship programme

VALUE CREATED

For investors, employees, clients & society - driving sustainable development

Contribution to Sustainable Development Goals (SDGs)



CSR in Action

1. Financial Literacy

In-person & digital FinLit programmes for students, young professionals and underserved segments, demystifying government securities and personal finance — supporting SDG 4 & 8.

2. Targeted Social Outreach

Community support and relief initiatives addressing pressing social needs.

3. Employee Engagement & Volunteerism

Structured volunteer programmes through which employees contribute time, skills and resources — strengthening the “S” in ESG and internal social capital.

4. Governance & ESG Alignment

CSR activity follows a structured governance process — defined objectives, transparent resource allocation and regular impact assessments — embedded within the broader ESG framework and UN SDGs.

Partnerships & Memberships

Professional Bodies: CA Sri Lanka · CFA Institute · CIMA (UK) · ACCA · CIM · Lanka Rating Agency

Regulators: CBSL · SEC · CSE · Inland Revenue Dept. · ETF Board · Dept. of Labour · EPF Dept. · SLAASMB

Industry Associations: Financial Ombudsman Sri Lanka Limited · LankaPay · Swift

Social and Relationship Capital

Key Performance Indicators

Indicator	FY 24/25	FY 25/26	Remarks
Digital transformation (paperless)	Initiated	Expanded	Better CX, Chat Bots
Financial literacy programmes	2 sessions	12 sessions	Inclusion & investor education
Digital access initiatives	Introduced	Expanded	G-sec access via CAL Online 2.0
Data privacy incidents	Zero	Zero	Secure handling of client data

Digital Community

 127,000+ Youtube	 29,000+ Facebook	 33,000+ LinkedIn	 13,000+ Instagram	 7,000+ TikTok	 12,000+ X/Twitter
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Focus for the Future

Medium Term

Implement a well-organised employee volunteering programme fostering engagement in Company-led community projects.

Long Term

Develop a three-year, results-driven plan supporting children with disabilities in reaching their full potential.

CSR Donations

Company has contributed LKR 0.1 Mn in total during the FY 2025/26 and channeled through CAL Foundation and community initiatives.



Natural Capital



As a Primary Dealer operating in a service-oriented and low-impact industry, CALT's direct environmental footprint is modest. Nevertheless, we remain deeply committed to environmental stewardship as part of our broader Environmental, Social, and Governance (ESG) obligations. Our approach to natural capital reflects a belief that sustainability is not determined by the size of our footprint, but by the strength of our intent and the integrity of our actions.

NATURAL CAPITAL - VALUE CREATION MODEL

Social Sustainability (SS)

STRATEGIC PRIORITIES

Conserving Natural Resources

KEY DRIVERS

- Technology adoption
- Automation to minimize paper-based processes

Value Created to Investors,
Employees, Clients & Society



Sustainable
Development

Natural Capital

Environmental Philosophy

While our core operations inherently have minimal negative environmental impact, we firmly believe in contributing to environmental sustainability for the benefit of future generations of Sri Lankans. Our Technology Roadmap serves as a key enabler in this regard, focusing on:

- Digitizing front-end interfaces across all CALT business operations, promoting paperless transactions and enhancing customer efficiency.
- Automating back-end processes to streamline workflows, reduce manual intervention, and minimize material waste.



This strategic digital shift supports both operational efficiency and environmental sustainability by significantly reducing our dependence on paper and physical storage.

Resource Efficiency: Energy and Water Consumption

In line with our commitment to responsible resource use, we monitor and manage key environmental indicators such as energy and water consumption. The following trends highlight our environmental performance:

Key Environmental Performance Indicators

Indicator	FY 2024/25	FY 2025/26	Remarks
 Water Consumption	2.64 m3	1.75 m3	Decrease attributed to water conservation measures and decreased in-office activity
 Energy Consumption	274.2 Gj	76.59 Gj	The decrease reflects the implementation of more energy-efficient measures, resulting in reduced overall grid dependency compared with the previous year.
 Paper Usage	2,170	13,725	Increase primarily attributed to business expansion and relocation to a new office, which required printing of new letterheads, stationery, and onboarding documentation
 Environmental Policy	Implemented	Implemented	Guided by ESG principles and Technology Roadmap

While paper consumption has increased in parallel with growth and digital transformation, we continue to explore energy-efficient technologies and green building practices to mitigate our environmental impact in the long term.

Responsible Waste Management

As part of our environmental commitment, we have implemented proactive measures to manage waste responsibly, particularly regarding electronic waste (e-waste). We also comply with all local environmental regulations related to waste disposal and continuously promote eco-conscious behavior among staff, including minimizing single-use materials and responsible consumption in office operations.

We are working towards aligning our environmental disclosures with recognized global frameworks such as the Global Reporting Initiative (GRI) to enhance the transparency and accountability of our sustainability performance.

At CALT, our commitment to preserving natural capital reflects our responsibility not only to shareholders and regulators but to the broader society and environment we serve. Even as a low-impact organization, we strive to demonstrate that sustainable operations and responsible finance go hand in hand—today, and for the future.

Contribution to Sustainable Development Goals (SDGs)	  
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Corporate Governance

Statement by the Chairman

Dear Stakeholders,

At Capital Alliance PLC, we recognize that strong corporate governance is fundamental to our success as a Primary Dealer and to maintaining the trust of our stakeholders. Our governance framework is built on the pillars of integrity, transparency, and accountability, ensuring that our operations remain fully compliant with regulatory requirements and industry best practices.

The Board of Directors provides strategic direction and oversight, ensuring adherence to the governance principles outlined by the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE). Our governance structure is further strengthened by the active role of the Chief Risk and Compliance Officer (CRCO), who, under the Board's supervision, ensures that all risk and compliance measures are effectively implemented across the organization.

Our compliance team, working in close collaboration with the CRCO, continuously monitors business activities, ensuring they align with Board-approved policies and regulatory standards. A robust risk management framework and a risk-based assessment program further reinforce our commitment to sound corporate governance.

The Audit Committee plays a crucial role in overseeing the deployment of an Internal Audit Framework, providing independent assurance on compliance, internal controls, and ethical conduct within the organization. The Board is committed to fostering a culture of zero tolerance for non-compliance, setting the tone from the top, and ensuring that all directors and employees uphold the highest ethical standards in their conduct.

On behalf of the Board of Directors, I affirm our unwavering commitment to upholding the highest standards of corporate governance, risk management, and compliance. We remain dedicated to transparency, accountability, and ethical business practices, reinforcing our position as a trusted Primary Dealer in the financial sector.



Mr. D. A. De Zoysa
Chairman

The Capital Alliance PLC's approach to Corporate Governance

At CALT, we are committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and ethical business practices. Our corporate governance framework is designed to foster trust among stakeholders, align with regulatory requirements, and support long-term value creation.

Governance Structure

Our Board of Directors provides strategic guidance and oversight, ensuring the company operates in compliance with the industry's best practices and regulatory frameworks. The Board comprises experienced professionals with diverse expertise, fostering balanced decision-making. Key committees, including the Audit Committee, Risk Committee, Remuneration Committee, Related party Transactions Review Committee and Nomination & Governance Committee, further strengthen governance by overseeing critical business functions.

Regulatory Compliance and Best Practices

As a Primary Dealer, we strictly adhere to the guidelines set by regulatory authorities, including Central Bank of Sri Lanka, ensuring compliance with capital adequacy requirements, risk management frameworks, and reporting obligations. In addition, we are committed to governance best practices observed by listed entities in Sri Lanka, which has led to the voluntary adoption of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC). This reflects our dedication to fostering strong governance, transparency, and investor confidence.

Risk Management and Internal Controls

Robust risk management is at the core of our governance philosophy. We have established a comprehensive risk management framework that identifies, assesses, and mitigates financial, operational, and compliance risks. Internal audits and control mechanisms are regularly conducted to ensure effective monitoring and accountability.

Ethical Business Practices

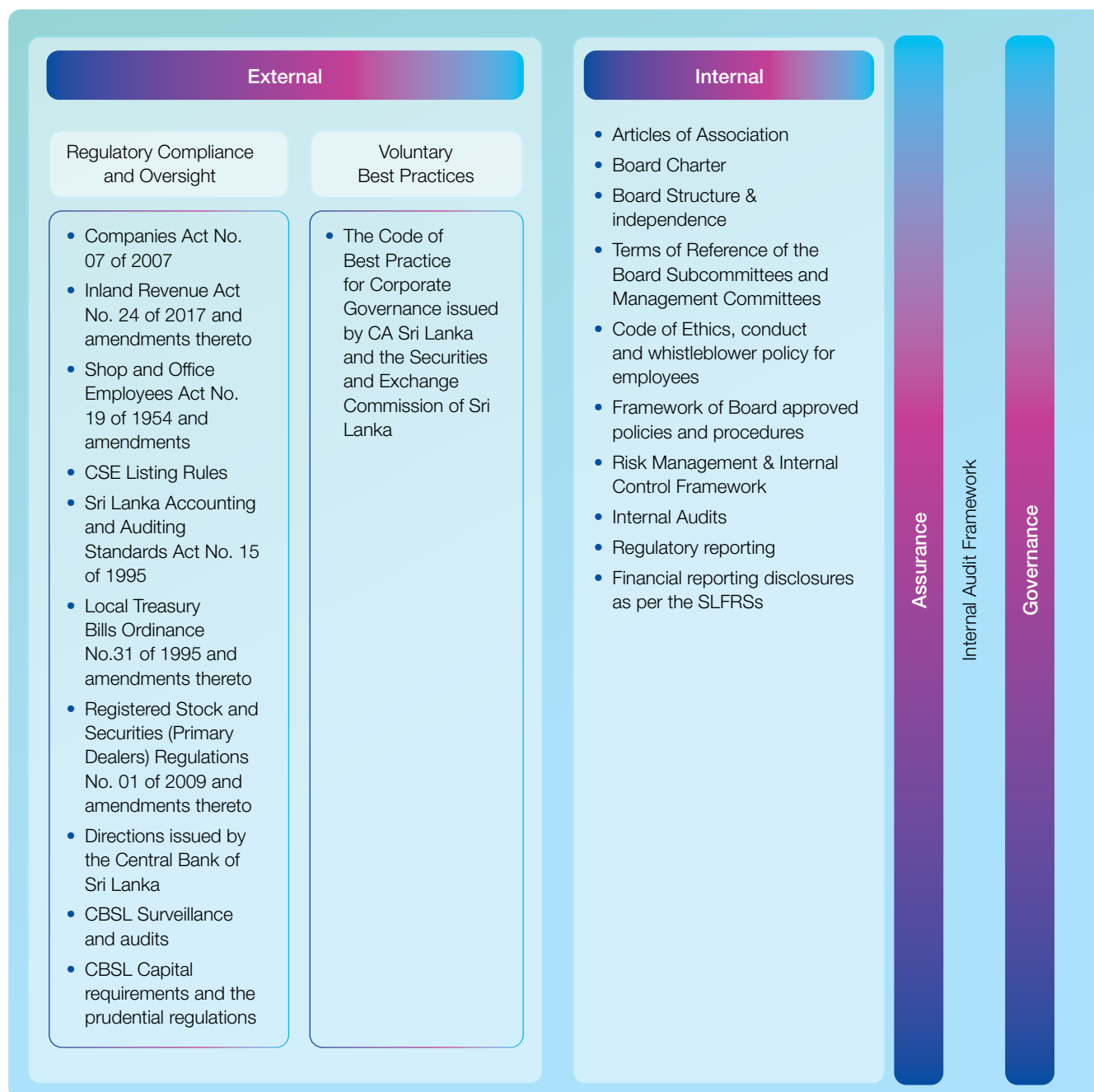
Integrity and ethical conduct are fundamental to our operations. Our Code of Conduct outlines the principles guiding employees and management, reinforcing a culture of transparency and responsible decision-making. Whistleblower mechanisms and grievance redressal systems further strengthen our commitment to ethical governance.

Corporate Governance

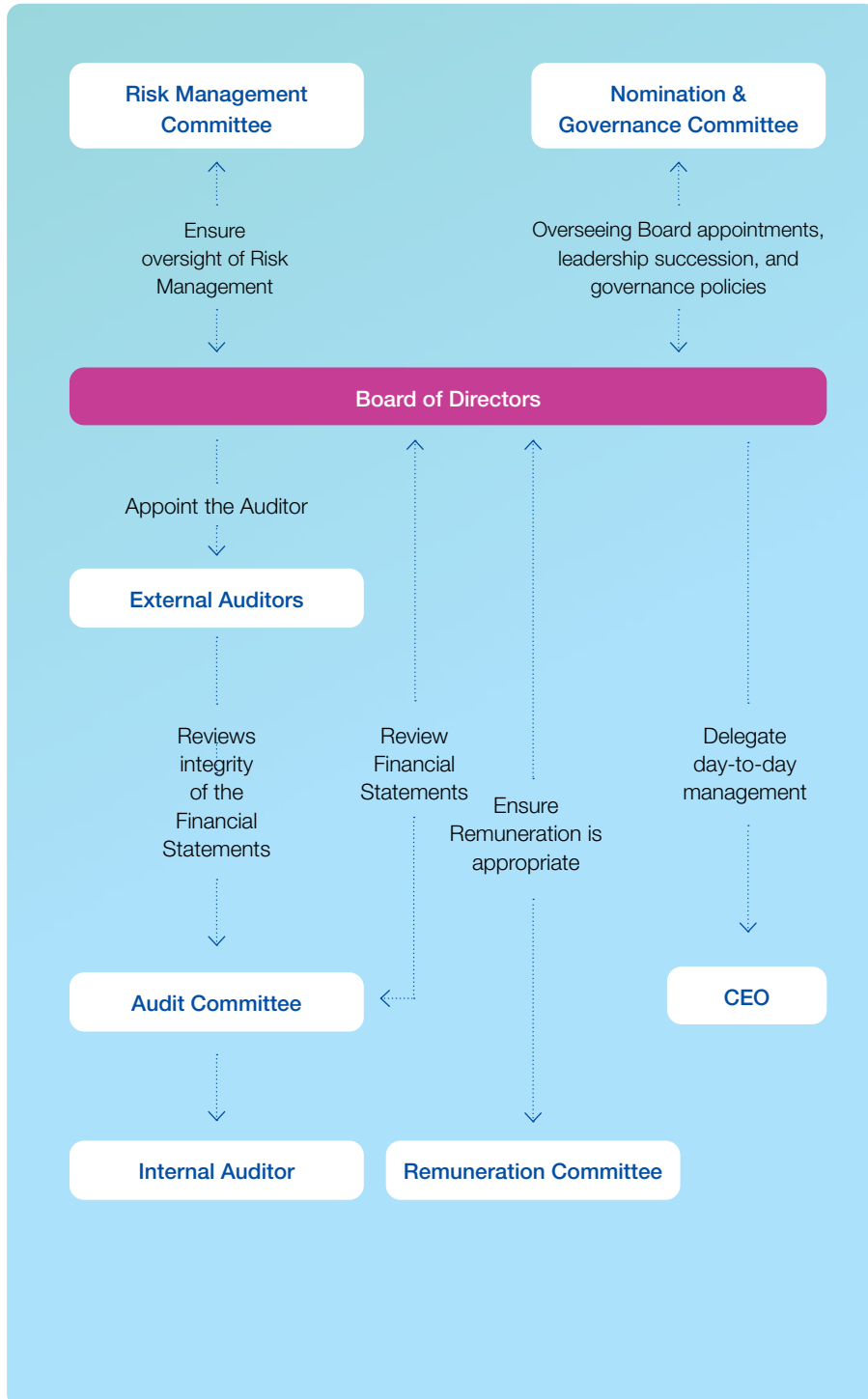
Stakeholder Engagement

We prioritize open communication with stakeholders, including investors, regulators, clients, and employees. Regular disclosures, financial reporting, and governance updates ensure transparency and maintain confidence in our operations. By continuously enhancing our corporate governance framework and aligning with the best practices, CALT remains committed to sustainable growth, financial stability, and maintaining its reputation as a responsible Primary Dealer in the financial markets.

Capital Alliance PLC Corporate Governance Pillars



Internal Governance Structure



External Governance Structure

- Companies Act No. 07 of 2007 and amendments thereto.
- Inland Revenue Act No. 24 of 2017 and Inland Revenue (Amendment) Act No. 4 of 2023
- Shop and Office Employees Act No. 19 of 1954 and Subsequent amendments
- Laws, Rules, Regulations, Directives and Circulars issued by CBSL/SEC/CSE/CDS
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including Directives and Circulars
- Foreign Exchange Act No. 07 of 2017 and other Related laws, regulations, Directions and Circulars issues by the Department of Foreign Exchange and CBSL subsequent amendments
- Financial Transactions Reporting Act, No. 6 of 2006

Voluntary Best Practices

- Code of Best Practice for Corporate Governance (2023) issued by CA Sri Lanka
- Code of Best Practices on Corporate Governance (2013) jointly issued by SEC and CA Sri Lanka
- Non-Financial Reporting Guidelines issued by CA Sri Lanka
- A Preparer's Guide to Integrated Corporate Reporting issued by CA Sri Lanka and the Integrated Reporting Council of Sri Lanka (IRCSL)
- Gender Parity Reporting Framework issued by CA Sri Lanka
- Guidelines for Presentation of Annual Reports 2022 issued by CA Sri Lanka

Corporate Governance

The Board

The Board Composition and Independence

To ensure balanced decision-making and prevent any individual Director or small group of Directors from dominating Board discussions, the company maintains a well-structured Board composition. The Board consists of four Independent Non-Executive Directors, three Non-Executive Non-Independent Directors. The independence of the Directors is assessed in line with Corporate Governance Best Practices and CSE Listing Rules, with Independent Non-Executive Directors formally declaring their independence in writing.

A clear separation of roles between the Chairman and the CEO ensures a balanced distribution of power and authority. The Chairman is responsible for the effectiveness and conduct of the Board, while the CEO oversees the operational management of the company, organizational efficiency, and the execution of Board policies and decisions.

The Board is composed of highly qualified professionals, academics, and business leaders who hold senior positions in their respective fields, bringing extensive experience across various industries and functional disciplines. Additionally, the company remains committed to gender diversity at the Board level.

Name	Date of Appointment	No. of Years	Designation
Mr. D. A. De Zoysa	10.01.2003	23 yrs.	Chairman Non-Executive Non-Independent Director
Mr. W. A. T. Fernando	30.07.2000	25 yrs.	Non Executive Non-Independent Director
Mr. C. S. R. S. Anthony	09.07.2014	11 yrs.	Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena	23.08.2021	4 yrs.	Non-Executive Independent Director
Ms. K. A. D. Siriwardene	23.08.2021	4 yrs.	Non-Executive Independent Director
Mr. J. M. Jayasuriya	28.11.2024	1 yr.	Non-Executive Independent Director
Mr. W. D. P. De Mel	04.09.2025	-	Non-Executive Independent Director

Comprehensive profiles of each Board member can be found in a Page 13 - 15 of this Annual Report. The Directors as at 31st March 2026 is given above.

Analysis of Board

By Gender Composition

Gender	No. of Directors
Male	5
Female	2



By Age Category

Age Category	Male	Female	Total
Under 30 years	-	-	-
30 - 50 years	1	1	2
Over 50 years	4	1	5
Total	5	2	7

By Designation

Designation	Male	Female	Total
Executive Director (ED)	-	-	-
Non-Independent Non-Executive Director (NINED)	3	-	3
Independent Non-Executive Director (INED)	2	2	4
Total	5	2	7

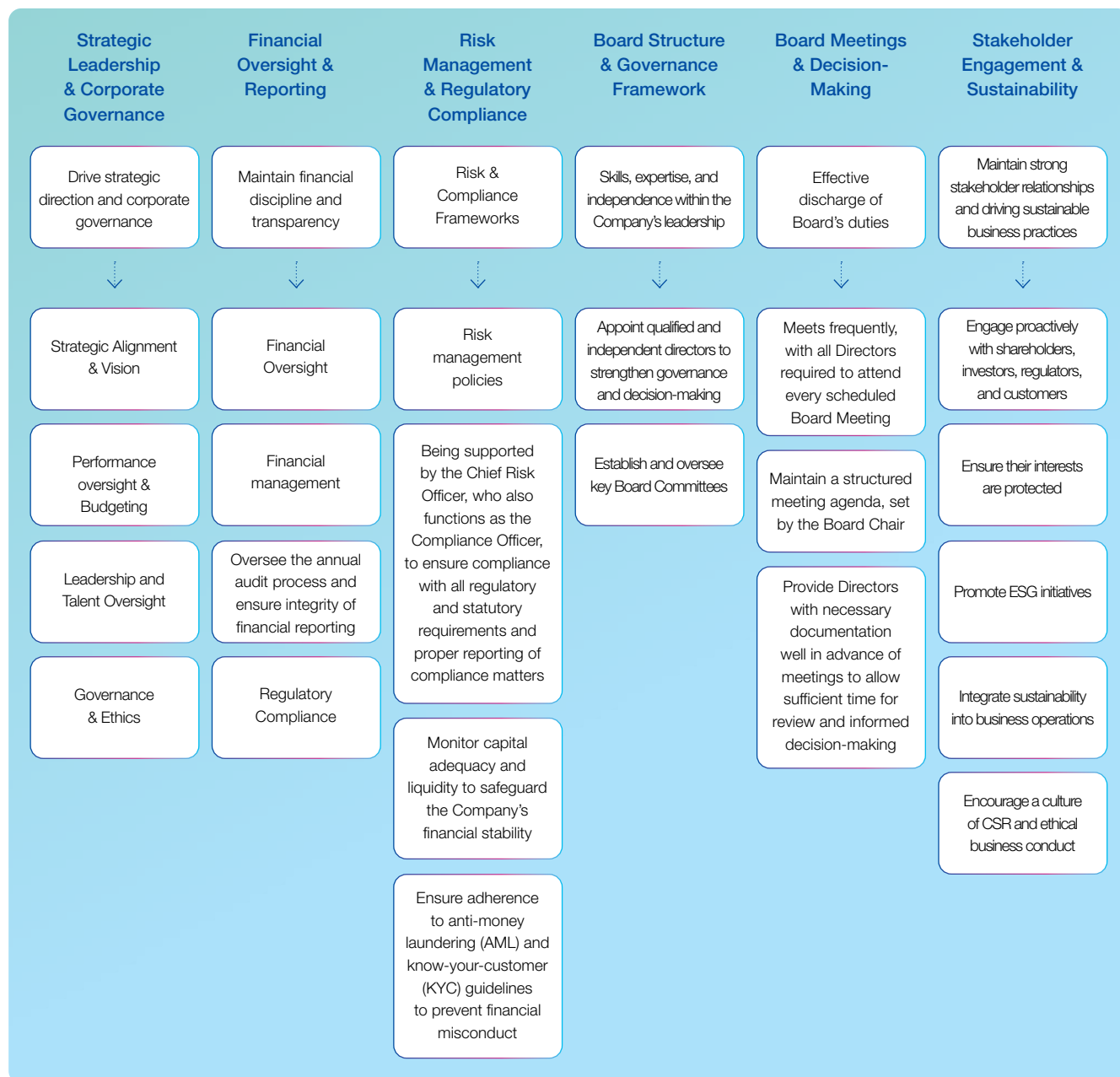


By Tenure on the Board

Service Period	Male	Female	Total
< 10 Yrs.	3	-	3
>10 Yrs.	2	2	4
Total	5	2	7

Board Responsibilities

The Board of Directors of CALT operates in accordance with the Board Charter, which defines its duties and responsibilities as the apex governing body of the organization. The Board is responsible for establishing the Company's purpose and core values, formulating strategies aligned with its broader strategic intent, and overseeing the company's overall performance and governance.



The Board remains steadfast in its commitment to effective governance, regulatory compliance, and strategic oversight, reinforcing CALT's position as a trusted Primary Dealer in Sri Lanka.

Corporate Governance

Board Composition

Board Member		The Board	Audit Committee	Related Party Transactions Review Committee	Remuneration Committee	Nomination and Governance Committee	Risk Management Committee
Mr. W. A. T. Fernando	Non-Executive Non-Independent Director	5/5	-	-	-	-	-
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director	5/5	6/6	4/4	-	-	3/3
Mr. R.J. Arasaratnam*	Non-Executive Non-Independent Director	3/3	-	-	-	-	-
Mr. D. A. De Zoysa	Non-Executive Non-Independent Director	4/5 (C)	-	-	2/2	1/1	-
Ms. A.I.C. Nandasena	Non-Executive Independent Director	4/5	6/6	4/4 (C)	2/2 (C)	1/1	3/3
Ms. K. A. D. Siriwardene	Non-Executive Independent Director	5/5	6/6	4/4	2/2	1/1 (C)	3/3
Mr. J. M. Jayasuriya	Non-Executive Independent Director	5/5	6/6 (C)	-	-	-	3/3
Mr. W. D. P. De Mel	Non-Executive Independent Director	3/3	2/2	-	-	-	3/3 (C)

C - Chairman

*Resigned w.e.f. 17/11/2025

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance																											
A. Directors	The company should be headed by an effective Board, which should direct, lead and control the Company.																													
A.1 The Board	The Board consists of Four Independent Non-Executive Directors and Three Non-Executive Non-Independent Directors (Including Chairman), who are professionals in the fields of Finance, Investment Banking and Management.																													
Frequency of Board Meetings	A 1.1	Complied	The Board meetings are held at least once in every quarter and meet more frequently, whenever it is necessary. The Quarterly Board meetings are scheduled to determine the Company's strategic direction, review the operational and financial performance, and to provide oversight. The attendance of Directors at the Board meetings held during the year is depicted below. <table><tr><th>Name of the Director</th><th>Eligibility</th><th>Attendance</th></tr><tr><td>Mr. W. A. T. Fernando</td><td>5</td><td>5</td></tr><tr><td>Mr. C. S. R. S. Anthony</td><td>5</td><td>5</td></tr><tr><td>Mr. R. J. Arasaratnam</td><td>3</td><td>3</td></tr><tr><td>Mr. D. A. De Zoysa</td><td>5</td><td>4</td></tr><tr><td>Ms. A.I.C. Nandasena</td><td>5</td><td>4</td></tr><tr><td>Ms. K. A. D. Siriwardene</td><td>5</td><td>5</td></tr><tr><td>Mr. J M Jayasuriya</td><td>5</td><td>5</td></tr><tr><td>Mr. W.D.P. De Mel</td><td>3</td><td>3</td></tr></table>	Name of the Director	Eligibility	Attendance	Mr. W. A. T. Fernando	5	5	Mr. C. S. R. S. Anthony	5	5	Mr. R. J. Arasaratnam	3	3	Mr. D. A. De Zoysa	5	4	Ms. A.I.C. Nandasena	5	4	Ms. K. A. D. Siriwardene	5	5	Mr. J M Jayasuriya	5	5	Mr. W.D.P. De Mel	3	3
Name of the Director	Eligibility	Attendance																												
Mr. W. A. T. Fernando	5	5																												
Mr. C. S. R. S. Anthony	5	5																												
Mr. R. J. Arasaratnam	3	3																												
Mr. D. A. De Zoysa	5	4																												
Ms. A.I.C. Nandasena	5	4																												
Ms. K. A. D. Siriwardene	5	5																												
Mr. J M Jayasuriya	5	5																												
Mr. W.D.P. De Mel	3	3																												

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			A board pack containing all relevant information is submitted to the Board of Directors Financial and operational results on pre-agreed Key Performance Indicators - Included in Quarterly board pack Financial performance compared to previous periods, budgets, and targets - Included in Quarterly board pack Impact of risk factors on financial and operating results and actions to mitigate such risks - Included in Quarterly board pack Forecast for the next period - A Budget is set at beginning of the year and a Rolling Forecast with scenario analysis has been provided on request. Compliance with laws and regulations and any non-compliances - Included in the quarterly CRCO confirmation checklist Internal control breaches or frauds during the period and related actions taken - Independent Internal Audits are carried out periodically and exceptions are reported to the Board Financial and operational decisions taken by the CEO within his delegated authority - Discussed on ad-hoc basis and through the board pack and Board Meetings Share trading of the Company and related party transactions by Key Management Personnel - The Company Secretary informs the Board of any related party shares transactions performed by the Directors.
Responsibilities of the Board	A.1.2	Complied	The Board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board adopted the following responsibilities, Ensuring the formulation and implementation of a sound business strategy - The Board provides stewardship, vision and strategic direction to the Company and fosters a culture of responsibility and accountability across the Company. A stakeholder centric approach is adopted in the strategy formulation. A review of the business, marketing, financial and other strategies, and their implementation takes place during the Board meetings. Appointing the chair and the Senior Independent Director, if relevant. - N/A, since the Chairman and the CEO of the Company are not the same person.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience, and knowledge to implement the strategy • The Directors are from diverse backgrounds and bring a wide range of experience and competencies that facilitates the effective discharging of the Board responsibilities. • The Board ensures that the Chairman, CEO, and the Management team possess the skills to implement the overall strategy. • A brief resume of each Director including skills and experience is available in the “Board of Directors” on Pages 13 to 15 of the Annual Report. Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy • Succession planning is given recognition through meetings of the Board where succession is discussed along with significant new hires Approving budgets and major capital expenditure • The budget for the year was approved at the beginning of the financial year • Capital expenditure is included in the budget. Further, the Board reviews all the significant capital expenditure made on annually. Determining the matters expressly reserved to the board and those delegated to the management including limits of authority and financial delegation • The Board determines on the matters expressly reserved to the Board such as formulating the strategy, significant transactions and deciding on the risk appetite of the Company. Ensuring effective systems to secure the integrity of information, internal controls, business continuity and risk management • The Board identifies significant risks on an ongoing basis and ensures the implementation of appropriate procedures to evaluate and manage the identified risks through internal and external audits and the Risk and Audit Committees. Ensuring compliance with laws, regulations, and ethical standards • The Board ensures compliance with the laws, regulations, and standards on each area of business operations. The Internal Auditors and the CRCO monitor and report to the Audit Committee on their findings. Ensuring all stakeholder interests are considered in corporate decisions • The Board considers all stakeholders when making corporate decisions Recognising sustainable business development in Corporate Strategy, decisions and activities and considering the need for adopting integrated reporting • The Board recognises the importance of including principles of sustainability in corporate strategy, decisions, and activities • The Company does adopt integrated reporting.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
			Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations - The Company keeps up to date with all current developments in relation to accounting standards and has reviewed the accounting policies regularly. - The Independent Auditor's Report appears from Pages 132 to 135 in the Annual Report and affirms that the Company's Financial Statements are in line with Sri Lanka Accounting Standards (SLFRSs & LKASs). Establish a process of monitoring and evaluation of progress on strategy implementation budgets, plans and related risks - Each Board meeting, the progress of strategy implementation, achievement of budgets, plans and related risks are reviewed Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company - The Company provides its accounts quarterly and annually to the Board for their review Fulfilling such other Board functions are vital, given the scale, nature and complexity of the business concerned - During the year, the Board was committed in fulfilling their obligations towards all stakeholders in line with laws, regulations, and governance practices of the Company.
Compliance with Laws & independent Professional advice	A 1.3	Complied	The Board Directors individually and collectively act in accordance with the laws applicable to the business enterprise. In discharging their duties, the Directors seek independent professional advice from external parties, where necessary.
Company Secretary	A 1.4	Complied	The Company secretary provides the Board with support and advice relating to Corporate Governance matters, board procedures and applicable rules and regulations during the financial year. Members of the Board have unrestricted access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary rests with the Board.
Independent judgment	A 1.5	Complied	All the Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Dedication of adequate time & effort by the Board	A 1.6	Complied	The members of the Board dedicated adequate time and effort to fulfil their duties & responsibilities as directors of the Company and ensure that they are satisfactorily discharged. In addition to the board meetings, Directors attended Sub-Committee meetings and contributed to the decision making The Board Sub-Committees includes, • Audit Committee • Related Party Transactions Review Committee • Remuneration Committee • Nomination and Governance Committee • Risk Management Committee
Calling for resolutions for the best interest to the Company	A 1.7	Complied	Any Director may call for a resolution to be presented to the Board where he feels it is in the interest of the Company. As per the Articles of Association, the resolutions can be passed with majority voting.
Training for new and existing Directors	A 1.8	Complied	The Directors are encouraged to participate in continuous professional and self-development activities as necessary. The Board recognises the requirement for continuous training and development required to effectively perform their duties as the Directors. The Board regularly reviews the training and development needs of the Directors.
2. Chairman and Chief Executive Officer	There are two key tasks at the top of every public Company-conducting of the business of the Board and facilitating executive responsibility for the management of the Company's business. There should be a clear division of responsibilities at the Head of the Company, which will ensure a balance of power and authority, such that no individual has unfettered powers of decision.		
Separation of Posts of Chairman and Chief Executive Officer (CEO)	A 2.1	Complied	The positions of Chairman and Company CEO were separated to ensure a balance of power and authority and to prevent any one individual from possessing unfettered decision-making authority.
A.3 Chairman's Role	The Chairman is responsible for preserving order and facilitating the effective discharge of Board functions		
	A 3.1	Complied	The Chairman in running of the Board, facilitates the effective discharge of the Board proceedings and ensures; • The effective participation of both Executive and Non-Executive Directors • The Agenda for the Board meetings is developed in consultation with the Company CEO, Directors, CRCO, Chief Financial Officer and the Company Secretary • The effective contributions by all Directors at proceedings • The views of Directors on issues under consideration are ascertained • The Board controls on the affairs of the Company and its obligations to all the stakeholders • The balance of power between Executive and Non-Executive Directors are maintained.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.4- Financial Acumen	The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.		
A.4 Financial Acumen	A .4	Complied	The Board includes the Directors who possess the necessary knowledge and competence to offer the Board guidance on financial matters. A brief resume for each Director is on Pages 13 to 15. In addition, the Audit Committee can discuss with the external and internal auditors on matters of finance.
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.		
Board Balance	A 5.1	Complied	The Board consists of Four Independent Non-Executive Directors and Three Non-Executive Non-Independent Directors (Including Chairman), The profiles of the Executive and Non-Executive Directors are given on Pages 13 to 15 of this Annual Report.
Independent Directors	A 5.2	Complied	Four out of the Seven Non-Executive Directors are considered independent for the concluded financial year.
	A 5.3	Complied	The Board considers Non-Executive Directors independence on an annual basis. Each is independent from Management and free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
	A 5.4	Complied	The Independent Directors have submitted written declarations of their independence.
	A 5.5	Complied	The Board annually determines the independence of each Non-Executive Director based on the declarations submitted by them and by other information available to the Board.
	A 5.6	Complied	No Alternative Directors were appointed during the year under review.
	A 5.7/ 5.8	N/A	N/A
Meeting of Non-Executive Directors	A 5.9	Non-Complied	The Chairman meets with the NEDs on a need basis. There were no formal specific meetings held with NEDs during the year.
Recording of concerns in Board minutes	A 5.10	Complied	All concerns raised by the Directors about the matters of the Company which cannot be unanimously resolved have been duly recorded in the Board minutes with sufficient detail.
A.6 Supply of Information	The Board should be provided with timely information in a form and quality appropriate to enable it to discharge its duties.		
The Management has the obligation to provide appropriate & timely information	A 6.1	Complied	The Board is provided with timely information in a form and of a quality appropriate to enable it to discharge its duties effectively. The Directors make further inquiries where necessary, should information provided by management not be enough.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
	A 6.2	Complied	The Agenda for the Board meeting and connected discussion papers were ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting.
A.7 Appointments to The Board	A formal and transparent procedure should be followed for the appointment of new Directors to the Board		
Appointments to the Board	A 7.1	Complied	The appointments to the Board are made collectively and with the consent of all the Directors.
	A 7.2	Complied	The nomination committee annually assesses the Board composition.
	A 7.3	Complied	Upon the appointment of a new Director to the Board, the company should forthwith disclose to the Shareholders, along with a brief resume of the Director which includes; • The nature of his expertise in relevant functional area • The other Directorships or memberships in Board sub committees • Whether the Director is considered an Independent Director
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years		
Re-election	A 8.1	Complied	Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
	A 8.2	Complied	All the Directors Including the Chairman of the Board should be subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter at intervals of no more than 3 years.
Resignation	A 8.3	Complied	Written communications are provided to the Board by Directors, who resign prior to completion of his/her appointed term.
A. 9 Appraisal of Board Performance	The Boards should periodically appraise their own performance to ensure that Board responsibilities are satisfactorily discharged.		
Need to have a formal and rigorous process for reviewing the performance of the Board and its Committees	A 9.1	Complied	Nominations and Governance Committee evaluates the performance of the board members
Need for the Board to appraise itself annually on its performance.	A 9.2	Complied	Formal process is in placed to review the performance of the Board and its Committees annually.
Need for review the participation, contribution, and engagement of each Director at the time of re-election	A 9.3	Complied	Process is in place to review the participation, combination, and engagement of each Director of the time of re-election.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Need for the Board to state in the Annual Report how such performance evaluation is conducted	A 9.4	Complied	Formal review of the performance has been undertaken.
A.10 Disclosure of information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.		
Disclosure of information in respect of Directors	A 10.1	Complied	Name, qualifications, and brief profile - Refer to Pages 13 to 15 The nature of his/her expertise in relevant functional areas - Refer to pages 13 to 15 Immediate family and/or material business relationships with other Directors of the Company - The Directors have immediate family and/or material business relationships with other Directors of the Company. - Transactions with Immediate family and/or material business relationships with other Directors of the Company have been disclosed under Related Party Transactions. Whether Executive, Non-Executive and/or independent Director - Refer to Pages 13 to 15 Names of listed companies in Sri Lanka in which the Director concerned serves as a Director. - Refer to Pages 13 to 15
			Names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies - Refer to Pages 13 to 15 Number/percentage of Board meetings of the Company attended during the year Refer to Page 92 The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an executive or non-executive capacity - Partially Complied Names of Board Committees in which the Director serves as Chairman or a member; - Refer to the "Committee Reports" on Pages 121 to 127

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
A.11 Appraisal of the Chief Executive Officer	The Board of Directors should at least annually assess the performance of the Chief Executive Officer		
Target/Goals for the CEO	A 11.1	Complied	At the commencement of each financial year, the Board in consultation with the Chief Executive Officer sets financial and non-financial goals based on the short, medium, and long-term objectives of the Company.
Evaluation of the performance of the CEO	A 11.2	Complied	The performance of the CEO should be evaluated by the Board at the end of each financial year.
B. Directors' Remuneration			
B.1 Remuneration Procedure	The Company should have a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration		
Remuneration Committee	B 1.1	Complied	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to compensation of the Company's Directors, Executive Officers and such other employees as determined by the Committee.
Composition	B 1.2	Complied	The Remuneration Committee consists of three Non-Executive Directors. The chairman of the Committee is an Independent Director. The following Directors served in the Remuneration Committee during the financial year under review. Ms. A. I. C. Nandasena - Chairman (Non-Executive Independence Director) Mr. D. A. De Zoysa (Non-Executive Non-Independence Director) Ms. K. A. D. Siriwardene (Non-Executive Independence Director)
	B 1.3	Complied	The members of the Committee are indicated in the Page 127 in Annual Report.
Remuneration of Non-Executive Directors	B 1.4	Complied	In terms of the Articles of Association of the Company, the Directors determine the fees payable to the Non-Executive Directors.
Consultation of the Chairman and access to professional advice	B 1.5	Complied	The Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and has access to professional advice in discharging their responsibilities.
B.2 Level and makeup of Remuneration	The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.		
Level and make up of remuneration	B 2.1	Complied	The remuneration committee ensures that the remuneration of executives at each level is competitive and is line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with market rates.
Design of remuneration for long term success	B 2.2	Complied	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Design the remuneration of the Executive Directors to promote long term success of the Company	B 2.3	Complied	As mentioned in B.2.1, the remuneration of the Executive Directors is designed to attract and retain high calibre executives which leads to long term success of the Company and are benchmarked against industry remuneration.
Comparison of remuneration within the Group	B 2.4	Complied	When determining annual salary increments, the remuneration committee is sensitive to remuneration and employment conditions elsewhere in the Company.
Performance based Remuneration	B 2.5	Complied	The Remuneration Committee reviews the performance of the Executive Directors and senior management and the performance bonus is based upon the achievement of goals and targets by the individual.
Executive share options	B 2.6	Complied	No Executive share options offered under discounted prices.
Designing the remuneration	B 2.7	Complied	Performance-related remuneration is designed by the Remuneration Committee
Early Termination of the Directors	B 2.8	Complied	No specific Compensation scheme has been implemented
	B 2.9	Complied	If the situation arises, the Remuneration Committee will tailor their approach in the event of early termination to be relevant to the circumstances.
Remuneration for Non-Executive Directors	B 2.10	Complied	Remuneration of Non-Executive Directors reflects their time commitment and responsibilities of their role and market practices. It does not include share options.
B. 3 Disclosure of Remuneration	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole		
Disclosure of Remuneration	B 3 .1	Complied	The total remuneration paid to the Directors are disclosed in Note 28.3 to the financial statements.
C. Relations with Shareholders	The Board should use the Annual General Meeting to communicate with shareholders and encourage their active participation.		
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings Adequate Notice of the AGM	C 1.1	Complied	Notice of Meeting is sent to shareholders 15 working days prior to the date of the AGM, as requested by statute and a copy of the Annual Report including Financial Statements and the Form of the Proxy are shared online on the CSE and Official Website of the company in order to provide the opportunity to all the shareholders to attend the AGM.
Separate resolution for all separate issues at the AGM	C 1.2	Complied	A separate resolution is proposed for each issue at the AGM. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Recording and counting proxy appointments	C 1.3	Complied	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted. The Company Secretary administers the AGM.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Availability of Board sub-committee chairpersons	C 1.4	Complied	The chairpersons of the sub committees are present at the AGM to answer any questions raised by the shareholders if so, requested by the Chairman.
Procedure for voting	C.1.5	Complied	The procedure governing voting at the General Meeting is circulated with the Notice of Meeting.
C.2 Communication with shareholders	The Board should implement effective communication with shareholders		
Effective Communication with shareholders	C. 2.1	Complied	The Company encourages effective communication with the shareholders and answers queries and concerns of shareholders through the Company Secretaries and in corporate website.
	C. 2.2	Complied	The Company's policy pertaining to the communication with shareholders and shareholders involve the sharing of all financial and non-financial information as per the applicable statutory and regulatory requirements and best practices adopted by the Company. The methodology of communication with shareholders is multi-faceted to ensure the accuracy of information disseminated and the timeliness of dissemination.
	C. 2.3	Complied	The implementation of the policy and the methodology is done through the adoption of the above-mentioned channels of communication.
Contact person in relation to shareholder communications	C. 2.4	Complied	The contact person for shareholder communication is the Company Secretary and the designated person is appointed to answer queries from the shareholder relating to circulation of the Annual Report.
Process to make all Directors aware of major issues and Concerns of shareholders and responding to them	C.2.5	Complied	The Company Secretaries maintain a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder.
Person to contact in relation to shareholders' matters	C. 2.6	Complied	The Contact Person in relation to all matters pertaining to the Shareholders is the Company Secretary.
Responding to shareholder matters	C. 2.7	Complied	The Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
C.3 Major and Material Transactions	The Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into.		
Major transaction	C. 3.1	Complied	The Directors ensure that prior to engaging in or committing to a 'Major related party transaction' with a related party, involving the acquisition, sale or disposition of greater than one third of the value of the Company's assets or that of a subsidiary which has a material bearing on the Company and/or consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, or entering into transactions or a series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company the Directors will disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an Extraordinary General Meeting.
	C. 3.2	Complied	Major transactions where shareholder's approval is necessary will be approved through shareholder resolution
D. Accountability and Audit			
D 1.1 Accountability and Audit	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities, and prospects.		
Boards responsibility for statutory and regulatory reporting	D 1.1	Complied	The Board has presented the Annual Report which includes the Financial Statements of the Company that are true and fair, balanced, and understandable and prepared in accordance with LKASs and SLFRSs to regulators as well as presented interim and other public price sensitive information in a balanced and understandable way as required by statutory requirements.
Boards responsibility for statutory and regulatory reporting	D 1.2	Complied	The Board is aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the 'Statement of Directors' Responsibility' on Page 128 confirming this position. In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; Companies Act No. 07 of 2007, Sri Lanka Accounting Standards (SLFRSs & LKASs) Listing Rules
	D 1.3	Complied	Chief Financial Officer and Chief Executive Officer review year-end Financial Statements before submitting to the Audit Committee and the Board and ensure that, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
Directors Report	D.1.4	Complied	The Declarations required to be made by the Board are given in the Annual Report of the Board of Directors (refer Pages 24 to 27)
Statement of Directors and Auditors responsibility for the financial statement.	D.1.5	Complied	The Statement of Directors' responsibility in preparation of the Financial Statements is given on Page 128 while the Independent Auditor's report on Pages 132 to 135 states the Auditor's responsibility for the Financial Statements.
Management Discussion Analysis	D. 1.6	Complied	Management discussion and analysis and Key Financial Performance Review is given on pages 28 to 86 and 69 to 72 of this report. The Risk Management report is given on pages 19 to 21.
Summoning an Extra Ordinary General Meeting (EGM) to notify Serious loss of capital	D. 1.7	Complied	The Directors ensure that if in the event the net assets of the Company fall below 50% of the value of the Company's shareholders funds an Extraordinary General Meeting will be convened to notify the shareholders of the position and the remedial action being taken.
Related party transactions	D. 1.8	Complied	The transactions entered into by the Company with the related parties is disclosed on Note 28 of the Financial Statements and Report on Related Party Transaction Review committee is given on page 123.
D.2 Risk Management and Internal Control	The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a Company's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of Company's objectives		
Monitor the company's risk management and internal control systems	D. 2.1	Complied	The Company has its own internal audit processes implemented to ensure that effective controls are in place. These processes extend across all Company operations. The internal audit function is outsourced, and reports to the Board Audit Committee. The risk management section is covered on pages 19 to 21.
Review the need for internal audit function	D. 2.2	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of the risk management and internal control system including the internal controls over financial reporting. The Audit Committee report is given on page 121 to 122.
Internal Audit function	D. 2.3	Complied	An Internal Audit is executed bi-annually under supervision of the Audit Committee.
Review of the process and effectiveness of risk management and internal controls	D. 2.4	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2026, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
D.3 Audit Committee	The Board should establish formal and transparent arrangements for selecting and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.		
Composition of the Audit Committee	D. 3.1	Complied	The Audit Committee consists of Five Non-Executive Directors. Directors who served on the Audit Committee during the year; • Mr. J. M. Jayasuriya - Chairman, Non-Executive Independent Director • Mr. C. S. R. S. Anthony - Non-Executive Non-Independent Director • Ms. A. I. C. Nandasena - Non-Executive Independent Director • Ms. K. A. D. Siriwardene - Non-Executive Independent Director • Mr. W. D. P. De Mel - Non-Executive Independent Director (Appointed w.e.f. 4th September 2025)
Terms of Reference of the Audit Committee	D. 3.2	Complied	The Audit Committee has a written Terms of Reference dealing with its authority and duties.
Duties of the Audit Committee	D. 3.2	Complied	The Audit Committee is responsible for reviewing the financial reporting system and Financial Statements, including compliance with relevant accounting standards, laws and company policies, and monitoring the scope & results of the internal and external audit, its effectiveness and the independence, performance and objectivity of the external auditors. In the event the auditors are contracted for non-audit services, the Committee reviews the nature and extent of such services with the aim of balancing objectivity, independence, and value for money. The adequacy and effectiveness of the internal control system is reviewed by the Audit Committee with the Company Internal Auditor. During the Audit Committee meetings, Internal Auditors are invited to present their internal audit findings.
			Management is expected to implement an effective system of internal control that addresses the following: • Safeguarding of assets • Maintaining proper accounting records • Providing reliable financial information • Identifying and managing business risks • Compliance with legislation and regulation • Early detection of instances of non-compliance • Identification and adoption of best practices
Disclosures of the Audit Committee	D. 3.3	Complied	The names of the members of the Audit Committee, Committee meetings held, and the attendance of members are available in the Audit Committee Report on pages 121 to 122.

Corporate Governance

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
D.4 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with related parties in a manner that would grant such parties more favourable treatment than that accorded to third parties in the normal course of business		
Disclosure of Related Party Transactions Review Committee	D. 4.1	Complied	Separate Related Party Transactions Review Committee has been formed. Related party and related party transactions are defined as per LKAS 24 in the Financial Statements.
	D 4.2	Complied	Related Party Transaction Review Committee consists Two Independent Non-Executive Directors and one Non-Independent Non-Executive Directors.
	D 4.3	Complied	Related Party Transactions Review committee has been established.
D.5 Code of Business Conduct and Ethics	The Companies must adopt a Code of Business Conduct & Ethics for Directors, Key Management Personnel and all other employees' including but not limited to: dealing with shares of the company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent, and unethical behaviour be promptly reported to Those Charged with Governance. The company must disclose waivers of the Code for Directors, if any.		
Code of Business Conduct and ethics	D. 5.1	Complied	The Company has adopted a Code of Business conduct and ethics and the Directors and Key Management Personnel are committed to the Code and the principles contained therein. There were no reported cases of non-compliance to, Code of Business Ethics by any Director, Key management personnel or any other employee.
	D.5.2	Complied	The company has a process in placed to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.
	D.5.3	Complied	The policy in place and any share transaction done by a Board Director needs to be immediately disclosed to the Company Secretary and company secretary will inform such transactions to the Colombo Stock Exchange. Any share transaction done by Key Management Personnel other than Board Directors should inform such transactions to CRCO of the Company.
Affirmation by the Chairman for no violation	D. 5.4	Complied	The Chairman's affirmation in the Company's Annual Report that he is not aware of any violation of any of the provisions of the Code of Business Conduct & Ethics.
D.6 Corporate Governance Disclosures	The Company should disclose the extent of adoption of best practices in Corporate Governance.		
Corporate Governance Disclosures	D. 5.6	Complied	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code.

Corporate Governance Principle	Principle No.	Complied/ Not Complied	Level of Compliance
E. Institutional & Other Investors			
E.1 Shareholders voting	Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice		
Shareholder Voting	E.1	Complied	The Company is committed to maintaining good communication with investors. The Company circulates the AGM resolutions for shareholders' approval. Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure that their voting intentions are translated into practice.
Evaluation of Governance Disclosures	E.2	Complied	When evaluating the governance arrangements particularly, in relation to the Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drawn to their attention.
F. Other Investors			
Investing and Divesting decisions	F.1	Complied	All shareholders are encouraged to participate in the company's meetings, and a form of proxy accompanies each notice, providing shareholders who are unable to attend the meeting with an opportunity to cast their votes
Shareholder Voting	F.2	Complied	All shareholders are encouraged to participate at meetings of the company and a form of proxy accompanies each notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
G. Internet of things and Cyber Security			
Internal and external IT devices connected to the Business Model	G 1.1	Complied	The Company has implemented adequate access controls and the necessary firewalls are in place.
Cyber Information Security Officer and Cyber Security Risk Management Policy	G 1.2	Complied	Chief Information Officer is the cyber information security officer for CALT and the IT Policy Manual covers the cyber security risk management policy for the company. Cyber security insurance cover exist to manage the cyber security risk.
Discussions on cyber risk management	G 1.3	Complied	Cyber risk management is covered in the risk register. Further it is discussed at the risk management meeting.
Independent periodic reviews and assurance	G 1.4	Complied	Performed annual vulnerability assessments through an independent third party.
Disclosure on Cyber Security Risk Management	G 1.5	Complied	Refer page 19 to 21 in Risk management
Environment, Society and Governance (ESG)	H 1.1 to H 1.5	Complied	The Company has implemented sustainability reporting in the Annual Report.

Corporate Governance

Board Committees

Board Committee	Purpose of Committee	Members of the Committee	Frequency of meetings
Audit Committee [Page 121-122]	Assist the Board of Directors in exercising its fiduciary responsibilities towards its stakeholders on; • financial reporting • Internal Audit • External Audit • Internal controls	Mr. J. M. Jayasuriya - Chairman, Non-Executive Independent Director Mr. C. S. R. S. Anthony - Non-Executive Non-Independent Director Ms. A. I. C. Nandasena - Non-Executive Independent Director Ms. K. A. D. Siriwardene - Non-Executive Independent Director Mr. W. D. P. De Mel - Non-Executive Independent Director (Appointed w.e.f. 4th September 2025)	Quarterly
Related Party Transactions Review Committee [Page 123]	• Assist the Board in reviewing all Related Party Transactions carried out by the Company • Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka. • Update the Board of Directors at quarterly Board Meetings	Ms. A. I. C. Nandasena - Chairperson (Non-Executive Independent Director) Mr. C. S. R. S. Anthony (Non-Executive Non-Independent Director) Ms. K. A. D. Siriwardene (Non-Executive Independent Director)	Quarterly
Risk Management Committee [Page 124]	• To oversee matters related to risk affecting the Company, risk governance, compliance, and internal control systems	Mr. W D P De Mel - Independent, Non-Executive Director - Chairman Mr. J.M.Jayasuriya - Independent, Non-Executive Director Mr. C.S.R.S.Anthony - Non-Independent, Non-Executive Director Ms. A.I.C.Nandasena - Independent, Non-Executive Director Ms. K.A.D.Siriwardene - Independent, Non-Executive Director	Quarterly

Board Committee	Purpose of Committee	Members of the Committee	Frequency of meetings
Remuneration Committee [Page 127]	• Providing recommendations on remuneration policy • Goals and targets for the KMPs • Performance evaluations	Ms. A. I. C. Nandasena - Chairperson (Non-Executive Independent Director) Mr. D. A. De Zoysa (Non-Executive Non-Independent Director) Ms. K. A. D. Siriwardene (Non-Executive Independent Director)	As and when required
Nomination and Governance Committee [Page 125-126]	• Exercise general oversight with respect to the governance of the Board. • Review the qualifications of and recommend to the Board nominees for election to the Board. • Evaluate and recommend to the Board corporate governance practices applicable to the Company. • Establish the framework for assessment of Board performance	Ms. K. A. D. Siriwardene - Chairperson (Non-Executive Independent Director) Mr. D. A. De Zoysa (Non-Executive Non-Independent Director) Ms. A. I. C. Nandasena (Non-Executive Independent Director)	As and when required

Listing Rules Compliance

Report on compliance with the Section 7.6 - Contents of Annual Report in the Listing Rules of the Colombo Stock Exchange (Listing rules)

The Colombo Stock Exchange (CSE) Listing Rules are designed to enhance investor confidence by requiring companies to publish accurate and timely information, enabling investors to assess companies and make informed investment decisions. These rules also outline governance standards that all listed companies must adhere to.

Level of compliance by Capital Alliance PLC with such rules is highlighted in the following table.

Rule No.	Disclosure Requirement	Compliance Status	Page Reference
7.6 (i)	Names of persons who during the financial year were directors of the Entity	Complied	Refer the Page 92
7.6 (ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	Complied	Refer the Pages 04 and 140
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR or any Other Class of Shares denominated in Foreign Currency and the percentage of such shares held.	Complied	Refer the Pages 184 to 186
7.6 (iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	Complied	Refer the Page 186
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in each class of shares of the Entity denominated in LKR and in Foreign Currency	Complied	Refer the Page 186
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied	Refer the Pages 19 to 21
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	N/A	N/A
7.6 (viii)	Extent, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	N/A	N/A
7.6 (ix)	Number of shares representing the Entity's stated capital	Complied	Refer the Page 165 and Note 26 to the Financial Statements
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Refer the Page 185
7.6 (xi)	Ratios and market price information: Equity Debt Any changes in credit rating	Complied	Refer the Pages 07 and 185
7.6 (xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	N/A	N/A
7.6 (xiii)	If during the financial year the Entity has raised funds through an Initial Public Offering and/or a further issue of Securities	N/A	N/A
7.6 (xiv)	Information in respect of Employee Share Option Schemes and Employee Share Purchase Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Complied	Refer the Pages 111 to 119
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Complied	N/A
7.6 (xvii)	In the event a Listed Entity has its Foreign Currency denominated Securities listed on the Exchange, the Entity shall additionally disclose in its Annual Report	N/A	N/A
7.6 (xviii)	In the event a Listed Entity has listed Sustainable Bonds on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A	N/A

Rule No.	Disclosure Requirement	Compliance Status	Page Reference
7.6 (xix)	Disclose if the Entity has listed any Perpetual Debt Securities on the Exchange in its Annual Report	N/A	N/A
7.6 (xx)	An Entity which has listed its Infrastructure Bonds on the Exchange shall additionally disclose.	N/A	N/A
7.6 (xxi)	In the event an Entity has listed Shariah Compliant Debt Securities on the Exchange, such Entity shall additionally disclose in its Annual Report.	N/A	N/A

Compliance Requirements on Corporate Governance Rule 9 of the Listing Rules

Report on the Compliance Requirements of Corporate Governance Rule 9 of the Listing Rules of the Colombo Stock Exchange (CSE).

Rule No.	CSE Listing Rule	Compliance Status	Details 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 (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 Whistleblowing (l) Policy on Anti-Bribery and Corruption	Complied.	Refer CAL website https://cal.lk/who-we-are/
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.	N/A	None
9.2.3	Listed Entities shall disclose in its Annual Report: the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	Complied N/A	Refer Rule 9.2.1
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied	Refer CAL website https://cal.lk/who-we-are/

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details 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.	Complied.	Refer Page 121-127 for the established committees.
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.	Complied.	Refer Page 121-127.
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.	Complied	Refer Page 121-127.
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders			
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.	Complied	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.
9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	Complied	The Policy on Relations with Shareholders and Investors are in placed.

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
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 set out as 9.5.1 in the Listing Rules.	Complied	Policy on matters relating to Board of Directors are in placed.
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.	Complied	Policy on matters relating to Board of Directors are in placed.
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied	Refer Page 13
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity 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 if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.	N/A	N/A
9.6.3	The Requirement for a SID	N/A	N/A
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.	Complied	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.
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.	Complied	
9.7.3	Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness	Complied	
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.	Complied	Annual declarations were obtained from the Directors confirming that they are continuously satisfied with the fit and proper assessment criteria set out in the CSE Listing Rules as at 31st March 2026.

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
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.	Complied	
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied	Refer Pages 90-92.
9.8.2	Minimum Number of Independent Directors: 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. Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied	Refer Pages 90-92.
9.8.3	Criteria for determining independence	Complied	
9.8.4	Definitions related to Rule 9.8.3	N/A	N/A
9.8.5	The Board of Directors of Listed Entities shall require: 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. 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. 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.	Complied	The Independent Directors submit signed declarations annually regarding their independence or non-independence, in accordance with the specified criteria outlined in Rule 9.8.3 of the CSE Listing Rules.
9.9 Alternate Directors			
	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the Section 9.9 in the Listing Rule and such requirements shall also be incorporated into the Articles of Association of the Entity.	No Alternate Director had been appointed during FY 2025/26.	N/A

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
9.10 Disclosures relating to Directors			
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its 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.	Complied	Policy on matters relating to Board of Directors is in placed.
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.	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or 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.	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: (i) name, qualifications and brief profile; (ii) the nature of his/her expertise in relevant functional areas; (iii) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (iv) whether Executive, Non-Executive and/or independent Director; (v) 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; (vi) number of Board meetings of the Listed Entity attended during the year; (vii) names of Board Committees in which the Director serves as Chairperson or a member; (viii) 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, (ix) The terms of reference and powers of the SID (where applicable).	Complied.	Refer Page 13-15 for the Board of Directors profiles. Refer Page 25 and 167 for the Directors interest in Contracts. Refer Page 87 -109 for the Board compositions and the attendance.

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details 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.	Complied	Refer announcement page in the CSE site https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	Refer Pages 125-126 for the Nomination and governance committee report.
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.	Complied	Refer Pages 125-126 for the Nomination and governance committee report.
9.11.5	The functions of the Nominations and Governance Committee	Complied	Refer Pages 125-126 for the Nomination and governance committee report.
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.	Complied	Refer Pages 125-126 for the Nomination and governance committee report.
9.12 Remuneration Committee			
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.	Complied.	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied.	
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.	Complied.	
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.	Complied.	

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
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.	Complied.	
9.12.6	Composition (1) 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. (2) In a situation where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied	Refer Page 127 for the remuneration committee report.
9.12.7	Functions of the Remuneration Committee	Complied.	
9.12.8	Disclosure in Annual Report		Refer Page 127
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.	Complied	Refer Pages 121-122 for the Risk Committee.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied.	Refer Pages 121-122
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. (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. (4) If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied	Refer Pages 121-122 for the Risk Committee.

Listing Rules Compliance

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
	(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. (7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.		
9.13.4	Functions of the Audit Committee	Complied	Refer Pages 121-122
9.13.5	Disclosures in Annual Report	Complied.	Refer Pages 121-122
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied.	Refer Page 123 Related Party Transactions Review Committee report.
9.14.2	Composition (1) 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. (2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.	Complied.	Refer Page 123
9.14.3	Functions of the Related Party Transactions Review Committee	Complied.	Refer Page 123
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.	Complied.	Refer Page 123

Rule No.	CSE Listing Rule	Compliance Status	Details of Compliance
	(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. (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	Complied.	Refer Page 123
9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the Related Party Transactions as set out in Section 9.14.6 (2) A transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation (3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	Complied.	N/A
9.14.7	Disclosures A Listed Entity shall make an immediate Market Announcement to the Exchange as setoff in Section 9.14.7.	Complied.	Refer https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CALT.N0000
9.14.8	Disclosures in the Annual Report	Complied.	Refer Page 123 Related Party Transactions Review Committee report.
9.14.9	Acquisition And Disposal of Assets From/To Related Parties	Complied.	
9.14.10	Exempted related party transactions	Complied.	
9.15 Definitions			
	Definitions as set out in Section 9.15		
9.16 Additional Disclosures			
	The declarations by the Board of Directors to be included in the Annual Report as set out in 9.16	Complied	Refer Page 24-27

Companies Act Checklist

Level of Compliance under Section 168 of the Companies Act No. 07 of 2007

Information Required to be Disclosed as per the Companies Act No. 07 of 2007	Reference to the Companies Act	Annual Report Page Reference for Compliance and Necessary Disclosure
The nature of the business of the Company together with any change thereof during the accounting period	Section 168 (1) (a)	Refer the Page 24
Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151.	Section 168 (1) (b)	The Financial Statements of the Company for the year ended 31st March 2026 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards and comply with the requirements of the Companies Act No. 07 of 2007 and which were duly certified by the Chief Financial Officer (the person responsible for the preparation of the Financial Statements) and were approved by two members of the Board as appearing on Page 137 form an integral part of this Report.
Auditors' Report on the Financial Statements of the Company	Section 168 (1) (c)	Refer Page 132 to 135 for the "Independent Auditors' Report."
Accounting policies of the Company and any change therein	Section 168 (1) (d)	Notes to the Financial Statements: Significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on Pages 140-151. There were no changes to the Accounting Policies used by the Company.
Particulars of entries made in the Interests Register of the Company during the accounting period.	Section 168 (1) (e)	The Company maintains interest Registers. All the Directors have made declarations as required by Sections 192 (1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest Registers during the year under review. The Interest Registers are available for inspection by shareholders or their authorised representatives as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.
Remuneration and other benefits paid to Directors of the Company during the accounting period	Section 168 (1) (f)	Refer Note 10 to the Financial Statements on Page 153.
Total amount of donations made by the Company during the accounting period	Section 168 (1) (g)	Refer Note 10 to the Financial Statements on Page 153.
Information on Directorate of the Company during and at the end of the accounting period	Section 168 (1) (h)	Refer the Pages 90 to 92.
Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company.	Section 168 (1) (i)	Note 10 to the Financial Statements on Page 153.
Auditors' relationship or any interest with the Company.	Section 168 (1) (j)	Refer the Pages 132 to 135 for Audit Report
Acknowledgement of the contents of this Report/ Signatures on behalf of the Board.	Section 168 (1) (k)	Refer the Pages 24 to 27.

Audit Committee Report

Composition

The Audit Committee takes an impartial approach in providing guidance and support on the Company's internal operations. It continuously evaluates performance through discussions with Directors and Senior Management and reviews Internal Audits conducted by the Internal Auditors. Additionally, the Committee oversees all audit activities and ensures compliance with Financial Standards and statutory regulations and are in compliance with the Section 9.13 of the Listing Rules of the Colombo Stock Exchange.

The Audit Committee consists of five Non-Executive Directors, Four of whom are Independent Directors of the Company. The Chairman of the Audit Committee shall be a member of recognized professional accounting body and have relevant financial experience determined under relevant legal and listing requirements. The Chairman of the Audit Committee shall attend the Annual General Meeting of the company and shall answer any questions on the Audit Committee's activities and its responsibilities.

The members of the Board appointed Audit Committee are as follows.

- Mr. J. M. Jayasuriya - *Chairman, Non-Executive Independent Director*
- Mr. C. S. R. S. Anthony - *Non-Executive Non-Independent Director*
- Ms. A. I. C. Nandasena - *Non-Executive Independent Director*
- Ms. K. A. D. Siriwardene - *Non-Executive Independent Director*
- Mr. W. D. P. De Mel - *Non-Executive Independent Director (Appointed w.e.f. 4th September 2025)*

Meetings

During the reviewed year, six (6) Audit Committee meetings were held. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent Directors. The Committee will meet as needed, with a minimum frequency of quarterly meetings. The external auditor may approach the Chairman of the Audit Committee at any time and engage in direct discussions with the Chairman if necessary.

At the invitation of the Chairman, attendees such as the external and internal auditors, the Group Risk and Compliance Officer, the Group Chief Information Officer, the Chief Executive Officer - CALT, the Chief Financial Officer, Manager Finance and other representatives from the finance function and various business sectors may participate in the Audit Committee meetings.

Regular reports on the proceedings of the Audit Committee meetings are submitted to the Board of Directors. The Company's Audit Committee, as a sub-committee of the Board, maintains attendance records for the meetings held during the Financial Year

2025/26, as detailed below.

Name of the Director	Eligibility to Attend	Attendance
Mr. J. M. Jayasuriya	6	6
Mr. C. S. R. S. Anthony	6	6
Ms. A. I. C. Nandasena	6	6
Ms. K. A. D. Siriwardene	6	6
Mr. W. D. P. De Mel (<i>Appointed w.e.f. 4th September 2025</i>)	2	2

Role and Responsibilities

The primary objective of the Board Audit Committee is to support the Board of Directors in fulfilling its fiduciary duties to its stakeholders.

The Committee carried out the following activities:

Financial Reporting System

The Audit Committee monitors compliance with regulatory requirements for financial reporting, as set out in the Sri Lanka Accounting Standards (SLFRS & LKAS) issued by CA Sri Lanka, the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.

In partnership with Management, the Audit Committee reviewed the Quarterly and Annual Financial Statements for the financial year ending 31st March 2026, focusing on the accuracy and quality of the statements in accordance with relevant regulatory standards. Additionally, the Committee assesses the effectiveness of the current financial reporting systems to ensure the reliability of information provided to shareholders and other stakeholders.

Internal Control

The Company reviews internal financial controls and internal control systems including IT systems and controls and reviews and report to the Board on the statement to be included in the annual report concerning internal control.

Internal Audit

The company has outsourced its Internal Audit function to Messrs. Ernst & Young (EY). The Committee reviewed the observations highlighted in the internal audit reports and assessed the follow-up actions taken by Management in response to the audit recommendations. Additionally, the Audit Committee evaluated the effectiveness of the internal audit function and discussed the scope and procedures for internal auditing in the upcoming year. The Internal Audit Report issued by the Internal Auditors was also reviewed with Management, and progress on implementing key recommendations from the Internal Auditors was monitored throughout the year.

Audit Committee Report

External Audit

The Audit Committee shall oversee the relationship with the external auditor including:

- Approve the audit engagement fees and terms of engagement.
- Review annually the activities, findings, conclusions, and recommendations of the external auditor (including the Management Letter)
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements including reviewing and monitoring the external auditor's quality control procedures and steps taken by the external auditor to respond to changes in regulatory and other requirements.
- Review 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.

Risk Management

Oversee the Risk Management process of the company including;

- 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 Public Standards.
- 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.
- Review the risk policies adopted by the Entity on an annual basis.
- 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.

Independence of the Auditors

During the reviewed period, the Company engaged Messrs. KPMG, Chartered Accountants, as its Auditors. The fees paid to the auditors are detailed in Note 10 of the financial statements.

Based on the confirmation provided by Messrs. KPMG and to the best of the Directors' knowledge, the Auditors have no relationship or interest in the Company beyond what is disclosed in the aforementioned paragraph.

Following an evaluation of the effectiveness of the External Audit, the Audit Committee recommended the reappointment of Messrs. KPMG as Auditors for the financial year ending 31st March 2027, subject to approval by shareholders at the Annual General Meeting.

Additionally, the Company established the Board Risk Management Committee on 4th September 2025 to oversee the Company's integrated risk management initiatives.

Independent Auditor's Report

The independent Auditor's report on the financial statements is given on Pages 132 to 135 of the Annual Report.

Whistleblowing Policy

The Company implemented its Whistleblowing Policy, ensuring that all staff members were informed and encouraged to use the designated whistleblowing channels if they had reasonable suspicions of wrongdoing or misconduct. Clear procedures are in place for conducting independent investigations into reported incidents, whether through this process or other means. Concerns raised are thoroughly investigated, with the confidentiality of whistleblowers maintained, including for anonymous complaints. The Board Audit Committee oversees this process to ensure its effectiveness.

Board Audit Committee Evaluation

Throughout the year, the Board members conducted an independent evaluation of the Committee's effectiveness. Considering the Committee's overall performance and its contribution to the Company's success, it was deemed to be highly effective. Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of CALT has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Colombo Stock Exchange.



Mr. J. M. Jayasuriya
Chairman - Audit Committee

27 July 2026

Related Party Transactions Review Committee Report

Related Party Transactions Review Committee

The Board established the Related Party Transactions Review Committee in compliance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 - Corporate Governance of the Colombo Stock Exchange Listing Rules (the “Rules”).

Composition

The Related Party Transactions Review Committee consists of three Directors, as listed below:

- Ms. A. I. C. Nandasena (*Chairperson*)
Non-Executive Independent Director
- Ms. K. A. D. Siriwardene
Non-Executive Independent Director
- Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director

The composition above complies with the provisions of the Code and the Rules regarding the Board Related Party Transactions Review Committee.

Objectives

This Committee’s primary objectives are to:

- Assist the Board in reviewing all Related Party Transactions carried out by the Company
- Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.
- Update the Board of Directors at quarterly Board Meetings

Meetings

The Company’s Related Party Transactions Review Committee was established as a subcommittee of the Board and met quarterly. The attendance records of committee members for the Financial Year 2025/26 meetings are detailed below.

Name of the Director	Eligibility to Attend	Attendance
Ms. A. I. C. Nandasena (Chairperson)	4	4
Ms. K. A. D. Siriwardene	4	4
Mr. C. S. R. S. Anthony	4	4

Meeting minutes were circulated to the Board of Directors for their review and information.

Procedures Followed by The Committee

The senior management is required to update the Committee on all related party transactions during its quarterly meetings. Additionally, they must inform the Committee of any proposed non-recurrent transactions before their completion.

For recurrent related party transactions, the Committee reviews and evaluates ongoing relationships with the related parties to ensure compliance with its guidelines and to confirm the appropriateness of the transactions.

Activities During the Year

Throughout the year, the Committee reviewed all Related Party Transactions and their nature during its meetings, providing observations and recommendations to the Board of Directors.

Details of the related party transactions undertaken by the Company during the year are disclosed in Note 28 of the financial statements.

Declaration

The Annual Report contains a declaration by the Board of Directors confirming compliance with regulations on Related Party Transactions, as outlined in the Report of the Board of Directors.



Ms. A. I. C. Nandasena
Chairperson - Related Party Transactions Review Committee

27 July 2026

Board Risk Management Committee Report

Composition

The Board Risk Management Committee (RMC) of Capital Alliance PLC(CAL) was established on the 4th of September 2025, and consists of the following members who conduct Committee proceedings in accordance with the Committee's Terms of Reference:

Mr. W D P De Mel

Independent, Non-Executive Director - Chairman

Mr. J.M.Jayasuriya

Independent, Non-Executive Director - Member

Mr. C.S.R.S.Anthony

Non-Independent, Non-Executive Director - Member

Ms. A.I.C.Nandasena

Independent, Non-Executive Director - Member

Ms. K.A.D.Siriwardene

Independent, Non-Executive Director - Member

Overview

The Board of Directors of CAL which is primarily responsible for the integrated risk management initiatives has delegated its authority to a Board subcommittee, the RMC to review and assess the adequacy and effectiveness of the risk appetite of the Company and the risk strategies adopted.

The Chief Risk and Compliance Officer acts under the direction of the Non- Executive Independent Directors of the RMC on matters pertaining to risk and compliance, and reports to the Chairman of the Risk Management committee.

Meetings & Attendance of the Members

The committee held three meetings during the year under review. The minutes were duly recorded and circulated to the Board of Directors at the board meetings for further discussion and review.

Name of the Director	Attended/Eligibility to attend
Mr. W D P De Mel	3/3
Mr. J.M. Jayasuriya	3/3
Mr. C.S.R.S.Anthony	3/3
Ms. A.I.C.Nandasena	3/3
Ms. K.A.D.Siriwardene	3/3

Activities During the Year

During the year under review, the Risk Management Committee (RMC) carried out its oversight responsibilities in line with the Company's approved risk governance framework and regulatory requirements.

The Committee reviewed and assessed the Company's risk appetite framework, including the effectiveness of the Risk Control Self-Assessment (RCSA) process and the adequacy of maintained risk registers, ensuring that key risks were appropriately identified, monitored, and managed.

The RMC also evaluated counterparty exposures and associated risk limits, ensuring alignment with internal thresholds and prevailing market conditions.

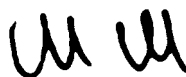
In fulfilling its compliance oversight role, the Committee reviewed Compliance Reports prior to submission to the Board of Directors. Particular attention was given to instances of non-compliance, with the RMC ensuring that timely and appropriate remedial actions were undertaken to meet all regulatory and supervisory requirements.

Further, the Committee reviewed the findings and recommendations arising from internal and external audit reports, providing guidance to the Risk and Compliance functions, particularly in relation to the development of stress testing frameworks, revisions to the trading policy, and the ongoing monitoring of market and liquidity risks associated with the Government securities portfolio.

The Primary Dealer (PD) unit operated within approved risk limits throughout the period, navigating a moderately volatile interest rate environment amid evolving macroeconomic conditions.

Overall, the RMC continued to support the execution of the Company's strategic objectives by ensuring that business activities remained consistent with the defined risk appetite and prudent risk tolerance levels.

On behalf of the Risk Management Committee



Mr. W D P De Mel

Chairman Risk Committee

27 July 2026

Nomination & Governance Committee Report

Report Of the Nomination and Governance Committee

The Board established the Nomination and Governance Committee on 30 September 2024 to strengthen the effectiveness of the Board and enhance the Company's governance framework. The Committee is responsible for providing oversight on matters relating to Board composition, succession planning, and corporate governance practices.

The Committee reviews the qualifications, skills, experience, independence, and suitability of candidates for appointment to the Board and makes recommendations to the Board on such appointments. It also evaluates and recommends corporate governance policies and practices applicable to the Company, ensuring alignment with regulatory requirements and recognised governance standards.

In addition, the Committee is responsible for establishing and overseeing the framework for evaluating the performance and effectiveness of the Board, its Committees, and individual Directors, with the objective of promoting continuous improvement in governance, leadership, and overall Board effectiveness.

Composition of the Committee

The Nominations Committee shall be comprised of at least three Directors of the Board (as elected by the Board) of which at least two Directors shall be Independent Directors of the Board. No member of the Nominations Committee shall be an Executive Director of the Company. The Board shall appoint an Independent Director as the Chair of the Nominations Committee and the Company Secretary shall be Secretary to the Nominations Committee.

The Committee members are:

- Ms. K. A. D. Siriwardene - *Chairperson Non-Executive Independent Director*
- Ms. A. I. C. Nandasena *Non-Executive Independent Director*
- Mr. D. A. De Zoysa *Non-Executive Non-Independent Director*

Responsibility of Nomination and Governance Committee

The Nomination and Governance Committee is responsible for evaluating the appointment of Directors to the Board of Directors and Board Committees of CAL PLC and providing the Board with its recommendations on any such proposed appointment. It further evaluates the performance of current Directors on the Board, including their experience, knowledge, and contributions made to the Company to meet the strategic objectives of CAL PLC, in recommending or declining such Directors' re-appointment to the Board. The Committee is authorized to retain advisers when it deems appropriate, including the approval of fees and terms of retention, without the prior permission of the Board or management, subject to the overall budget granted to the Committee.

The Nominations Committee determines the frequency with which the Directors on the Board and the CEO shall submit for re-election, provided however that such submission shall take place at least every 3 years. Further, it frequently reviews and amends, as required, succession plans for the Directors on the Board and Key Management Personnel of CAL.

The Nominations Committee establishes, adopts, and reviews at least annually a set of criteria for the selection of Directors to the Board, including academic and professional qualifications, skills, experience, and key attributes required for eligibility, taking into consideration the requirements of CAL in order to achieve its strategic objectives, while taking into account the requirements to be met and the responsibilities to be discharged.

Meetings

The Nominations Committee shall meet as often as it determines is appropriate, but not less frequently than once per annum. The quorum for a meeting of the Nominations Committee shall be the presence of all independent Directors appointed to the Committee.

Name of the Director	Date of Appointment	Eligibility to Attend	Attendance
Ms. K. A. D. Siriwardene (<i>Chairperson</i>)	30 September 2024	1	1
Mr. D. A. De Zoysa	30 September 2024	1	1
Ms. A. I. C. Nandasena	30 September 2024	1	1

Nomination & Governance Committee Report

The management reports to the Nominations Committee on compliance with the corporate governance framework of CAL including the Company'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 rationale for the same.

The Nomination and Governance Committee confirms that Board diversity is maintained across a range of dimensions, including professional experience, skills, age, gender, and background, recognizing that diversity is a key contributor to effective Board performance. The Committee believes that a diverse Board fosters broader perspectives, enhances the quality of decision-making, and strengthens the Board's ability to provide effective oversight and strategic guidance

In accordance with the Company's Articles of Association and applicable corporate governance requirements, Directors are subject to retirement by rotation at each Annual General Meeting (AGM). Directors who have served the longest period since their last election or appointment are required to retire and offer themselves for re-election. Retiring Directors remain eligible for re-election by shareholders and may continue to serve on the Board if re-elected. This process promotes accountability, facilitates regular Board renewal, and provides shareholders with the opportunity to evaluate the performance and continued suitability of Directors.



Ms. K. A. D. Siriwardene

Chairperson

Nomination and Governance Committee

27 July 2026

Remuneration Committee Report

The Board established the Remuneration Committee in compliance with the Code of Best Practice on Remuneration issued by the Securities & Exchange Commission of Sri Lanka and the Listing Rules of the Colombo Stock Exchange ("Rules").

Composition of the Committee

The Remuneration Committee, appointed by the Board, consists primarily of Independent Non-Executive Directors, with an Independent Non-Executive Director serving as Chair. Its members bring diverse expertise and extensive industry knowledge. The Company Secretary shall be Secretary to the Remuneration Committee.

The Committee members were:

- Ms. A. I. C. Nandasena - *Chairperson*
Non-Executive Independent Director
- Mr. D. A. De Zoysa *Non-Executive Non-Independent Director*
- Ms. K. A. D. Siriwardene - *Non-Executive Independent Director*

Responsibility of Remuneration Committee

The Remuneration Committee is responsible for advising the Board of CAL PLC on remuneration strategy and policy, working closely with the Board to ensure that compensation practices are aligned with the Company's objectives and governance standards. In accordance with the Company's Articles of Association, the remuneration of Directors is determined by the Board, which must ensure that such remuneration is fair, reasonable, and in the best interests of the Company.

The Committee is committed to maintaining transparency, objectivity, and fairness in the remuneration process, ensuring that Directors are not involved in determining their own compensation. It reviews and oversees remuneration frameworks developed by the Human Resources Department and ensures that the compensation of Executive Directors and Senior Management complies with all applicable legal and regulatory requirements. The Committee's primary objective is to attract, retain, motivate, and appropriately reward a highly competent and experienced workforce, thereby supporting the long-term success and sustainability of the Company.

Remuneration policy

The Company's remuneration policy is designed to attract, retain, and motivate highly qualified and high-performing professionals at Executive and Management levels. The policy seeks to ensure that the Company benefits from the requisite professional, leadership, and operational expertise necessary to achieve its strategic objectives and sustain long-term growth.

To remain competitive within the market and attract top talent, the Company maintains a remuneration framework that is fair, performance-driven, and aligned with industry standards.

Compensation structures are designed to appropriately reward individual contribution while supporting the Company's overall business objectives.

Salaries, benefits, and other remuneration components are reviewed annually, taking into consideration individual performance, overall Company performance, market trends, and industry benchmarking data. This approach ensures that remuneration remains equitable, competitive, and aligned with the Company's commitment to rewarding performance and fostering employee engagement and retention.

Meetings

The Committee must meet at least twice a year or as decided by the Chairman of the committee. Meetings can be held via electronic means, and decisions can be made without a physical meeting through written consent when needed.

The secretary will call meetings at the request of any member of the committee / Senior management of Capital Alliance PLC or the Board.

The Committee, established as a Board Subcommittee, maintains records of member attendance, detailed below.

Name of the Director	Eligibility to Attend	Attendance
Ms. A. I. C. Nandasena (<i>Chairperson</i>)	2	2
Mr. D. A. De Zoysa	2	2
Ms. K. A. D. Siriwardene	2	2



Ms. A. I. C. Nandasena
Chairperson
Remuneration Committee

27 July 2026

Statement of Directors' Responsibility

Below are outlined the duties of the Directors concerning the Company's Financial Statements.

The Directors are responsible for maintaining accurate financial records and ensuring that proper books of account are kept for all transactions. They must also prepare and present the Company's financial statements to shareholders in compliance with the Companies Act No. 7 of 2007 and other applicable regulations governing financial reporting.

The financial statements comprise;

- The Statements of Financial Position which presents a true and fair view of the state of affairs of the Company as at the end of the financial year
- the Statement of Profit or Loss and Other Comprehensive Income, which present a true and fair view of the financial performance of the Company for the financial year
- the Statement of Changes in Equity
- the Statement of Cash Flows
- Notes to the Financial Statements.

The Directors are responsible for preparing the financial statements on a going concern basis unless it is deemed inappropriate.

They confirm that the financial statements present a true and fair view of:

- The Company's financial position as of 31st March 2026.
- The Company's financial performance for the year ended 31st March 2026.

The financial statements for the year ended 31st March 2026, included in this report, have been prepared in compliance with the Companies Act No. 7 of 2007 and Sri Lanka Accounting Standards (LKAS/SLFRS).

The Company's financial statements have been certified by the Chief Financial Officer, who is responsible for their preparation, and have been signed by two Directors in compliance with Sections 150 and 152 of the Companies Act No. 7 of 2007.

The Directors are also responsible for maintaining accurate accounting records that correctly record and explain the Company's transactions. These records must enable the determination of the Company's financial position with reasonable accuracy at any given time and facilitate the proper auditing of financial statements, as required under Section 148(1) of the Act. Accordingly, the Directors ensure that proper books of accounts are maintained and that financial reports are regularly reviewed during Board meetings. Additionally, the Board reviews and approves all interim financial statements before their release.

The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements. They confirm that the financial statements have been prepared using appropriate accounting policies applied consistently, with reasonable estimates and judgments made to reflect the true substance and nature of transactions.

The Directors have implemented reasonable measures to safeguard the Company's assets and to prevent and detect fraud and other irregularities. To this end, they have established a robust and comprehensive internal control system.

The Company's auditors, Messrs. KPMG, who were reappointed through a resolution passed at the previous Annual General Meeting, were provided with all necessary information required to conduct their audit and express an opinion, as detailed on Pages 132 to 135 of this Annual Report.

Furthermore, after assessing the Company's financial position, operating conditions, regulatory environment, and other relevant factors, the Directors confirm that they have a reasonable expectation that the Company has sufficient resources to continue its operations in the foreseeable future. Accordingly, the Going Concern basis has been deemed appropriate in the preparation of these financial statements.

Compliance Report

The Directors confirm that, to the best of their knowledge, all statutory payments due as of the financial reporting date have been either settled or adequately provided for.

S. S. P. Corporate Services (Private) Limited
Company Secretaries

27th July 2026

Responsibility Statement of Chairman, Chief Executive Officer and Chief Financial Officer

The Financial Statements of Capital Alliance PLC have been prepared in accordance with the following regulatory requirements:

- Sri Lanka Accounting Standards issued by CA Sri Lanka
- The Companies Act No. 07 of 2007
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Listing Rules of the Colombo Stock Exchange
- The Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)

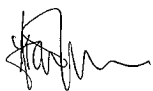
We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate and are consistently applied by the Company. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and the external auditors.

To safeguard assets and prevent fraud or other irregularities, we have implemented robust internal controls and accounting systems, which are continuously reviewed, evaluated, and updated. Internal audits are conducted periodically to provide reasonable assurance that these controls and procedures are effectively maintained. However, we acknowledge the inherent limitations of any internal control system.

The independent external auditors, Messrs KPMG, Chartered Accountants, have audited these financial statements. The Audit Committee regularly meets with both internal and external auditors to review audit effectiveness, internal control measures, and financial reporting matters. Both auditors have unrestricted access to the Audit Committee to discuss any substantive issues. To ensure auditor independence, the Committee also approves all audit and non-audit services provided by the external auditor.

We further confirm that:

- The Company has complied with all applicable laws, regulations, and prudential requirements.
- There are no material instances of non-compliance.
- There are no pending material litigations against the Company.



Mr. D A De Zoysa
Chairman



Mr. L. H. S. L. Silva
Chief Executive Officer



Mr. Channa Gunasekera
Chief Financial Officer

Financial Calendar

PUBLICATION OF FINANCIAL STATEMENTS TO CSE *

1st quarter report	6th August 2025
2nd quarter report	4th November 2025
3rd quarter report	9th February 2026
4th quarter report	8th May 2026

PUBLICATION OF FINANCIAL STATEMENTS IN NEWSPAPERS **

Semi-annual Financial Statements	26th November 2025
Annual Unaudited Financial Statements	28th May 2026

Audited Financial Statements - FY 2025/26	27th July 2026
Annual Report - FY 2025/26	31st August 2026

5th Annual General Meeting	24th September 2026
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* As per Rule 7.4 of the Continuing Listing Requirements issued by the Colombo Stock Exchange

** As per the Direction 08/24/002/005/01 issued by the Superintendent of Public Debt of the Central Bank of Sri Lanka.

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF CAPITAL ALLIANCE PLC REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Capital Alliance PLC ("the Company"), which comprise the statements of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory 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 2026, and of its financial performance and 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 for 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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

T.J.S. Rajakarier FCA
W.K.D.C. Abeyratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
H.U.S.T. Dayananda FCA

Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D. Corea Dhamaratne

Carrying amount of financial assets, recognition of gains/losses on trading and interest income on financial assets	
Refer to the significant accounting policy in "Note 3.3.1 and 5, 7, 14 and 15 to the financial statements"	
Risk Description	Our responses
As at 31 March 2026, the Company's financial assets portfolio consists with treasury bills and treasury bonds measured at fair value and amortized cost. The carrying amount of treasury bills and treasury bonds measured at fair value through profit or loss is Rs. 82,041 Mn, and Securities purchased under resale agreements at amortised cost Rs. 1,503 Mn, respectively. Further in Note 05 and 07 the Company has recognized interest income and net gain from trading of financial assets of Rs.8,977 Mn and Rs.2,965 Mn respectively. As the Company's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macro-economic environment existed during the year that are still prevailing. Due to rapid changes in the macro-economic environment, the composition of the investment portfolio of the Company and the observability of the market data were affected making the investment decisions and measurement more challenging and significant. In addition, the Company considers income and gain from financial assets as an important element in the preparation of budgets and measuring management performance. These factors could create an incentive for gains/ losses on trading and interest income to be recognised in contrary to the recognition criteria. Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro- economic environment, the carrying amount of financial assets including related gain/losses on trading and interest income are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our audit procedures included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the Company in determining carrying amounts including fair values, gains/losses on trading and interest income recognition and measurement. • Testing the operating effectiveness of key IT application controls over gains/losses on trading and interest income, in addition to evaluating the integrity of the general IT control environment. • Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations. • Making inquiries of the management on the market conditions and reviewing the board minutes. • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations for a sample of outstanding financial instruments. • On a sample basis, testing of details over gains/losses on trading and interest income by inspecting a supporting documents, re-computation of gains and losses on trading and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements and the Company accounting policies. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

Independent Auditor's Report

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the 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 have 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 and 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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 3707.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
27 July 2026

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March,	Note	2026 Rs.	2025 Rs.
Interest income	5	8,976,861,611	8,874,907,017
Interest expenses	6	(6,516,484,289)	(5,842,375,955)
Net interest income		2,460,377,322	3,032,531,062
Net gain from trading	7.1	2,964,702,344	6,096,133,620
Net gain/(loss) from remeasurement of financial assets at FVTPL	7.2	(1,769,367,457)	(1,554,535,633)
Direct expenses	8	(57,605,559)	(42,681,085)
Other income	9	37,497,806	38,779,419
Net operating income		3,635,604,456	7,570,227,383
Operating expenses			
Personnel expenses		(216,060,835)	(554,470,901)
Depreciation and amortisation		(23,752,812)	(19,047,677)
Other expenses		(542,305,836)	(625,594,123)
Profit before tax	10	2,853,484,973	6,371,114,682
Income tax expense	11.1	(852,636,909)	(1,950,520,698)
Profit for the year		2,000,848,064	4,420,593,984
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Actuarial loss on retirement benefit obligation	25	(5,538,960)	3,299,244
Deferred tax on actuarial loss on retirement benefit obligation	11.6.1	1,661,688	(989,773)
Other comprehensive expense for the year		(3,877,272)	2,309,471
Total comprehensive income for the year		1,996,970,792	4,422,903,455
Basic earnings per share - (Rs.)	12	6.07	13.42

Accounting policies and notes form pages 140 to 184 are an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Financial Position

As at 31 March,	Note	2026 Rs.	2025 Rs.
Assets			
Cash and cash equivalents	13	432,844,198	36,205,695
Financial assets measured at amortised cost	14	1,503,155,486	3,003,008,988
Financial assets measured at FVTPL	15	82,040,642,990	102,200,999,629
Amounts due from related companies	22.1	143,812,573	23,182,317
Other receivables	16	40,017,036	12,959,192
Deferred tax asset	11.6	19,029,264	27,748,880
Intangible assets	18	6,186,931	7,490,561
Right of use asset	19	89,596,818	4,466,900
Equipment	20	2,713,046	40,471,576
Total assets		84,277,998,342	105,356,533,738
Liabilities and equity			
Liabilities			
Financial liabilities at amortised cost	21	72,216,189,590	87,809,641,973
Amounts due to related companies	22.2	40,060,239	4,685,733
Other payables	23	361,483,875	1,179,367,985
Lease liability	24	76,509,793	4,809,241
Retirement benefit obligation	25	74,972,626	92,823,233
Income tax payable	11.5	386,355,747	1,869,063,749
Total liabilities		73,155,571,870	90,960,391,914
Equity			
Stated capital	26	723,348,421	723,348,421
Special risk reserve	27	2,958,962,234	2,758,877,428
Retained earnings		7,440,115,817	10,913,915,975
Total equity		11,122,426,472	14,396,141,824
Total liabilities and equity		84,277,998,342	105,356,533,738
Net Assets per Share		33.76	43.70

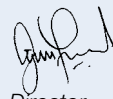
Accounting policies and notes form pages 140 to 184 are an integral part of these financial statements.
Figures in brackets indicate deductions.

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

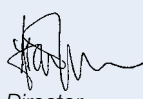


Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for on behalf of the Board of Directors of Capital Alliance PLC.



Director



Director

Colombo
27th July 2026

Statement of Changes in Equity

For the year ended 31 March,	Stated Capital	Special Risk Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2024	723,348,421	2,316,818,030	13,356,720,656	16,396,887,107
Profit for the year	-	-	4,420,593,984	4,420,593,984
Other comprehensive expense for the year	-	-	2,309,471	2,309,471
Total comprehensive income	-	-	4,422,903,455	4,422,903,455
Transferred to the special risk reserve	-	442,059,398	(442,059,398)	-
Transactions with owners of the company				
Dividend paid	-	-	(6,423,648,738)	(6,423,648,738)
Balance as at 31 March 2025	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824
Balance as at 01 April 2025	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824
Profit for the year	-	-	2,000,848,064	2,000,848,064
Other comprehensive expense for the year	-	-	(3,877,272)	(3,877,272)
Total comprehensive income	-	-	1,996,970,792	1,996,970,792
Transferred to the special risk reserve	-	200,084,806	(200,084,806)	-
Transactions with owners of the company				
Dividend Paid	-	-	(5,270,686,144)	(5,270,686,144)
Balance as at 31 March 2026	723,348,421	2,958,962,234	7,440,115,817	11,122,426,472

Accounting policies and notes form pages 140 to 184 are an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31 March,	Note	2026 Rs.	2025 Rs.
Cash flows from operating activities			
Interest receipts and realised gains		12,625,455,275	15,233,088,111
Interest payments		(6,487,392,656)	(5,455,356,180)
Payments of direct cost		(57,605,559)	(42,681,085)
Other receipts		37,497,806	38,779,419
Cash payments to employees and suppliers		(711,841,455)	(768,302,673)
Operating profit before changes in operating assets and liabilities		5,406,113,411	9,005,527,592
Decrease/ (increase) in financial assets measured at amortised cost		1,493,227,105	(1,980,835,695)
Decrease/ (increase) in financial assets measured at FVTPL		17,713,724,259	(44,490,566,873)
(Increase)/ decrease in other receivables		(27,336,940)	247,588,512
Increase in amounts due from related companies		(119,936,969)	(11,366,108)
(Decrease)/ increase in financial liabilities at amortised cost		(15,622,544,016)	50,076,225,970
Increase/(decrease) in amounts due to related companies		33,125,139	(57,473,500)
Decrease in other payable		(817,884,110)	(1,956,118,879)
Cash generated from operating activities		8,058,487,879	10,832,981,019
Interest paid on lease	24.4	(5,132,274)	(1,483,943)
Advance Payment on ROU		(20,619,196)	-
Gratuity paid	25.1	(39,040,000)	-
Income taxes paid	11.5	(2,324,684,508)	(4,713,399,462)
Net cash generated from operating activities		5,669,011,901	6,118,097,614
Cash flows from investing activities			
Purchase of equipment	20	-	(2,794,150)
Purchase of Intangible assets	18	(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)
Lease payments	24.2	(517,661)	(3,780,019)
Net cash used in financing activities		(5,271,203,805)	(6,427,428,757)
Net increase/ (decrease) in cash and cash equivalents		396,638,503	(316,802,397)
Cash and cash equivalents at the beginning of the year	13	36,205,695	353,008,092
Cash and cash equivalents at the end of the year	13	432,844,198	36,205,695

Accounting policies and notes form pages 140 to 184 are an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Corporate Information

Capital Alliance PLC, formerly Capital Alliance Limited ("the Company"), is a limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business at 6th floor, M2M Veranda Offices, No. 34, W A D Ramanayake Mawatha, Colombo 2.

1.2 Principal Activities and Nature of Operations

The Company is primarily involved in the business of dealing in Government Securities and corporate debt securities. There were no significant changes in the nature of the principal activities of the Company during the financial year.

1.3 Parent Enterprise, Ultimate Parent Enterprise and Ultimate Beneficial Owners

The Company's Parent undertaking and controlling party is Capital Alliance Holdings PLC, which is incorporated in Sri Lanka. The Company's ultimate beneficial owners as at 31st March 2026 are Mr. W. A. T. Fernando and Ms. N. T. M. S. Cooray.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards (SLFRSs)
- Sri Lanka Accounting Standards (LKASs)
- Statements of Recommended Practices (SoRPs)
- Statement of Alternative Treatment (SoAT) and
- Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com. These Financial Statements, except for information on cash flows and items measured at fair value as described in Note No. 2.5, have been prepared following the accrual basis of accounting.

The Company did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs regulations governing the preparation and presentation of the Financial Statements.

2.2 Statement of Presentation

The Financial Statements of the Company have been prepared in compliance with the requirement of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3. Date of Authorisation for Issue

The financial statements were authorized for issue by the Board of Directors in accordance with the resolution passed by the Board of Directors on 27th July 2026.

2.4 Presentation of Financial Statements

The assets and liabilities of the Statement of Financial Position are grouped by nature and listed in order to reflect their relative liquidity and maturity pattern.

2.5 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007 and related disclosure requirements of Listing Rules.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors" and "Statement of Director's Responsibility".

2.6 Basis of Measurement

The Financial Statements of the Company have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Category	Basis of measurement	Note
Financial assets at Fair Value through Profit or Loss (FVTPL)	Measured at Fair Value	15
Financial assets at Fair Value through Other Comprehensive (FVOCI) Income	Measured at Fair Value	17
Defined benefit obligations	Actuarially valued and recognized at present value of the defined benefit obligation	25

2.7 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the functional currency of the Company.

2.8 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that influence 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 estimates are revised if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

Information about critical judgments, estimates and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are included in the following notes to these Financial Statements.

Critical accounting estimate/judgment	Disclosure reference
Going concern	2.14
Classification of financial assets and liabilities	3.2.1 & 3.2.2
Fair value of financial instruments	3.2.1, 3.2.2 & 32
Useful lives of intangible assets	3.4.2.4
Useful lives of property, plant and equipment	3.4.1.4
Retirement benefit obligation	3.8 & 25
Deferred tax on unutilised tax losses	3.19
Impairment losses on financial assets	3.3
Impairment of non-financial assets	3.3.2
Provisions for liabilities, commitments and contingencies	3.7, 3.23.4 & 29.1

2.9 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair values are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.10 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Notes to the Financial Statements

2.11 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative'.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.12 Offsetting

Financial assets and financial liabilities are offset and the net amount 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 liabilities simultaneously. Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the International Financial Reporting Interpretations Committee and Standard Interpretations Committee) and as specifically disclosed in the Material Accounting Policies of the Company.

2.13 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 1 on 'Presentation of Financial Statements'.

2.14 Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2026, management has considered all available information, the consequences of current macro-economic conditions of the country, climate related risks, other events and conditions. It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern due to the improving operating environment, developments to product strategies and actions taken to mitigate the impact of economic crisis.

Further, in determining the going concern, the management performed multiple stress tested scenarios; considering cost management practices, ability to continue operations under current economic crisis, cash reserves, ability to secure additional funding to finance the adverse effects to the cash flows, ability to secure required human resources, expected revenue streams,

credit and collection management practices and expense management and curtailment practices including ability to defer non-essential capital expenditure.

Accordingly, the Management has assessed its ability to continue as a going concern and is satisfied that it has adequate resources to continue in the business for the foreseeable future. Further, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company are continued to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

3.1 Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (Sri Lankan Rupee-LKR) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items are the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in Statement of Profit or Loss.

3.2 Financial Instruments

3.2.1 Financial Asset

The Company initially recognizes all financial assets and liabilities on the settlement date. However, for financial assets/ liabilities held at fair value through profit and loss any changes in fair value from the trade date to settlement date is accounted in profit or loss while for financial assets at fair value through other comprehensive income, any change in fair value from the trade date to settlement date is accounted in Other Comprehensive Income.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Classification and subsequent measurement of financial assets

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. 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 as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial 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. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising 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 how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

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 a profit margin.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially

Notes to the Financial Statements

represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.2.2 Financial Liability

Initial Recognition and Measurement

On initial recognition, the Company classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- Financial liabilities at amortised cost; and
- Financial liabilities at fair value through profit or loss

Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial Liabilities at Amortised Cost

Financial Liabilities issued by the Company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.2.3 Derecognition

(a) 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 the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(b) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.2.4 Reclassification of Financial Assets and Liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company's changes its objective of the business model for managing such financial assets. Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

3.3 Impairment

3.3.1 Non-derivative Financial Assets

Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. 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 being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is 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.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

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.

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.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

3.3.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax 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.

3.4 Equipment and Intangible Assets

3.4.1.1 Owned Assets - Basis of Recognition

Items of Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing cost. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of Equipment have different useful lives, they are accounted for as separate items (major components) of Equipment.

Notes to the Financial Statements

3.4.1.2 Subsequent Expenditure

The cost of replacing a part of an item of Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Equipment are recognized in profit or loss as incurred.

3.4.1.3 Derecognition

The carrying amount of an item of Equipment is derecognized 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 Equipment is included in Statement of Profit or Loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspections is derecognized.

3.4.1.4 Depreciation

Items of Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of Equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in Statement of Profit or Loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives and depreciation rates are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Motor Vehicles	5 years	20%
Furniture and Fittings	5 years	20%
Office Equipment	4 years	25%
Computer Equipment	3 years	33.33%
Communication Devices	1 year	100%

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.4.2 Intangible Assets

An intangible asset is recognized if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 38 on Intangible Assets.

Intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

3.4.2.1 Computer Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

3.4.2.2 Other Intangible Assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

3.4.2.3 Subsequent Expenditure

Subsequent Expenditure incurred on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

3.4.2.4 Amortization

Amortization is calculated over the cost of the asset or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives and amortization rate are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Computer Software	4 years	25%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.5 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. To assess whether a contract conveys the right to control the use of an

identified asset, the Company uses the definition of a lease in SLFRS 16.

3.5.1 As a lessee

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. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the 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, and 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 included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate 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 revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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.

The Company presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets and lease liabilities' in 'lease liability' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

3.7 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably; and it is probable that an outflow, of economic benefits will be required to settle the obligation.

3.8 Employee Benefits

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts

Notes to the Financial Statements

which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the reporting date.

Defined Benefit Plan - Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually by a qualified actuary using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retiring gratuities from the first year of service for all employees in conformity with LKAS 19 - Employee Benefits. However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continued service with the Company.

Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income. The obligation is not externally funded.

Defined Contribution Plan - Employees' Provident Fund & Employee's Trust Fund

All employees who are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund Contribution are covered by relevant contribution funds in line with respective Statutes and Regulations.

Contributions to Provident Fund and Trust Fund covering the employees are recognized as an expense in the Statement of Profit or Loss.

Termination Benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.9 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

Statement of Profit or Loss and Other Comprehensive Income

3.10 Interest Income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. 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.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the statement of profit or loss and Other Comprehensive Income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis; and

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income as gain on fair valuation of other financial instruments at fair value through profit or loss in the statement of profit or loss and Other Comprehensive Income.

3.11 Gain/ (Loss) on Sale of Financial Investments measured at Fair Value through Profit or loss

Gain/(loss) on Sale of Financial Investments measured at fair value through profit or loss comprises realised trading gains/ (loss) on disposal of government securities and quoted shares presented as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

3.12 Gain/ (Loss) on Disposal of Financial Investments - Fair Value through Other Comprehensive Income

Gain/ (Loss) on Disposal of Financial Investments measured at fair value through other comprehensive income comprises realised capital gain/ (loss) on disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, is presented in other comprehensive income.

3.13 Gain/ (Loss) on Fair Valuation of Financial Investments - Fair Value through Profit or Loss

Gain/(loss) on Fair Valuation of Financial Investments is the unrealised gain/ (loss) on fair valuation (marked to market valuation) of government securities and quoted instruments. The fair valuation gain/ (loss) is presented in profit or loss.

3.14 Brokering Commission

Brokering commission is recognized on an accrual basis.

3.15 Other Income

Other income is recognized on an accrual basis. Profits or losses of a revenue nature on the disposal of Equipment have been accounted for in the profit or loss.

3.16 Dividend Income

Dividend income is recognised in profit or loss on an accrual basis when the Company's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities. Dividends are presented in other income.

3.17 Expenses Recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year. For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the nature of the expenses method present fairly the element of the Company's performance, and hence such presentation method is adopted.

3.18 Borrowing Cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.19 Taxation

Income tax expense comprises both current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case is recognized in the statement of comprehensive income or statement of changes in equity, in which case it is recognized directly in the respective statements.

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.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and 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 realised simultaneously.

A deferred tax asset is recognised 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 utilised. 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 realised.

Notes to the Financial Statements

Deferred tax assets and liabilities are not discounted.

The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the Statement of Profit or Loss.

Uncertainty over income tax treatments

The Company accounted for the uncertainty over tax treatments under IFRIC 23. An 'uncertain tax treatment' is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law.

If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Company expects to better predict the resolution of the uncertainty.

3.20 Borrowings

Repo borrowings are the Company's sources of debt funding. When the Company sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the arrangement is accounted for as a borrowing, and the underlying asset continues to be recognised in the Company's financial statements. The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

3.21 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'direct method'. Interest paid, Interest Income received and realized gains are classified as operating cash flows, interest on fixed deposits received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

3.22 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions of the other, irrespective of whether a price is being charged.

3.23 General

3.23.1 Events after the Reporting Period

Events after the reporting date are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary (Note 30).

All material adjusting events after the reporting period have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

3.23.2 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.23.3 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

3.23.4 Capital Commitment and Contingent Liabilities

Capital commitments and contingencies which exist as at the date of Statement of Financial Position are disclosed in the respective notes to the Financial Statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The following new or amended standards and interpretations have been issued, but not yet effective, as at the reporting date of the Financial Statements. These are not expected to result in material impact to the Company on adoption.

- **Sri Lanka Accounting Standard - SLFRS 18 on “Presentation and Disclosure in Financial Statements” (SLFRS 18)**

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard - LKAS 1 on “Presentation of Financial Statements” and applies to the Company effective from 1 January 2027. The new accounting standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities’ net profit will not change. Management - defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements. Enhanced guidance is provided on how to Company information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method. The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Company’s Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is Companyed in the Financial Statements including items currently labelled as ‘other’.

- **Annual improvements to SLFRS Accounting Standards - Volume 11**

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Company’s Financial Statements.

Notes to the Financial Statements

5. INTEREST INCOME

For the year ended 31 March,	2026 Rs.	2025 Rs.
Financial assets measured at FVTPL		
Interest on treasury bills	1,222,754,735	1,252,298,920
Interest on treasury bonds	7,396,720,249	7,244,067,752
	8,619,474,984	8,496,366,672
Financial Assets measured at amortised cost		
Interest on securities purchased under resale agreements	357,386,627	378,523,737
Interest income on staff loans	-	16,608
	357,386,627	378,540,345
	8,976,861,611	8,874,907,017

6. INTEREST EXPENSES

For the year ended 31 March,	2026 Rs.	2025 Rs.
Interest on securities sold under repurchase agreements	6,215,217,734	5,626,177,250
Interest on commercial papers	49,865,491	60,561,644
Interest on bank loans	251,401,064	155,637,061
	6,516,484,289	5,842,375,955

7. GAINS AND (LOSSES) ARISE FROM FINANCIAL ASSETS

7.1 Net gain from trading

For the year ended 31 March,	2026 Rs.	2025 Rs.
Gain on treasury bills	98,478,329	37,443,384
Gain on treasury bonds	2,682,028,873	5,977,013,505
Capital gain/ (loss) on quoted shares	184,195,142	81,676,731
	2,964,702,344	6,096,133,620

7.2 Net gain/ (loss) from remeasurement of financial assets at FVTPL

Remeasurement loss on government securities	(1,851,239,007)	(1,681,296,768)
Remeasurement gain on quoted shares	81,871,550	126,761,135
	(1,769,367,457)	(1,554,535,633)

8. DIRECT EXPENSES

For the year ended 31 March,	2026 Rs.	2025 Rs.
Brokerage commission	57,605,559	42,681,085
	57,605,559	42,681,085

9. OTHER INCOME

For the year ended 31 March,	2026 Rs.	2025 Rs.
Dividend income	37,499,348	38,777,307
Other income	(1,542)	2,112
	37,497,806	38,779,419

10. PROFIT BEFORE TAX

For the year ended 31 March,	2026 Rs.	2025 Rs.
Is stated after charging all expenses including the following;		
Directors' fees	15,575,000	4,200,000
Audit fee		
- Statutory audit	2,710,719	1,300,000
- Other services	-	1,366,167
Depreciation of equipment	13,458,530	13,892,237
Depreciation of right of use assets	7,821,059	3,462,065
Amortization of intangible assets	2,473,223	1,693,375
Staff cost included;		
- Salaries and other staff benefits	189,891,147	516,862,141
- Defined benefit plan - gratuity (Note 25)	5,674,823	15,075,267
- Defined contribution plans - EPF	15,978,885	17,805,279
- ETF	3,994,722	4,451,319
Other employee related cost	521,258	276,895
Donations	100,000	11,250,000

11. INCOME TAX EXPENSE

11.1 Income tax recognised in profit or loss

For the year ended 31 March,	2026 Rs.	2025 Rs.
Current tax expense for the year (Note 11.2)	836,634,846	1,954,602,260
Income tax under provision for the previous year (Note 11.5)	5,620,759	73,113
Deferred tax reversal for the year (Note 11.6.1)	10,381,304	(4,154,675)
	852,636,909	1,950,520,698

Notes to the Financial Statements

11.2 Reconciliation between accounting profit and taxable profit

For the year ended 31 March,	2026 Rs.	2025 Rs.
Profit before tax	2,853,484,973	6,371,114,682
Less: Other sources of income & exempt income	(303,566,040)	(247,215,173)
Disallowable expenses	309,339,550	402,043,627
Allowable expenses	(70,475,664)	(10,602,270)
Assessable income from business	2,788,782,819	6,515,340,866
Total taxable income	2,788,782,819	6,515,340,866
Income tax at 30%	836,634,846	1,954,602,260
Current tax expense	836,634,846	1,954,602,260

11.3 Reconciliation of Effective tax rate

	2026		2025	
	%	Rs.	%	Rs.
Profit Before tax		2,853,484,973		6,371,114,682
Tax expenses on applicable	30%	856,045,492	30%	1,911,334,405
Tax on exempted income	-3%	(91,069,812)	-1%	(74,164,552)
Aggregate disallowed items	3%	92,801,865	2%	120,613,088
Aggregate allowable Expenses	-1%	(21,142,699)	-0.05%	(3,180,681)
Current income tax expenses	29%	836,634,846	30.7%	1,954,602,260
Income tax under /Over provision for the previous year (Note 11.5)	0.20%	5,620,759	0.00%	73,113
Deferred tax charge / (reversal) for the year (Note 11.6.1)	0.36%	10,381,304	-0.02%	(4,154,675)
	30%	852,636,909	31%	1,950,520,698

11.4 Applicable income tax rates

The Company is liable to pay income tax at a rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and its subsequent amendments. The comparative figures reflect the same income tax rates as per the Inland Revenue (Amendment) Act No. 45 of 2022.

11.5 Income tax payable

	2026 Rs.	2025 Rs.
Balance at the beginning of the year	1,869,063,749	4,627,787,838
Income tax provision for the year	836,634,846	1,954,602,260
Income tax under provision for the previous year	5,620,759	73,113
WHT Recovered	(279,099)	-
Income tax payments	(2,324,684,508)	(4,713,399,462)
Balance at the end of the year	386,355,747	1,869,063,749

11.6 Deferred taxation

As at 31 March,	2026 Rs.	2025 Rs.
Balance at the beginning of the year	27,748,880	24,583,978
Amount recognized during the year - (Note - 11.6.1)	(8,719,616)	3,164,902
Balance at the end of the year	19,029,264	27,748,880
11.6.1 Amount recognized during the year		
Amount recognized during the year in profit and loss	(10,381,304)	4,154,675
Amount reversed in other comprehensive Income	1,661,688	(989,773)
	(8,719,616)	3,164,902

Based on the requirements of LKAS 12 in relation to Deferred taxation, deferred tax assets and liabilities are calculated at tax rates at 30% (2024/2025 - 30%) that are expected to apply to the period when the asset is realized or liability settled.

The income tax rate of the Company remained unchanged for the year ended 31st March 2026.

Analysis of recognised deferred tax assets/ (liabilities) in the statement of financial position

	2026		2025	
	Temporary difference Rs.	Tax effect on temporary difference Rs.	Temporary difference Rs.	Tax effect on temporary difference Rs.
On equipment	1,301,470	390,441	1,111,894	333,569
On intangible assets	(2,005,559)	(601,668)	(1,781,203)	(534,361)
On right of use assets	(87,347,451)	(26,204,235)	(4,466,900)	(1,340,070)
On lease creditor on ROU assets	76,509,793	22,952,938	4,809,241	1,442,772
On retirement benefit obligations	74,972,626	22,491,788	92,823,233	27,846,970
	63,430,879	19,029,264	92,496,265	27,748,880

12. BASIC 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.

	2026 Rs.	2025 Rs.
Profit attributable to ordinary shareholders - (Rs.)	2,000,848,064	4,420,593,984
Weighted average number of ordinary shares in issue	329,417,884	329,417,884
Basic earnings per share - (Rs.)	6.07	13.42

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

Notes to the Financial Statements

12.1 Weighted average number of ordinary shares in issue

	2026 Rs.	2025 Rs.
Opening number of ordinary shares	329,417,884	329,417,884
Closing weighted average number of ordinary shares	329,417,884	329,417,884

13. CASH AND CASH EQUIVALENTS

As at 31 March,	2026 Rs.	2025 Rs.
Cash at bank	432,824,198	36,185,695
Cash in hand	20,000	20,000
	432,844,198	36,205,695
Cash and cash equivalent in the statement of financial position	432,844,198	36,205,695
Cash and cash equivalent for the purpose of statement of cash flows	432,844,198	36,205,695

14. FINANCIAL ASSETS MEASURED AT AMORTISED COST

As at 31 March,		2026 Rs.	2025 Rs.
Securities purchased under resale agreements	14.1	1,503,155,486	3,003,008,988
		1,503,155,486	3,003,008,988

14.1 Fair value of the securities pledged for the securities purchased under resale agreements

	Market value (Rs.)		Face value (Rs.)	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Treasury bills/ bonds	1,667,230,819	3,347,171,046	1,490,900,000	3,076,800,000
	1,667,230,819	3,347,171,046	1,490,900,000	3,076,800,000

The Company follows the guidelines stipulated in the direction on repurchase and reverse repurchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills, issued by the central bank of Sri Lanka, in receiving securities for reverse repurchase agreements (Direction No. 01 of 2019, dated 20 December 2019). Only the eligible securities are used for such receipts and the section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Board of directors of the Company has established an effective risk management framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An effective internal control system is used to verify the accuracy of security receipts.

The Company is entitled to repledge the securities received as collateral for the Resale Agreements (Reverse Repo) and the entity has an obligation to return such securities at deal maturity. In relation to any repurchase transaction, at anytime between the purchase date and repurchase date the dealer can Substitute other Eligible Securities for any purchased securities. However, the purchased securities shall not be traded at any time between the Purchase Date and the Repurchase Date. Accordingly, no securities have been re-pledged as at 31st March 2026 (As at 31st March 2025 - Nil).

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

		2026 Rs.	2025 Rs.
Government treasury bills	15.1	39,340,813,554	26,913,638,682
Government treasury bonds	15.1	41,808,060,086	74,251,077,210
Investment in quoted shares	15.2	891,769,350	1,036,283,737
		82,040,642,990	102,200,999,629

15.1 Securities pledged as collateral

The following amounts of government securities classified as financial assets measured at FVTPL have been pledged as collateral for repurchase agreements entered into by the Company;

	Market value (Rs.)		Face value (Rs.)	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Government treasury bills	37,738,993,226	23,354,501,437	40,504,404,262	24,874,701,272
Government treasury bonds	38,504,770,559	73,304,845,795	36,019,624,023	70,142,350,531
	76,243,763,785	96,659,347,232	76,524,028,285	95,017,051,803

15.2 Investment in Quoted shares

	2026			2025		
	No. of shares Rs.	Cost Rs.	Market value Rs.	No. of shares Rs.	Cost	Market value
Aitken Spence Hotel Holdings PLC	-	-	-	640,053	49,236,254	51,268,245
ACL Cables PLC	200,000	12,560,000	17,000,000	-	-	-
Commercial Bank of Ceylon PLC	296,081	59,953,442	60,474,544	73,029	7,600,882	10,771,777
Nations Trust Bank PLC	613,705	93,547,053	177,514,171	734,909	106,214,328	139,632,710
Digital Mobility Solutions Lanka PLC	751,233	105,638,384	103,106,729	-	-	-
Prime Lands Residencies PLC	1,683,000	85,563,720	78,596,100	-	-	-
Seylan Bank Plc [Non-Voting]	1,450,000	86,028,500	102,370,000	-	-	-
Vallibel One PLC	167,638	9,830,292	15,405,932	1,531,351	80,574,130	90,196,574
Hayleys PLC	639,922	71,536,880	137,583,230	1,054,896	117,930,696	144,520,752
Hayleys PLC [Rights-0000]	38,395	-	-	-	-	-
Aitken Spence PLC	434,620	60,951,109	60,412,180	754,755	104,793,763	96,419,951
Central Finance Company PLC	-	-	-	628,791	139,286,032	122,142,652
LOLC Holdings PLC	48,840	28,249,544	25,872,990	116,000	84,225,974	68,991,000
Ceylon Guardian Investment Trust PLC	-	-	-	129,863	20,868,681	19,901,505
Lanka IOC PLC	-	-	-	670,000	81,109,173	85,090,000
Overseas Realty (Ceylon) PLC	-	-	-	2,700,463	64,555,412	64,000,973
People's Leasing & Finance PLC	-	-	-	5,360,201	82,157,812	95,947,598
Sunshine Holdings PLC	1,358,932	46,407,528	39,952,601	-	-	-
Tokyo Cement Company (Lanka) PLC	6,534	746,640	580,873	600,000	33,236,557	47,400,000
Tokyo Cement Company (Lanka) PLC (Non Voting)	1,000,000	79,920,000	72,900,000	-	-	-
	8,688,900	740,933,092	891,769,350	14,994,311	971,789,694	1,036,283,737

Notes to the Financial Statements

15.3 Investment in quoted shares movement

	2026 Rs.	2025 Rs.
Balance at the beginning of the year	1,036,283,737	905,881,362
Investments during the year	1,439,715,495	1,525,028,953
Disposals During the year	(1,850,296,574)	(1,603,064,444)
Capital gain/ (Loss) on Quoted Shares	184,195,142	81,676,731
Remeasurement gain/ (loss)	81,871,550	126,761,135
Balance at the end of the year	891,769,350	1,036,283,737

16. OTHER RECEIVABLES

As at 31 March,	2026 Rs.	2025 Rs.
Deposits and advances	3,826,851	2,382,360
Prepayments	8,874,431	5,813,024
Staff loan	962,870	-
Other tax receivables	26,352,884	4,763,808
	40,017,036	12,959,192

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 31 March,	2026 Rs.	2025 Rs.
Investment in non quoted shares	-	-
Impairment of investment	-	-
	-	-

	2026		2025	
	No. of ordinary shares	Cost of investment Rs.	Market value Rs.	Market value Rs.
Lanka Financial Services Bureau Limited	100,000	1,000,000	-	-

Investment in non quoted shares includes the cost of shares in Lanka Financial Services Bureau Limited.

No strategic investments were disposed during 2025/2026 and there were no transfers of any cumulative gain or loss, within equity relating to these investments.

18. INTANGIBLE ASSETS

	2026 Rs.	2025 Rs.
Cost		
Balance at the beginning of the year	41,361,301	36,684,197
Additions during the year	1,169,593	4,677,104
Balance at the end of the year	42,530,894	41,361,301
Accumulated amortization		
Balance at the beginning of the year	33,870,740	32,177,365
Amortization during the year	2,473,223	1,693,375
Balance at the end of the year	36,343,963	33,870,740
Carrying value	6,186,931	7,490,561

18.1 Fully depreciated assets

The initial cost of fully depreciated intangible assets as at 31st March which are still in use as follows

	2026 Rs.	2025 Rs.
Computer software	32,020,853	31,624,943
	32,020,853	31,624,943

19. RIGHT OF USE ASSET

As at 31 March,	2026 Rs.	2025 Rs.
Cost		
Balance at the beginning of the year	4,872,982	22,587,062
Additions during the Year	92,950,977	4,872,982
De-recognised during the Year	-	(22,587,062)
Balance at the end of the year	97,823,959	4,872,982
Accumulated Depreciation		
Balance at the beginning of the year	406,082	19,531,079
Depreciation for the year	7,821,059	3,462,065
De-recognised during the Year	-	(22,587,062)
Balance at the end of the year	8,227,141	406,082
Carrying amount	89,596,818	4,466,900

Notes to the Financial Statements

19.1 Right of used asset category

	Premise	Lease term	No sq.feet
Buildings	The second (02nd) floor designated as level five (05), of "Millennium House" situated at No. 46/58, Nawam Mawatha, Colombo 02	2025 - 2027	1,538
Buildings	The second (06th) floor of "M2M Building" situated at No. 34, W.A.D Ramanayake Mawatha, Colombo 02.	2025 - 2030	4,075

20. EQUIPMENT

	Computer equipment Rs.	Motor Vehicle Rs.	Office equipment Rs.	Furniture & fittings Rs.	Communication devices Rs.	Total Rs.
Cost						
Balance as at 1 April 2024	17,066,779	54,000,000	4,143,881	6,541,494	468,187	82,220,341
Additions during the year	2,710,200	-	30,350	-	53,600	2,794,150
Balance as at 31 March 2025	19,776,979	54,000,000	4,174,231	6,541,494	521,787	85,014,491
Balance as at 01 April 2025	19,776,979	54,000,000	4,174,231	6,541,494	521,787	85,014,491
Disposals during the year	-	(54,000,000)	-	-	-	(54,000,000)
Balance as at 31 March 2026	19,776,979	-	4,174,231	6,541,494	521,787	31,014,491
Accumulated Depreciation						
Balance as at 01 April 2024	13,780,541	8,100,000	3,717,863	4,588,362	463,912	30,650,678
Charge for the year	2,266,327	10,800,000	303,608	486,760	35,542	13,892,237
Balance as at 31 March 2025	16,046,868	18,900,000	4,021,471	5,075,122	499,454	44,542,915
Balance as at 01 April 2025	16,046,868	18,900,000	4,021,471	5,075,122	499,454	44,542,915
Charge for the year	2,065,305	10,800,000	91,065	479,827	22,333	13,458,530
Disposals during the year	-	(29,700,000)	-	-	-	(29,700,000)
Balance as at 31 March 2026	18,112,173	-	4,112,536	5,554,949	521,787	28,301,445
Carrying value as at 31 March 2025	3,730,111	35,100,000	152,760	1,466,372	22,333	40,471,576
Carrying value as at 31 March 2026	1,664,806	-	61,695	986,545	-	2,713,046

Based on the assessment of potential impairment carried out by the Company as at 31 March 2026, no provision was required to be made in the Financial Statements.

Property plant and equipment included fully depreciated assets having a gross amount of Rs.22,933,347.15 as at 31 March 2026 (2024/25 Rs. 21,197,207).

There were no capitalised borrowing cost related to the acquisition of property plant and equipment during the year (2025 - Nil).

There were no restrictions on the title of the property plant and equipment as at 31 March 2026.

There were no items of property plant and equipment pledged as security as at 31 March 2026.

20.1 Fully depreciated assets

As at 31 March,	2026 Rs.	2025 Rs.
The initial cost of fully depreciated property plant and equipment as at 31st March which are still in use as follows;		
Computer equipment	14,001,601	12,679,101
Office equipment	3,913,381	3,499,741
Furniture & Fittings	4,550,178	4,550,178
Communication Devices	468,187	468,187
	22,933,347	21,197,207

21. FINANCIAL LIABILITIES AT AMORTISED COST

As at 31 March,		2026 Rs.	2025 Rs.
Securities sold under repurchase agreements	21.1	66,701,694,795	84,801,575,946
Bank Loans	21.2	5,514,494,795	3,008,066,027
		72,216,189,590	87,809,641,973

21.1 Securities pledged as collateral

	Market value (Rs.)		Face value (Rs.)	
	2026	2025	2026	2025
Government treasury bills	37,738,993,226	23,354,501,437	40,504,404,262	24,874,701,272
Government treasury bonds	38,504,770,559	73,304,845,795	36,019,624,023	70,142,350,531
	76,243,763,785	96,659,347,232	76,524,028,285	95,017,051,803

The Company follows the guidelines stipulated in the Direction on Repurchase and Reverse Repurchase Transactions of Dealer Direct Participants in Scripless Treasury Bonds and Scripless Treasury Bills, issued by the Central Bank of Sri Lanka, in allocating securities for repurchase agreements (Direction No. 01 of 2019 dated 20 December 2019). Only the eligible securities are used for such receipts and the Section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Board of Directors of the Company has established an Effective Risk management Framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An Effective Internal Control System is used to verify the accuracy of security allocation.

21.2 Bank Loans

Name of the Bank	Facility Type	Interest Rate	Security Offered	Outstanding as at 31.03.2026	Outstanding as at 31.03.2025
Nations Trust Bank PLC	Short term loan	AWPLR+0.75%	Nil	-	1,000,966,575
National Development Bank PLC	Short term loan	The rate is determined at the time of drawdown	Nil	501,507,398	501,149,315
Hatton National Bank PLC	Short term loan	AWPLR+ 0.75%	Corporate Guarantee by Capital Alliance Holdings PLC	2,005,230,137	1,003,027,397
Cargills Bank PLC	Short term loan	AWPLR+ 0.5%	Nil	-	502,922,740
Sampath Bank PLC	Short term loan	AWPLR+ 0.5%	Nil	3,007,757,260	-
				5,514,494,795	3,008,066,027

Notes to the Financial Statements

22. AMOUNT DUE FROM AND DUE TO RELATED COMPANIES

	2026 Rs.	2025 Rs.
22.1 Amounts due from related companies		
Capital Alliance Investments Limited	-	5,762,799
Capital Alliance Securities (Pvt) Ltd	143,812,573	4,877,012
CAL Investments Limited, Bangladesh	-	1,281,878
CAL Securities Ltd, Bangladesh	-	8,840,689
Capital Alliance Partners Ltd	-	2,369,939
	143,812,573	23,132,317
22.2 Amounts due to related companies		
Capital Alliance Investments Limited	35,616,726	-
Capital Alliance Partners Ltd	2,449,498	-
Capital Alliance Holdings PLC	1,994,015	4,685,733
	40,060,239	4,685,733

23. OTHER PAYABLES

	2026 Rs.	2025 Rs.
Provisions and accrued expenses	352,678,625	1,072,865,665
Provision for WHT Payable	1,470,407	-
Payable on VAT on financial services	-	56,955,842
Payable on social security contribution levy	-	8,247,299
Other payables	7,334,843	41,299,179
	361,483,875	1,179,367,985

24. LEASE LIABILITY

As at 31 March,	2026 Rs.	2025 Rs.
Gross lease obligation	99,862,062	15,537,322
Less: Finance cost applicable for future periods	(23,352,269)	(10,728,081)
Net lease obligation	76,509,793	4,809,241

As at 31 March,	2026 Rs.	2025 Rs.
24.1 Maturity analysis		
Payable within one year		
Gross lease obligation	16,896,769	5,649,935
Less: Finance cost applicable for future periods	(10,700,877)	(5,132,274)
Net lease obligation	6,195,892	517,661
Payable within one to Five years		
Gross lease obligation	82,965,293	9,887,387
Less: Finance cost applicable for future periods	(12,651,392)	(5,595,807)
Net lease obligation	70,313,901	4,291,580
24.2 Lease liability movement		
Balance at the beginning of the year	4,809,241	3,716,278
Additions during the year	70,082,413	4,872,982
Lease interest	7,268,074	1,483,943
Lease payments	(5,649,935)	(5,263,962)
Balance at the end of the year	76,509,793	4,809,241
24.3 Amounts recognised in income statement		
Interest on lease liabilities	7,268,074	1,483,943
Depreciation - right of use assets	7,821,059	3,462,065
Total amounts recognised in income statement	15,089,133	4,946,008
24.4 Amounts recognised in statement of cash flows		
Lease capital payments	5,132,274	3,780,019
Interest paid on lease liability	517,661	1,483,943
Total amount paid	5,649,935	5,263,962

25. RETIREMENT BENEFIT OBLIGATION

25.1 Movement in the present value of the defined benefit obligation:

As at 31 March,	2026 Rs.	2025 Rs.
Balance at the beginning of the year	92,823,233	81,309,710
Included in profit or loss		
Current service cost	5,674,823	6,131,199
Interest cost	9,282,323	8,944,068
Included in other comprehensive income		
Actuarial loss for the year	5,538,960	(3,299,244)
Transferred from a related party	693,287	50,000
Transferred to a related party	-	(312,500)
Benefits paid during the year	(39,040,000)	-
Balance at the end of the year	74,972,626	92,823,233

Notes to the Financial Statements

25.2 Expense recognized in profit or loss:

As at 31 March,	2026 Rs.	2025 Rs.
Current service cost	5,674,823	6,131,199
Interest cost	9,282,323	8,944,068
	14,957,146	15,075,267
Expense recognized on other comprehensive income		
Actuarial gain/ (loss) for the year	5,538,960	(3,299,244)
	5,538,960	(3,299,244)
Provision for the year	20,496,106	11,776,023

The provision for retirement benefit obligations as at 31st March 2026 is based on the actuarial valuation carried out by a professionally qualified actuary, Mr. M. Poopalanathan, an Actuary of the Actuarial and Management Consultant (Pvt) Ltd, using the “Projected Unit Credit” (PUC) method, the method recommended by the Sri Lanka Accounting Standard - LKAS 19 on “Employee Benefits”. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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 support of the independent actuarial expert.

The salary increment rate of 10% is considered appropriate to be in line with the Company's targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the company, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions

A long-term treasury bond rate of 9.00% p.a. (2025 - 10.00% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

As at 31 March,	2026 Rs.	2025 Rs.
25.3 The principal actuarial assumptions used were as follows:		
Expected annual average salary increment	10%	9%
Discount rate/interest rate	9%	10%
Staff turnover factor	11%	11%
Average life expectancy of an individual	60 Years	60 Years
Weighted average retirement age	7.8 Years	7.4 Years
The Company will continue as a going concern.		
25.4 Breakup of actuarial (Gain)/ Loss on Defined benefit obligation are as follows		
Demographic adjustment	-	(401,186)
Financial Assumptions	6,671,904	(430,198)
Experience adjustment	(1,132,944)	(2,467,860)
	5,538,960	(3,299,244)

25.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2026		2025	
	Increase Rs.	Decrease Rs.	Increase Rs.	Decrease Rs.
Movement by 1%				
Discount rate	(3,351,732)	3,807,278	(2,234,112)	2,485,183
Salary increment rate	4,103,432	(3,691,034)	2,904,433	(2,675,268)

25.6 Maturity analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	2026 Rs.	2025 Rs.
Within next 12 months	31,249,393	64,243,745
Between 1 to 5 years	22,544,581	11,161,328
Between 5 to 10 years	9,943,955	11,545,773
More than 10 years	11,234,697	5,872,387
	74,972,626	92,823,233

26. STATED CAPITAL

As at 31 March,	2026 Rs.	2025 Rs.
Issued and fully paid		
329,417,884 ordinary shares (Note 26.1)	723,348,421	723,348,421
	723,348,421	723,348,421

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company.

On 26th September 2025, the Board of Directors of the Company has resolved to declare the interim dividend totalling Rs. 1,317,671,536/- representing a dividend per share of Rs 4.00 for the year ending 31st March 2026.

On 14th January 2026, the Board of Directors of the Company has resolved to declare the Second Interim dividend totalling Rs. 3,953,014,608/- representing a dividend per share of Rs 12.00 for the year ending 31st March 2026.

The Company paid total dividend of 5,270,686,144/- during the financial year ended 31st March 2026.

Notes to the Financial Statements

	2026 Rs.	2025 Rs.
26.1 Movement of stated capital		
Balance at beginning of the year	723,348,421	723,348,421
Balance at end of the year	723,348,421	723,348,421
26.2 Movement of No. of shares		
At the beginning of the year	329,417,884	329,417,884
As at the end of the year	329,417,884	329,417,884

27. SPECIAL RISK RESERVE

	2026 Rs.	2025 Rs.
Balance at the beginning of the year	2,758,877,428	2,316,818,030
Transferred during the year	200,084,806	442,059,398
Balance at the end of the year	2,958,962,234	2,758,877,428

A sum equivalent to 10% of profit after tax of Company has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

28. RELATED PARTY TRANSACTIONS

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) and other Key Management Personnel have been classified as "Key Management Personnel" of the Company.

28.1 Parent and ultimate controlling party

The Company's parent undertaking is Capital Alliance Holdings PLC and the ultimate beneficial owners are Mr. W. A. T. Fernando and Ms. N. T. M. S. Cooray.

28.2 Key management personnel

Key management personnel include persons who were directors and other key management personnel of Capital Alliance PLC at any time during the financial year

1) Directors

Mr. W. A. T. Fernando *

Mr. D. A. De Zoysa

Mr. R.J Arasarathnam **

Mr. C. S. R. S. Anthony

Ms. A. I. C. Nandasena

Ms. K. A. D. Siriwardene

Mr. J.M. Jayasuriya

Mr. W D P De Mel ***

* Resigned from the position of Chief Executive Officer with effect from 11th April 2025 and continue to serve on the Board of Directors as a Non-Independent, Non-Executive Director with effect from 11th April 2025.

** Resigned with effect from the 17th November 2025

*** Appointed with effect from 4th September 2025

2) Other key management personnel (KMPs)

Other KMPs include persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year.

28.3 Transactions with key management personnel

Loans to directors

No loans have been given to the directors of the Company.

Key management personnel compensation

Key management personnel comprise the Directors and other key management personnel of Company and the salary paid for the year is Rs. 415,669,803/- (2025 - Rs. 628,000,000/-).

Item	2026	2025
Salaries, bonus, directors' fees and commission	394,597,203	622,600,000
Defined contribution benefits	21,072,600	5,400,000
	415,669,803	628,000,000

Other transactions with key management personnel

There were no material transactions with key management personnel of the Company.

Notes to the Financial Statements

28.4 Transaction with related companies

1) Directorships in other companies

Names of the directors of the related companies which had transactions with the company

Name of the Director/ Company	Capital Alliance Holdings PLC	Capital Alliance Securities (Pvt) Ltd	Capital Alliance Partners Ltd	Capital Alliance Investments Ltd	Finnovation (Pvt) Limited	CAL Securities Ltd, Bangladesh	CAL Investments Ltd, Bangladesh
Mr. W. A. T. Fernando	Director 2	-	-	-	-	Director/ Chairman 4	-
Mr. D. A. De Zoysa	Director/ Chairman	-	-	-	-	-	-
Mr. C. S. R. S. Anthony	Director	-	-	-	-	-	-
Mr. R. J. Arasaratnam	Director 3	-	-	-	-	-	-
Ms. N. T. M. S. Cooray	Director	-	-	-	-	-	Director 5
Mr. T. J. William	Director	-	-	-	-	-	-
Ms. K. A. Wilson	Director	-	-	-	-	-	-
Ms. R. S. Jayasuriya	Director	-	-	-	-	-	-
Ms. H. M. S. Perera	-	Director	Director	Director	Director	Director	-
Mr. U L B Ariyaratne	-	Director	-	-	-	-	-
Mr. A. D. Pushparajah	-	Director	-	-	-	Director 6	-
Dr. M De Zoysa	-	Director	Director	Director	-	-	-
Mr. K. P. Mannakkara	Director 7	-	-	Director	-	-	Director
Mr. U R Jonas	-	Director 8	Director	-	Director	Director 9	-
Mr. T Kulasinghe	-	-	-	-	Director	-	-
Mr. W T V Perera	Director	-	-	-	-	-	-
Mr. N R Gunasekara	-	-	-	-	-	-	Director 10
Mr. M M Islam	-	-	-	-	-	-	Director
Mr. A R Shamsi	-	-	-	-	-	Director	-
Mr. S Ahmed	-	-	-	-	-	-	Director
Mr. M Ahmed	-	-	-	-	-	Director	-

1 Managing Company of the Unit Trust Funds

2 Resigned from the position of Chief Executive Officer on 11th April 2025 and reappointed as a Non-Independent, Non-Executive Director

3 Resigned on 17th November 2025

4 Resigned on 30th June 2025

5 Resigned on 3rd September 2025

6 Resigned on 12th December 2025

7 Appointed on 24th July 2025

8 Appointed on 27th November 2025

9 Appointed on 02nd September 2025

10 Appointed on 03rd September 2025

2) Transactions with related parties

The Company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions 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.

Related party transactions were carried out in normal course of business.

Company	Relationship	Nature of transaction	Recurrent/ Non- recurrent	2026	2025
Capital Alliance Holdings PLC	Parent Company	Interest charge on Repo	Recurrent	(551,708)	(2,206,833)
		Repo	Recurrent	(900,000)	(2,535,206,833)
		Reimbursement of Expenses	Recurrent	(46,083,909)	(34,943,649)
		Intercompany Payable	Recurrent	(1,994,015)	(4,685,733)
		Corporate guarantee fee	Recurrent	(1,200,000)	(400,000)
		Interest charge on Commercial Papers	Recurrent	(10,429,874)	-
Capital Alliance Investments Ltd	Sub-Subsidiary of Parent Company	Repo	Recurrent	(12,219,309)	(11,290,065)
		Interest charge on Repo	Recurrent	(929,244)	(943,866)
		Reimbursement of Expenses	Recurrent	(14,691,355)	21,031,974
		Intercompany Receivable (Payable)	Recurrent	(35,616,726)	5,762,799
Capital Alliance Partners Ltd	Sub Subsidiary of Parent Company	Reimbursement of Expenses	Recurrent	(13,292,182)	(22,600,310)
		Intercompany (Payable)/ Receivable	Recurrent	(2,449,498)	2,419,939
Capital Alliance Securities (Pvt) Ltd	Sub-Subsidiary of Parent Company	Repo	Recurrent	(399,367,993)	(205,000,164)
		Interest charge on Repo	Recurrent	(19,399,678)	(15,163,456)
		Reimbursement of Expenses	Recurrent	2,762,555	9,337,794
		Intercompany Receivable/ (Payable)	Recurrent	143,812,573	4,877,012
		Brokerage Expenses - Equity	Recurrent	(20,948,342)	(19,983,134)
Finnovation (Pvt) Ltd	Subsidiary of Parent Company	Software development and maintenance Expenses	Recurrent	(29,206,847)	(31,061,450)
		Repo	Recurrent	-	(174,151,595)
		RRepo	Recurrent	1,160,973,835	-
		Interest charge on Repo	Recurrent	(37,899)	(151,595)
		Interest charge on Reverse Repo	Recurrent	15,729,879	-
		Intercompany Receivable	Recurrent	1,272,578	-
CAL Bangladesh Limited, Bangladesh	Joint Venture of Parent Company	Intercompany Receivable	Recurrent	1,272,578	-
CAL Securities Ltd, Bangladesh	Sub Subsidiary of Parent Company	Intercompany Receivable	Recurrent	8,840,689	8,840,689
		Reimbursement of Expenses	Recurrent	-	1,591,536
CAL Investments Limited, Bangladesh	Sub Subsidiary of Parent Company	Intercompany Receivable	Recurrent	1,281,878	1,281,878
		Reimbursement of Expenses	Recurrent	-	442,763
CAL Fixed Income Opportunities Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(540,251,119)	(1,038,410,930)
		Repo	Recurrent	-	(14,285,171,370)
		Interest charge on Commercial Papers	Recurrent	-	(48,054,795)

Notes to the Financial Statements

Company	Relationship	Nature of transaction	Recurrent/ Non- recurrent	2026	2025
Capital Alliance Investment Grade Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	-	(79,951,219)
		Interest charge on Commercial Papers	Recurrent	-	(12,506,849)
CAL Money Market Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(1,750,468)	-
Capital Alliance Gilt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(198,829)	(95,362)
		Repo	Recurrent	-	(2,790,205)
Capital Alliance Gilt Money Market Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	-	(1,047,738)
		Repo	Recurrent	-	(13,149,660)
Capital Alliance Gilt Trading Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(118,874)	(41,150)
		Repo	Recurrent	-	(2,440,299)
Capital Alliance Medium Risk Debt Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(126,535)	(109,104)
		Repo	Recurrent	-	(2,541,852)
Capital Alliance Income Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(937,318)	(15,187,906)
Capital Alliance Corporate Treasury Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(547,396)	(384,095)
		Repo	Recurrent	-	(7,946,304)
Capital Alliance Quantitative Equity Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(753,958)	(4,585,925)
Mr. W A T Fernando	Director	Interest income on RRepo	Recurrent	1,639,763	-
		RRepo	Recurrent	49,459,763	-
Capital Alliance High Yield Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(36,519)	(925,156)
		Repo	Recurrent	-	-
Capital Alliance Balanced Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	-	(261,670)
CAL Five Year Closed End Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(4,341,159)	(25,989,110)
CAL Three Year Closed End Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(33,148,688)	-
		Interest charge on Commercial Papers	Recurrent	(7,671,233)	-
L. H. S. L. Silva	Chief Executive Officer	Interest Income on Repo	Recurrent	10,686,467	-
CAL Five Year Optimum Fund	Unit Trust Fund managed by Affiliated Company	Interest charge on Repo	Recurrent	(818,325)	(1,360,737)
Jetwing City (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	(86,937)	(793,200)
Jetwing Journeys (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	(1,396,500)	(4,347,000)
Jetwing Travels (Pvt) Ltd	Related Entity with Ultimate Shareholder	Reimbursement of Expenses	Recurrent	-	205,172

29. COMMITMENTS AND CONTINGENCIES

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

There were no material capital commitments as at the reporting date which required disclosures in the financial statements.

29.2 Off balance sheet exposures

	2026 Rs.	2025 Rs.
Assets		
Forward purchase contracts government securities	5,453,498,500	4,636,873,000
Liabilities		
Forward sales contracts government securities	4,061,608,487	4,456,559,485

30. EVENTS AFTER THE REPORTING PERIOD

Commercial paper borrowings

The Company has borrowed Rs. 2.1 Billion and Rs. 1.5 Billion from its related parties of CAL Fixed Opportunities Fund and CAL Five Year Close End Fund respectively at a rate of 10% per annum till 12th June 2026. The Related Party Transactions Review Committee of the Company is of the view that the above transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

In terms of Section 9.14.7 of the Listing Rules of the Colombo Stock Exchange, as the aggregated value of all non-current related party transactions entered into with related parties - CAL Fixed Opportunities Fund and CAL Five Year Close End Fund during the 2026/27 financial year exceeds 10% of the equity as per the latest audited financial statements ended 31 March 2025, the relevant announcements were made through the Colombo Stock Exchange.

Notes to the Financial Statements

31. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Equity risk
- Currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated this function to the Director/Chief Executive Officer who develops and monitors the Company's risk management policies and reports regularly to the Board of Directors on their activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role 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.

31.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact the Company's income or the value of investments in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Market risk principally arises on the Company's investments in government securities, interest-bearing financial assets and financial liabilities, and financial assets and financial liabilities denominated in foreign currencies.

31.1.1 At the reporting date the exposure to market risk of the company's financial instruments was;

	Carrying amount As at 31 March 2026 Rs.	Market risk measurement		Carrying amount As at 31 March 2025 Rs.	Market risk measurement	
		Trading portfolios Rs.	Non trading portfolios Rs.		Trading portfolios Rs.	Non trading portfolios Rs.
Financial assets						
Cash and cash equivalents	432,844,198	-	432,844,198	36,205,695	-	36,205,695
Financial assets measured at amortised cost	1,503,155,486	-	1,503,155,486	3,003,008,988	-	3,003,008,988
Financial assets measured at FVTPL	82,040,642,990	82,040,642,990	-	102,200,999,629	102,200,999,629	-
	83,976,642,674	82,040,642,990	1,935,999,684	105,240,214,512	102,200,999,629	3,039,214,683
Financial liabilities						
Financial liabilities at amortised cost	72,216,189,590	-	72,216,189,590	87,809,641,973	-	87,809,641,973
Lease liability	76,509,793	-	76,509,793	4,809,241	-	4,809,241
	72,292,699,383	-	72,292,699,383	87,814,451,214	-	87,814,451,214

31.1.2 Interest rate risk

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a timely manner.

The interest rates have increased significantly after the reporting date, this may lead to substantial positive impact on the future profits of the Company.

Notes to the Financial Statements

31.1.2.1 Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows,

As at 31 March,	2026			2025		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
Financial assets						
Financial assets measured at amortised cost	-	1,503,155,486	1,503,155,486	-	3,003,008,988	3,003,008,988
Financial assets measured at FVTPL						
Government treasury bills and bonds	-	81,148,873,640	81,148,873,640	-	101,164,715,892	101,164,715,892
Total	-	82,652,029,126	82,652,029,126	-	104,167,724,880	104,167,724,880
Financial liabilities						
Financial liabilities at amortised cost	5,514,494,795	66,701,694,795	72,216,189,590	3,008,066,027	84,801,575,946	87,809,641,973
Total	5,514,494,795	66,701,694,795	72,216,189,590	3,008,066,027	84,801,575,946	87,809,641,973

31.1.2.3 Sensitivity analysis

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets.

As at 31 March,	2026		2025	
	Variable-rate Impact on PBT	Variable-rate Impact on equity	Impact on PBT	Impact on equity
Increase in 100 basis points				
Financial assets				
Government securities				
Treasury bills	(391,853,646)	(274,297,552)	(200,868,940)	(140,608,258)
Treasury bonds	(406,030,891)	(284,221,624)	(2,185,339,745)	(1,529,737,822)
Bank loans	(55,000,000)	(38,500,000)	(30,000,000.0)	(21,000,000)
	(852,884,537)	(597,019,176)	(2,416,208,685)	(1,691,346,080)
Decrease in 100 basis points				
Financial assets				
Government securities				
Treasury bills	391,853,646	274,297,552	203,950,472	142,765,330
Treasury bonds	406,030,891	284,221,624	2,275,552,791	1,592,886,954
Bank loans	55,000,000	38,500,000	30,000,000.00	21,000,000
	852,884,537	597,019,176	2,509,503,263	1,756,652,284

The Company has established the following measures to manage the interest rate risk

Cut loss policies - Maintains a limit in terms of maximum loss a portfolio can undergo. Every trading position taken by the company will have a cut loss limit earmarked which ensures the maximum loss the company will incur, when a trading position is capped.

Value at risk (VaR) limit - The VaR is a mathematical model which forecasts the loss the portfolio can undergo with 95% probability within a stipulated limit set by the Board of Directors. Therefore, in a worst-case scenario with 95% confidence level there is a pre-determined maximum value of money that can be lost. This is monitored daily by the Dealing team and Management.

Target duration and convexity - The duration of the portfolio depends on the maturity of the bills and bonds held in the portfolio. The duration of the portfolio is based on the prevailing interest rate outlook. The longer tenor bonds carry a higher interest rate risk, therefore, the average duration of holding a portfolio needs to be factored into interest rate risk.

Scenario analysis limits - With the use of the data systems, the Company is able to successfully gauge the market conditions based-on past data and experience in market conditions. With this, they can make an informed decision in terms of interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modeling, forms the basis of the Group's interest rate risk management strategy.

Risk Dashboards reflecting risk limits set on trading are updated daily and presented quarterly to the Board Risk Committee.

Post-decision reviews and guidance from the Board Risk Committee also play a crucial role in managing interest rate risk over time.

31.2 Credit risk

Credit risk is the risk that the counter-party will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for the Company's investments in reverse repurchase agreements) and from its financing activities including any deposits with banks and financial institutions and other financial instruments.

31.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date based on the concentration of the risk by sector was;

	Cash and cash equivalents	Financial assets measured at FVTPL	Financial assets measured at amortised cost	Other receivables
	Rs.	Rs.	Rs.	Rs.
As at 31 March 2026				
Government	-	81,148,873,640	-	-
Corporate	432,824,198	891,769,350	1,503,155,486	-
Other	-	-	143,812,573	4,789,721
Total	432,824,198	82,040,642,990	1,646,968,059	4,789,721
As at 31 March 2025				
Government	-	101,164,715,892	-	-
Corporate	36,185,895	1,036,283,737	3,003,008,988	-
Other	-	-	23,132,317	2,382,360
Total	36,185,895	102,200,999,629	3,026,141,305	2,382,360

All the balances as at 31 March 2026 and 31 March 2025 are neither in the past due nor impaired category. Further, based on historic default rate, the company believes that no impairment allowance is necessary in respect of the financial assets.

Notes to the Financial Statements

31.2.3 Management of credit risk

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 facilities.

Limiting concentrations of exposure to counterparties, industries, and by issuer, credit rating band and market liquidity.

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

Continually reviewing and assessing credit risk.

31.2.4 Impairment

The aging of other receivables at the reporting date was;

	2026 (Rs.) Gross	2025 (Rs.) Gross
Not past due	4,789,721	2,382,360
Past due 0 - 31 days	-	-
Past due 31 - 90 days	-	-
More than 90 days	-	-
	4,789,721	2,382,360

Based on the past due date, the Company believe that no provisions are required as at 31 March 2026.

31.2.5 Credit risk on financial investments

The Company is also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security and fixed deposit. This rating provides the Company the indication of the financial stability of the investment.

Credit risk exposure of Cash at Bank is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

Institution	Rating	Rating Agency	2026	2025
Commercial Banks in Sri Lanka	A-	Fitch	381,572	1,100,891
	A	Fitch	23,065,536	13,205,253
	A+	Fitch	406,261,738	18,634,468
	AA-	Fitch	882,945	1,055,689
	CCC+	Fitch	253,900	-
Central Bank of Sri Lanka			1,978,507	2,189,594
			432,824,198	36,185,895

The above has been derived as per the Company's risk management policy of using the carrying values in the Statement of Financial Position. There were no off - balance sheet exposures as at the date. This does not include the exposure that would arise in the future as a result of changes in values.

31.2.6 Collateral held for reverse repurchase investments

Reverse repurchase investments which fall under government securities is backed by treasury bills and bonds which are provided as collateral. The management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. Details of collateral held for reverse repurchase agreements and the haircut policy are disclosed in note no.14.1.

Risk response to credit risk on financial investments

The Company's investment policy prohibits non-rated investments, unless specifically authorised.

Regularly review credit worthiness of counterparties and take necessary actions if required.

Appropriate actions are implemented when the investments are expected to be high credit risk.

Clearly defined single party exposure limits based on the credit ratings and regulatory requirements and monitoring them closely at different levels.

31.3 Liquidity risk

The Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses or impacting operations. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements

31.3.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Total carrying amount	Total	Contractual cash flows		
			12 months or less	1 - 2 years	2 - 8 Years
As at 31 March 2026					
Assets					
Cash and cash equivalents	432,844,198	432,844,198	432,844,198	-	-
Financial assets measured at amortised cost	1,503,155,486	1,503,155,486	1,503,155,486	-	-
Financial assets measured at FVTPL	82,040,642,990	102,056,485,242	27,822,517,658	1,916,520,210	72,317,447,374
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	-	-
	84,125,244,968	104,141,087,220	29,907,119,636	1,916,520,210	72,317,447,374
Liabilities					
Financial liabilities at amortised cost	72,216,189,590	73,241,096,354	73,241,096,354	-	-
Other payables	361,483,875	361,483,875	361,483,875	-	-
Lease liability	76,509,793	89,974,675	11,246,834	22,493,669	56,234,172
Amounts due to related companies	40,060,239	40,060,239	40,060,239	-	-
	72,694,243,497	73,732,615,143	73,653,887,302	22,493,669	56,234,172
As at 31 March 2025					
Cash and cash equivalents	36,205,695	36,205,695	36,205,695	-	-
Financial assets measured at amortised cost	3,003,008,988	3,003,008,988	3,003,008,988	-	-
Financial assets measured at FVTPL	102,200,999,629	102,200,999,629	27,967,032,045	1,916,520,210	72,317,447,374
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	-	-
	105,265,778,989	105,265,778,989	31,031,811,405	1,916,520,210	72,317,447,374
Financial liabilities at amortised cost	87,809,641,973	88,540,225,332	88,540,225,332	-	-
Other payables	1,114,164,844	1,114,164,844	1,114,164,844	-	-
Lease liability	4,809,241	15,537,322	5,649,935	9,887,387	-
Amounts due to related companies	4,685,733	4,685,733	4,685,733	-	-
	88,933,301,791	89,674,613,231	89,664,725,844	9,887,387	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

31.3.2 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to approved short-term financing facilities from commercial banks, if required.

The Company monitors the level of expected cash inflows on Investments and other receivables together with expected cash outflows on Repurchase agreements and other payables and it is estimated that the maturity of financial assets as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Company to meet its contractual obligations.

Company has taken following measures to manage the liquidity risk of the company

Maintaining a diversified funding base and appropriate contingency facilities.

Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.

Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.

Regular reviews cash flow projections.

Availability of standby overdraft facility to be used in the event of an emergency.

31.4 Equity risk

The Company's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

Listed equity investments

As at 31 March	2026	2025
Investment in Quoted Shares	891,769,350	1,036,283,737

Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability and equity due to fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31 March	Impact on PBT	
	2026	2025
10% decline in stock prices	(89,176,935)	(103,628,374)
10% Increase in stock prices	89,176,935	103,628,374

Management of Equity Risk

The Company manages the equity risk through diversification and placing limits on individual and total equity portfolio investments. The Company's equity risk management policies are;

Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on company performance.

Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Adherence to the investment policy which includes stringent guidelines on risk exposures.

31.5 Currency risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The Company is exposed to foreign currency risk on foreign currency related payments arising from operational expenses. The currencies giving rise to this risk are primarily US Dollars.

Notes to the Financial Statements

31.6 Operational Risk

Operational risks due to internal and external frauds, employee practices and workplace safety, products and processes, technology and infrastructure, and business practices, damage to physical assets, business interruption, and system failures in execution, delivery, and process management 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 behavior.

The goal of the operational risk management framework is to identify, assess, control and mitigate operational risk within the firm. A standard operational risk framework is applied across the firm in order to ensure consistency and completeness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within department. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

Requirements for appropriate segregation of duties, including the independent authorisation of transactions.

Requirements for the reconciliation and monitoring of the transaction.

Compliance with regulatory and other legal requirements.

Development of business contingency plans.

Training and professional development.

Risk mitigation, including insurance where this is effective.

Further, the Company has identified key risk indicators and maintains a Risk register to monitor the operational risk of the Company. The company also conducts Risk and control self-assessments and assesses the risk through scenario analysis

Compliance with Company's internal controls and procedures 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 Company with summaries submitted to the Audit Committee.

32. FAIR VALUE OF ASSETS AND LIABILITIES

32.1 Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortized cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1 : category of financial assets that are measured in whole or in part by reference to published quotes in an active market

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.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Fair Value			
	Level 1	Level 2	Level 3	Total
As at 31 March 2026				
Financial assets				
Financial Assets measured at FVTPL				
Financial assets measured at FVTPL	82,040,642,990	-	-	82,040,642,990
Financial Assets measured at FVOCI	-	-	-	-
Assets carried at amortized cost				
Assets carried at amortized cost	-	1,503,155,486		1,503,155,486
Cash and cash equivalents	-	-	432,844,198	432,844,198
Amount due from related companies	-	-	143,812,573	143,812,573
Other receivables	-	-	4,789,721	4,789,721
Total financial assets	82,040,642,990	-	2,084,601,978	84,125,244,968
Financial liabilities				
Financial liabilities at amortised cost				
Financial liabilities at amortised cost	-	-	72,216,189,590	72,216,189,590
Amounts due to related companies	-	-	40,060,239	40,060,239
Other payables	-	-	361,483,875	361,483,875
Lease liability	-	-	76,509,793	76,509,793
Total financial liabilities	-	-	72,694,243,497	72,694,243,497
As at 31 March 2025				
Financial assets				
Financial assets measured at FVTPL				
Financial assets measured at FVTPL	102,200,999,629	-	-	102,200,999,629
Financial Assets measured at FVOCI	-	-	-	-
Assets carried at amortized cost				
Assets carried at amortized cost	-	3,003,008,988		3,003,008,988
Cash and cash equivalents	-	-	36,205,695	36,205,695
Amount due from related companies	-	-	23,132,317	23,132,317
Other receivables	-	-	2,382,360	2,382,360
Total financial assets	102,200,999,629	-	3,064,729,360	105,265,728,989
Financial liabilities				
Financial liabilities at amortised cost				
Financial liabilities at amortised cost	-	-	87,809,641,973	87,809,641,973
Amounts due to related companies	-	-	4,685,733	4,685,733
Other payables	-	-	1,114,164,844	1,114,164,844
Lease liability	-	-	4,809,241	4,809,241
Total financial liabilities	-	-	88,933,301,791	88,933,301,791

Notes to the Financial Statements

33. FINANCIAL INSTRUMENTS

Financial instruments - Statement of financial position

The financial instruments recognised in the statement of financial position are as follows:

As at 31 March	Note	2026 Rs.	2025 Rs.
Financial assets			
Other receivables	16	4,789,721	2,382,360
Financial assets measured at amortised cost	14	1,503,155,486	3,003,008,988
Amounts due from related companies	22.1	143,812,573	23,182,317
Cash and cash equivalents	13	432,844,198	36,205,695
		2,084,601,978	3,064,779,360
Fair value through profit or loss			
Financial assets measured at FVTPL	15	82,040,642,990	102,200,999,629
		82,040,642,990	102,200,999,629
Total		84,125,244,968	105,265,778,989
Financial liabilities			
Other financial liabilities			
Financial liabilities at amortised cost	21	72,216,189,590	87,809,641,973
Other payables	23	361,483,875	1,114,164,844
Lease liability	24	76,509,793	4,809,241
Amounts due to related companies	22.2	40,060,239	4,373,233
		72,694,243,497	88,932,989,291
Total		72,694,243,497	88,932,989,291

34. CAPITAL MANAGEMENT

The Company's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earnings. The Board of Directors monitor the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31 March	2026 Rs.	2025 Rs.
Interest bearing borrowing		
Interest bearing borrowing	72,216,189,590	87,809,641,973
Net debt	72,216,189,590	87,809,641,973
Equity	11,122,426,472	14,396,141,824
Gearing ratio	6.49	6.10

Dividend policy

Subject to the provisions of the Companies Act No. 7 of 2007, the Articles of Associations of the Company and the provisions set out in the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies, the Board of Directors may recommend and declare a maximum pay-out of 50% from and out of the Profit for the Year of the Company, to the Shareholders, by way of dividends. The exact dividend rate will be determined based on several factors, including but not limited to Company's earnings, future capital requirements and overall financial condition.

Minimum core capital

Capital Alliance PLC is an authorised Primary Dealer, supervised and regulated by the CBSL, and is subject to minimum Core Capital and Risk Weighted Capital Adequacy Ratio requirements stipulated by the regulator.

CBSL core capital compliance timeline

Core capital requirement	Effective date to comply
LKR 1.0 bn	Current requirement
LKR 2.0 bn	by 01 January 2022
LKR 2.5 bn	by 01 January 2023

* As per the CBSL direction No. 01 of 2021 applicable to primary dealer companies

CBSL core capital requirements

The Capital Adequacy Requirements as per the CBSL Direction No. 01 of 2021 applicable to Primary Dealer Companies (Core Capital)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31 March 2026	The Level of Compliance As at 31 March 2025
LKR 2,500,000,000	1-Jan-23	11,010,410,000	11,321,509,433

CBSL capital adequacy requirement

The Capital Adequacy Requirements as per the CBSL Direction No. 02 of 2015 applicable to Primary Dealer Companies (Risk Weighted Capital Adequacy Ratio)	The Timeline to Achieve such Requirements	The Level of Compliance As at 31st March 2026	The Level of Compliance As at 31st March 2025
10.00%	N/A	20.84%	16.15%

35. INVESTOR INFORMATION

35.1 Market price per Share

Information on shares of the Company for the year ended	31-Mar-26	31-Mar-25
Market price per share (Rs.)	51.60	54.80
Highest price per share during the year ended	69.90	67.70
Lowest price per share during the year ended	46.30	39.80

Notes to the Financial Statements

35.2 List of Twenty Major Shareholders as at 31 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	400,119	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%

35.3 Shareholding of the Directors/ Chief Executive Officer

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

35.4 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 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 2 of CSE Listing Rule 7.13.1 (b)

Investor Information

SHARE PRICE MOVEMENT

Information on price of shares of the Company for the Year ended	31-Mar-26	31-Mar-25
Closing Price Per Share (LKR)	51.60	54.80
Highest Price per share (LKR)	69.90	67.70
Lowest Price per share (LKR)	46.30	39.80

DISTRIBUTION OF SHARE HOLDINGS

Analysis of Share Holdings by Size

As at 31st March 2026

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1000	5,102	1,563,271	0.47	16	7,013	0.00	5,118	1,570,284	0.47
1,001-10,000	2,893	10,194,615	3.09	6	16,206	0.00	2,899	10,210,821	3.09
10,001-100,000	647	18,065,713	5.48	8	313,064	0.10	655	18,378,777	5.58
10,0001-1,000,000	46	9,281,631	2.82	-	-	0.00	46	9,281,631	2.82
Over 1,000,000	4	289,976,371	88.04	-	-	0.00	4	289,976,371	88.04
Total	8,692	329,081,601	99.90	30	336,283	0.10	8,722	329,417,884	100.00

As at 31st March 2025

	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1000	2,512	764,368	0.23	2	161	0.00	2,514	764,529	0.23
1,001-10,000	1,782	6,485,059	1.97	1	10,000	0.00	1,783	6,495,059	1.97
10,001-100,000	497	15,049,819	4.57	6	197,479	0.06	503	15,247,298	4.63
10,0001-1,000,000	58	12,987,722	3.94	2	363,778	0.11	60	13,351,500	4.05
Over 1,000,000	6	293,559,498	89.12	-	-	0.00	6	293,559,498	89.12
Total	4,855	328,846,466	99.83	11	571,418	0.17	4,866	329,417,884	100.00

Analysis of Share Holdings by Category

Categories of Shareholders	31-Mar-2026			31-Mar-2025		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Individual	8,528	38,405,192	11.66%	4,679	31,992,054	9.71%
Institutional	194	291,012,692	88.34%	187	297,425,830	90.29%
Total	8,722	329,417,884	100.00%	4,866	329,417,884	100.00%

Categories of Shareholders	31-Mar-2026			31-Mar-2025		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
Resident	8,692	329,081,601	99.90%	4,855	328,846,466	99.83%
Non-Resident	30	336,283	0.10%	11	571,418	0.17%
Total	8,722	329,417,884	100.00%	4,866	329,417,884	100.00%

Investor Information

SHAREHOLDING OF THE DIRECTORS/ CHIEF EXECUTIVE OFFICER

Name	Designation	Shareholding	
		31-Mar-2026	31-Mar-2025
Mr. D A De Zoysa	Director/ Chairman	Nil	Nil
Mr. W A T Fernando	Director *	Nil	Nil
Mr. C S R S Anthony	Director	2,600	2,600
Ms. A I C Nandasena	Director	Nil	Nil
Ms. K A D Siriwardene	Director	Nil	Nil
Mr. J M Jayasuriya	Director	Nil	Nil
Mr. W D P De Mel	Director **	Nil	N/A
Mr. L H S L Silva	Chief Executive Officer ***	339,650	N/A

* On 11th April 2025, Mr. W. A. T. Fernando stepped down as the Chief Executive Officer and continues to serve on the Board of Directors as a Non-Independent, Non-Executive Director.

** Mr. W. D. P. De Mel was appointed to the Board of Directors during the year ended 31st March 2026. Accordingly, comparative shareholding as at 31st March 2025 is not applicable (N/A).

*** Mr. L. H. S. L. Silva was appointed and redesignated as the Chief Executive Officer, following the receipt of regulatory approvals, on 11th April 2025, the same day Mr. W. A. T. Fernando stepped down as the Chief Executive Officer. Accordingly, comparative shareholding as at 31st March 2025 is not applicable (N/A).

COMPLIANCE RELATING TO THE PUBLIC FLOATING

	31-Mar-26	31-Mar-25
Float adjusted market capitalisation (LKR)	2,099,078,428	2,195,315,886
Public holding percentage	12.35%	12.16%
Number of public shareholders	8,710	4,853

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

Five Year Summary

For The Year Ended 31st March,	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
Interest Income	8,976,861,611	8,874,907,017	10,504,518,985	4,720,189,909	508,341,479
Interest Expenses	(6,516,484,289)	(5,842,375,955)	(6,641,372,092)	(3,127,944,659)	(284,028,315)
Net Interest Income	2,460,377,322	3,032,531,062	3,863,146,893	1,592,245,250	224,313,164
Net Gain/ (Loss) from Trading	2,964,702,344	6,096,133,620	19,005,251,921	609,575,468	(202,893,988)
Net (Loss)/ Gain from remeasurement of Financial Assets at FVTPL	(1,769,367,457)	(1,554,535,633)	874,512,729	2,660,964,068	(16,022,056)
Direct Expenses	(57,605,559)	(42,681,085)	(33,074,086)	(11,006,189)	(6,680,015)
Other Income	37,497,806	38,779,419	19,336,409	14,850	7,438,593
Net Operating Income	3,635,604,456	7,570,227,383	23,729,173,866	4,851,793,447	6,155,698
Operating Expenses					
Personnel Expenses	(216,060,835)	(554,470,901)	(2,775,753,100)	(523,007,810)	(109,427,411)
Depreciation and Amortisation	(23,752,812)	(19,047,677)	(15,668,881)	(6,753,856)	(7,770,871)
Other Expenses	(542,305,836)	(625,594,123)	(839,740,454)	(627,148,978)	(95,249,211)
Profit/ (Loss) Before Tax	2,853,484,973	6,371,114,682	20,098,011,431	3,694,882,803	(206,291,795)
Income Tax (Expenses)/ Benefits	(852,636,909)	(1,950,520,698)	(6,204,827,939)	(867,876,159)	34,916,243
Profit/ (Loss) for the year	2,000,848,064	4,420,593,984	13,893,183,492	2,827,006,644	(171,375,552)
Other Comprehensive (Expense)/ Income for the year	(3,877,272)	2,309,471	(8,387,173)	(4,733,422)	4,161,806
Total Comprehensive Income/ (Expense) for the year	1,996,970,792	4,422,903,455	13,884,796,319	2,822,273,222	(167,213,746)

Five Year Summary

As At 31st March,	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
ASSETS					
Cash and Cash Equivalents	432,844,198	36,205,695	353,008,092	28,962,086	14,265,035
Financial Assets measured at Amortised Cost	1,503,155,486	3,003,008,988	1,015,901,338	372,829,607	40,167,893
Financial Assets measured at FVTPL	82,040,642,990	102,200,999,629	59,533,287,818	37,574,397,952	8,075,894,287
Amount due from Related Companies	143,812,573	23,182,317	11,766,209	21,788,960	886,146
Other Receivables	40,017,036	12,959,192	260,547,704	13,701,998	23,966,904
Financial Assets measured at FVOCI	-	-	-	-	-
Deferred Tax Asset	19,029,264	27,748,880	24,583,978	16,861,765	43,977,351
Intangible Assets	6,186,931	7,490,561	4,506,832	1,414,824	932,103
Right-of-use Asset	89,596,818	4,466,900	3,055,983	7,130,643	11,205,302
Equipment	2,713,046	40,471,576	51,569,663	3,582,166	3,595,286
Total Assets	84,277,998,342	105,356,533,738	61,258,227,617	38,040,670,002	8,214,890,307
LIABILITIES AND EQUITY					
Liabilities					
Financial Liabilities at Amortised Cost	72,216,189,590	87,809,641,973	37,346,396,228	30,055,282,689	5,465,983,373
Amounts due to Related Companies	40,060,239	4,685,733	61,846,733	107,959,732	7,046,054
Loan from Related Party	-	-	-	1,023,143,836	-
Other Payables	361,483,875	1,179,367,985	2,740,283,723	541,635,648	9,592,308
Lease Liability	76,509,793	4,809,241	3,716,278	7,974,191	11,772,683
Retirement Benefit Obligation	74,972,626	92,823,233	81,309,710	54,808,736	38,506,345
Income Tax Payable	386,355,747	1,869,063,749	4,627,787,838	759,836,711	14,234,307
Total Liabilities	73,155,571,870	90,960,391,914	44,861,340,510	32,550,641,542	5,547,135,070
EQUITY					
Stated Capital	723,348,421	723,348,421	723,348,421	723,348,421	723,348,421
Special Risk Reserve	2,958,962,234	2,758,877,428	2,316,818,030	927,499,681	644,799,017
Retained Earnings	7,440,115,817	10,913,915,975	13,356,720,656	3,839,180,357	1,299,607,799
Total Equity	11,122,426,472	14,396,141,824	16,396,887,107	5,490,028,459	2,667,755,237
Total Liabilities and Equity	84,277,998,342	105,356,533,738	61,258,227,617	38,040,670,002	8,214,890,307

Basis of Ratios

Ratio	Definition
Earnings per share (EPS) (Rs.)	Profit/loss attributable to ordinary shareholders / Average number of shares
Net assets value per share (NAPS) (Rs.)	Total shareholders' equity / Average number of shares
Dividend per Share (Rs.)	Total Gross Dividend (Proposed) / Number of Shares as at the reporting date
Dividend yield (%)	Dividend per ordinary share / Market price per share X 100
Dividend cover (Times)	Profit/loss attributable to ordinary shareholders / Total dividend paid to shareholders
Dividend payout (%)	Total dividend paid to shareholders / Profit/loss attributable to ordinary shareholders X 100
Earnings yield (%)	Earnings per share / Market price per share x 100
Return on equity (ROE) (%)	Profit/loss attributable to ordinary shareholders/ Average shareholders' equity X 100
Return on asset (ROA) (%)	Profit/loss attributable to ordinary shareholders / Average total assets X 100
Debt to equity (Times)	Borrowings / Total shareholders' equity
Cost to income ratio (%) (Excluding VAT on FS)	Total operating cost without VAT on financial services / Total operating income X 100
Net interest margin (%)	Net interest income / Average total assets x 100
Capital adequacy ratio (%)	Tier 1 & Tier 11 capital / Total risk weighted assets
Cost to income ratio (times)	Total expenses / Total income
Debt to equity ratio (times)	Total debt/ Total equity
Interest cover (times)	Profit before interest and tax expense / Interest expenses
Net profit margin (%)	Profit / (loss) for the year / Income
Operating profit margin (%)	Operating profit / (loss) for the year/ Income

Glossary of Financial Terminology

A

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted by an entity in preparing and presenting financial statements.

Accrual Basis

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

Actuarial Gain/ (Loss)

The differences between an employer's actual pension payments relative to the expected payments.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Amortised Cost

The 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 uncollectability.

Asset

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

Asset Backed Securitisations

Short or long-term financial securities which are backed by financial assets and also referred to Securitisations.

B

Basis Points

A standard measure for interest rates and other percentages in finance. One basis point equals 1/100th of 1%, or 0.01%.

C

Capital adequacy ratio (CAR)

A measure of a Primary Dealer's capital and is a prudential requirement reflecting the dealer's level of stability. Two categories of capital are measured by the CAR namely Tier 1 and Tier 2.

- Tier 1 capital in view of local Primary Dealers consists of shareholders' equity, retained earnings or other surpluses and preference shares types as selectively set out by the Central Bank of Sri Lanka.
- Tier 2 capital includes revaluation reserves, subordinated term debt, perpetual subordinated debt and cumulative preference shares as selectively set out by the Central Bank of Sri Lanka.

Capital Employed

The sum of shareholders' equity and debt Capital denoting the total amount of capital used in the acquisition of profits.

Capital Reserves

The profits of a company which (for various reasons) are not regarded as distributable to shareholders as dividends. These include gains on the revaluation of capital assets.

Cash Equivalents

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Commercial Paper

A short term unsecured promissory note issued in the open market by quoted public companies representing an obligation of the issuing entity.

Contingent Liabilities

Conditions or situations at the reporting date, the financial effects of which are to be determined by future events which may or may not occur.

Control

The power over an investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its powers over the investee to affect the amount of the investor's returns.

Corporate Governance

The Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

Cost Method

Cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognizes income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

Credit rating

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

Credit risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

D

Debt Market

This also refers to as the bond market. A financial market where participants can issue new fixed income securities, known as the primary market, or buy and sell fixed income securities, known as the secondary market.

Deferred Tax

Sum set aside in the financial statements that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

De-recognition

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

Derivatives

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

Dividend Cover

Profit after tax divided by gross dividends. This measures the number of times the dividend is covered by distributable profits.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Dividend Payout

It is the percentage of earnings paid to shareholders in dividends.

Dividend yield

Dividend earned per share as a percentage of its market value.

E

Earnings Per Share

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

Effective Interest Method

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Events Occurring After the Reporting Period

Significant events that occur between the reporting date and the date on which financial statements are authorised for issue.

Equity Instrument

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities

Expected Credit Losses

Expected credit losses are a probability - weighted estimate of credit losses over the expected life of the financial instrument.

- 12 Month expected Credit Losses: The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.
- Lifetime Expected Credit Losses: The expected credit losses that result from all possible default events over the expected life of a financial instrument.

Glossary of Financial Terminology

F

Fair Value

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.

Financial Assets Recognized through profit or loss -measured at fair value

These financial assets are held within a business model with the objective to sell financial assets.

Financial Assets at Amortised cost

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

Financial Assets - fair value through other comprehensive income

These financial assets are held within a business model with the objective to both hold financial assets in order to collect contractual cash flows and sell financial assets.

Financial Asset or Financial Liability at Fair Value through Profit or Loss

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or losses'.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fixed Income Securities

Securities whose current income is fixed or based on some underlying index. These are also known as debt securities since they represent a fixed obligation of the company unlike equity, which pays dividends only when the company makes profits.

G

Global Reporting Initiatives (GRI)

GRI is a leading organisation in the sustainability field. GRI promotes the use of sustainability reporting as a way

for organisations to become more sustainable and contribute to sustainable development.

Gross Dividends

The portion of profit inclusive of tax withheld distributed to shareholders.

Guarantee

A promise made for a fee by a third party (Guarantor), who is not a party to the contract between two others, that the guarantor will be liable if one of the parties fails to fulfil the contractual obligations.

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 respectively.

Intangible Asset

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/ services or for rental to others or for administrative purposes.

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Cover

A ratio showing the number of times interest charges are covered by earnings before interest and tax.

Initial Public Offering (IPO)

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

Issue

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

K

Key Management Personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Key Performance Indicators (KPI)

The quantifiable measures that a company uses to gauge its performance over time.

L

Lease

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Liabilities

Debt or obligations of a business.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Listed

A company or its financial securities which are admitted for trading on a stock exchange.

Loans and Receivables

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.

M

Market Value per Share

The price at which an ordinary share is transacted in the stock market.

Market Capitalization

The market value of a company at a given date obtained by multiplying the share price by the number of issued shares.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

N

Net Assets Per Share (NAV)

Net assets (total assets fewer total liabilities) divided by the number of shares issued.

O

Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Operating Activities

The principal revenue producing activities of an entity and other activities that are not investing or financing activities.

P

Policy Rates

The rates that are used by a central bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

Primary Dealer

A dealer in government securities licensed by the Central Bank of Sri Lanka.

R

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related Party Transactions

A transfer of resources, services, or obligations between related parties, regardless of whether a price is charged or not.

Repurchase Agreement

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

Reverse Repurchase Agreement

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

Right of Use Assets

An assets which bears the lessee's right to use that throughout the lease term.

Glossary of Financial Terminology

S

Shareholders' Funds

The Shareholders funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

Significant Influence

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not controlled or jointly controlled over those policies.

Statutory Reserve Requirement (SRR)

A sum equivalent to 10% of profit after tax of a primary dealer has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

Substance Over Form

The consideration that the accounting treatment and the presentation in financial statements of transactions and the events are governed by their financial reality and not merely by its legal form.

T

Transaction Costs

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U

Unlisted

A financial instrument that is not traded on a stock exchange. This also refers to a company that has not been admitted to the stock exchange or acquired 'listed' status.

Y

Yield Curve

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

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Notice of Meeting

Notice is hereby given that the Annual General Meeting (AGM) of Capital Alliance PLC (the Company) will be held as a Virtual meeting on 24th September 2026 at 11.00 a.m. The detailed Notice of Meeting available on the Corporate website of the Company via <https://cal.lk/capital-alliance-plc-annual-general-meeting-2025-26/> and the website of the Colombo Stock Exchange (CSE) via <https://www.cse.lk/company-profile?symbol=CALT.N0000>

The business to be brought before the Meeting will be to:

1. Read the Notice convening the Meeting
2. Receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2026 together with the Report of the Auditors thereon.
3. To re- elect as a Director, Mr. C S R S Anthony, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
4. To re- elect as a Director, Ms. A I C Nandasena, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.
5. To re-elect Mr. W D P De Mel as a Director, who was appointed to the board on 4th September 2025, in terms of Article 86 of the Articles of Association of the Company.
6. Re-appoint M/s KPMG - Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
7. Authorize the Directors to determine contributions to charities and other donations for the year 2026/27.

By order of the Board of Directors of
CAPITAL ALLIANCE PLC



S S P CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

Colombo, Sri Lanka.
31 August 2026

Notes:

- A shareholder entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
- A form of proxy accompanies this notice.

The Annual Report of the Company is available on the;

- Corporate Website of the Company - Annual Report for the Year Ended 31st March 2026 - <https://cal.lk/capital-alliance-plc-annual-report-2025-26/>
- Website of the CSE - <https://www.cse.lk/company-profile?symbol=CALT.N0000>

Shareholders may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code



Form of Proxy

I/We
 (NIC No.) of being
 member/members of Capital Alliance PLC hereby appoint Mr./Mrs./Ms.

(NIC No.) of or failing him/her,

Mr. W. A. T. Fernando of Colombo or failing him
 Mr. C. S. R. S. Anthony of Colombo or failing him
 Ms. A. I. C. Nandasena of Colombo or failing her
 Ms. K. A. D. Siriwardene of Colombo or failing her
 Mr. J. M. Jayasuriya of Colombo or failing him
 Mr. W. D. P. De Mel of Colombo

as my/our Proxy to represent me/us and to vote and speak for me/us on my/our behalf at the 5th Annual General Meeting of the Company to be held on 24th September 2026 at 11.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' against the Resolution Number.

		For	Against
(1)	To receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2026 together with the Report of the Auditors thereon.		
(2)	To re-elect Mr. C S R S Anthony as a Director, who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.		
(3)	To re-elect Ms. A I C Nandasena, as a Director who will be retiring from the Board by rotation in terms of Articles 79 & 80 of the Articles of Association of the Company.		
(4)	To re-elect Mr. W D P De Mel as a Director, who was appointed to the Board on 4th September 2025, in terms of Article 86 of the Articles of Association of the Company.		
(5)	To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorize the Directors to determine their remuneration.		
(6)	To authorize the Board of Directors to determine contributions to charities and other donations for the year 2026/27		

As witness my/our hand/s set hereto this day of Two Thousand and Twenty Six.

.....
 NIC Number / Reg. No.

.....
 Signatures

Please provide the following details:

Name of the Shareholder :

Email Address of the Shareholder :

CDS A/C No/ NIC No/Company Reg No :

Folio No/ No of Shares held :

Name of the Proxy holder :

Email Address of the Proxy holder :

Proxy holder's ID No (if not a Director) :

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name, NIC No, address, instructions as to voting and by signing and filling in the date of signature in the space provided.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/she thinks fit.
3. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the Company, 06th Floor, M2M Veranda Offices, No. 34, W A D Ramanayaka Mawatha, Colombo 02 not less than 48 hours before the time appointed for holding the Meeting.
4. If the Shareholder is a Company or a body corporate, a form of Corporate Representation executed under the Common Seal in accordance with the Articles of Association or the Constitution should be submitted.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of proxy.
6. In case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorized Fund Manager/ Banker with whom the account is maintained.

Corporate Information

Name of the Company

Capital Alliance PLC
(Formerly Capital Alliance Limited)

Legal Form

Date of Incorporation: 10th August 2000
Date of Listing in CSE: 15th December 2021

Company Registration No.

PQ 00252285

Registered Office

Capital Alliance PLC
6th Floor, M2M Veranda Offices,
No. 34, W. A. D. Ramanayake Mawatha,
Colombo 02, Sri Lanka.
Tel : +94 11 231 7777
Fax : +94 11 231 7788
E Mail: info@cal.lk
URL : www.cal.lk
SWIFT Code: CALDLKXXXX

Taxpayer Identification Number (TIN)

134008938

Accounting Year End

31st March

Board of Directors

Mr. D. A. De Zoysa *Chairman,
Non-Executive Non-Independent Director*
Mr. W. A. T. Fernando
Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena
Non-Executive Independent Director
Ms. K. A. D. Siriwardene
Non-Executive Independent Director
Mr. J. M. Jayasuriya
Non-Executive Independent Director
Mr. W. D. P. De Mel
Non-Executive Independent Director

Remuneration Committee Members

Ms. A. I. C. Nandasena *Chairperson,
Non-Executive Independence Director*
Mr. D. A. De Zoysa
Non-Executive Non-Independence Director
Ms. K. A. D. Siriwardene
Non-Executive Independence Director

Audit Committee Members

Mr. J. M. Jayasuriya *Chairman,
Non-Executive Independent Director*
Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director
Ms. A. I. C. Nandasena
Non-Executive Independent Director
Ms. K. A. D. Siriwardene
Non-Executive Independent Director
Mr. W. D. P. De Mel
Non-Executive Independent Director

Related Party Transactions Review Committee Members

Ms. A. I. C. Nandasena *Chairperson,
Non-Executive Independent Director*
Mr. C. S. R. S. Anthony
Non-Executive Non-Independent Director
Ms. K. A. D. Siriwardene
Non-Executive Independent Director

Risk Management Committee Members

Mr. W. D. P. De Mel
Chairman, Independent, Non-Executive Director
Mr. J. M. Jayasuriya
Independent, Non-Executive Director
Mr. C. S. R. S. Anthony
Non-Independent, Non-Executive Director
Ms. A. I. C. Nandasena
Independent, Non-Executive Director
Ms. K. A. D. Siriwardene
Independent, Non-Executive Director

Nomination and Governance Committee Members

Ms. K. A. D. Siriwardene *Chairperson,
Non-Executive Independent Director*
Mr. D. A. De Zoysa
(Non-Executive Non-Independent Director)
Ms. A. I. C. Nandasena
Non-Executive Independent Director

External Auditors

Messrs. KPMG, Chartered Accountants
32A, Sir Mohamed Macan Marker Mawatha
Colombo 03
Sri Lanka
Tele : +94 11 542 6426
Fax : +94 11 244 5872 / +94 11 244 6058

Internal Auditors

Messrs. Ernst & Young
Rotunda Towers,
No. 109, Galle Road,
Colombo 03
Sri Lanka
Tele : +94 11 246 3500
Fax : +94 11 269 7369

Company Secretaries & Registrars

SSP Corporate Services (Pvt) Limited
101, Inner Flower Road
Colombo 03
Sri Lanka
Tele : +94 11 257 3894
Fax : +94 11 257 3609
Email : sspsec@sltnet.lk

Bankers

Seylan Bank PLC
Sampath Bank PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Peoples Bank
DFCC Bank PLC
National Development Bank PLC
Cargills Bank PLC
Hatton National Bank PLC
Bank of Ceylon

Lawyers

F J and G De Saram
Attorney-At-Law
216, De Saram Place
Colombo 10
Sri Lanka
Tele: +94 11 460 5100
Fax: +94 11 471 8220 / +94 11 2677 863
Email: fgjdesaram@fgjdesaram.com

Credit Rating

A+ (Stable) by Lanka Rating Agency Limited.

Concept & Designed by





Capital Alliance PLC

6th Floor, M2M Veranda Offices,
No. 34, W. A. D. Ramanayake Mawatha,
Colombo 02, Sri Lanka