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CAPITAL ALLIANCE PLC

INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30TH SEPTEMBER 2026

CAPITAL ALLIANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE

	Note	QUARTER ENDED		SIX MONTHS ENDED	
		30-Sep-26 Rs. (Unaudited)	30-Sep-25 Rs. (Unaudited)	30-Sep-26 Rs. (Unaudited)	30-Sep-25 Rs. (Unaudited)
Interest Income	2	1,173,879,853	2,340,005,654	2,983,613,124	4,783,974,182
Interest Expenses	3	(940,008,397)	(1,641,476,484)	(2,419,523,345)	(3,403,893,146)
Net Interest Income		233,871,456	698,529,170	564,089,779	1,380,081,036
Gains and (Losses) arise from Financial Assets Measured at FVTPL	4	(806,665,598)	164,297,134	(3,822,741,635)	1,656,700,395
Direct Expenses		(16,539,954)	(9,300,000)	(30,032,128)	(22,262,406)
Other Income		(1,424)	12,366,629	10,541,301	25,236,437
Net Operating (Expense)/ Income		(589,335,520)	865,892,933	(3,278,142,683)	3,039,755,462
Operating Expenses					
Personnel Expenses		(57,429,127)	(46,040,132)	(103,085,722)	(95,460,964)
Depreciation and Amortisation		(5,714,253)	(4,368,230)	(12,111,015)	(8,852,003)
Other Expenses		(48,810,816)	(133,018,406)	(117,571,631)	(286,977,201)
Profit/ (Loss) Before Tax		(701,289,716)	682,466,165	(3,510,911,051)	2,648,465,294
Income Tax Expenses	5	(279,099)	(175,700,632)	(279,099)	(734,609,645)
Profit/ (Loss) for the period		(701,568,815)	506,765,533	(3,511,190,150)	1,913,855,649
Other Comprehensive Income					
Other Comprehensive Income for the period		-	-	-	-
Total Comprehensive (Expense)/ Income for the period		(701,568,815)	506,765,533	(3,511,190,150)	1,913,855,649
Basic/ Diluted Earnings per Share (Rs.)	6	(2.13)	1.54	(10.66)	5.81

Figures in brackets indicate deductions.

CAPITAL ALLIANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT

	30-Sep-26 Rs. (Unaudited)	31-Mar-26 Rs. (Audited)
ASSETS		
Cash and Cash Equivalents	38,070,193	432,844,198
Financial Assets measured at Amortised Cost	6,093,948,765	1,503,155,486
Financial Assets measured at FVTPL	34,558,005,524	82,040,642,990
Amount due from Related Companies	15,044,639	143,812,573
Other Receivables	40,175,566	40,017,036
Deferred Tax Assets	19,029,264	19,029,264
Intangible Assets	4,881,734	6,186,931
Right-of-use Asset	77,115,485	89,596,818
Equipment	1,681,347	2,713,046
Total Assets	40,847,952,517	84,277,998,342
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities at Amortised Cost	33,037,661,501	72,216,189,590
Amounts due to Related Companies	4,033,799	40,060,239
Other Payables	75,581,143	361,483,875
Lease Liability	75,529,849	76,509,793
Retirement Benefit Obligation	43,909,904	74,972,626
Income Tax Payable	-	386,355,747
Total Liabilities	33,236,716,196	73,155,571,870
EQUITY		
Stated Capital	723,348,421	723,348,421
Special Risk Reserve	2,958,962,234	2,958,962,234
Retained Earnings	3,928,925,667	7,440,115,817
Total Equity	7,611,236,321	11,122,426,472
Total Liabilities and Equity	40,847,952,517	84,277,998,342
Net Assets per Share (Rs.)	Note 10 23.11	33.76

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

Signed

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Ms. W H S Wijesinghe
Manager - Finance

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

Signed

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Mr. C S R S Anthony
Director

26th October 2026
Colombo

Signed

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Mr. W A T Fernando
Director

CAPITAL ALLIANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER

	Stated Capital	Special Risk Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 st April 2025 (Audited)	723,348,421	2,758,877,428	10,913,915,975	14,396,141,824
Profit for the Period	-	-	1,913,855,649	1,913,855,649
Other Comprehensive Income for the Period	-	-	-	-
Total Comprehensive Income	-	-	1,913,855,649	1,913,855,649
Dividend Paid	-	-	(1,317,671,536)	(1,317,671,536)
Transferred To the Special Risk Reserve	-	191,385,565	(191,385,565)	-
Balance as at 30 th September 2025 (Unaudited)	723,348,421	2,950,262,993	11,318,714,523	14,992,325,937
Balance as at 01st April 2026 (Audited)	723,348,421	2,958,962,234	7,440,115,817	11,122,426,472
Loss for the Period	-	-	(3,511,190,150)	(3,511,190,150)
Other Comprehensive Income for the Period	-	-	-	-
Total Comprehensive Expense	-	-	(3,511,190,150)	(3,511,190,150)
Dividend Paid	-	-	-	-
Transferred To the Special Risk Reserve	-	-	-	-
Balance as at 30th September 2026 (Unaudited)	723,348,421	2,958,962,234	3,928,925,667	7,611,236,321

Figures in brackets indicate deductions.

CAPITAL ALLIANCE PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED

	30-Sep-26	30-Sep-25
	Rs.	Rs.
	(Unaudited)	(Unaudited)
Cash flows from Operating Activities		
Interest Receipts and Realised Gains	3,834,290	7,630,752,224
Interest Payments	(2,842,840,824)	(3,362,201,144)
Payment of Direct Expenses	(30,032,128)	(22,262,406)
Other Receipts	10,541,301	25,236,437
Cash Payments to Employees and Other Payments	(234,087,980)	(361,721,592)
Operating (loss)/profit before changes in Operating Assets and Liabilities	(3,092,585,341)	3,909,803,519
(Increase)/Decrease in Financial Assets measured at Amortised Cost	(4,577,558,443)	(5,272,506,008)
(Increase)/Decrease in Financial Assets measured at FVTPL	46,626,439,829	22,557,148,835
(Increase)/Decrease in Other Receivables	2,548,683	(7,032,528)
(Increase)/Decrease in Amount due from Related Companies	128,767,934	13,059,750
Increase/(Decrease) in Financial Liabilities at Amortised Cost	(38,755,210,610)	(17,156,449,057)
Increase/(Decrease) in Amount due to Related Companies	(36,026,440)	3,750,962
Increase/(Decrease) in Other Payable	(268,490,552)	(601,815,263)
Net cash generated from Operating Activities	27,885,060	3,445,960,210
Gratuity Paid	(35,178,750)	(39,040,000)
Income Taxes Paid	(386,634,846)	(1,024,684,508)
Net cash (used in)/generated from Operating Activities	(393,928,537)	2,382,235,702
Cash flows from Investing Activities		
Disposal of Equipment	-	-
Net cash used in Investing Activities	-	-
Cash flows from Financing Activities		
Dividend Paid	-	(1,317,671,536)
Lease Payments	(845,468)	(2,824,968)
Net cash used in Financing Activities	(845,468)	(1,320,496,504)
Net increase/ (decrease) in cash and cash equivalents	(394,774,005)	1,061,739,198
Cash and cash equivalents at the beginning of the period	432,844,198	36,205,695
Cash and cash equivalents at the end of the period	38,070,193	1,097,944,893

Figures in brackets indicate deductions.

CAPITAL ALLIANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2026

1 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with LKAS 34 "Interim Financial Reporting". They do not include all the information required for a complete set of SLFRS/LKAS financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended 31st March 2026.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements for the year ended 31st March 2026.

2 INTEREST INCOME

Financial Assets measured at FVTPL

	QUARTER ENDED 30-Sep-26 Rs.	30-Sep-25 Rs.	SIX MONTHS ENDED 30-Sep-26 Rs.	30-Sep-25 Rs.
Interest on Treasury Bills	414,092,962	421,448,277	1,034,552,748	1,040,360,357
Interest on Treasury Bonds	557,617,045	1,818,473,412	1,609,357,381	3,561,946,417
	<u>971,710,007</u>	<u>2,239,921,689</u>	<u>2,643,910,129</u>	<u>4,602,306,774</u>

Financial Assets measured at Amortised cost

Interest on Securities Purchased Under Resale Agreements	202,169,846	100,083,965	339,702,995	181,667,408
Interest on Staff Loans	-	-	-	-
	<u>202,169,846</u>	<u>100,083,965</u>	<u>339,702,995</u>	<u>181,667,408</u>
	<u>1,173,879,853</u>	<u>2,340,005,654</u>	<u>2,983,613,124</u>	<u>4,783,974,182</u>

3 INTEREST EXPENSES

Interest on Securities Sold under Repurchase Agreements	832,865,657	1,582,532,237	2,185,926,242	3,280,347,530
Interest Expense on Bank Loans	107,142,740	58,944,247	193,377,525	123,545,616
Interest Expense on Commercial Paper	-	-	40,219,578	-
	<u>940,008,397</u>	<u>1,641,476,484</u>	<u>2,419,523,345</u>	<u>3,403,893,146</u>

4 GAINS AND (LOSSES) ARISE FROM FINANCIAL ASSETS

4.1 NET GAIN/(LOSS) FROM TRADING

Net Gain/(Loss) on Government Securities	(186,569,677)	622,402,402	(3,648,747,946)	2,262,001,605
Net Gain/(Loss) on Quoted Shares	(4,874,772)	89,389,676	119,887,947	150,093,078
	<u>(191,444,449)</u>	<u>711,792,078</u>	<u>(3,528,859,999)</u>	<u>2,412,094,683</u>

4.2 NET GAIN/(LOSS) FROM REMEASUREMENT OF FINANCIAL ASSETS AT FVTPL

Remeasurement Gain/(Loss) on Government Securities	(612,091,993)	(611,311,712)	(147,516,043)	(938,564,919)
Remeasurement Gain/(Loss) on Quoted Shares	(3,129,156)	63,816,768	(146,365,593)	183,170,631
	<u>(615,221,149)</u>	<u>(547,494,944)</u>	<u>(293,881,636)</u>	<u>(755,394,288)</u>
	<u>(806,665,598)</u>	<u>164,297,134</u>	<u>(3,822,741,635)</u>	<u>1,656,700,395</u>

5 INCOME TAX EXPENSE

Income tax recognised in Profit or Loss

	QUARTER ENDED 30-Sep-26 Rs.	30-Sep-25 Rs.	SIX MONTHS ENDED 30-Sep-26 Rs.	30-Sep-25 Rs.
Current Tax Expense for the period	279,099	175,372,117	279,099	724,151,620
Deferred Tax Charge/(Reversal) for the period	-	328,515	-	10,458,025
	<u>279,099</u>	<u>175,700,632</u>	<u>279,099</u>	<u>734,609,645</u>

6 BASIC EARNINGS PER SHARE

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

	QUARTER ENDED 30-Sep-26	30-Sep-25	SIX MONTHS ENDED 30-Sep-26	30-Sep-25
(Loss)/Profit attributable to ordinary shareholders - (Rs.)	(701,568,815)	506,765,533	(3,511,190,150)	1,913,855,649
Weighted average number of ordinary shares	329,417,884	329,417,884	329,417,884	329,417,884
Earnings per share - (Rs.)	<u>(2.13)</u>	<u>1.54</u>	<u>(10.66)</u>	<u>5.81</u>

CAPITAL ALLIANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2026

7. Financial instruments- Fair Value Measurement

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

Level - 1

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

Level - 2

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

Level - 3

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

Fair values versus the Carrying amounts

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

	30-Sep-26	31-Mar-26
Financial assets measured at fair value		
Financial Assets measured at FVTPL	34,558,005,524	82,040,642,990
	34,558,005,524	82,040,642,990
Financial assets not measured at fair value		
Cash and Cash Equivalents	38,070,193	432,844,198
Financial Assets at Amortised Cost	6,093,948,765	1,503,155,486
Amounts due from Related Companies	15,044,639	143,812,573
Other Receivables	660,000	4,789,721
	6,147,723,597	2,084,601,978
Total financial assets	40,705,729,121	84,125,244,968
Financial liabilities not measured at fair value		
Financial Liabilities at Amortised Cost	33,037,661,501	72,216,189,590
Amounts due to Related Companies	4,033,799	40,060,239
Lease Liability	75,529,849	76,509,793
Other Payables	97,575,544	361,483,875
Total financial liabilities	33,214,800,693	72,694,243,497

CAPITAL ALLIANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2026

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

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

As at 30th September 2026	Total Carrying Value	Level 1	Level 2	Carried at Cost	Total
Financial Assets recognised through Fair Value Profit or Loss					
Investment in Government Securities	34,558,005,524	34,558,005,524	-	-	34,558,005,524
Investment in Quoted Shares	-	-	-	-	-
	<u>34,558,005,524</u>	<u>34,558,005,524</u>	<u>-</u>	<u>-</u>	<u>34,558,005,524</u>
Financial assets not measured at Fair Value (Amortized Cost)					
Cash and Cash Equivalents	38,070,193	-	-	38,070,193	38,070,193
Financial Assets at Amortised Cost	6,093,948,765	-	-	6,093,948,765	6,093,948,765
Receivable from Related Companies	15,044,639	-	-	15,044,639	15,044,639
Other receivables	660,000	-	-	660,000	660,000
	<u>6,147,723,597</u>	<u>-</u>	<u>-</u>	<u>6,147,723,597</u>	<u>6,147,723,597</u>
Total Financial Assets	<u>40,705,729,121</u>	<u>34,558,005,524</u>	<u>-</u>	<u>6,147,723,597</u>	<u>40,705,729,121</u>
Financial liabilities not measured at Fair Value (Amortized Cost)					
Financial Liabilities at Amortised Cost	33,037,661,501	-	-	33,037,661,501	33,037,661,501
Amounts due to Related Companies	4,033,799	-	-	4,033,799	4,033,799
Other Payables	97,575,544	-	-	97,575,544	97,575,544
Lease Liability	75,529,849	-	-	75,529,849	75,529,849
Total Financial Liabilities	<u>33,214,800,693</u>	<u>-</u>	<u>-</u>	<u>33,214,800,693</u>	<u>33,214,800,693</u>
As at 31st March 2026					
	Total Carrying Value	Level 1	Level 2	Carried at Cost	Total
Financial Assets recognised fair value through Profit or Loss					
Investment in Government Securities	81,148,873,640	81,148,873,640	-	-	81,148,873,640
Investment in Quoted Shares	891,769,350	891,769,350	-	-	891,769,350
	<u>82,040,642,990</u>	<u>82,040,642,990</u>	<u>-</u>	<u>-</u>	<u>82,040,642,990</u>
Financial assets not measured at Fair Value (Amortized Cost)					
Cash and Cash Equivalents	432,844,198	-	-	432,844,198	432,844,198
Financial Assets at Amortised Cost	1,503,155,486	-	-	1,503,155,486	1,503,155,486
Amount due from Related Companies	143,812,573	-	-	143,812,573	143,812,573
Other receivables	4,789,721	-	-	4,789,721	4,789,721
	<u>2,084,601,978</u>	<u>-</u>	<u>-</u>	<u>2,084,601,978</u>	<u>2,084,601,978</u>
Total Financial Assets	<u>84,125,244,968</u>	<u>82,040,642,990</u>	<u>-</u>	<u>2,084,601,978</u>	<u>84,125,244,968</u>
Financial liabilities not measured at Fair Value (Amortized Cost)					
Financial Liabilities at Amortised Cost	72,216,189,590	-	-	72,216,189,590	72,216,189,590
Amounts due to Related Companies	40,060,239	-	-	40,060,239	40,060,239
Other Payables	361,483,875	-	-	361,483,875	361,483,875
Lease Liability	76,509,793	-	-	76,509,793	76,509,793
Total Financial Liabilities	<u>72,694,243,497</u>	<u>-</u>	<u>-</u>	<u>72,694,243,497</u>	<u>72,694,243,497</u>

Level 1

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

Level 2

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

Level 3

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

CAPITAL ALLIANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2026

8. COMMITMENTS AND CONTINGENCIES

There were no other material litigations or claims that could have a material impact on financial position of the Company or which would lead to a disclosure in the financial statements for the quarter ended 30th September 2026 except the below;

8.1 Other Commitments

The value of forward purchase contracts (Government Securities) as at 30th September 2026 is Rs. 5,697,889,000 (31st March 2026- Rs. 5,453,498,500) and the value of forward sales contracts (Government Securities) as at 30th September 2026 is Rs. 6,309,334,993 (31st March 2026 - Rs. 4,061,608,487).

9. EVENTS AFTER THE REPORTING PERIOD

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

10. NET ASSETS PER SHARE

	30-Sep-26	31-Mar-26
Net Assets per Share (Rs.)	<u>23.11</u>	<u>33.76</u>

11. DISCLOSURES UNDER LISTING RULES

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

11.2 Stated capital

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

CAPITAL ALLIANCE PLC
INVESTOR INFORMATION

11.3 Market Price per Share

Information on shares of the Company for the quarter ended	30-Sep-26	30-Sep-25
Market price per share (Rs.)	43.10	52.50
Highest price per share during the quarter ended (Rs.)	52.40	64.90
Lowest price per share during the quarter ended (Rs.)	42.80	51.00

11.4 List of Twenty Major Shareholders as at 30th September 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	424,596	0.13%
6	People's Leasing & Finance PLC/Mr. T.M.D.P. Tennakoon	400,000	0.12%
7	Mr. H.G.D.R.D.K. Jayawardana	387,282	0.12%
8	Mr. R.V.D. Piyathilake	385,400	0.12%
9	Mr. T.L. Samarawickrama	357,668	0.11%
10	Mr. L.H.S.L. Silva	339,650	0.10%
11	Ms. H.A. Wijerama	333,660	0.10%
12	Dr. A.B. Samarakoon	320,291	0.10%
13	Mrs. R.S. Mortier	313,600	0.10%
14	Mr. D.M.A.J. Weerasinghe	262,256	0.08%
15	Mr. K.R.K.J. Kumara	261,897	0.08%
16	Suhada Pharmacy (PVT) Ltd	258,522	0.08%
17	Mr. S.D.K. Fernando	246,932	0.07%
18	Mr. Y.L. Nandasena	237,207	0.07%
19	Mr. U.L.S. Kumara	220,382	0.07%
20	Mr. C.J.D.S. Peduruhewa	220,000	0.07%
		294,945,714	89.54%

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

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

11.6 Compliance relating to the Public Floating

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

Float adjusted market capitalisation as at 30 th September 2026 (Rs)	1,761,960,730
Public holding percentage	12.41%
Number of public shareholders	8,862

The Company had complied with the Minimum Public Holding requirement under Option 2 of CSE Listing Rule 7.13.1 (b)