

First Capital Holdings PLC
Annual Report 2025/26



First Capital
A Janashakthi Group Company

A FORCE THAT MOVES



A FORCE THAT MOVES

At First Capital Holdings, progress is not defined by scale of success alone, but by the deliberateness of forward movement.

Throughout the year, we demonstrated stability through disciplined capital management, sound operational practices, and unwavering adherence to governance frameworks – thus, reinforcing the confidence placed upon our ability to deliver reliably while creating broader value for society.

Built upon this foundation, we move with impetus towards a future we are helping to shape; enhancements to digital platforms, analytics, and internal processes have improved our agility, transparency, and accessibility, enabling clearer insights and more meaningful engagement with clients.

Our strength is our people, our principles, and our responsibility to the communities we serve. Every decision is shaped by integrity, and a commitment to expand access, deepen financial understanding, and operate sustainably. Our progress has also earned recognition across multiple disciplines, reflecting the strength of our brand and the impact of our integrated approach.

Now and tomorrow, we continue to grow as a force that moves with purpose, embedding sustainability, inclusivity, and trust into everything we do.



First Capital
A Janashakti Group Company



Scan the QR code with your smart device to view this report online



A FORCE THAT MOVES

with Purpose, Strength and Direction

At First Capital Holdings PLC, our journey and forward movement is much like that of a river that transforms into a waterfall and flows forth towards the sea, impacting the environment around it as it moves ahead. Water gathers above the precipice and holds latest power and potential energy that drives transformation.



A Gentle Flow - A Force that Builds

The river begins by moving steadily, gathering strength as each tributary joins and forming a coherent force.



The Descent - A Force that Flows

The water flows over the cliff, cascading with energy that transforms potential into motion, and sets the future's pace.



The Journey - A Force that Leads

Water leads in purposeful streams, navigating terrain while carrying lessons learned from its journey over obstacles.



The Change - A Force that Progresses

Along its course, the water nourishes the ecosystem, supporting flora and fauna, and creating environments that thrive.



The Power - A Force that Strengthens

The fall converges, creating a concentrated strength that demonstrates the power of focus and the effect of preparation.



The Surge - A Force that Influences

Momentum accelerates, carrying the energy forward, shaping the landscape and influencing everything it touches along the way.



The Service - A Force that Creates

Strong waters feed livelihoods and empower collective growth, creating steady flow result in meaningful impact.



The Progress - A Force that Extends

As water extends to the city, it drives systems and innovation – thus becoming an engine of advancement.

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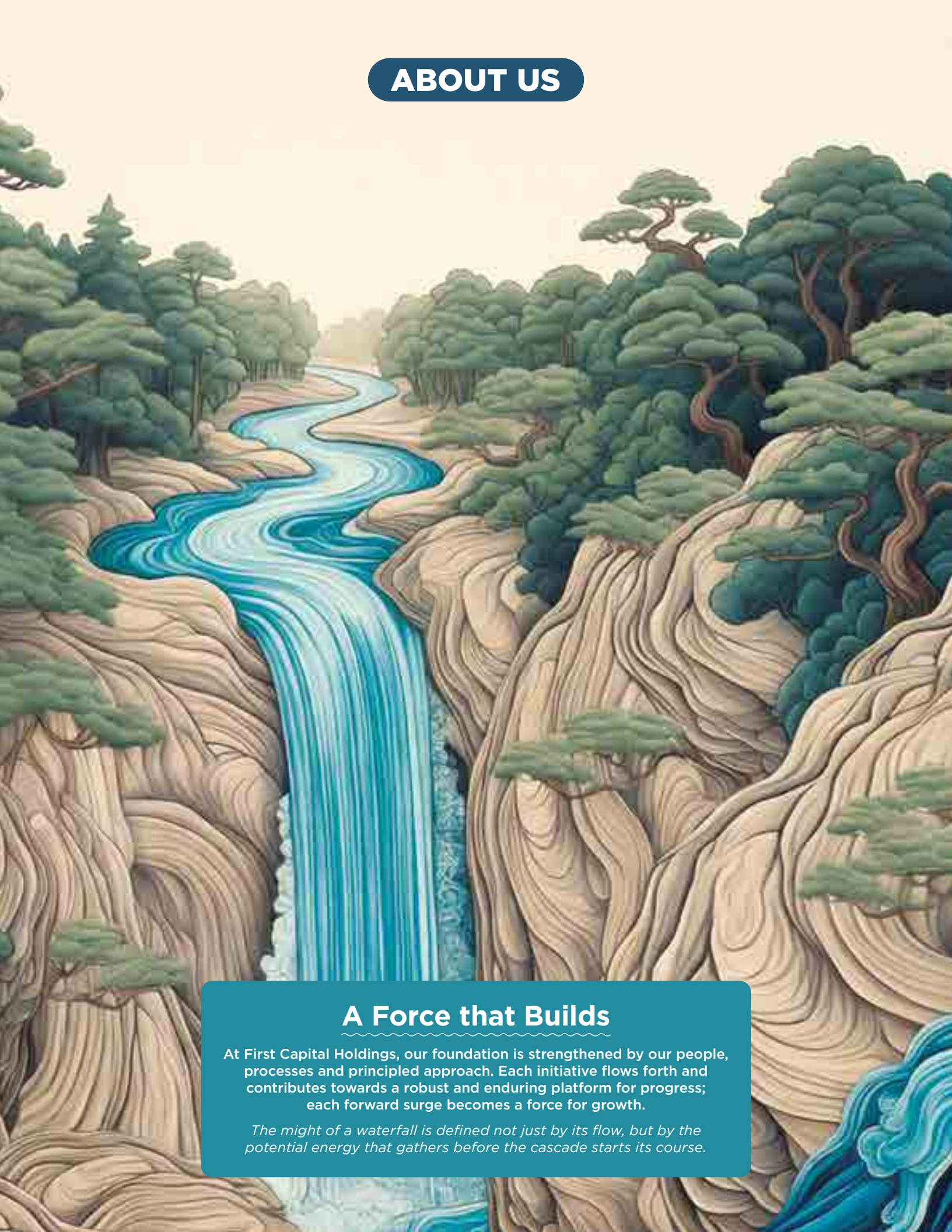
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ABOUT US

A Force that Builds

At First Capital Holdings, our foundation is strengthened by our people, processes and principled approach. Each initiative flows forth and contributes towards a robust and enduring platform for progress; each forward surge becomes a force for growth.

The might of a waterfall is defined not just by its flow, but by the potential energy that gathers before the cascade starts its course.

About Our Integrated Report



First Capital Holdings PLC (hereinafter referred to as “First Capital”, “First Capital Group” or “the Group”) has prepared and published this integrated Annual Report for the purpose of informing stakeholders regarding the Group’s performance and prospects for the period 1 April 2025 to 31 March 2026 which coincides with the Group’s financial reporting cycle (FY 2025/26).



2021/22
Silver Award in the
Investment Banking
Category



2022/23
Gold Award in the
Investment Banking
Category



2023/24
Gold Award in the
Investment Banking
Category



2024/25
Gold Award in the
Investment Banking
Category

ADDITIONAL NAVIGATION FEATURES



A QR code embedded in the report provides instant access to the full digital version via smartphone or tablet.



Interactive chatbot assistance is available for queries regarding this report and FCH's operations.



Summarised financial statements in Sinhala and Tamil are available on pages 552 to 561.



An interactive Table of Contents allows users to navigate directly to specific sections with a single click.

All previous reports, including the most recent report for FY 2025/26, are available for viewing and download at <https://firstcapital.lk/investor-relations>

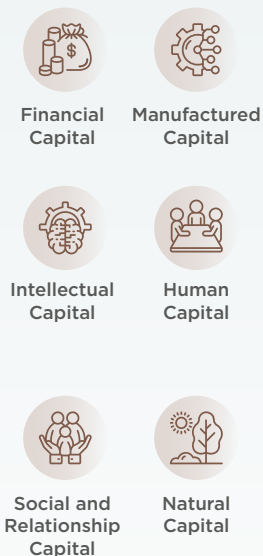


Our listed subsidiary, First Capital Treasuries PLC, provides an account to its stakeholders through its own Annual Report which is available on our website.

CONNECTIVITY OF INFORMATION

The connectivity of information has been improved by the use of the following icons throughout the report.

THE CAPITALS



STAKEHOLDERS



STRATEGIC PILLARS



MATERIAL MATTERS



UN SUSTAINABLE DEVELOPMENT GOALS



About Our Integrated Report

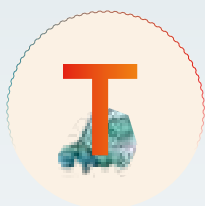
REPORT PROFILE

GRI: 3 -1, 3 -2, 3 -3

Welcome to the fifth Integrated Annual Report prepared and presented by First Capital Holdings PLC (FCH Group) to demonstrate the Group's continued commitment to sustainable value creation and responsible growth. Through

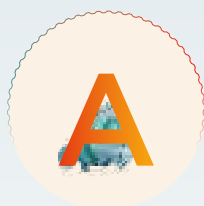
this report, the FCH Group seeks to provide stakeholders with meaningful insight into how financial performance is balanced with broader economic, social, environmental and governance considerations to deliver outcomes that are resilient, responsible, and aligned with the Group's long-term vision for sustainable growth.

Our TAGS-embedded reporting is tailored to deliver both regulatory compliance and stakeholder relevance, encompassing financial, governance and sustainability disclosures which reflect the distinctive nature of our treasury and capital markets operations.



TRANSPARENCY

FCH ensures open and timely disclosures across financial, operational, and sustainability performance. Our reports adopt globally recognised frameworks — GRI, SASB, SLFRS, and the <IR> Framework — with a focus on outcome-driven metrics and integration of stakeholder feedback into our value communication.



ACCOUNTABILITY

FCH maintains a governance structure with defined accountability across executive and operational lines. Internal controls encompass performance-based appraisal, enforcement of ethical conduct, and structured consequence management — supporting trust, compliance and alignment with CBSL, SEC and market expectations.



GOVERNANCE

Our governance disclosures reflect Board independence and adherence to the CA Sri Lanka Code of Best Practice on Corporate Governance and listing rules of Colombo Stock Exchange mainly. Board oversight, committee effectiveness and cross-functional accountability are articulated with clarity and transparency.



SUSTAINABILITY

As a capital markets intermediary, our sustainability focus centres on responsible market conduct, regulatory compliance and financial market integrity. We continue to advance our alignment with the UN SDGs, SASB financial sector standards and SLFRS S1 and S2 requirements, assessed through a double-materiality lens.

KEY IMPROVEMENTS CAPTURED IN THE FY 2025/26



TRANSPARENCY

establishing clear links between stakeholder engagement, material topics, strategy & resource allocation and risks.

expanding supplementary information to include summarised financial statements in Sinhala and Tamil, improving accessibility and understanding for a wider stakeholder base.



ACCOUNTABILITY

detailed Risk Report outlining Financial, Operational, Climate and Sustainability Related Risks.



SUSTAINABILITY

comprehensive SLFRS S1 & S2 disclosures.



GOVERNANCE

declaration by the Chairman about governance practices, regulatory compliance and ethical conduct.

About Our Integrated Report

SCOPE AND BOUNDARY

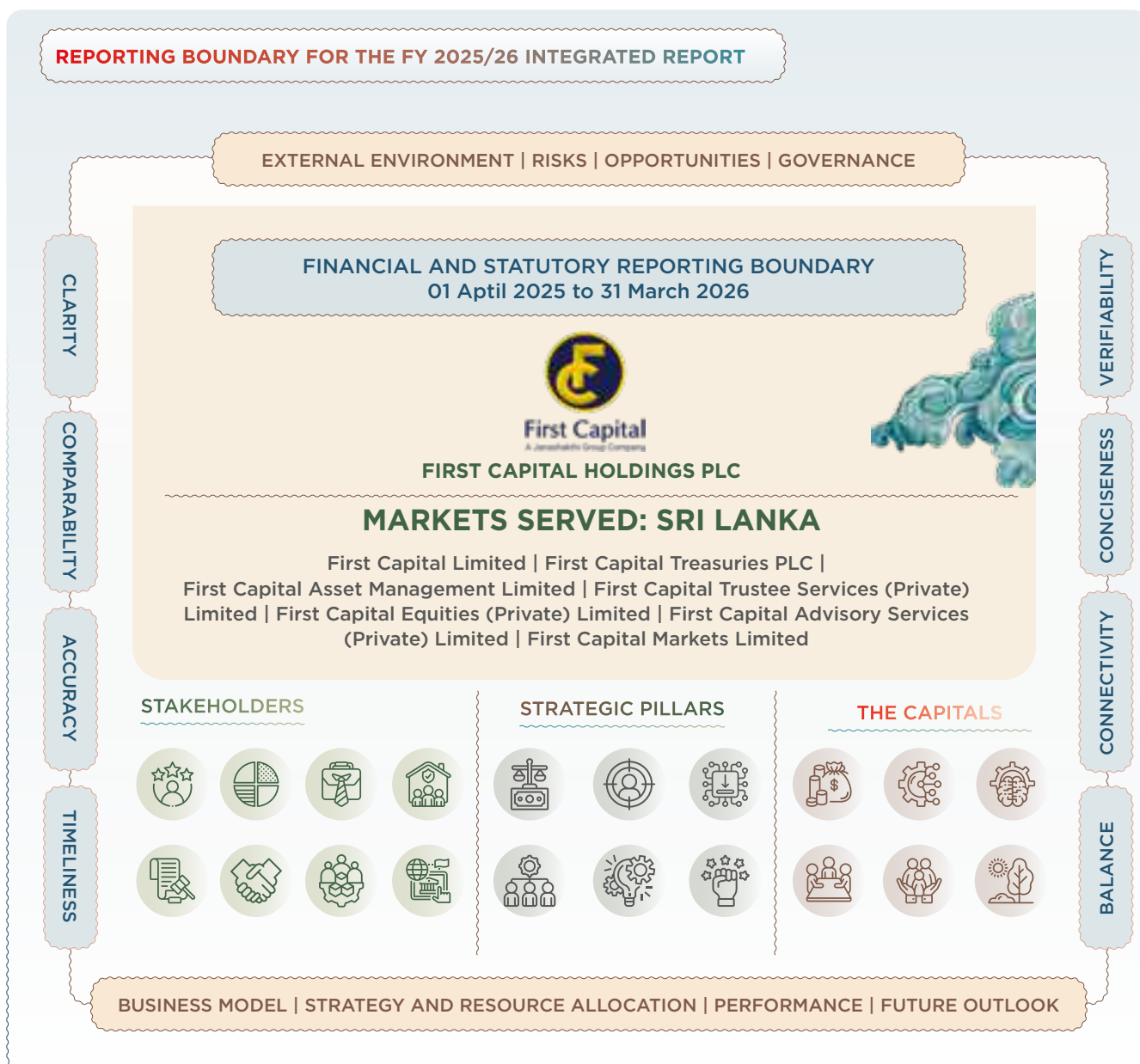
This Integrated Annual Report covers both financial and non-financial information relating to First Capital Holdings PLC for the period from 1 April 2025 to 31 March 2026, which corresponds to the Group's financial year. The report presents a holistic overview of the Group's operational and financial performance across its core business segments, including

government securities, equities, corporate advisory, dealing securities and asset management, while reflecting the interrelationship between the Group's business model, strategy, governance framework, risks and opportunities, and long-term growth aspirations.

Beyond reporting performance outcomes, the report also highlights how the Group's strategy, governance

framework, operational priorities and stakeholder-focused approach collectively contribute to building long-term resilience and sustaining relevance within Sri Lanka's evolving capital market landscape.

All previous reports, including the most recent report for FY 2025/26, are available for viewing and download at <https://firstcapital.lk/investor-relations>



REPORTING FRAMEWORKS

Integrated Reporting (V)



- The International Integrated Reporting Framework of the IFRS Foundation
- "A Preparer's Guide to Integrated Reporting and Supplement 1 & 2"
- The Institute of Chartered Accountants of Sri Lanka

Sustainability Reporting (V)



- Global Reporting Initiative (GRI) standards
- "with reference to" issued by Global Sustainability Standards Board
- United Nations Sustainable Development Goals (SDGs)
- Sustainability Accounting Standards Board (SASB) - Investment Banking and Brokerage (FN-IB) and Asset Management and Custody Activities (FN-AC).
- United Nations Global Compact (UNGC)
- United Nations Women Empowerment Principles (UN WEP)
- The Preparer's Guide to SLFRS S1 & S2 by the Institute of Chartered Accountants of Sri Lanka
- Guidance on ESG Reporting, Colombo Stock Exchange
- Non-financial Reporting Guideline, The Institute of Chartered Accountants of Sri Lanka
- Transparency disclosure checklist issued by Transparency International Sri Lanka

Financial Reporting (M)



- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act, No. 07 of 2007, and subsequent amendments thereto.
- Listing Rules of the Colombo Stock Exchange
- SLFRS S1 and S2 Sustainability and Climate Related Financial Disclosures

Governance, Compliance and Risk Reporting



- Code of Best Practice for Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka - **(V)**
- Corporate Governance Requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE) - **(M)**
- Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) - **(M)**

M - Mandatory Requirements

V - Voluntary Adoption



MATERIALITY

The principle of Materiality serves as a key aspect guiding the selection and prioritisation of content of the Integrated Annual Report. This approach aims to ensure disclosures provide a focused and transparent narrative that captures what matters most to both the business and its stakeholders.

By highlighting the most significant issues that influence the Group's ability to create value over the short, medium, and long term, the materiality-driven reporting process enhances the clarity and relevance of disclosures, in turn reinforcing stakeholder trust, and confidence in the FCH Group's long-term sustainability.



FINANCIAL MATERIALITY

How risks and opportunities affect our capital base, profitability, trading activities and long-term value creation for our investors and providers of financial capital.



IMPACT MATERIALITY

How our operations and market activities influence broader sustainability outcomes, regulatory expectations and the interests of a diverse range of stakeholders beyond our direct financial counterparts.

Refer pages 41 to 45 for more information on the Materiality process

PROCESS AND OVERSIGHT

This report was developed through a multi-disciplinary project team under the guidance of the Annual Report Steering Committee, drawing on internal and external feedback and validated by the Board of Directors.

1

PREPARING

A cross-functional project team comprising finance, sustainability, risk, compliance, research and communications - supported by internal and external advisors - drives comprehensive data collection and content development. Executive and senior management insights are actively incorporated into strategic content and narrative development.

2

REVIEWING

The Risk and Compliance Division identifies material issues using an enterprise risk lens, operational context, and stakeholder input, which are validated and finalised by the Annual Report Steering Committee and the external consultant under the ESG implementation process. The report undergoes multiple review cycles - by the project team, senior management and the Board - ensuring consistency, accuracy and completeness.

3

APPROVING

The Audit Committee reviews and recommends the Annual Report before it is submitted to the Board. The Board of Directors collectively reviews and approves the report. A combined assurance model is applied, with internal review and external assurance from M/s KPMG, Chartered Accountants on financial statements and related disclosures.

ASSURANCE

GRI: 2-4

All sections of this Integrated Report covering both financial and non-financial information, along with the accompanying narrative and supporting qualitative and quantitative data, have been reviewed by the Board Audit Committee. This review was conducted to provide the Board with assurance on the accuracy, consistency and completeness of the report's content.

The Group's external auditors M/S KPMG, Chartered Accountants have provided independent assurance on the financial statements for the year ended 31 March 2026. In addition, limited independent assurance has also been obtained for

- The Integrated Annual Report for FY 2025/26
- GRI Indicators

FORWARD-LOOKING STATEMENTS

GRI: 2-5

The Integrated Annual Report for FY 2025/26 contains certain forward-looking statements relating to the future prospects, strategic priorities, business plans, operational performance, market outlook and anticipated financial and non-financial outcomes of First Capital Holdings PLC. These statements are based on current expectations, assumptions, estimates and projections available to management at the time of preparation of this report.

Forward-looking statements inherently involve risks and uncertainties, many of which are beyond the Group's control, including but not limited to

changes in economic conditions, market dynamics, regulatory developments, geopolitical events, technological disruptions and other external factors that may cause actual results, performance or achievements to differ materially from those expressed or implied in such statements. Accordingly, stakeholders are advised not to place undue reliance on forward-looking statements contained herein.

Disclaimer: The FCH Group undertakes no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by applicable laws and regulatory requirements.

PRECAUTIONARY PRINCIPLE

FCH recognises and supports the precautionary principle in advancing social and environmental sustainability. Whilst maintaining a broader Sustainability-Related Risks and Opportunities (SRROs) framework, during the year we established baseline climate-related measurements and continued embedding Climate-Related Risks and Opportunities (CRROs) into our risk management processes. These steps form part of a long-term commitment to environmental responsibility as our sustainability approach continues to mature.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of First Capital Holdings PLC assumes responsibility for the preparation and presentation of the Integrated Annual Report for the financial year ended 31 March 2026. In fulfilling this responsibility, the Board has exercised appropriate judgement to ensure that the information presented is reliable, relevant,

accurate, and reflective of the Group's operating environment and strategic priorities.

The Board confirms that this Integrated Annual Report has been prepared in accordance with applicable legal and regulatory requirements, relevant financial reporting standards and recognised integrated and sustainability reporting frameworks adopted by the Group.

The Board also confirms that there are no restatements relating to previously published annual reports of First Capital Holdings PLC.

Signed for and on behalf of the Board,

(Sgd.)

Dilshan Wirasekara
Managing Director/CEO

(Sgd.)

Rajendra Theagarajah
Chairman

FEEDBACK AND QUERIES

In line with the commitment to achieving reporting excellence, the FCH Group welcomes feedback regarding this report. All such feedback should be directed to:

Mangala Jayashantha
Chief Financial Officer
First Capital Holdings PLC
No. 02, Deal Place,
Colombo 03
mangala@firstcapital.lk

Our Vision, Mission & Core Values



Who We Are

At First Capital, we exist to connect capital with opportunity, enabling financial progress and resilience across Sri Lanka's evolving capital markets. As a trusted integrated financial services provider with multi-asset class capabilities, we serve a catalytic role in mobilising funds, advising enterprises and empowering investors through insightful, client-first solutions.

We operate at the intersection of expertise and agility, with deep capabilities across five core areas: Government Securities, Corporate Finance Advisory, Corporate Dealing Securities, Asset Management and Stock Brokering.

Our businesses are powered by seasoned professionals, driven by objectivity, fairness and disciplined execution. With a strong research backbone and digital-first distribution, we structure value-creating opportunities to a diversified client franchise.

WHAT SETS US APART

We bring together the strength of our legacy with the mindset of a challenger. Our ability to integrate financial innovation, sharp leadership and responsive service allows us to navigate volatility while staying focused on long-term value.

Unlike transactional service models, we focus on relationships, blending macro understanding with micro engagement. We strive to understand our clients not only as investors but as individuals and institutions with goals that require partnership, not just execution.

Our platform is digital by design, but human at its core. We create access that is equitable, scalable and resilient.



We deliver value by:

Mobilising Capital:

Facilitating access to Sri Lanka's primary and secondary government securities markets and investment opportunities in this and other asset classes driving liquidity, participation and long-term confidence in national funding markets

Managing Wealth:

Offering diversified investment products across unit trusts, including money market funds and customised portfolios, supported by prudent risk management and digital accessibility for both retail and institutional investors



Advising Enterprises:

Guiding corporate clients through critical capital structure decisions: equity and debt raising to M&A and balance sheet restructuring through specialist transaction capabilities

Enabling Equity Market Access:

Providing local and international investors with seamless access to listed equity markets through leading brokerage platforms, research-led insights and investor education tools

Delivering Treasury Solutions:

Supporting institutional and corporate clients through treasury services, structured financing and securities lending; select asset classes delivered in alignment with market regulations and liquidity needs

FCH has refined its vision and mission to reflect a strengthened emphasis on clarity, inclusivity and social responsibility, while remaining anchored to its core mandate in financial services. This renewed strategic direction positions FCH not merely as a provider of financial solutions, but as a socially responsible institution committed to enhancing livelihoods and contributing meaningfully to sustainable national development

CORE IDEOLOGIES



OUR VISION

Improving lives through financial empowerment



OUR MISSION

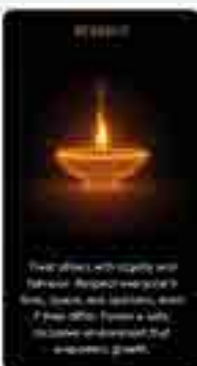
We empower lives through capital markets by driving responsible access, informed decisions, and sustainable wealth creation



OUR CORE VALUES

Our core values define not only how we work, but how we lead, collaborate and grow while upholding the "PERFORMANCE FIRST" ideology

OUR VALUES



Historical Milestones

We harness more than 41 years of expertise to offer comprehensive solutions that meet client needs. First Capital Treasuries PLC (FCT) was founded as a money broker in 1982 and later became a pioneering primary dealer in the local market.

With the Company's roots firmly established in the fixed income space early on, we now have an array of integrated investment and advisory solutions to serve our clients with. Reflective of both organic and inorganic growth over the years, our capabilities and core service offering comprising Government Securities, Corporate Finance Advisory and Dealing Securities, Asset Management and Stock Brokering has evolved to what it is today.

The value proposition is strengthened in part by the diversity of our offering, liquid and robust balance sheet and the resilience of our clients.

We are now well positioned for long-term growth.

2022

Brand Strength

Ranked on the LMD 100 and recognised as the most valuable consumer brand - Investment Banking by Brand Finance.

Broader Markets

Digital response initiatives with renewed focus on retail.

2023

Accolades

LMD Most awarded 2022
Joint No. 1 in the Investment Banking Sector

2021

Apex Performance

Exceeds Profit before Tax of Rs. 2 Bn in FY2020/21.

First Capital Treasuries PLC, the Government Securities business listed on the Colombo Stock Exchange - Diri Savi Board.

Certified as a Great Place to Work® reflecting nurturing work culture.

Brand value of Rs. 1 Bn.

1992-98

Incorporated

First Capital Holdings PLC's predecessor incorporated as CF Venture Fund Limited (CFVF) listed on the Colombo Stock Exchange in 1994. Begins investment management in 1998 in addition to venture capital business.

2006/07

Growth

Acquisition of First Capital Limited by CFVF. Unification under 20+ year brand vintage with name change to First Capital Holdings PLC. Initiates comprehensive service offering through investee companies.

2013

New Services

Initiated stock brokering through strategic acquisition of established brokering house.

1982

Roots

The oldest entity of the Group, First Capital Treasuries PLC was incorporated as a money brokering company.

2010

New Services

Unit Trust management services initiated under the Asset Management unit.

2024

Monumental Performance

Recorded historical highest Profit after Tax of Rs. 10 Bn in FY2023/24.

Highest ever dividend payout.

2026

The Company enhanced its long-term capital base (Tier 2) by way of a listed debenture issue of Rs. 3Bn quoted on the Colombo Stock Exchange by way of Debt Listing.

First Capital Holdings PLC achieved a landmark recognition in its brand evolution journey with its selection as a Superbrand in Sri Lanka

2020

Recognition

Ranked on Business Today Top 30 corporates, demonstrating business prowess.

Enhanced Risk Discipline

Corporate credit rating upgraded to [SL] A from [SL] A-.

2024

Year of Excellence

Triumphed as the "Brand of the Year"- SLIM Awards.

Most Awarded Entity in the Investment Banking Sector.

Credit Rating ungraded from "A" to "A+".

Recorded the second highest Profit after Tax of Rs. 5Bn in FY 2024/25.

2018

Acquisition

The Company was acquired by Janashakthi Limited.

2014

Differentiated Market Position

Traction through several highly visible pioneering, industry leading transactions including term repos and micro- securitisations.

2015

Expanded Offering

Expanded operational footprint through core offering of Government Securities, Corporate Finance Advisory, Corporate Dealing Securities, Asset Management and Stock Brokering. Marked strategic position and differentiation from peers.

Our Group Structure

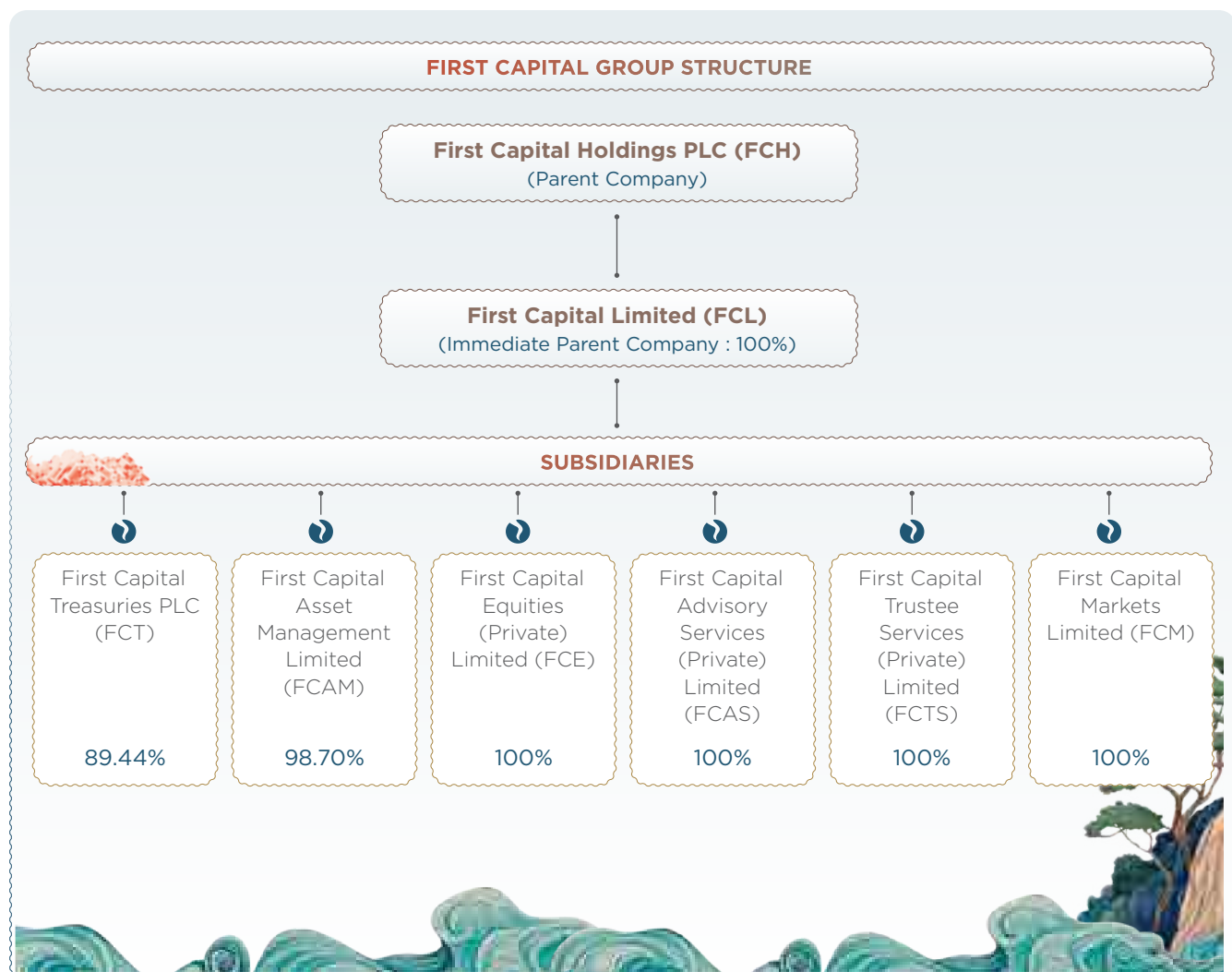
Our Group Structure First Capital Holdings PLC is the holding Company of a uniquely integrated suite of core businesses, providing capital market solutions across Sri Lanka. FCH is listed on the Colombo Stock Exchange under the ticker CFVF and is structured to deliver both financial independence and strategic cohesion across its subsidiaries.

FCH operates through a two-tier structure, with First Capital Limited as its 100% owned operating company. In turn, First Capital Limited holds either full or majority ownership in seven subsidiaries,

allowing effective control over operational priorities while maintaining strategic autonomy at the subsidiary level.

These subsidiaries serve as the Group's operational arms, each responsible for distinct financial services domains. Regulated businesses are licensed by the Securities and Exchange Commission of Sri Lanka and/or the Central Bank of Sri Lanka. Each entity operates with its own Board of Directors, governance mechanisms, and compliance mandates aligned with regulatory requirements.

Subsidiaries operate independently but are guided by the overarching philosophy and stewardship of the Group. Non-executive representation from FCH ensures strategic alignment and robust Governance, while shared services across Operations, Risk and Compliance, Finance, Information Technology and Digital, Brand Development, Customer Relationship Management, Research, Human Resources, Administration and Legal create synergies.



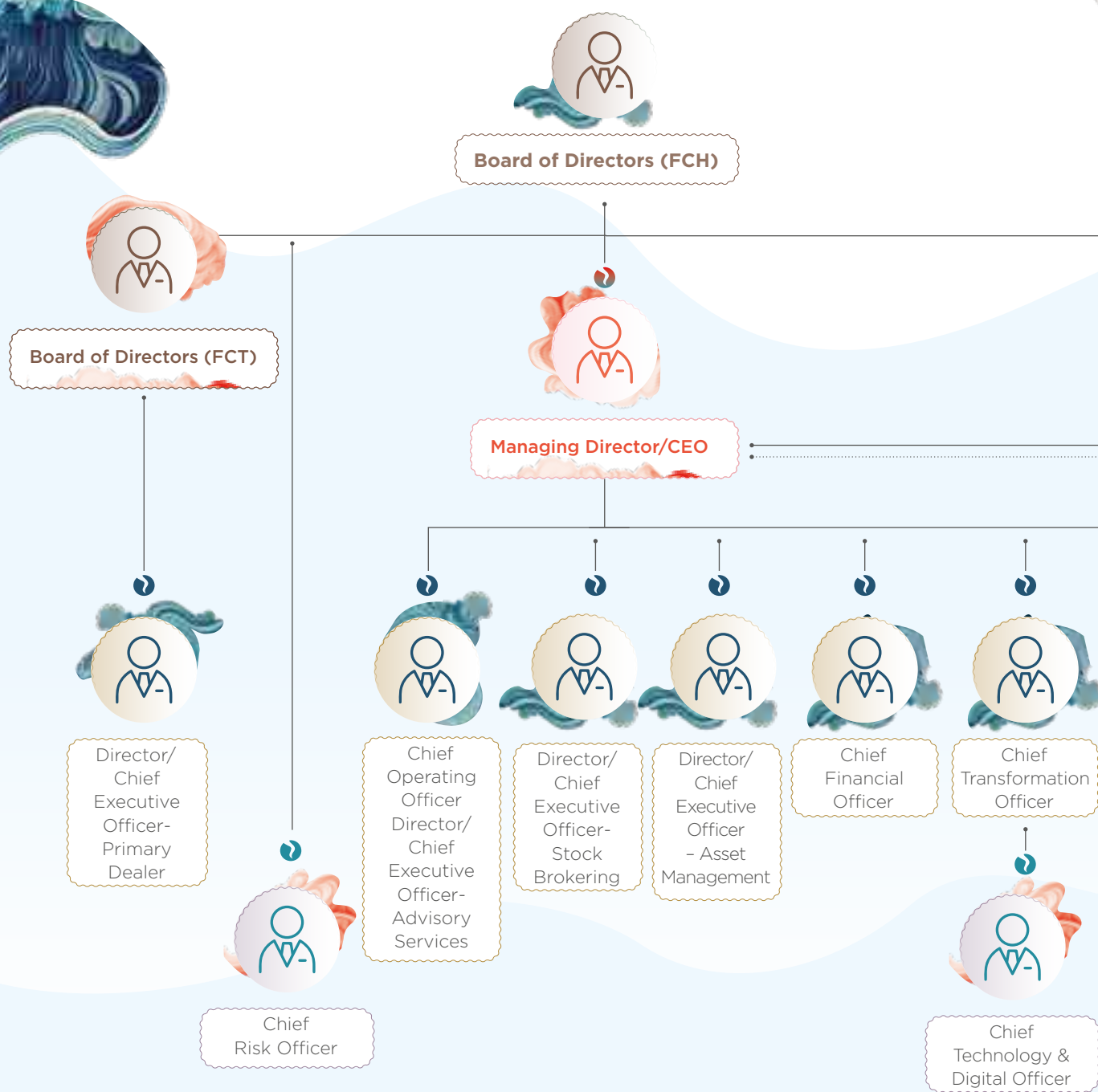
PRINCIPAL ACTIVITIES OF THE SUBSIDIARIES

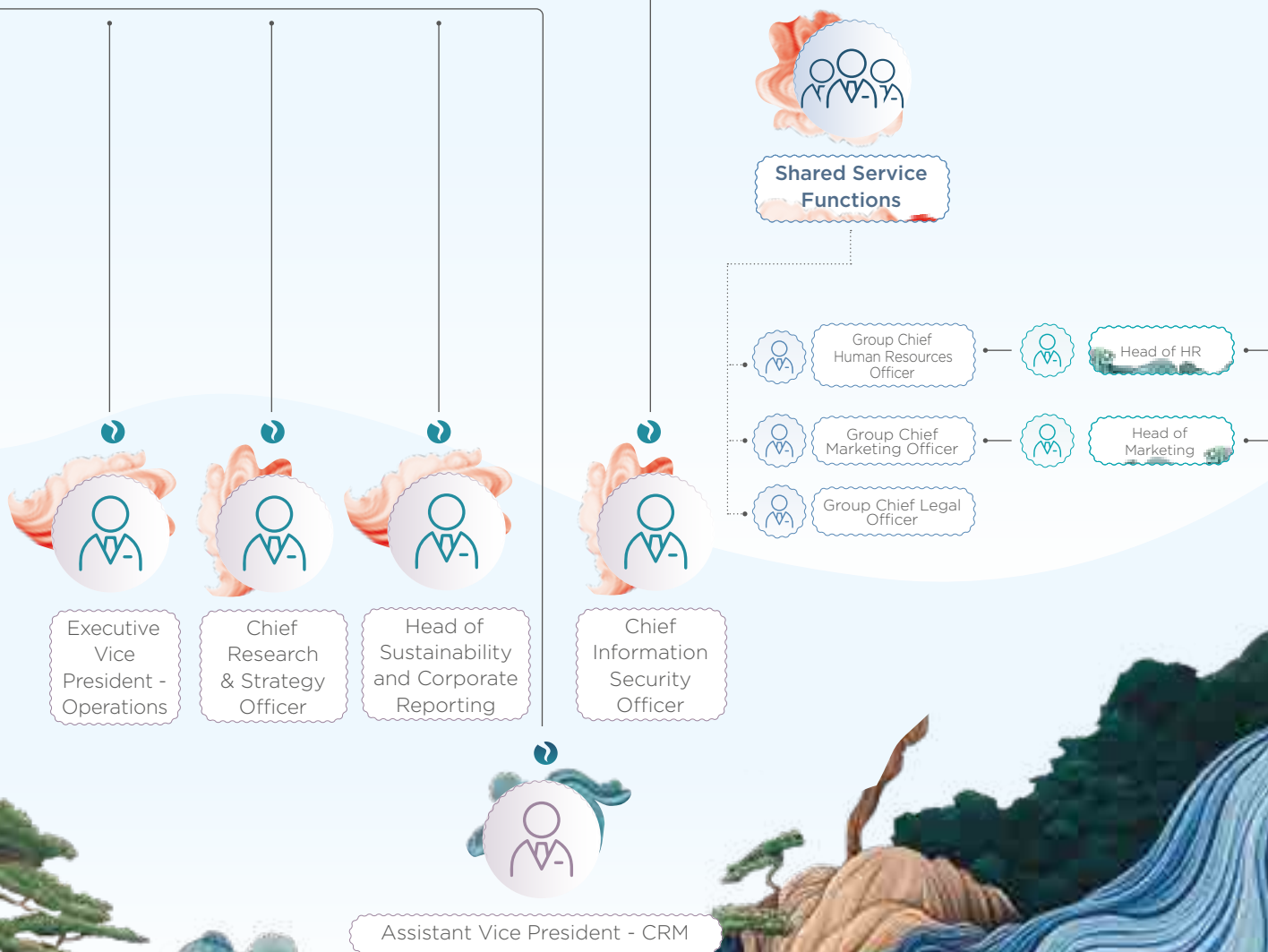
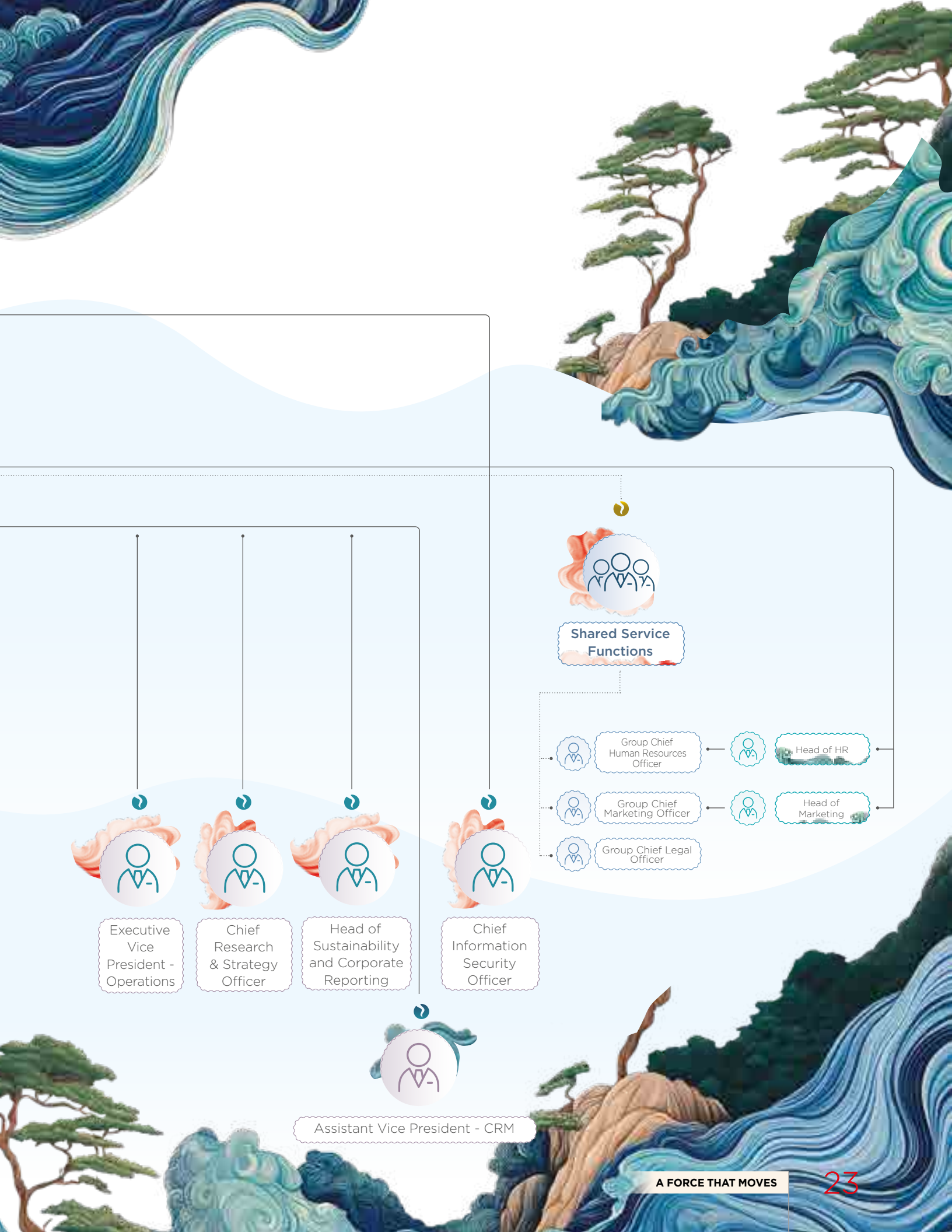
Subsidiary	Effective Holding	Key Role
First Capital Limited	100%	Specialises in fixed income and dealing securities.
First Capital Treasuries PLC	89.44%	Standalone non-bank primary dealer in government securities.
First Capital Asset Management Limited	98.70%	Manages unit trust funds and private wealth of High Net Worth Individual (HNWI) and corporate clients.
First Capital Equities (Private) Limited	100%	Offers equity trading for institutional and retail investors.
First Capital Advisory Services (Private) Limited	100%	Provides corporate advisory services under new SEC regulations.
First Capital Trustee Services (Private) Limited	100%	Provides trustee services for unlisted securitisations.
First Capital Markets Limited	100%	General investments (fixed income)

Through this architecture, FCH fosters operational focus and market specialisation, while also providing cross-functional leadership to support innovation, compliance and client-centricity.



Our Organisational Structure





Why Invest in First Capital

At First Capital, we are reimagining what it means to be a leading investment and advisory solutions provider in a dynamic, digitally connected and impact-conscious financial era. With over four decades of capital market leadership, we now deliver a distinctive blend of disciplined growth, inclusive reach and exponential innovation. We are grounded in purpose, governed by trust and activated by performance.

A DISTINCTIVE MODEL WITH ENDURING RELEVANCE

Our portfolio spans four synergistic businesses - Government Securities, Corporate Finance Advisory and Corporate Dealing Securities, Asset Management and Stock Brokering. These are underpinned by digital infrastructure, domain expertise and a singular focus on client interest. We aim to lead in segments where deep insight, regulatory strength and solution-led delivery offer sustainable differentiation.

STRONG FUNDAMENTALS, CAPITAL CONFIDENCE

First Capital maintains robust liquidity and disciplined risk management, reflected in our A+(Stable) credit rating as rated by Lanka Rating Agency (LRA).

- Group gearing supports fund-based lines
- Holding company gearing ensures financial agility

This dual capital profile allows us to manage yield cycles, preserve balance sheet strength and capture emerging growth selectively.

DIGITAL FIRST EXECUTION WITH REAL WORLD IMPACT

We are shaping the future of investing through:

- WhatsApp based transacting
- Digital onboarding and real-time mobile engagement
- Debit card integration with unit trusts

Our market first implementations earned us national innovation awards and redefined the retail investing experience in Sri Lanka.

TRUSTED BRAND, INSTITUTIONAL RECOGNITION

FY2026 was a year of exponential visibility winning coveted accolades and awards including the Sri Lanka's first investment "Super brand" and retaining our Great Place to Work® certification. As part of JXG, we combine institutional depth with commercial independence, offering investors a compelling blend of brand strength, governance quality and market agility.

FINANCIAL LITERACY WITH CIVIC IMPACT

Our commitment to financial inclusion is purpose-led. Through webinars, university initiatives and a plethora of financial literacy initiatives, we have brought capital market access to thousands of new investors. We see this not as outreach, but as infrastructure - laying the foundation for a more informed, inclusive investor economy.

RESILIENT EARNINGS, RISING QUALITY

Our earnings are underpinned by a balanced mix of fund-based and fee-based income, with growing emphasis on recurring income streams. We continue to tactically manage liquidity and duration positioning to unlock yield curve arbitrage while supporting client-led flows.

REGIONAL VISION, LOCAL LEADERSHIP

We are rooted in Sri Lanka's capital market evolution and now looking outward. Scoping exercises are underway to extend advisory and investment solutions across South Asia's frontier markets, leveraging our regulatory insight and institutional networks.



OUR PERFORMANCE JOURNEY

A Force that Flows

Continued enhancement of operations leads the way at First Capital Holdings. By performing seamlessly, assessing outcomes clearly, refining processes thoroughly and strengthening engagement holistically, we ensure that our every forward movement remains responsive and purposeful.

The beauty of a waterfall is realised as water spills over the edge, transforming stored energy into a powerful and invincible cascade.

Awards & Recognitions



- 01 Super Brands – Among the Super Brands in Sri Lanka – First Capital Holdings PLC
- 02 Ranked among 100 Most Valuable Brands – First Capital Holdings PLC
- 03 LMD Most Awarded Brands (Investment Banking Sector) – No.1 First Capital Holdings PLC, No.2 First Capital Treasuries PLC
- 04 LMD Most Loved Brands – Wealth Management Category- First Capital Asset Management Limited
- 05 SLIM Brand Excellence Awards- Silver for Service Brand of the Year 2025 – First Capital Holdings PLC
- 06 Satynmag Women Friendly Workplace Awards 2025- Higher Representation of Women on the Board – First Capital Holdings PLC
- 07 CFA Society Sri Lanka Capital Market Awards 2025
7.1-Best Unit Trust Fund - First Capital Money Market Fund - Bronze Award
7.2-Best Equity Research Report - Silver Award (Report on JAT Holdings PLC)
- 08 CMA Integrated Reporting Awards- Investment Banking Sector (Winner) and a Merit Award for Integrated Reporting Awards – First Capital Holdings PLC
- 09 Sector Winner – Best Management Practices Company Awards 2025- First Capital Holdings PLC
- 10 Sector Award - Investment Banking (Gold) - First Capital Holdings PLC
- 13 TAGS AWARDS
- 14 TAGS AWARDS
- 15 TAGS AWARDS
- 17 Great Place To Work Certified SEP 2023-SEP 2024 USA
- 20



- 011 Cluster Award Winner - People/HR Governance (ESG) (Gold) - First Capital Holdings PLC
- 012 Forty Outstanding Companies - Best Management Practices (Gold) - First Capital Holdings PLC
- 013 Gold Award - TAGS Awards 2025 - First Capital Holdings PLC - Investment Banking Category
- 014 Gold Award - TAGS Awards 2025 - First Capital Money Market Fund - First Capital Asset Management Limited - Unit Trust Category
- 015 Silver Award - TAGS Awards 2025 - First Capital Treasuries PLC -Other Financial Services Category
- 016 First Capital Officially Reached 100,000 subscribers in YouTube - First Capital Holdings PLC

- 017 Recognised as a Great Place to Work - First Capital Holdings PLC
- 018 Brand Finance - Most Valuable Consumer Brands - Among Top 100 (Rank 61) - First Capital Holdings PLC
- 019 LMD 100 - Among the top 100 Brands in SL - First Capital Treasuries PLC
- 020 Winner-Leading Investment Banking Firm- Sri Lanka -World Economic Magazine 2026-First Capital Holdings PLC

Key Corporate Highlights



Introduce SAVI- Smart Assistant for Virtual Investments



First Capital Startup Nation by Hatch



Signed the Partnership for Carbon Accounting Financials (PCAF) to advance financed emission calculations - FCH & FCT



First Capital Advisory Services, served as the official Business Advisory Partner at the Scale Up 2025 National SME Forum organised by the Ceylon Chamber of Commerce



Partnered with The Wildlife and Nature Protection Society of Sri Lanka (WNPS), Preserving Land and Nature (Guarantee) Limited (PLANT) to make a forest corridor for 4km



First Capital Mid-Year Outlook Investor Forum was released in Sinhala & Tamil (interpretation) and English (live) for the first time in Sri Lanka.



InvestED Programme- Educate over 1000 students Covering National Institute of Business Management, KIU University, ANC Institute, University of Jaffna, University of Kelaniya, ACBT University, University of Colombo and Lyceum international

Affiliations

As an institution anchored in trust, regulation and best practice, First Capital is affiliated with leading industry bodies. These affiliations ensure our alignment with evolving standards in capital markets, investment management and financial intermediation. Our active participation in professional

associations and market advisory forums reflects our role as a voice in policy, a partner in development and a practitioner of responsible finance.

FCH's other affiliations and partnerships reflect our commitment to thought leadership,

community development, collaboration and talent empowerment. In FY2025/26, we actively engaged in initiatives across education, sports, finance, and social development, amplifying our corporate values and stakeholder engagement.

FCH GROUP DIGITAL CHANNEL ARCHITECTURE



INDUSTRY AFFILIATIONS AND SPONSORSHIPS

We continued our active participation in professional and regulatory bodies, supporting capital market development, financial literacy and governance standards. Key industry relationships include:

AICPA and CIMA - Development Quality Partner
CA Sri Lanka Training Partner



SUSTAINABILITY ENGAGEMENTS

To strengthen its commitment to sustainable and responsible business practices, FCH actively engaged in global sustainability initiatives through memberships:

Acceptance to the Sustainability Standard and Certification Initiative (SSCI) by European Organisation for Sustainable Development

Member of the United Nations Global Compact (UNGC)

Signatory to the United Nations Women Empowerment Principles (UN WEP)

Signatory to the United Nations Principles for Responsible Investments (UN PRI)

Signatory to the Partnership for Carbon Accounting Financials (PCAF)



EDUCATION AND YOUTH DEVELOPMENT PARTNERSHIPS

FCH proudly supported universities and student-led initiatives, promoting investment awareness and financial capability among future professionals:

University of Kelaniya - Investment Week - Performance Partner

University of Colombo - MAGNATE 2025 - Title Sponsor



CAPITAL MARKET ENGAGEMENTS

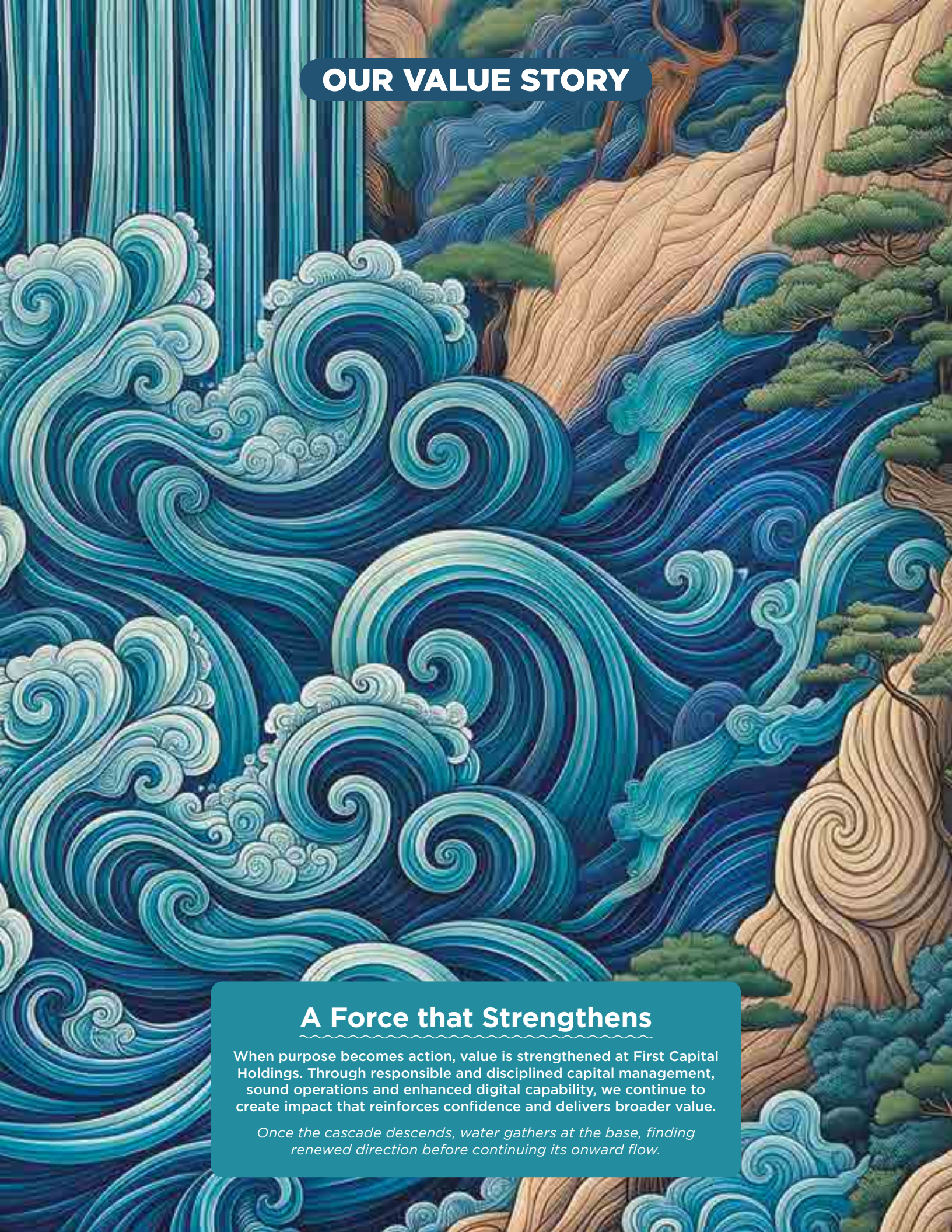
To encourage awareness and enthusiasm in the capital markets, FCH sponsored competitive and knowledge building events:

CFA Society - Gold Sponsor

Title Sponsor - First Capital Startup Nation by Hatch







OUR VALUE STORY

A Force that Strengthens

When purpose becomes action, value is strengthened at First Capital Holdings. Through responsible and disciplined capital management, sound operations and enhanced digital capability, we continue to create impact that reinforces confidence and delivers broader value.

Once the cascade descends, water gathers at the base, finding renewed direction before continuing its onward flow.

Stakeholder Engagement

As one of Sri Lanka's leading integrated financial services Groups, the FCH Group recognises that its long-term success is determined not only by financial performance, but also by its ability to build strong, trusted, and enduring relationships with stakeholders across the capital market ecosystem.

Given its extensive operations spanning government securities, equities, corporate advisory, dealing securities and asset management, the FCH Group engages with a diverse range of stakeholders whose confidence and participation are integral to the Group's continued growth and relevance. As such, stakeholder engagement remains a fundamental aspect of the Group's operating philosophy.

The Group strives to continuously engage with stakeholders to better understand their expectations and in turn embedding these insights into its strategy and business plan, thereby reinforcing its position as a trusted financial partner within Sri Lanka's capital market ecosystem.

As the ultimate authority responsible for stakeholder engagement, the FCH Group Board provides strategic direction and oversight to ensure that stakeholder interactions are conducted in a consistent, transparent, and responsible manner aligned with the Group's values, governance standards, and long-term objectives.

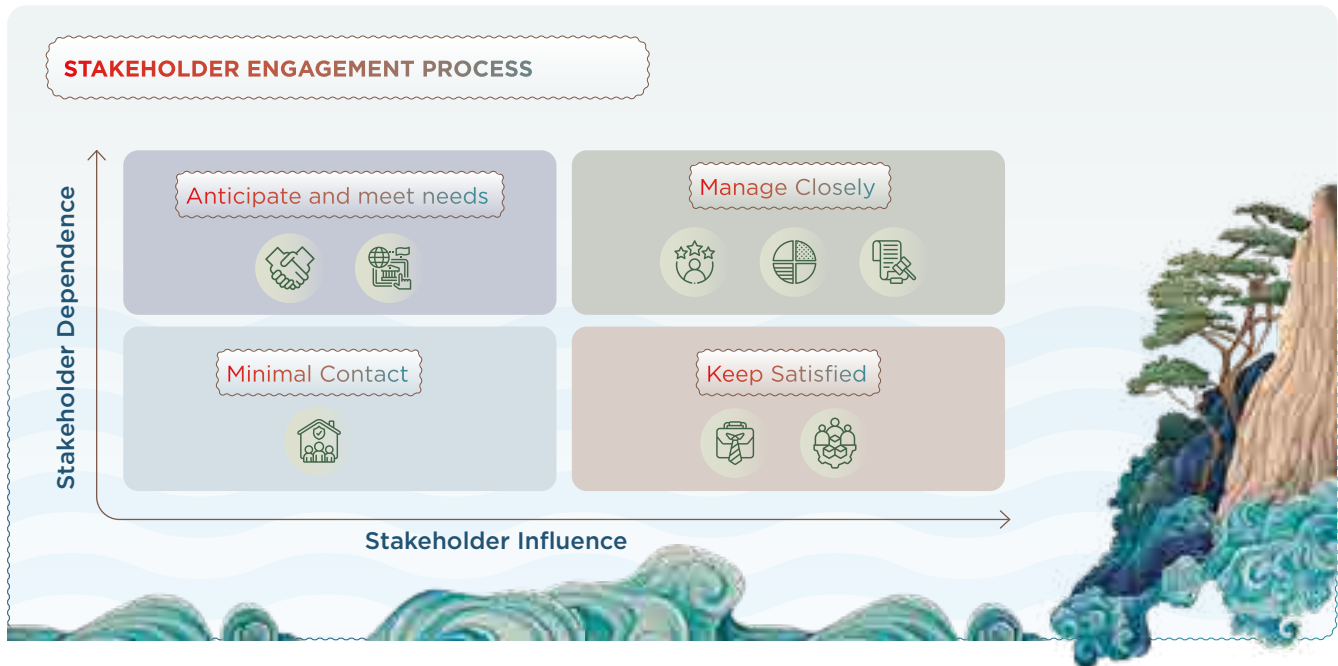
The operational responsibility for stakeholder engagement is delegated to management and relevant business units, which are tasked with conducting regular engagements across stakeholder groups.

STAKEHOLDER ENGAGEMENT OBJECTIVES

The objectives for stakeholder engagement align with the Group's overall strategic priorities and mission. These objectives are established prior to each engagement cycle and include the following:

- **Determining the scope and objectives** – identifying which stakeholders will be engaged, the geographic area, and the level of involvement, to manage expectations and resources effectively.
- **Alignment with Strategic Goals** – supporting the Group's strategic priorities and identifying specific areas such as sustainability, customer satisfaction, and risk management where stakeholder input adds value.
- **Expected outcomes** – clearly outlining measurable results expected from each engagement cycle, tied to specific initiatives or decisions.
- **Understanding stakeholder expectations and concerns** – ensuring engagement objectives address stakeholder needs for a mutually beneficial process.





The above four-stage process is governed and approved by the Chairman of the Sustainability Management Committee, with each stage formally documented through the Stakeholder Engagement Request Form, Stakeholder Engagement Survey, and the consolidated ESG Stakeholder Engagement & Materiality Assessment Results document.

Each stakeholder group is assessed based on seven criteria – interest, influence, expertise, orientation, vulnerability, capacity, and trust – and mapped to determine the most appropriate engagement strategy (Manage Closely, Keep Satisfied, Anticipate and Meet Needs, or Minimal Contact). The engagement approach selected for each group – ranging from Monitor and

Message to Consult, Collaborate and Innovate – is commensurate with the stakeholder's influence and the Group's dependence on their engagement. Outcomes of all stakeholder engagements are reviewed annually and feed directly into the Group's ESG KPIs, targets, and broader sustainability strategy.

 CLIENTS RESPONSIBILITY FOR ENGAGEMENT - MARKETING & CUSTOMER RELATIONSHIP MANAGEMENT DIVISION		Importance to the Group - CRITICAL Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH
- Digital platforms (Continuous and Ongoing) - Research briefings (Periodic) - Net Performance Score (NPS) Surveys (Periodic) - Investor forums (Periodic) - Meetings (As needed) - Client events (Periodic) - Call centre (Continuous and Ongoing) - Press releases (As Needed) - Corporate website (Continuous and Ongoing) - Social Media platforms (Continuous and Ongoing)	- Consistency in digital customer experience - Market volatility - Need for bespoke advice - Access to digital and high-yield solutions - Service consistency - Data protection and privacy	   
Value Creation Scorecard FY 2025/26	Further Information	SDG's
- Launch of the WhatsApp-enabled investment service - Obtained the ISO/IEC 27001:2022 Information Security Standard certification - Upgraded DR capabilities - Implemented the Data Protection Policy in line with the Personal Data Protection Act No. 09 of 2022 ("PDPA") - First Capital Mid-Year Outlook Investor Forum 2025 - Capital Colombo Investor Symposium	Social and Relationship Capital - pages 312 to 321	     

 EMPLOYEES RESPONSIBILITY FOR ENGAGEMENT - HUMAN RESOURCES DIVISION		Importance to the Group - HIGH Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH
- GPTW survey (Annual) - Learning and Development Initiatives (Continuous and Ongoing) - Wellness events (Continuous and Ongoing) - Cross functional engagement (Continuous and Ongoing) - Performance Evaluation (Annual) - Communal/societal initiatives (As needed)	- Remuneration and benefits - Career pathways - Leadership engagement - Hybrid work arrangements - Diversity and inclusion - Recognition and rewards - Safety and wellbeing	
Value Creation Scorecard FY 2025/26	Further Information	SDG's
- Rs. 1 Bn paid as monetary benefits to employees 4,529 training hours 61:39 Overall Gender Balance 18% women in leadership	Human Capital - pages 286 to 311	    

 SHAREHOLDERS & INVESTORS RESPONSIBILITY FOR ENGAGEMENT - BOARD OF DIRECTORS / INVESTOR RELATIONS & CORPORATE FINANCE			Importance to the Group - HIGH
			Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH	
- AGM (Annual) - Rating reviews (Periodic) - Disclosures (As needed) - Press releases (As Needed) - Corporate website (Continuous and Ongoing) - Social Media platforms (Continuous and Ongoing)	- Earnings quality - Governance and stewardship - Capital allocation - Risk management efficiency	  	
Value Creation Scorecard FY 2025/26	Further Information	SDG's	
- A+(Stable) credit rating - Rs. 4.77 EPS - Rs. 19.4 NAV per share 1.32 Liquidity Asset Ratio	Financial Capital- pages 258 to 266	  	

 REGULATORS RESPONSIBILITY FOR ENGAGEMENT - RISK & COMPLIANCE DIVISION		Importance to the Group - CRITICAL Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH
- Regulatory filings (As mandated) - Licensing consultations (As Mandated) - Industry discussions (As needed) - Tax filings and payments (As mandated)	- Market conduct - Cybersecurity - ESG transparency	    
Value Creation Scorecard FY 2025/26	Further Information	SDG's
- Rs. 2.7Bn paid as taxes - Implemented the Data Protection Policy in line with the Personal Data Protection Act No. 09 of 2022 ("PDPA") - No material incidents of non-compliance of regulations	Financial Capital- pages 258 to 266	  

Stakeholder Engagement

 BUSINESS PARTNERS RESPONSIBILITY FOR ENGAGEMENT - STRATEGY DIVISION		Importance to the Group - HIGH
		Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH
- Transactional partnerships (As Needed) - Joint initiatives (As Needed) - Platform alliances (As Needed)	- Platform stability - Innovation and collaboration - Ethical alignment	 
Value Creation Scorecard FY 2025/26	Further Information	SDG's
Sponsor of Sri Lanka's largest Startup building initiative "First Capital Startup Nation" organised by Hatch	Intellectual Capital - pages 276 to 285	  

 SUPPLIERS AND SERVICE PROVIDERS RESPONSIBILITY FOR ENGAGEMENT - ADMINISTRATION DIVISION		Importance to the Group - MODERATE
		Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH
- Procurement process (As Needed) - Meetings (As Needed) - Service Level Agreements (As Needed)	- Fair procurement - ESG standards - Payment cycles	
Value Creation Scorecard FY 2025/26	Further Information	SDG's
Rs. 610.9Mn Paid to suppliers	Social and Relationship Capital - pages 312 to 321	 

 FINANCIAL INSTITUTIONS RESPONSIBILITY FOR ENGAGEMENT - TREASURY & CORPORATE FINANCE DIVISION			Importance to the Group - HIGH
			Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH	
• Credit facility reviews (Periodic) • Bilateral meetings with correspondent banks (Periodic) • Regulatory & compliance reporting (As required) • Financial disclosures & publications (As needed) • Corporate website (Continuous & Ongoing) • Industry forums & banking conferences (Periodic)	• Creditworthiness & counterparty risk • Liquidity Management & funding stability • Regulatory compliance & AML/ KYC adherence • Capital adequacy & asset quality • Transparency in financial reporting • ESG alignment in lending & financing activities	  	
Value Creation Scorecard FY 2025/26	Further Information	SDG's	
• A+ (Stable) credit rating • Capital Adequacy Ratio - 24.22% • 1.32% Liquidity Asset Ratio • Rs. 3.5 Bn credit lines secured	Financial Capital- pages 258 to 266	   	

 COMMUNITY AND ENVIRONMENT RESPONSIBILITY FOR ENGAGEMENT - SUSTAINABILITY DIVISION			Importance to the Group - LOW
			Strength of Relationship 
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Material Themes for FCH	
- CSR initiatives (Periodic) - Civic partnerships (As Needed) - Sponsorships (As Needed) - Digital financial literacy campaigns (Continuous and Ongoing) - Press releases (As Needed) - Corporate website (Continuous and Ongoing) - Social Media platforms (Continuous and Ongoing)	- Inclusion - Financial literacy - Education access - Sustainability practices	   	
Value Creation Scorecard FY 2025/26	Further Information	SDG's	
- Rs. 15 Mn Donation to Sri Lanka Rebuild Fund - FinPowerHer Financial Literacy programme - Rs. 2.5Mn invested in nature positive initiatives	Social and Relationship Capital - pages 312 and 321	     	

Material Matters

Materiality plays a critical role in enabling the FCH Group to identify and focus on the Environmental, Social, Governance, and Economic matters that have the greatest influence on long-term value creation, business resilience, stakeholder confidence, and sustainable growth. As an integrated financial services Group operating within Sri Lanka's dynamic capital market ecosystem, understanding the issues most relevant to both the business and its stakeholders is essential to ensuring that strategic priorities, risk management practices, and resource allocation remain aligned with evolving market expectations and emerging sustainability considerations.

In the current financial year, the FCH Group further strengthened its Materiality determination process in line with the best

global practices. The Group adopted a comprehensive process for identifying the most significant matters influencing the Group's operations as well as its stakeholders which involves evaluating multiple internal and external factors, including regulatory developments, macroeconomic conditions, evolving capital market trends, sustainability-related risks, technological transformation, and the Group's strategic priorities and coupled with insights obtained through engagement with stakeholders. The result was the identification of broad Material themes most relevant to the FCH Group and its stakeholders. In this manner, a total of 10 Material themes were identified as relevant for the FCH Group in FY 2025/26.

Material themes were then subject to the Double Materiality

Assessment (DMA) to evaluate both financial materiality and impact materiality. The main purpose of the DMA is to assess how Material themes may influence the Group's financial performance, resilience, and enterprise value, while also assessing how such factors impact the broader economy, society, and environment.

Material themes were subsequently expanded upon using globally recognised frameworks and standards including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Integrated Reporting Framework, and the SLFRS S1 and S2 sustainability disclosure standards to identify a broader range of sub-topics that offer deeper insight into key focus areas for the FCH Group.

GRI: 3 -1, 3 -2, 3 -3

MATERIALITY DETERMINATION PROCESS





No	Material Matters	Materiality Level	ESG Link
1.	Economic Performance & Financial Resilience	Medium	Governance
2.	Responsible Financing & Sustainable Credit	Medium	Social
3.	Digitalisation, Data & Cyber Security	High	Governance
4.	Customer Experience, Protection & Financial Inclusion	High	Social
5.	Employee Relations, Talent & Workplace Culture	High	Social
6.	Business Ethics, Risk Management & Regulatory Compliance	Medium	Governance
7.	Climate Change, Emissions & Environmental Risk	High	Environment
8.	Industry Partnerships & Collaborations	High	Governance
9.	Community Development & Societal Impact	High	Social
10.	Responsible Sourcing & Resource Management	High	Environment

FCH GROUP MATERIAL THEMES

DOUBLE MATERIALITY LEVEL

	High	Medium	Low	Low	Medium	High
Industry Partnerships & Collaborations						
Business Ethics, Risk Management & Regulatory Compliance						
Digitalisation, Data & Cyber Security						
Economic Performance & Financial Resilience						
Community Development & Societal Impact						
Employee Relations, Talent & Workplace Culture						
Customer Experience, Protection & Financial Inclusion						
Responsible Financing & Sustainable Credit						
Responsible Sourcing & Resource Management						
Climate Change, Emissions & Environmental Risk						
	Impact Materiality (ESG factors)			Financial Materiality		

SECTION

1

2

3

4

5

6

7

8

Material theme	Topic boundary	GRI Reference	Management Approach: through integration with FCH Group Strategic Priorities					Resource Allocation through Capitals
			Digitally Differentiated Client Experience	Scalable Market Expansion and Geographic Reach	Capital-Efficient Growth	ESG-Embedded Stewardship	Empowered Execution and Talent Agility	
1 Climate Change, Emissions & Environmental Risk	Internal: Operational resource usage External: Environmental and climate impacts	GRI 305 GRI 306				✓		
2 Responsible Sourcing & Resource Management	Internal: Resource consumption practices / External: Supplier sustainability standards	GRI 204				✓		

Material Matters

Material theme	Topic boundary	GRI Reference	Management Approach: through integration with FCH Group Strategic Priorities					Resource Allocation through Capitals
			Digitally Differentiated Client Experience	Scalable Market Expansion and Geographic Reach	Capital-Efficient Growth	ESG-Embedded Stewardship	Empowered Execution and Talent Agility	
3	Responsible Financing & Sustainable Credit	Internal: Investment governance practices / External: Responsible capital allocation		✓	✓			
	  							
4	Customer Experience, Protection & Financial Inclusion	Internal: Customer service standards / External: Investor access and protection	✓	✓	✓			
	   							
5	Employee Relations, Talent & Workplace Culture	Internal: Employee wellbeing and development External: Employer brand perception					✓	
	     							
6	Community Development & Societal Impact	Internal: Community engagement initiatives External: Financial literacy advancement				✓		
	   							

Material theme	Topic boundary	GRI Reference	Management Approach: through integration with FCH Group Strategic Priorities					Resource Allocation through Capitals
			Digitally Differentiated Client Experience	Scalable Market Expansion and Geographic Reach	Capital-Efficient Growth	ESG-Embedded Stewardship	Empowered Execution and Talent Agility	
7 Economic Performance & Financial Resilience  	Internal: Financial and operational stability External: Market confidence and growth	GRI 201	✓	✓	✓		✓	
8 Digitalisation, Data & Cyber Security  	Internal: Technology and security controls External: Customer data protection	GRI 418	✓			✓		 
9 Business Ethics, Risk Management & Regulatory Compliance  	Internal: Governance and control frameworks External: Regulatory and stakeholder trust					✓		
10 Industry Partnerships & Collaborations   	Internal: Strategic partnership coordination External: Industry and ecosystem development		✓	✓				



First Capital
A Janashakthi Group Company

OUR VALUE CREATION MODEL

Our Value Creation Model

KEY INPUTS

Financial Capital

- Equity **Rs. 8.7 Bn**, Debt **Rs. 61.4 Bn**
- ROE of **23.22%, A+** (Stable) Credit Rating reaffirmed (LRA)
- Proprietary and client portfolios under active management
- Funded balance sheet model enabling leveraged trading (esp. Government securities)
- SLFRS S1** and **S2** compliance investments underway at **FCH** and **FCT**

Intellectual Capital

- ISO 31000**-aligned enterprise risk framework
- AI-driven CRM and analytics engine (integrated across channels)
- Multi-asset structuring expertise (debt, equity, M&A, hybrid)
- Dedicated Research and Strategy Unit (awarded by CFA Sri Lanka)
- First Investment "Superbrand", positioning First Capital as a pioneer in Sri Lanka's investment sector

Human Capital

- 164** staff across Group; GPTW Index: **90%**, retention: **87.1%**
- 4,529** training hours; **Rs. 92,677** per employee invested
- INSEAD executive programme earmarked, internal mobility at 13%
- Expansion of leadership/ teams across Asset Management, Corporate Finance Advisory and Stock Brokering
- Diversity and Inclusion and mental wellness initiatives embedded into HR strategy

Manufactured Capital

- 6** physical locations and **2** virtual branches,
- Property, Plant & Equipment valued at **Rs. 624Mn** as at 31 March 2026
- Robust Digital Channel Architecture
- IT Infrastructure valued at **Rs. 112.3Mn** as at 31 March 2026
- Support systems, including ISO/IEC 27001:2022 certified information security system along with State-of-the-art BCP & DR Infrastructure

Social and Relationship Capital

- 48.8%** YoY client base growth with regional inclusion focus
- Launch of the WhatsApp-enabled investment service
- Implemented the Data Protection Policy in line with the Personal Data Protection Act No. 09 of 2022 ("PDPA")
- CSAT and NPS surveys were conducted covering **5%** of the Group customer base
- Rs. 706Mn** paid to suppliers/ service providers including vendors
- Rs. 18Mn** allocated for CSR activities

Natural Capital

- Scope **1**, **2** and Scope **3** (excluding financed emissions) GHG inventory commenced
- LED retrofits, HVAC upgrades, and solar pilots (offices)
- 9,244** accounts opened via paperless onboarding
- Mangrove replantation, beach cleanup, ESG procurement frameworks
- ESG integration into facilities and operations under SLFRS roadmap
- Increased digital adoption to drive paperless operations

SHARED SERVICES/Frameworks

- Finance
- Treasury Services
- Administration

- Information Technology and Digital
- Research, Strategy
- Risk and Compliance
- Customer Relationship Management
- Legal

- Human Resources

- Operations
- Finance
- Administration

- Group Governance
- Risk and Compliance
- Shared Sustainability Policy
- Finance, Administration, Customer Relationship Management
- Brand Development
- Human Resources

- Shared Sustainability Policy
- Finance, Operations
- Information Technology and Digital
- Strategy, Risk and Compliance
- Human Resources

OUR BUSINESS ACTIVITIES AND CONTEXT

Business and Strategic Context

Multi-segment model across five core businesses: Government Securities, Corporate Finance Advisory, Corporate Dealing Securities, Asset Management and Stock Brokering. Vision-led, strategically ambitious with shared services acting as strategic enablers and resource optimisers.

Vision

"Improving lives through financial empowerment"

Ideology

PERFORMANCE FIRST

KEY TRADE-OFFS MANAGED

Tech acceleration vs. Client inclusivity

Tech enables efficiency (Intellectual) but may marginalise less digital-savvy clients (Social), mitigated via staff support and assisted access (Human) through our CRM team

- ✓ Intellectual
- ✓ Social and Relationship
- Human

Short-term returns vs. Long-term stakeholder value

Near-term profitability may be forgone for long-term platform, CRM and trust-building investments

- ✓ Financial
- ✓ Intellectual
- Social and Relationship

Fee-based income vs. Capital-based earnings

Shifting toward more stable fee income improves Financial Capital; requires capability, performance and precise strategic execution (Intellectual)

- ✓ Financial
- Intellectual

Innovation vs. Risk control

Innovation enhances digital capability but requires skilled oversight and risk governance (Human), with cost implications (Financial)

- ✓ Intellectual
- Human
- Financial

TRADE-OFF

Market reach vs. Operational complexity

Expanding reach (e.g. virtual branches) improves Manufactured Capital; adds complexity requiring workforce coordination (Human) and investments (Financial)

- ✓ Manufactured
- Human
- Financial

Speed of growth vs. Workforce resilience

Rapid scaling challenges employee wellbeing and retention; mitigated via investment in training, automation.

- ✓ Human
- Financial

Competitive pricing vs. Profit sustainability

Lower margins can strain Financial Capital unless offset by process innovation (i.e. automation, analytics)

- ✓ Financial
- Intellectual

Regulatory alignment vs. Business agility

Strong governance enhances trust (Social) and reputation; may delay time-to-market unless balanced with regulatory-tech investment

- ✓ Social and Relationship
- ✓ Intellectual
- Financial

✓ = Primary capital significantly affected

○ = Secondary capital moderately affected

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OUTPUTS DELIVERED

Financial Capital

- PAT of **Rs. 2 Bn**
- ROE of **23.22%**
- **146.65%** dividend payout, **Rs. 7.00** per share
- Fee-based income contribution: **4%** of revenue
- Reaffirmation of **"A+"** Entity Rating with sustained stable outlook
- Market cap: **Rs. 21.5 Bn**

Intellectual Capital

- First Investment "Superbrand ", positioning First Capital as a pioneer in Sri Lanka's investment sector
- Brand Finance – Top 100 Most Valuable Consumer Brands (Rank 61), First Capital Holdings PLC
- **ISO 31000**-aligned ERM framework across the Group
- CRM platform integrated across Assets Management, Stockbroking, and Advisory
- Startup Nation by Hatch – FCH partnered to support Sri Lanka's most promising startups, selecting Top 10 from 183+ applicants
- Innovations: AI-driven CRM workflows, missed-call bid tech for auctions, mobile portal enhancements and launch of WhatsApp channel

Human Capital

- **87.1%** staff retention rate
- **4,529** training hours; **Rs. 92,677** investment per employee
- INSEAD executive education for senior leaders; GPTW Index baseline: **90%**
- **41** new hires; **13%** internal mobility rate
- Strengthened succession pipelines and multi-layered leadership across subsidiaries

Manufactured Capital

- **6** physical locations and **2** virtual branches
- **88.8%** digital adoption rate among clients
- Ensured system downtime remained below 1% throughout the Financial year.
- Omnichannel tools: WhatsApp/SMS service, AI chatbot pilots, CRM-based onboarding
- ZERO information security incidents/data breaches reported

Social and Relationship Capital

- CSR spend across Room to Read, #FinPowerHer, InvestED
- InvestED University Outreach Programme – engaged 1,500+ students across 15+ universities, as lead initiative in investment and macroeconomic education
- Customer base grew 48.8% YoY – CSAT & NPS surveys conducted across 176 customers with ~75% response coverage (66.9% e-onboarding, 83% call center)

Natural Capital

- **GHG Scope 1**, and **2** and Scope **3** (excluding financed emissions) inventory established
- **9,244** accounts opened through fully paperless onboarding
- **LED** retrofits, **HVAC** upgrades in key offices; solar power feasibility study initiated
- Mangrove restoration and beach cleanup campaigns
- **ESG** roadmap aligned to **SLFRS S1** and **S2**; **ESG** vendor framework piloted

STAKEHOLDER OUTCOMES

Clients

- Unified onboarding (e-KYC, multilingual), AI chat tools
- Client journey maps, digital-first service
- Real-time market research and feedback integration

Employees

- Diversity, Equity and Inclusion (DEI) emphasis, cross-skilling, informal learning expansion
- New quiz club, coaching, team-driven innovation
- Transparent appraisal tied to strategy and culture

Communities

- Habitat homes, water access donations, career fairs
- #FinPowerHer, Room to Read, InvestED reach into universities
- National-level sports empowerment as performance driver

Shareholders

- High dividend payout, expanded fee-income streams
- Enhanced rating and transparency in risk disclosures
- ESG credibility via SLFRS roadmap and awards

Regulators

- SLFRS S1 and S2 action planning
- ISO 31000 risk controls, enhanced disclosures
- Full regulatory compliance across subsidiaries

Vendors/Partners

- Spend onboarding programmes
- ESG procurement pilot, digital documentation shift
- Strategic collaboration for fintech adoption

UN SDG ALIGNMENT





Our Strategy and Strategic Imperatives

Strategy development at First Capital Holdings PLC (the Company/First Capital) is driven directly by the Board of Directors. Guided by the Group’s overarching vision “Improving lives through financial empowerment” the Board sets the long-term strategic direction and oversees capital allocation to ensure the Group companies remain resilient, sustainable, and positioned to deliver consistent long-term value creation notwithstanding cyclical shifts within the broader economic and financial environment.

The Company’s current five-year strategic cycle spanning FY 2025–29 is structured around five integrated strategic themes: Digitally differentiated Client Experience, Scalable Market Expansion and Geographic Reach, Capital-Efficient Growth, ESG-embedded Stewardship, and Empowered Execution and Talent Agility. Rather than operating as standalone priorities, these themes function as interconnected strategic drivers that collectively enhance the Company’s agility, scalability, operational resilience, and long-term future readiness, while reinforcing its

ability to create sustainable value across Sri Lanka’s evolving capital market ecosystem.

Recognising the increasingly dynamic nature of the capital market landscape in Sri Lanka and globally, the Board continuously reassesses and refines the priorities underpinning each strategic pillar to enhance responsiveness, execution agility, and alignment with emerging market opportunities and risks. In line with this adaptive approach, First Capital transitioned beyond the traditional SWOT (Strengths, Weaknesses, Opportunities, and Threats) framework during the year to adopt a more comprehensive TOWS (Threats, Opportunities, Weaknesses, Strengths) matrix - an advanced strategic planning approach to enable the Company to more effectively align internal capabilities with external market realities, strengthen strategic decision-making, proactively address emerging risks, and capitalise on evolving growth opportunities.

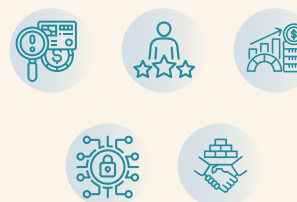


TOWS Matrix	Opportunities (O)	Threats (T)
Strengths (S)	S-O Strategies: (capitalising internal Strengths to tap into External Opportunities) - Capitalise on First Capital’s strong brand equity, integrated business model, and deep research capabilities to expand retail investor participation and capture growing demand for advisory-led investment solutions. - Accelerate digital transformation initiatives and technology-enabled platforms to attract younger and digitally engaged investor segments while enhancing nationwide accessibility to capital market products. - Utilise strong governance credentials, ESG integration, and market leadership positioning to attract sustainability-focused investors, strategic partnerships, and emerging capital market opportunities.	S-T Strategies: (leverage internal Strengths to mitigate External Threats) - Leverage the Company’s diversified operating model, disciplined risk management framework, and strong liquidity management capabilities to withstand market volatility, interest rate fluctuations, and macroeconomic uncertainty. - Strengthen stakeholder confidence and regulatory resilience through robust governance practices, ethical business conduct, and proactive compliance management. - Continue enhancing cybersecurity architecture, disaster recovery infrastructure, and operational resilience frameworks to mitigate growing digital and information security threats.

TOWS Matrix	Opportunities (O)	Threats (T)
Weaknesses (W)	W-O Strategies: (reduce internal Weaknesses by seeking to capitalise on external Opportunities) - Address operational complexity arising from business expansion through increased automation, robotic process automation (RPA), and integrated digital workflows to improve scalability and efficiency. - Strengthen talent pipelines, succession planning, and capability development initiatives to address specialised skills needed to tap into growing opportunities within Sri Lanka's evolving financial sector.	W-T Strategies: (address internal Weaknesses in response to external Threats) Reduce dependency on manual processes and key personnel by institutionalising knowledge transfer, enhancing system integration, and reinforcing business continuity planning frameworks.

Digitally differentiated Client Experience

Material Themes



Associated Risks

Business Continuity Risk | Strategic Risk | Operational Risk | Information and Cybersecurity Risk | ESG Risk

Value Creation Dashboard

Key Metric	FY 2025/26	FY 2024/25	Value Created (+) Value Preserved (=) Value Eroded (-)	Medium-term Expectation
Total Active Clients (No. of Traded Accounts) - as at 31 March	8,896	4,541	4,355	15000+
Digital Adoption Rate	88.8%	52.4%	36.4%	90%
Overall Customer Satisfaction Score	83.7%	82.6%	1.1%	85%+
Customers rating on first impression of the digital interface	89.7%	81.7%	8%	95%+
Customer rating on trust in handling personal data	79.7%	N/A	-	85%+
e-onboarding NPS	26	26	-	35+

Our Strategy and Strategic Imperatives

Scalable Market Expansion and Geographic Reach

Material Themes



Associated Risks Regulatory and Compliance Risk | Business Continuity Risk | Strategic Risk | Operational Risk | Information and Cybersecurity Risk | ESG Risk

Value Creation Dashboard

Key Metric	FY 2025/26	FY 2024/25	Value Created (+) Value Preserved (=) Value Eroded (-)	Medium-term Expectation
Social Media Reach (Youtube, Instagram and Facebook Subscribers)	133,278	51,035	82,243	200,000+
Year on year growth in the customer base (%)	48.8	38.9	9.9	50+

Capital-Efficient Growth

Material Themes



Associated Risks All Risks

Value Creation Dashboard

Key Metric	FY 2025/26	FY 2024/25	Value Created (+) Value Preserved (=) Value Eroded (-)	Medium-term Expectation
Net Trading Income before Operating Expenses (Rs. Bn)	6.59	9.28	2.69	7.00+
Return on Equity (ROE)	23.22%	58.97%	35.75%	20%+
Assets Under Management (AUM) (Rs. Bn)	96.2	112.0	-15.8	300+
Credit Rating	A+	A+	=	Maintain at similar level
Capital Adequacy Ratio (FCT)	24.22%	15.55%	8.67%	Maintain at 20%

ESG-Embedded Stewardship

Material Themes



Associated Risks Regulatory and Compliance Risk | ESG Risk | Strategic Risk | Reputation Risk

Value Creation Dashboard

Key Metric	FY 2025/26	FY 2024/25	Value Created (+) Value Preserved (=) Value Eroded (-)	Medium-term Expectation
Compliance Record	100% complied	100% complied	=	Same as the present status
Participants in the "InvestED" capacity building programme for university students	1,000	1,000	=	2,000
Entrepreneurs developed through the First Capital Startup Nation platform	10	N/A	10	20
Carbon Footprint (Tones CO ₂ e)	193.32	309.9	+38	-

SECTION

1

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Our Strategy and Strategic Imperatives

Empowered Execution and Talent Agility			Material Themes	
				
			Associated Risks	Operational Risk | Business Continuity Risk | Strategic Risk | Reputation Risk
Value Creation Dashboard				
Key Metric	FY 2025/26	FY 2024/25	Value Created (+) Value Preserved (=) Value Eroded (-)	Medium-term Expectation
Value Distributed as monetary benefits (Rs. Mn)	1,065	1,648	-583	1,500
Overall gender balance (Male/ Female)	61% : 39%	65% : 35%	-4% : 4%	55% : 45%
Women in leadership roles (as a % of the total leadership cadre)	18%	15%	3%	25%
Amount invested in training (Rs. Mn)	15.2	14.9	0.3	15+
Total Training Hours	4,529	4,981	-452	5,500
Training hours per employee	27.13	35.00	7.87	28+

Outcome of the Capitals

PROFIT BEFORE TAX

Rs. **3.55** Bn

CREDIT RATING

A+ (Stable)

PERMANENT EMPLOYEES

164

TURNOVER RATE

12.9%

TOTAL GHG EMISSIONS (tCO₂e)

193.3

ELECTRICITY CONSUMPTION

172,922
(kWh)

DEBENTURE ISSUE

Rs. **6** Bn

VALUE OF PROPERTY, PLANT & EQUIPMENT

Rs. **624** Mn

DIGITAL ADOPTION RATE

88.8%



SECTION

1

2

3

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Financial Highlights

INDICATOR

Financial Performance	Group			Company		
	FY2025-26	FY2024-25	Change %	FY2025-26	FY2024-25	Change %
Results for the Year (Rs. Mn)						
Direct income	15,065	14,011	7.5%	2,770	1,586	74.6%
Operating profit	3,548	6,685	-46.9%	857	1,512	-43.3%
Taxation	1,443	1,669	-13.5%	(51)	(20)	154.3%
Profit for the year	2,105	5,017	-58.0%	1,933	4,692	-58.8%
Profit attributable to equity holders of the parent	1,933	4,692	-58.8%	1,933	4,692	-58.8%
TCI attributable to equityholders of the parent	1,901	4,711	-59.7%	1,901	4,711	-59.7%
Assets and Liabilities (Rs. Mn)						
Financial assets at FVTPL	58,845	86,778	-32.2%	9,453	7,395	27.8%
Financial assets - FVTOCI	8	37	-80.0%	8	8	0.0%
Financial assets at amortised cost	10,952	7,565	44.8%	4,002	4,230	-5.4%
Securities sold under re-purchase agreements	44,069	73,109	-39.7%	-	-	-
Short term borrowings	8,368	8,010	4.5%	8,125	8,510	-4.5%
Long term borrowings	1,719	1,201	43.1%	1,719	1,201	
Borrowings on debentures	6,442	2,029	217.4%	3,132	2,027	43.1%
Total Equity	8,678	9,769	-11.2%	7,858	8,793	54.5%
Profitability and Efficiency ratios						
Operating profit margin	23.50%	47.52%	-50.5%	30.93%	95.33%	-67.6%
Net profit margin	13.95%	35.66%	-60.9%	69.79%	295.80%	-76.4%
Return on Assets	2.43%	5.64%	-57.0%	8.74%	22.25%	-60.7%
Return on Equity	23.22%	58.97%	-60.6%	23.22%	58.97%	-60.6%
Return on capital employed	13.17%	17.28%	-23.8%	14.25%	30.23%	-52.8%
Cost to income ratio	39.56%	40.79%	3.0%	20.89%	157.15%	86.7%
Investor ratios						
Net assets value per share	19.40	21.71	-10.6%	19.40	21.71	-10.6%
Earnings per share	4.77	11.58	-58.8%	4.77	11.58	-58.8%
Dividend per share	7.00	7.50	-6.7%	7.00	7.50	-6.7%
Dividend payout	146.65%	64.74%	126.5%	146.65%	64.74%	126.5%
Price earnings ratio (times)	11.10	3.01	268.9%	11.10	3.01	268.9%
Price to book ratio (times)	2.73	1.61	69.7%	2.73	1.61	69.7%
Dividend Yield (Effective Dividend rate)	13.21%	21.49%	-38.5%	13.21%	21.49%	-38.5%

Financial Performance	Group			Company		
	FY2025-26	FY2024-25	Change %	FY2025-26	FY2024-25	Change %
Market value per share						
High	70.00	46.40	50.9%	70.00	46.40	50.9%
Low	31.00	26.40	17.4%	31.00	26.40	17.4%
Year-end	53.00	34.90	51.9%	53.00	34.90	51.9%
Last trading price recorded	53.80	34.80	54.6%	53.80	34.80	54.6%
Number of Share Issue (Mn)	405	405	-	405	405	-
Market Capitalisation (Mn)	21,465	14,135	51.9%	21,465	14,135	51.9%
Debt ratios and risk measures						
Debt to Equity ratio (times)	7.07	8.66	-18.3%	1.75	1.34	30.5%
Debt to Asset Ratio (times)	0.83	0.85	-2.7%	0.62	0.54	14.8%
Quick Asset ratio (times)	1.32	1.17	12.7%	1.50	1.41	6.0%
Interest cover (times)	1.49	1.90	-21.7%	2.67	5.18	-48.5%
Equity Assets ratio (times)	0.12	0.10	16.9%	0.35	0.40	-11.3%
Capital adequacy ratio-core equity Tier I +Tier II (CAR)	24.22%	15.55%	55.8%	N/A	N/A	N/A
Credit Rating	A+ (Stable outlook)	A+ (Stable outlook)		A (Positive outlook)	A (Positive outlook)	

DIRECT INCOMERs. **15.1** Bn**PROFIT FOR THE YEAR**Rs. **2.1** Bn**TOTAL EQUITY**Rs. **8.7** Bn**RETURN ON EQUITY****23.22%****DIVIDEND PAYOUT****146.65%****RWCAR****24.22%**

Non-Financial Highlights

NON-FINANCIAL HIGHLIGHTS

	2026-03-31	2025-03-31
Valued Team - Permanent Employees	164	145
Valued clients - Total active clients	10,428	14,900
Core Capital TIER 1 + TIER 2 Risk Weighted Capital Adequacy Ratio	24.1%	15.6%
Female Representation in the Workforce	39.0%	35.0%
Credit Rating	A+ (Stable outlook)	A+ (Stable outlook)
Branches	6	7
Virtual Branches	2	2
Social Media Reach (Youtube, Instagram and Facebook Subscribers)	133,278	51,035
Assets Under Management	Rs. 166Bn	Rs. 112Bn
Digital onboarding during the year	9,997	5,864
Female Representation BOD	37.5%	37.5%
Total GHG Emission	193.3 t Co2	309.9 t Co2
Great Place To Work Index	90%	87%
Total Training Hours/Employee	27	35
Awards and Certifications	20	23
Digital Adoption Rate	88.8%	52.40%

CREDIT RATING

A+

(Stable Outlook)

GREAT PLACE TO WORK INDEX

90%

VALUED CLIENTS - TOTAL ACTIVE CLIENTS

10,428

DIGITAL ONBOARDING

9,997

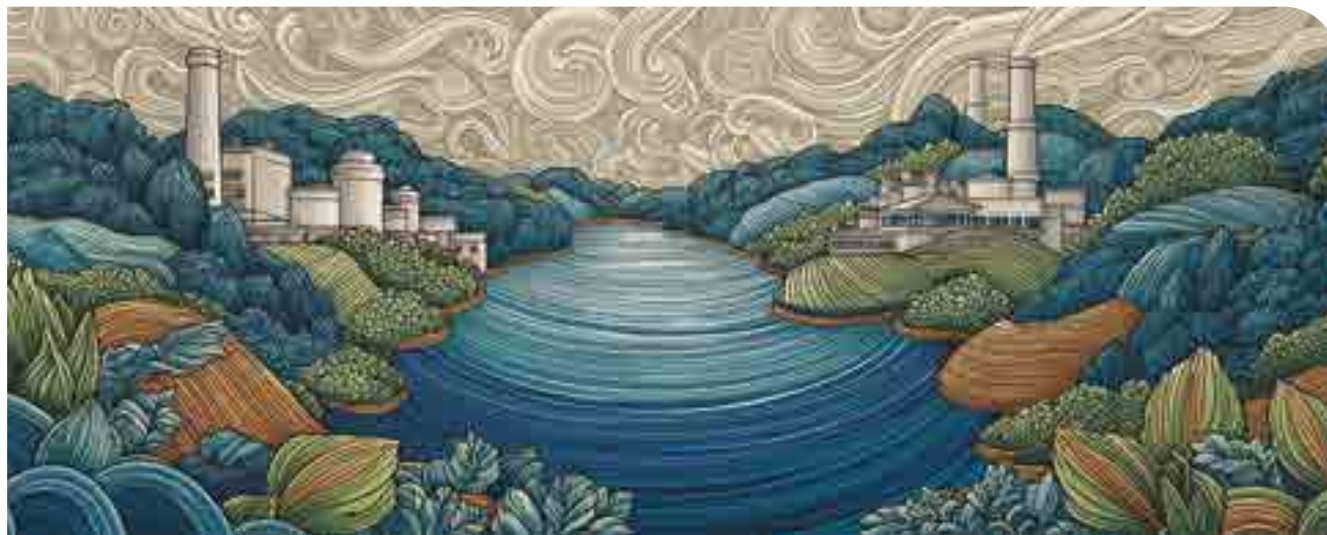
SOCIAL MEDIA REACH

133,278

ASSET UNDER MANAGEMENT

Rs. 166Bn

ENVIRONMENT



	GRI Reference	SASB Reference	Unit of Measure	FY2025/26
Energy & Emissions				
Electricity Consumption	302-1	IF-IB-130a.1	kWh	172,922
Energy Intensity	302-3		kWh/FTE	1,054.4
Direct GHG Emissions (Scope 1)	305-1	IF-IB-110a.1	tCO2e	0.9
Indirect GHG Emissions (Scope 2)	305-2	IF-IB-110a.1	tCO2e	72.6
Other Indirect GHG Emissions (Scope 3)	305-3	IF-IB-110a.2	tCO2e	120.26
Total GHG Emissions (Scope 1+2+3)			tCO2e	193.32
GHG Emission Intensity	305-4		tCO2e/FTE	13.81
Business Air Travel Emissions	305-3		tCO2e	8.64
Verification of Emissions			Yes/ No	Yes
Water & Waste				
Water Consumption (Municipal)	303-3		m ³	1,009
Water Consumption (Bottled)	303-5		m ³	37
Compliance & Nature				
Significant Environmental Fines	307-1		Rs. Mn	Nil
Environmental Non-Compliance Incidents	307-1		Count	Nil

SOCIAL



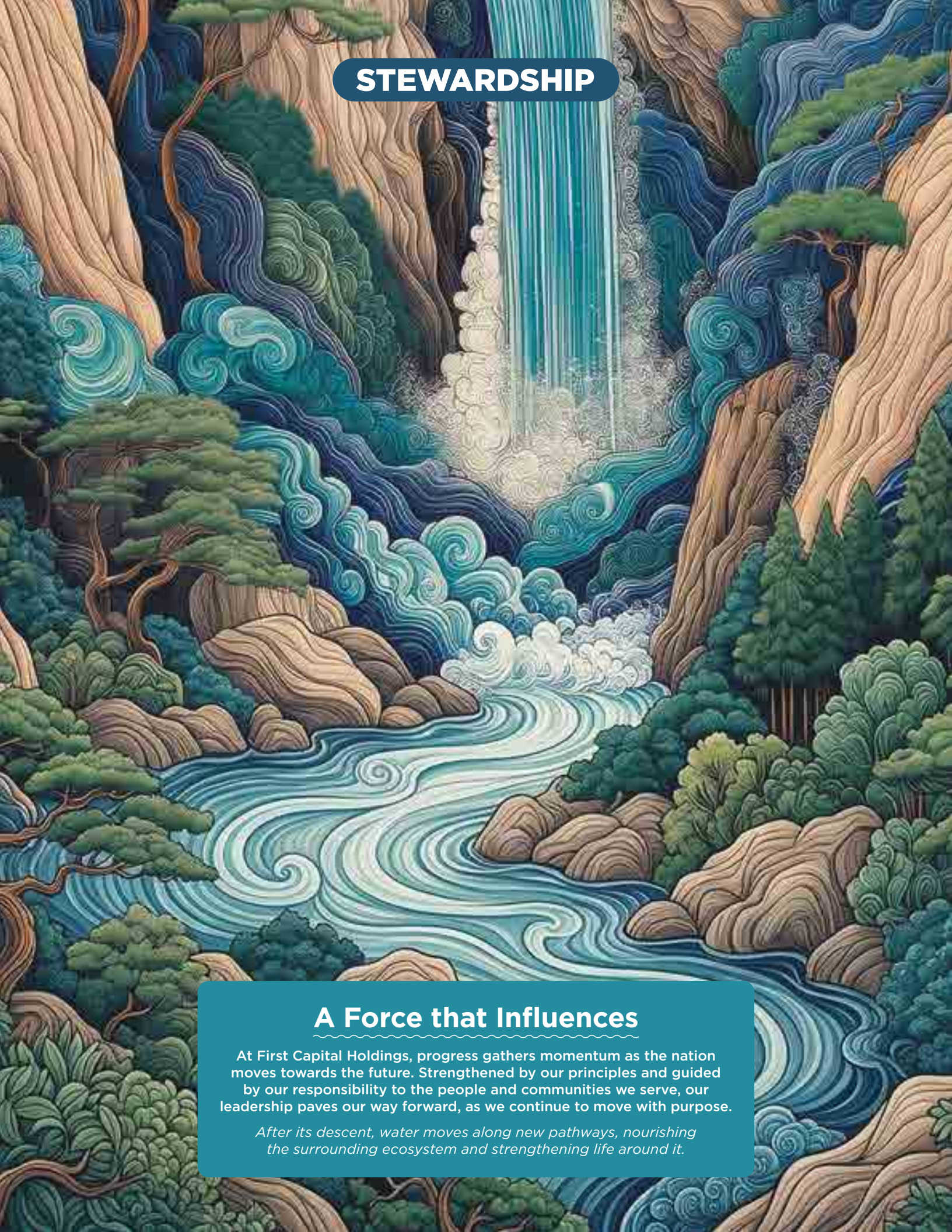
	GRI Reference	SASB Reference	Unit of Measure	FY2025/26
Workforce — Composition				
Total Permanent Employees		IF-IB-310a.1	Count	164
New Employees (Recruited)	401-1		Count	41
Employee Exits	401-1		Count	22
Employee Turnover Rate	401-1		%	12.9
Employee Retention Ratio			%	87.1
Male Employees	405-1		Count	100
Female Employees	405-1		Count	64
Female Representation — Senior Leadership	405-1		%	18
Female New Recruits (% of total)	405-1		%	49
Workforce — Remuneration & Benefits				
Total Employment Benefits	201-3		Rs. Mn	687.93
Salaries and Bonuses			Rs. Mn	488.95
Performance-Linked Variable Pay			Rs. Mn	124.03
EPF & ETF Contributions (Employer)			Rs. Mn	74.95
Estimated Value of Defined Benefit Plans	201-3		Rs. Mn	141.38
Senior Leadership Gender Pay Ratio (F:M)	405-2		Ratio	0.90:1.00
Workforce — Learning & Development				
Total Training Hours	404-1		Hours	4,529
Average Training Hours per Employee	404-1		Hours	27.13
Training Investment	404-1		Rs. Mn	15.02
Average Training Cost per Employee	404-1		Rs.	92,677

	GRI Reference	SASB Reference	Unit of Measure	FY2025/26
Internal Mobility Rate			%	13
Great Place to Work Trust Index			%	90
Workforce — Health, Safety & Wellbeing				
Work-Related Injuries	403-9		Count	Nil
Work-Related ill Health	403-10		Count	Nil
Occupational Health Incidents	403-1		Count	Nil
Employees Entitled to Maternity Leave	401-3		Count	64
Parental Leave Return Rate	401-3		%	100
Workforce — Labour Practices & Human Rights				
Incidents of Child Labour	408-1		Count	Nil
Incidents of Forced / Compulsory Labour	409-1		Count	Nil
Incidents of Discrimination / Harassment	406-1		Count	Nil
Grievances Filed & Addressed			Count	Nil
Non-Compliance with Labour Regulations			Count	Nil
Freedom of Association Violations			Count	Nil
Client Relations & Product Responsibility				
Digital Adoption Rate			%	88.8
Non-Compliance — Marketing Communications	417-3		Count	Nil
Non-Compliance — Product Information	417-2		Count	Nil
Non-Compliance — Social/Economic Laws			Count	Nil
Investment-Related Regulatory Proceedings		IF-IB-240a.2	Count	Nil
Monetary Losses from Legal Proceedings			Rs. Mn	Nil
Data Breaches / Privacy Incidents	418-1		Count	Nil

GOVERNANCE



	GRI Reference	SASB Reference	Unit of Measure	FY2025/26
Economic Value & Financial Performance				
Return on Equity (ROE)			%	23.22
Dividend Payout Ratio			%	146.65
Core Capital (Tier I + II) Adequacy Ratio		IF-IB-190a.1	%	24.22
Credit Rating			Rating	A+
Ethics, Compliance & Anti-Corruption				
Code of Conduct Violations	205-3		Count	Nil
Reported Incidents of Corruption / Bribery	205-3		Count	Nil
Whistleblower Reports Filed			Count	Nil
Non-Compliance — Social/Economic Laws	419-1		Count	Nil
Regulatory Fines / Monetary Penalties			Rs. Mn	2.8
AML / KYC Non-Compliance Incidents		IF-IB-510a.2	Count	Nil
Board & Leadership Diversity				
Total Board Members			Count	8
Independent / Non-Executive Directors			Count	5
Board Independence (%)		IF-IB-510a.3	%	62.5
NED : ED Ratio			Ratio	7:1
Female Directors	405-1	IF-IB-330a.1	Count	3
Female Representation — Board	405-1		%	37.5



STEWARDSHIP

A Force that Influences

At First Capital Holdings, progress gathers momentum as the nation moves towards the future. Strengthened by our principles and guided by our responsibility to the people and communities we serve, our leadership paves our way forward, as we continue to move with purpose.

After its descent, water moves along new pathways, nourishing the surrounding ecosystem and strengthening life around it.

Chairman's Statement



Rajendra Theagarajah
Chairman

“The strength of our overall performance was further reflected through reaffirmation of credit ratings of A+ (Stable) issued to both First Capital Holdings PLC and First Capital Treasuries PLC, by Lanka Rating Agency Limited.”

Dear Stakeholders,

On behalf of the Board, I am pleased to present the Integrated Annual Report and the Audited Financial Statements of First Capital Holdings PLC (the Company/First Capital) for the financial year ended 31 March 2026.

It was another eventful year, one which saw the First Capital again proving its resilience, strategic agility, and ability to deliver sustained value in a complex operating environment.

THE NEW ECONOMIC REALITY

It was a year of profound structural transition, where cyclical fluctuations were increasingly overshadowed by deeper, more persistent shifts in the global and domestic economic order. Globally, a broad-based deterioration in trade and investment was evident in 2025 driven by increased geopolitical fragmentation, and uneven recovery in major economies and financial markets.

Heightened geopolitical tensions in the current year were marked by the escalation of armed conflicts and widening strategic divides across key regions. While we have seen such events unfold in the past, what was notable about the recent developments was that they progressed beyond mere episodic disruptions to become embedded in the structural fabric of the global landscape, reshaping trade corridors, capital flows, and policy frameworks. One of the most immediate consequences was the widespread disruption to global supply chains. For import-dependent and trade-reliant economies such as Sri Lanka, this translated into direct pressure on input costs, logistics efficiency, and erosion in export market competitiveness, underscoring the vulnerability of domestic industries to external shocks and supply-side volatility.

Moreover, global infrastructure risks also expanded significantly in 2025. Critical networks, including undersea fibre-optic cables, cross-border energy systems, and digital infrastructure became increasingly exposed to geopolitical vulnerabilities. At the same time, cyber-security threats accelerated both in scale and sophistication, elevating digital infrastructure risk to a systemic macroeconomic concern affecting both advanced and emerging economies alike.

Another notable trend observed during the year was the clear pivot towards economic inwardness, as countries increasingly prioritised domestic resilience and strategic autonomy over global integration. This resulted in a pronounced rise in protectionist measures and a fragmentation of trade blocs at levels not witnessed in recent decades. What is more important to note is that this structural reorientation has weakened the predictability of global trade flows and constrained traditional export-led growth, particularly for economies dependent on external demand and manufacturing linkages.

Against this backdrop, global growth remained subdued at approximately 2.5%, well below pre-pandemic norms. Growth was further constrained by persistently high sovereign and private debt levels, alongside elevated inflationary pressures in several economies. The coexistence of high debt burdens alongside tighter financial conditions significantly reduced policy flexibility and contributed towards prolonging the turnaround in global growth.

Despite the uneven global context, it is encouraging to see Sri Lanka's economy continuing its recovery trajectory in 2025, although economic expansion remained

below potential. The Country's GDP growth continued to lag behind regional peers, reflecting both structural constraints and the gradual pace of reform implementation. In particular, progress on State-owned Enterprise restructuring and broader efficiency-enhancing reforms has remained slower than expected.

Monetary conditions within the Country were characterised by a degree of volatility, as interest rates fluctuated in response to both domestic policy recalibration and global financial conditions. Instability in the "price of money" influenced liquidity, investor sentiment, and capital market participation, resulting in cautious investment behaviour and delays in capital deployment.

Climate change further intensified systemic risks with the increasing frequency and severity of extreme weather events in recent years repeatedly impacting Sri Lanka's agricultural productivity, eroding rural incomes, and raising concerns on food security. Cyclone Ditwah in November 2025 proved to be a potent reminder of Sri Lanka's exposure to climate risk. Apart from the obvious implications, Ditwah's far reaching consequences affected tourism flows and foreign exchange stability, both core fundamentals in safeguarding Sri Lanka's external sector stability. Against this backdrop, I am glad to note that sustainability has moved decisively to the forefront, evolving from a compliance consideration into a core financial and strategic risk dimension that actively shapes capital allocation and long-term decision-making.

STRATEGIC EQUILIBRIUM

The year under review demonstrated the First Capital's strategic agility in navigating a volatile and evolving operating

landscape. While the Company has historically benefited from the strength and market leadership of its core Government Securities business, a deliberate strategic priority in the current year was to reduce excessive dependence on single earnings vertical and build a more balanced and diversified performance profile across the Group.

In this regard, we continued to strengthen the operational independence of our individual business verticals. While strategic oversight remained firmly anchored at the holding Company level, individual subsidiaries were empowered to deepen focus within their respective sectors, reinforce Board oversight structures, and sharpen strategic execution in line with their respective aligned to their market realities. This balance between strategic alignment and operational autonomy proved instrumental in enabling each business vertical to strengthen performance and contribute more meaningfully to the Company's overall results.

At the same time, recognising the structural evolution taking place within capital markets and the growing appetite among institutions and high-net-worth investors for alternative investment opportunities, the Company adopted a measured approach towards evaluating prospective business opportunities. In this regard, we initiated exploratory steps towards developing a long-term presence within the private equity space. However, rather than pursuing aggressive entry, the focus remained on understanding market dynamics, assessing competency requirements, and evaluating structural gaps necessary to build long-term capability in this segment.



The First Capital continues to derive meaningful strength from its relationship with its ultimate parent, the JXG and its wider group ecosystem. While maintaining its distinct identity and operational independence, the Company has successfully leveraged these relationships to unlock synergies and growth opportunities, while continuing to strengthen its own institutional positioning within the broader group structure.



Simultaneously, evolving investor behaviour also highlighted the increasing importance of asset management within the broader financial services ecosystem. As more institutional and private investors sought direct exposure to investment opportunities, the Company recognised the strategic importance of strengthening its asset management proposition in order to defend market share and deepen client engagement within this increasingly competitive space.

FINANCIAL PERFORMANCE

The Group reported a Profit after Tax of Rs. 2.1Bn, which although is a decline compared to the previous year's exceptionally high earnings base, exceeded internal budgetary forecasts for the year. The Group's performance during the year must also be viewed within the context of a significantly different interest rate environment compared to the extraordinary conditions witnessed in the previous financial year including the settlement of long-standing tax assessments related to VAT on financial services in First Capital Limited, subsidiary. The previous year's performance was supported by a unique and largely unsustainable interest rate cycle, where sharp downward adjustments created extraordinary valuation and trading gains across fixed-income markets. In contrast, the current

year reflected a far more normalised rate environment. Directly influenced by the moderation in interest rates, the Group's core fixed-income businesses recorded lower yields.

Meanwhile, the year also presented favourable operating conditions for some of our businesses. The notable resurgence in activity at the Colombo Stock Exchange created opportunities for the Company's stock brokering operation to deliver significantly improved performance compared to previous years. Capitalising on stronger momentum within the debt capital market segment, our Corporate Dealing Securities business also succeeded in deepening market presence.

Within this broader context, the current year marked an inflection point in the composition of earnings. Unlike in previous years, where performance was anchored predominantly by fixed-income businesses vertical, the current year witnessed all major business segments contributing positively to the Group's performance.

The strength of our overall performance was further reflected through reaffirmation of credit ratings of A+ (Stable) issued to both First Capital Holdings PLC and First Capital Treasuries PLC, by

Lanka Rating Agency Limited. In yet another milestone, First Capital Holdings PLC's Rs. 3 Bn Debenture issue was oversubscribed on its opening day, which I believe stands as testament to strong market confidence in the Company's long-term fundamentals and strategic direction.

I am proud to announce that the First Capital continued to uphold its progressive dividend philosophy during the year. Guided by its internally defined return benchmark, the Company declared a total dividend payout of Rs. 2.8 Bn for FY 2025/26, translating to a payout ratio of 147%, a substantial increase compared to 65% in the previous year, notwithstanding lower PAT in the current year.

ESG STEWARDSHIP

Against the backdrop of rising climate-related disruptions and growing global focus on sustainable finance, the importance of ESG stewardship and circular economy thinking moved decisively to the forefront in 2025/26.

The First Capital approached this shift not as a compliance obligation or annual reporting exercise, but as a strategic imperative requiring active integration into the Company's governance and decision-making architecture, with the entire transformation led directly by the Board. Rather than treating sustainability as a peripheral agenda item, the Board worked to consciously embed ESG considerations into ongoing strategic dialogue and oversight processes. In strengthening governance around this area, the Board adopted a pragmatic and action-oriented governance structure. To establish clear accountability, and alignment between Board oversight and management execution, a Non-Executive Director was designated as the Board-level ESG Champion.

Our Board champion was tasked with translating strategic intent to operational implementation across business functions by prioritising areas most relevant to a financial services under each ESG pillar—Environmental, Social, and Governance. It is indeed very gratifying to see this sharper focus already beginning to generate meaningful outcomes, with the Company witnessing growing strategic relevance of ESG across areas such as capital raising, stakeholder engagement, and advisory services, particularly in areas such as debt restructuring, and long-term funding strategy.

I believe, this evolution in both mindset and advisory capability, significantly enhances the Company's ability to mobilise dedicated sustainability-aligned sources of capital to support future growth.

Meanwhile, keen to keep advancing our sustainability journey in tandem with evolving regulations and global best practices, a dedicated management-level resource person was appointed to enhance Board awareness and preparedness around evolving sustainability-related developments, including emerging SLFRS and disclosure requirements.

GOVERNANCE MATTERS

Strong governance has always played an anchoring role in safeguarding the integrity, resilience, and long-term sustainability of the Company. Amidst the increasingly complex and rapidly evolving operating environment in the current year, the Board of Directors (the Board) continued to lead the Group with discipline, foresight, and conviction.

The Company continues to benefit from the leadership of a highly experienced and well-balanced

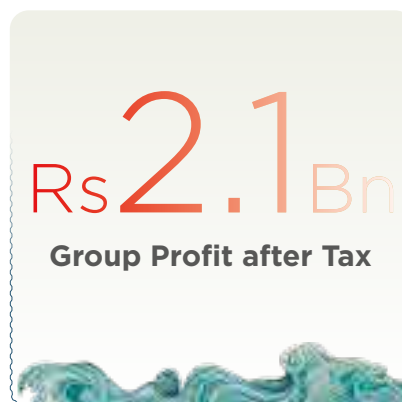
Board, comprising respected individuals from diverse professional backgrounds, deep sector expertise and keen strategic insight. Equally importantly, the Board reflects strong diversity which has significantly enriched the quality of deliberations and strengthened the breadth of perspectives brought into decision-making.

The Board culture actively encourages constructive engagement, independent thinking, and rigorous discussion, enabling decisions to be evaluated through a balanced and well-informed lens. This governance philosophy extends across the Board Sub-Committee structure as well.

The Company's Board Sub-Committees remain appropriately represented and operate within clearly defined Terms of Reference, whereby Sub-Committees are entrusted with the responsibility and accountability to drive detailed review and oversight within their respective mandates, while escalating matters requiring broader strategic consideration to the Board. By enabling Sub-Committees to function with greater ownership and accountability, the Board has been able to ensure that discussions escalated to the Board are more distilled, strategic, and decision-oriented. Consequently, Board deliberations have become more focused, efficient, and impactful, which have helped to strengthen the overall quality of governance and strategic oversight across the organisation.

GROUP SYNERGIES

The First Capital continues to derive meaningful strength from its relationship with its ultimate parent, the JXG and its wider group ecosystem. While maintaining its distinct identity and operational independence, the Company has successfully leveraged these



relationships to unlock synergies and growth opportunities, while continuing to strengthen its own institutional positioning within the broader group structure.

On that note, I wish to congratulate the JXG on its successful IPO, which marks a significant milestone in accelerating JXG's ambitious expansion plans to broaden its footprint within Sri Lanka's financial services ecosystem as well as to explore regional markets. I am confident that these developments will further deepen inter-group synergies and create new avenues for collaboration for the First Capital in the coming years.

POWERING AHEAD

Its role as a leading market intermediary has firmly established the First Capital as a key conduit within Sri Lanka's financial services ecosystem.

As Sri Lanka progresses towards a more market-based financial system, the role of investment banks becomes increasingly pivotal. In particular, the deepening of capital markets and the acceleration of financial disintermediation remain critical to improving the efficiency, accessibility, and affordability of funding in the country. This will require a decisive shift towards savings mobilisation, deeper capital markets, and more efficient

“The Board culture actively encourages constructive engagement, independent thinking, and rigorous discussion, enabling decisions to be evaluated through a balanced and well-informed lens. This governance philosophy extends across the Board Sub-Committee structure as well.”

financial intermediation. Given that the verticals in which we operate are fundamental to the Country's journey towards achieving financial maturity, I am confident that the Company is well positioned to play a leading role in this transformation.

Beyond traditional capital market activities, the next phase of opportunity for the Company lies in more complex and value-creating areas such as debt restructuring, advisory-led solutions, and structured financing. However, I remain convinced that the most significant structural opportunity for the future lies in climate-related finance and sustainability-linked capital flows. As sustainability-linked capital becomes increasingly mainstream, we see a clear opportunity for Sri Lanka to bridge its current gap in attracting climate-sensitive and impact-driven funding. With the technical capability, advisory strength, and market understanding required to support clients in accessing these emerging funding sources, the Company is well placed to take the

critical first step towards mobilising sustainability-linked capital flows in the local market.

APPRECIATIONS

Before I conclude, I would like to thank my colleagues on the Board for their collective wisdom and commitment to strong governance which has been instrumental in steering the Company forward.

I also extend my deepest gratitude to the management team and all employees across the First Capital. Thank you for your dedication, and unwavering commitment in enabling the Company to deliver consistent outcomes despite a challenging operating environment.

To our shareholders, I express my sincere appreciation for your continued trust and confidence in the Company's long-term vision and strategy. To our clients, I thank you for your loyalty and partnership, which remain at the core of our purpose and growth. To all our stakeholders - thank you for your engagement and support.

Finally, I would like to place on record my appreciation to our regulators and ecosystem partners for their continued constructive engagement, which contributes meaningfully to the stability and development of Sri Lanka's financial system.

Moving forward, the Company remains firmly committed to strengthening its institutional impact through which we hope to improve Sri Lanka's status quo as a mature financial hub within the Indian subcontinent.

(Sgd.)

Rajendra Theagarajah

Chairman

Managing Director/CEO's Review



Dilshan Wirasekara
Managing Director/CEO

“Against a complex operating backdrop, we delivered a measured financial outcome for the year ended 31 March 2026. The increase in yields across asset classes following geopolitical tensions in the Middle East towards the latter part of FY2025/26 had a notable impact on fund-based income verticals, particularly within fixed income and trading portfolios.”

FY2025/26 was a year defined by operational resilience and measured strategic advancement, against a backdrop of a moderating earnings environment. Our performance was shaped by easing interest rates, compressed yield structures, and intermittent market disruptions caused by cyclone 'Ditwah' and the middle east crisis that gave rise to unexpected market volatility.

Within this context, we maintained disciplined execution and strategic clarity, safeguarding our competitive positioning while continuing to progress key initiatives aligned to our long-term growth agenda and sustainable value creation framework.

In testament to our continued success, First Capital Holdings PLC (the Company/First Capital) became the first investment institution in Sri Lanka to be awarded “Superbrands” status in 2025. It is also the only Company within JXG (Janashakthi Group) to have achieved this distinction, reinforcing our differentiated market position.

MACROECONOMIC OVERVIEW

Global economic activity in 2025 moderated amid uneven expansion across major economies. While inflation continued its downward trajectory from prior peaks, it remained persistent in selected advanced economies, prompting central banks across several jurisdictions to adopt a cautious monetary stance aimed at balancing growth while ensuring inflation remained anchored within target thresholds. Elevated uncertainty contributed to increased risk aversion, impacting global capital markets.

Fixed income markets experienced a contraction in capital flows, while global equity markets navigated periods of volatility as investors recalibrated expectations in line with interest rate movements and revised growth forecasts.

Sri Lanka's economy demonstrated a notable recovery in 2025, underpinned by ongoing structural reforms. Real GDP growth reached approximately 5%, supported by strengthened domestic consumption and broad-based sectoral recovery. Inflation eased significantly compared to previous years, reflecting prudent monetary policy and strengthened fiscal discipline. The interest rate environment remained supportive in the first half of the year, with declining rates aligned to the Central Bank of Sri Lanka's accommodative policy stance aimed at stimulating economic activity. The Sri Lankan Rupee remained broadly stable throughout 2025, supported by improved external buffers and stronger remittance inflows.

Domestic capital markets reflected two distinct phases during 2025. The first phase (April–December) was characterised by stability and improving momentum, supported by declining interest rates, contained inflation, and strengthening investor confidence. The second phase (January–March 2026) reflected heightened volatility. Cyclone Ditwah in November 2025 disrupted economic activity and triggered market fluctuations, resulting in intermittent upward pressure on interest rates and a temporary moderation in equity market performance as risk perceptions were reassessed. Subsequently, the Middle East crisis in late February 2026 further unsettled global energy markets, exerting

temporary pressure on sentiment and contributing to capital flow adjustments.

Notwithstanding these developments, the local equity market delivered a broadly positive performance in 2025, supported by improving macroeconomic fundamentals and renewed domestic investor participation. Investor sentiment strengthened notably during the mid-year period, as declining interest rates encouraged portfolio reallocation from fixed income to equities. The All-Share Price Index (ASPI) reflected this improved sentiment, recording a significant uplift compared to the previous year.

GROUP FINANCIAL RESULTS

Against a complex operating backdrop, we delivered a measured financial outcome for the year ended 31 March 2026.

The increase in yields across asset classes following geopolitical tensions in the Middle East towards the latter part of FY2025/26 had a notable impact on fund-based income verticals, particularly within fixed income and trading portfolios. In addition, the settlement of long-standing VAT on financial services assessments at First Capital Limited (subsidiary) impacted overall results.

Accordingly, the Group recorded a Profit before Tax (PBT) of Rs. 3.5Bn, reflecting a 47% year-on-year decline, while Profit after Tax (PAT) stood at Rs. 2.1Bn, representing a 58% decline over the previous year.

SEGMENT PERFORMANCE OVERVIEW

Across the Group, both fund-based and non-fund-based businesses delivered broadly steady operational outcomes during the year.

The Primary Dealer segment,

First Capital Treasuries PLC (FCT), sustained its strong market position, reaffirming its leadership within the standalone primary dealer landscape. FCT's participation in primary markets remained robust, with T-Bill bid participation at 9.52% (FY2024/25 : 11.7%) against a 10% benchmark, while T-Bond participation stood at 16.69% (FY2024/25 : 16.3%). The effective participation rate reached 60.3% (FY2024/25 : 68.9%), exceeding the regulatory requirement of 50%. During the year, First Capital Treasuries PLC secured T-Bill bids of Rs. 105.2Bn (FY2024/25 : Rs. 333Bn) and T-Bond bids of Rs. 99.1Bn (FY2024/25 : Rs. 107.7Bn). Secondary market activity remained active, with Government Securities turnover at 6 times (FY2024/25 : 10 times) the average stock. We continued to strengthen our business expansion strategy through enhanced B2B engagement and expanded retail outreach via digital platforms and a strategically located branch network.

In parallel, First Capital Treasuries PLC executed a Rs. 3Bn subordinated debenture issuance, which was oversubscribed on the opening day, reflecting strong investor confidence in our franchise and instruments. First Capital Treasuries PLC recorded an Operating Profit of Rs. 2.4Bn and Profit after Tax of Rs. 1.6Bn, reflecting declines of 47.0% and 47.2% respectively. A final dividend of Rs. 5.00 per share was declared for FY2024/25, reinforcing its commitment to consistent shareholder returns.

“Our brand strength and market positioning were reaffirmed through 19+ awards during the year. Key recognitions included ranking among the 100 Most Valuable Brands in Sri Lanka for 2025 as per Brand Finance. We were also recognised among the Most Respected, and Most Awarded entities as per LMD. Further, LMD recognised us amongst Most Loved Brands in the Wealth Management category.”

Following its transition into a fully standalone legal entity, the Corporate Dealing Securities segment of First Capital Holdings PLC delivered a steady performance in FY2025/26. Supported by declining interest rates, a flattening yield curve, and strong equity market momentum, the segment capitalised on trading opportunities across asset classes. It reported Operating Profit of Rs. 1.04Bn, down 49% from Rs. 2.1Bn in the previous year, while Profit after Tax declined 59% to Rs. 0.9Bn from Rs. 2.2Bn.

The Wealth Management segment, First Capital Asset Management Limited (FCAM), recorded a moderate performance during the year. In an environment characterised by declining interest rates and increased equity market activity, investor preference shifted away from unit trusts towards higher-yielding alternatives. FCAM responded by strengthening its advisory-led model and enhancing digital engagement. Assets Under Management declined by 17% to Rs. 96.2Bn. Despite this, strategic recalibration enabled FCAM to deliver Operating Profit of Rs. 123Mn and Profit after Tax of Rs. 84Mn.

The Corporate Finance Advisory segment delivered strong growth, supported by increasing demand for restructuring and M&A activity in an improving macroeconomic environment. We also expanded our focus on sustainable finance, advancing ESG-aligned capital market solutions and strengthening early positioning in this emerging space. Deal volumes increased nearly five-fold year-on-year, with Operating Profit rising to Rs. 63Mn and Profit after Tax reaching Rs. 43Mn, reflecting growth of 137% and 130% respectively.

The Stock Brokering segment delivered a strong turnaround, benefiting from heightened equity market activity throughout 2025. Operating Profit rose to Rs. 357Mn, while Profit after Tax reached Rs. 242Mn, reflecting year-on-year growth of 230% and 245% respectively.

DIGITAL ECOSYSTEM DEVELOPMENT

Digital capability development remains a core strategic enabler of our competitive positioning. As industry-wide digital convergence accelerates, technology-led service delivery has evolved into a baseline expectation. In response, we transitioned from fragmented initiatives to a fully integrated 360-degree digital ecosystem strategy, linking customer experience with operational infrastructure across the value chain. These initiatives are now yielding tangible outcomes, reflected in sustained growth in client onboarding and incremental account openings.

During the year, we launched SAVI – Smart Assistant for Virtual Investments, enhancing accessibility and enabling more intuitive investment decision support which is designed as an intuitive, avatar-led interface guiding customers through a fully digital account opening and KYC verification process.

Further strengthening digital trust and data integrity, First Capital Holdings PLC also secured ISO/IEC 27001:2022 certification for Information Security Management Systems, reinforcing the robustness of our digital infrastructure.

SUSTAINABILITY TRANSFORMATION

Sustainability continues to be embedded within our core philosophy and institutional identity. A key pillar of this commitment remains investor education, delivered through structured engagement with universities to build foundational knowledge of capital markets and financial management among undergraduates, thereby nurturing informed future market participants.

We advanced our sustainability leadership by becoming the first capital markets institution globally accepted for certification under the Sustainability Standards Certification Initiative (SSCI) by the European Organisation for Sustainable Development (Germany), and the third institution in Sri Lanka to join the programme.

First Capital Asset Management Limited also became the first company in Sri Lanka to sign the UN Principles for Responsible Investment (UN PRI), reinforcing its commitment to responsible investment practices.

Further strengthening global alignment, we joined the United Nations Global Compact (UNGC) and endorsed the United Nations Women's Empowerment Principles (WEPs). In addition, First Capital Holdings PLC and First Capital Treasuries PLC signed the Partnership for Carbon Accounting Financials (PCAF) to enhance financed emissions measurement and disclosure.

Beyond frameworks, we continued high-impact initiatives, including partnerships with the Wildlife and Nature Protection Society of Sri Lanka (WNPS) and PLANT to develop forest corridors, as well as collaboration with GenUth to advance youth-led programmes on plastic reduction and marine conservation, including sea turtle protection.

HUMAN CAPITAL DEVELOPMENT

Human capital development remains central to sustaining long-term organisational strength.

During the year, we strengthened leadership capability through a Rs. 100Mn overseas training investment, enabling senior executives to participate in prestigious INSEAD and Harvard Management

Development Programmes, alongside exposure to other global initiatives, including the Frankfurt School of Business.

Our people strategy received external validation with certification as a "Great Place to Work" by Great Place to Work® Sri Lanka.

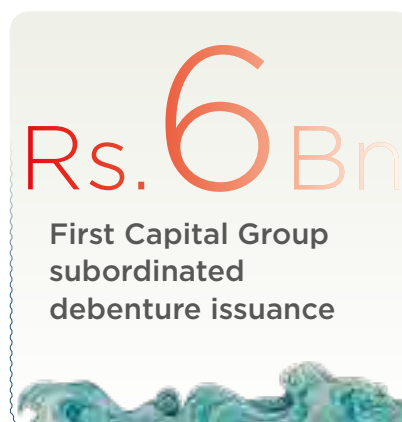
AWARDS AND ACCOLADES

Our brand strength and market positioning were reaffirmed through 20+ awards during the year. Key recognitions included ranking among the 100 Most Valuable Brands in Sri Lanka for 2025 as per Brand Finance. We were also recognised among the Most Respected, and Most Awarded entities as per LMD. Further, LMD recognised us amongst Most Loved Brands in the Wealth Management category.

Another notable accolade was the recognition at the CFA Society Sri Lanka Capital Market Awards where First Capital was named "Sri Lanka's Best for Research." We also received multiple awards in corporate reporting, governance, ESG, workplace excellence, and diversity, culminating in recognition as one of the Most Awarded Brands of 2025 by LMD.

LOOKING AHEAD

The outlook for the forthcoming year remains challenging, with geopolitical tensions in the Middle East and broader global instability expected to weigh on both global and domestic conditions. Given Sri Lanka's sensitivity to external shocks, global volatility is likely to transmit rapidly into domestic markets. Elevated energy prices and supply-side disruptions may exert inflationary pressure, influencing market stability, investor sentiment and corporate performance across key sectors.



Renewed pressure on interest rates, tighter liquidity conditions and cautious investor behaviour is likely to moderate investment activity across equity and fixed income markets.

Against this backdrop, we will prioritise strengthening business resilience through continued diversification of income streams, reducing dependency on cyclical market movements. Having established strong contributions across all business segments, we intend to further deepen performance across subsidiaries and non-traditional verticals to enhance earnings stability over the medium to long term.

In parallel, we will continue to evaluate selective regional expansion opportunities, with early initiatives showing promising traction.

Overall, our strategic focus for the next 12-18 months will centre on diversification, strengthening, and measured expansion to sustain long-term value creation while navigating market volatility.

APPRECIATION

I would like to extend my sincere appreciation to the Board for its guidance and steadfast support throughout the year, which was instrumental in navigating a complex operating environment.

I also thank our teams for their dedication, professionalism and integrity in delivering consistent outcomes under challenging conditions. I am equally grateful to our clients for their continued trust, and to our shareholders and debt investors for their sustained confidence in our long-term value creation journey.

My appreciation is also extended to our regulators for their constructive engagement, which continues to strengthen the stability and governance of the financial system.

Finally, I acknowledge our corporate social investment partners, business and technology collaborators, service providers, and all stakeholders whose continued support enables our progress.

We look forward to your continued partnership as First Capital advances its journey towards sustained and inclusive value creation.

(Sgd.)

Dilshan Wirasekara

Managing Director/CEO

Board of Directors



Rajendra Theagarajah
Independent Non-Executive
Chairman

Appointed as Independent,
Non-Executive Chairman on
28 June 2024

Expertise

Banking and finance, strategic
business leadership, policy
advocacy, corporate governance
and compliance

Qualifications

- A Fellow Member of the
Institute of Chartered
Accountants of Sri Lanka
- A Fellow Member of the
Chartered Institute of
Management Accountants of
UK
- Master of Business
Administration from Cranfield
School of Business, UK

Current Appointments

Directorships in other companies
Listed Entities

- Janashakthi Finance PLC
- Non-Independent Non-
Executive Chairman

Unlisted Entities

- First Capital Limited - Non-
Executive Independent
Chairman
- BCAS (Pvt) Limited- Non-
Executive Director
- Siam City Cement (Lanka)
Limited- Non-Executive
Director
- Professional Insurance
Corporation Zambia-Non-
Executive Director
- Payable (Pvt) Limited-
Chairman, Non-Executive
Director
- Praxis Magnus Strategies
Limited-Non-Executive
Director (Strategic Advisory
role)
- Colours of Courage cancer
Trust -Chairman
- Engenuityai -Chairman
Emeritus

Committee Membership



Committee Chairman

- Investment, Asset and
Liability Committee



Manjula Mathews
Non- Independent
Non-Executive Director/Deputy
Chairperson

Appointed as
Non-Independent,
Non-Executive Director, Deputy
Chairperson on 27 December
2022

Expertise

Finance, corporate governance,
strategic business leadership,
advocacy for social impact and
philanthropic engagement

Qualifications

- A Fellow Member of the
Chartered Institute of
Management Accountants, UK
- Master's Degree in Business
Administration from the
University of Cambridge, UK
- Master's in Biblical Studies
from the Colombo
Theological Seminary
- Postgraduate Diploma in
Counselling and Psychosocial
Support from the University
of Colombo

Current Appointments

Directorships in other companies
Listed Entities

- Janashakthi Limited - Non-
Independent Non-Executive
Director

- First Capital Treasuries PLC - Non-Independent Non-Executive Director/ Chairperson

Unlisted Entities

- First Capital Limited - Non-Independent Non-Executive Director/ Deputy Chairperson
- First Capital Trustee Services (Pvt) Ltd - Non-Independent Non-Executive Director/ Chairperson
- First Capital Markets Limited - Non-Independent Non-Executive Director/ Chairperson
- Habitat for Humanity International - Independent Non-Executive Director
- Mahaweli Feed Mills (Pvt) Limited - Non-Executive Director
- Rock Foundation (Pvt) Limited - Non-Executive Director
- Garnet Capital (Pvt) Limited - Non-Executive Director
- Mahaweli Marketing (Pvt) Limited - Non-Executive Director
- Turquoise Lanka (Pvt) Limited - Non-Executive Director
- Thornton Estates Limited - Non-Executive Director

Committee Membership



Dilshan Wirasekara
Managing Director/CEO

Appointed as the Managing Director/Chief Executive Officer - 27 December 2022 (Appointment to Board as the Director/Chief Executive Officer on 1 May 2017)

Expertise

Capital market strategy and product innovation, treasury and investment management, corporate finance advisory services and Asset and Liability risk management, strategic leadership

Qualifications

- Alumnus of INSEAD having successfully completed the Executive Professional Education at INSEAD Business School in Fontainebleau, France
- Alumnus of AOTS, Tokyo, Japan

Current Appointments

Directorships in other companies

Listed Entities

- First Capital Treasuries PLC - Non-Executive Non-Independent Director

Unlisted Entities

- First Capital Limited - Managing Director/CEO
- First Capital Asset Management Limited - Non-Executive Non-Independent Director
- First Capital Equities (Pvt) Limited - Non-Executive Non-Independent Director
- First Capital Advisory Services (Pvt) Limited - Non-Executive Non-Independent Director
- First Capital Markets Limited - Managing Director/CEO
- First Capital Trustee Services (Pvt) Limited - Managing Director/CEO

Committee Membership





Ramesh Schaffter
Non- Independent
Non- Executive Director

Appointed as a
Non-Independent, Non-Executive
Director on 21 December 2018

Expertise

Finance and marketing, corporate
strategy, strategic leadership,
social entrepreneurship, non-
profit governance, motivational
speaker

Qualifications

- A Fellow Member of the
Chartered Institute of
Management Accountants
(CIMA), UK
- Associate Member of the
Chartered Institute of
Marketing (CIM), UK

Current Appointments

Directorships in other companies

Listed Entities

- Janashakthi Limited –
Managing Director/Group
CEO
- First Capital Treasuries PLC
– Non-Independent Non-
Executive Director
- Janashakthi Insurance PLC
– Non-Independent Non-
Executive Director

Unlisted Entities

- First Capital Limited – Non-
Executive Director
- Janashakthi Corporate
Services Limited – Executive
Director
- Janashakthi Foundation
(Guarantee) Limited – Non-
Executive Director
- Acland Insurance Services
Limited – Non-Executive
Director
- Pan Nippon Development
(Private) Limited – Non-
Executive Director
- Rock Foundation (Pvt)
Limited – Non-Executive
Director
- Schaffters (Pvt) Limited –
Executive Director
- Tea Leaf Trust (Guarantee)
Limited – Non-Executive
Director
- Beckett Capital (Pvt)
Limited –Executive Director/
Chairman
- El Shaddai Trust – Non-
Executive Chairman
- Espalier Futures Limited –
Non-Executive Director

Committee Membership



Kuda Banda Herath
Independent Non-Executive
Director

Appointed as an Independent,
Non-Executive Director on
29 April 2024

Expertise

Business management, marketing
and business development,
Strategic M&A in FMCG sector,
Environmental sustainability,
public-private collaboration

Qualifications

- Bachelor's Degree in Applied
Chemistry – University of
Kingston, London

Current Appointments

Directorships in other companies

Listed Entities

- Central Finance PLC –
Independent Non-Executive
Director

Unlisted Entities

- First Capital Limited- Non-Executive Director
- First Capital Asset Management Limited- Non-Executive Director
- Energy Management Systems (Pvt) Limited - Non-Executive Director
- Bavarian Barn German Restaurant (Pvt) Limited- Non-Executive Director
- Photocinex (Pvt) Limited- Non-Executive Director

Committee Membership



Committee Chairman

- Board Nomination and Governance Committee



Rachini Rajapaksa

Independent Non-Executive Director

Appointed as an Independent Non-Executive Director on 28 June 2024

Expertise

Finance, investment management, audit and assurance, corporate governance and compliance

Qualifications

- Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK
- Chartered Financial Analyst (CFA) – CFA Institute, USA

Current Appointments

Directorships in other companies

Listed Entities

- Asia Siyaka Commodities PLC- Independent Non-Executive Director
- Kelani Tyres PLC- Independent Non-Executive Director

Unlisted Entities

- First Capital Limited- Non-Executive Director
- Agrione Solutions (Pvt) Limited - Non-Executive Director
- Asia Siyaka Warehousing (Pvt) Limited – Non-Executive Director
- Sri Lanka Accounting and Auditing Standards Board- Independent Non- Executive Director
- Asset Engineering (Pvt) Limited - Independent Non-Executive Director
- Lanka Bond House Limited – Independent Non- Executive Director
- Asset Group of Companies (Pvt) Limited – Non-Executive Director
- Associated CEAT (Pvt) Limited - Non-Executive Director

Committee Membership



Committee Chairman

- Board Audit Committee
- Related Party Transaction Review Committee
- Board Integrated Risk Management Committee



Inoshini Perera
Independent
Non-Executive Director

Appointed as an Independent
Non-Executive Director on
28 Jun 2024

Expertise

Investment banking,
management consultancy, and
corporate banking

Qualifications

- Master's Degree in Finance –
University of Cambridge, UK
- B.Sc. in Economics (First
Class Honours) – London
School of Economics and
Political Science (LSE), UK

Current Appointments

Directorships in other companies

Unlisted Entities

- First Capital Limited- Non-
Executive Director
- First Capital Advisory
Services (Pvt) Limited- Non-
Executive Director
- Verité Research (Pvt) Limited
- Executive Director

Committee Membership





Dilendra Wimalasekera
Independent Non- Executive
Director

Appointed as an Independent
Non-Executive Director on
28 June 2024

Expertise

Entrepreneurship, digital
marketing and corporate strategy

Qualifications

- Bachelor of Arts in Business
Economics – College of
Wooster, USA
- Completed the Birthing
of Giants Entrepreneur
Development Programme –
Massachusetts Institute of
echnology (MIT), USA.

Current Appointments

Directorships in other companies

Unlisted Entities

- First Capital Limited- Non-
Executive Director
- First Capital Equities (Pvt)
Limited- Non-Executive
Director
- Eureka Technology Partners
(Pvt) Limited- Director/CEO
- ReapDigital (Pvt) Limited-
Co-Founder/Director/CEO

Committee Membership



Committee Chairman

- Remuneration committee

Legend

	Board Nomination and Governance Committee
	Remuneration Committee
	Investment, Asset and Liability Committee
	Board Audit Committee
	Related Party Transaction Review Committee
	Board Integrated Risk Management Committee

Management Team



1. DILSHAN WIRASEKARA
Managing Director/
Chief Executive Officer



2. THARUSHA EKANAYAKE
Chief Operating Officer



3. JALIYA WIJERATNE
Director/ Chief Executive Officer -
First Capital Equities (Private) Limited



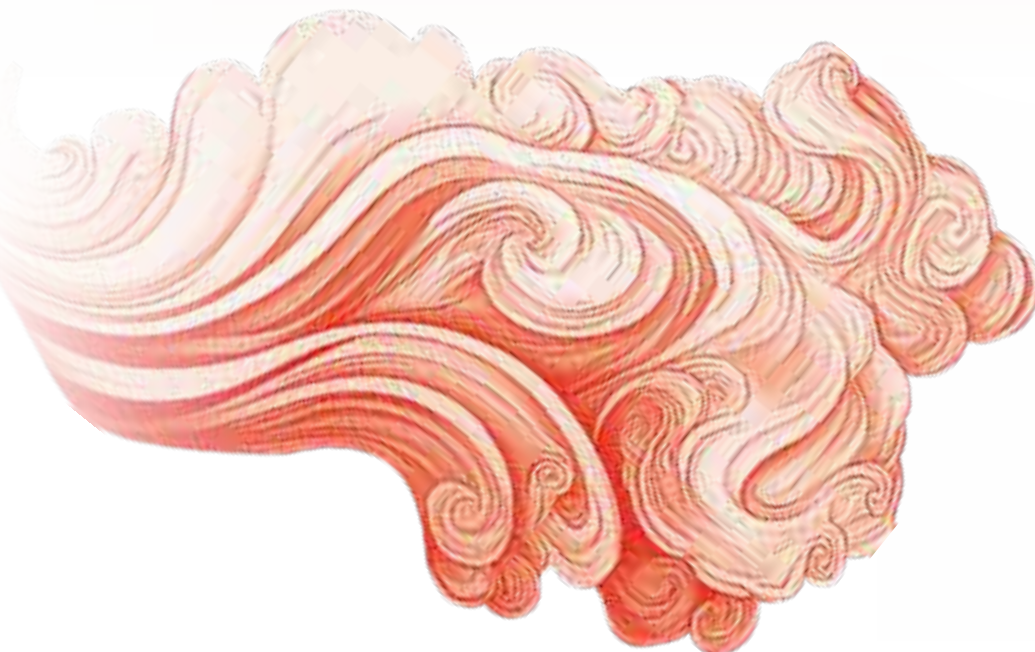
4. SACHITH PERERA
Director/ Chief Executive Officer -
First Capital Treasuries PLC



5. KAVIN KARUNAMOORTHY
Director/ Chief Executive Officer -
First Capital Asset Management Limited



6. MANGALA JAYASHANTHA
Chief Financial Officer



7. LASITH NANAYAKKARA
Chief Transformation Officer



8. WASANTHI STEPHEN
Group Chief Human
Resources Officer



9. GAMIKA DE SILVA
Group Chief Marketing Officer



10. SUJANI KUMARAGE
Executive Vice President -
Operations



11. KAPILA PERERA
Chief Risk Officer



12. DIMANTHA MATHEW
Chief Research and Strategy Officer



13. MITHILA ABEYSEKERA
Chief Technology &
Digital Officer



14. HARSHANEE DESHAPRIYA
Group Chief Legal Officer



Management Team



15. SITHIRA WANNIARACHCHI
Chief Information Security Officer



16. CHAMARA PUSSELLA
Head of Human Resources



17. RANDINITH MADANAYAKE
Head of Marketing



18. DILUNI DANUSHIKA
Head of Sustainability and
Corporate Reporting



19. PRASHANI PERERA
Assistant Vice President – CRM

1. DILSHAN WIRASEKARA

Managing Director/ Chief Executive Officer

Please refer to the Directors' profile on page 73.

2. THARUSHA EKANAYAKE

Chief Operating Officer Director/ Chief Executive Officer- First Capital Advisory Services (Private) Limited

BSc. (Special) Degree (University of Peradeniya), Member (SLFA)

Over 25 years of experience in banking and financial services, including 5+ years with First Capital

3. JALIYA WIJERATNE

Director/ Chief Executive Officer - First Capital Equities (Private) Limited

Licensed Stockbroker, Registered Investment Advisor (SEC), Past President of the Colombo Stockbrokers Association

Over 32 years of investment advisory experience in the capital markets of Sri Lanka, including 12+ years with First Capital

4. SACHITH PERERA

Director/ Chief Executive Officer - First Capital Treasuries PLC

ACIFMA Financial Markets Professional Diploma (ACIFMA - The Financial Market Association, Paris)

Over 26 years of Banking of which 12 years as Treasurer/ Head of Global Market for HSBC Sri Lanka and Maldives and 3+ years with First Capital Treasuries PLC. Consultancy engagements with commercial banks and board directorships at non-bank financial institutions (NBFIs) in Sri Lanka

5. KAVIN KARUNAMOORTHY

Chief Executive Officer - First Capital Asset Management Limited

MBA (Cardiff Metropolitan University, UK), Registered Investment Advisor (CSE), ACI Dealing Certificate (Financial Markets Association - Paris)

Over 24 years of treasury and investment banking experience, including 8+ years with First Capital

6. MANGALA JAYASHANTHA

Chief Financial Officer

B.Sc. (Special) Degree in Accountancy (University of Sri Jayewardenepura), Fellow Member - CA Sri Lanka and CMA Sri Lanka

Over 25 years of experience in financial management, financial reporting, auditing, corporate planning and taxation, including 20+ years with First Capital

7. LASITH NANAYAKKARA

Chief Transformation Officer

BCom (University of Western Sydney, Australia)

Senior technology and transformation executive in digital and operational transformation across core banking modernisation, API and integration architecture, digital platform enablement, and enterprise risk and control frameworks within the banking and financial services sector.

His leadership focuses on aligning technology strategy with business outcomes, ensuring stability of mission-critical systems while enabling innovation at scale.

8. WASANTHI STEPHEN

Group Chief Human Resources Officer

Attorney-at-Law, An International Master of Business Administration from Canterbury Christ Church University (UK), A Chartered Member of the Chartered Institute of Personnel Management (CIPM), A Professional Member of the Association of HR Professionals, A Professional Certified Coach (PCC) accredited by the International Coaching Federation (ICF) USA, A Member of the ICF Colombo Chapter, A Life Member of the Bar Association of Sri Lanka, A Council Member of the Chartered Institute of Personnel Management Sri Lanka for the 2024/2025 term, a Member of the Board of Industrial Mentors for the BBM (Honors) in Human Resource Development at Uva Wellassa University of Sri Lanka

Over 26 years of experience in human resource industry, including 10+ years with the Company

9. GAMIKA DE SILVA

Group Chief Marketing Officer

Fellow member of the Sri Lanka Institute of Marketing, holds CIM qualification and MBA in Marketing from the University of Wales

Over 25 years of experience in brand management, marketing, retail sales, and customer experience across insurance, banking, telecommunications, and FMCG, including leadership roles at Janashakthi, Etisalat Sri Lanka, Airtel Lanka, and Seylan Bank PLC. Has led brand, sales, and CX transformation initiatives and served as a past President of SLIM, a member of the Sri Lanka Institute of Directors, and a Non-Executive Director at Beckett Capital

Management Team

10. SUJANI KUMARAGE

Executive Vice President – Operations

MBA (University of Suffolk), Diploma in Treasury and Risk Management (IBSL), Diploma in Computer Studies (IDM), Certificate in Treasury & Foreign Exchange Operations (CBS)

Over 27 years of experience in business processing related to fixed income securities and treasury operations with First Capital

11. KAPILA PERERA

Chief Risk Officer

MBA (University of Colombo), B. Com (Special) Degree (University of Sri Jayewardenepura), Fellow Member - SLICM, Member - CPM, Diploma in Treasury and Risk Management (IBSL)

Over 23 years of experience in risk, compliance, AML/CFT, data protection, business operations and finance, including 19+ years with First Capital

12. DIMANTHA MATHEW

Chief Research and Strategy Officer

MBA (University of Wales, UK), FCMA (UK), CGMA (UK), LL.B (University of London), Attorney-at-Law

Over 18 years of experience in investment banking, including 12+ years with First Capital

13. MITHILA ABEYSEKERA

Chief Technology Officer & Digital Officer

PhD (Reading), MBA (Aus), Bsc in IT (1st class honours), CBF & DBF (IBSL), Certificate in Business Process Excellence (Dr. Mikel J Harry Six Sigma Management Institute)

Over 22 years of transformative leadership in technology across prominent Sri Lankan banks, leads IT and digital transformation including 2+ years with First Capital

14. HARSHANEE DESHAPRIYA

Group Chief Legal Officer

LL.M. in International Business and Commercial Law (Merit) (University of West London), LLB (Hons) (University of Colombo), Post Attorney Diploma in Corporate Law (Merit) (Sri Lanka Law College), PQHRM (Merit) (IPMSL), Attorney-at-Law

Over 20 years of corporate experience, including 11+ years with the Company

15. SITHIRA WANNIARACHCHI

Chief Information Security Officer

MSc in Cyber Security (ECC University) - USA, MBSC - UK, CISM, CDPSE, ISO 27001 LA, ISO 22301 LA/LI

20+ years of experience across network infrastructure, cybersecurity, governance, risk and compliance (GRC) with extensive experience driving enterprise security transformation across logistics, technology, telecommunications, and financial services sectors

16. CHAMARA PUSSELLA

Head of Human Resources

MBA (University of Wales), Claritas Investment Certification for Investment Banking Professionals (CFA Institute), Professional Member (Association of HR Professionals)

Over 17 years of collective HR experience in investment banking and finance industries, including 6+ years with First Capital

17. RANDINITH MADANAYAKE

Head of Marketing

Bachelor of Science (University of Colombo)

Over 13 years of experience in brand marketing across consumer durables, FMCG, and alcoholic beverages, including 4+ years with First Capital

Proven track record in commercialising new product innovations and stewarding leading international brands in Sri Lanka, driving sustainable growth and market relevance

18. DILUNI DANUSHIKA

Head of Sustainability and Corporate Reporting

MSc. Accounting and Finance (University of Gloucestershire, UK), BSc. Finance (First Class) (University of Sri Jayewardenepura), FCMA (UK), CGMA (UK), FCMA (SL), Member (CISI), Member (CTA), Associate of the Institute of Bankers of Sri Lanka (AIB)

Over 14 years of experience in diverse industries in the fields of accounting, corporate reporting and sustainability, including 10+ years with First Capital

19. PRASHANI PERERA

Assistant Vice President – CRM

Reading – PGDip (Public Administration) at Kensley Graduate School

Over 19 years of experience in customer service, specialising in customer relationship management, customer retention, relationship Building, managing customer experience metrics, enhancing customer satisfaction and loyalty, including 2+ years with First Capital

Branch Operation Team



SALINDA SAMARAKONE
Kandy Branch



ROHANA JAYAKODY
Matara Branch



DINUKA DASANAYAKE
Negombo Branch



NUWAN FERNANDO
Kurunegala Branch



T. RAJASRIKANTHAN
Jaffna Branch



PONNAMPALAM NAGULESWARAN
Batticaloa Branch



SUMIYURU RAJAGURU
Anuradhapura Branch



THILINA SASHIMAL
Galle Branch





Rajendra Theagarajah
Chairman

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, it is my pleasure to present this year's Corporate Governance Report, which outlines how the Board has discharged its responsibilities to demonstrate how First Capital Holdings PLC (FCH) and its subsidiaries continue to be governed with integrity, transparency, accountability, fairness and sustainability at their core. In a year marked by economic recovery and evolving regulatory frameworks, the FCH Board remained firmly committed to position FCH for sustainable growth in an increasingly dynamic operating environment.

Board Composition

Following several changes in the prior year, the current year saw no new appointments to the FCH Board, with only movements involving the scheduled retirement by rotation of the Director, Ms. Manjula Mathews, who was subsequently re-elected at the Annual General Meeting. Against this backdrop, I am pleased to note that the FCH Board remains well-balanced, represented by a strong mix of professional skills and industry expertise, alongside healthy gender diversity. Equally importantly, the continuity of leadership reinforces the Board's capacity to provide oversight and strategically steer FCH and its Group entities toward sustainable growth and long-term value creation.

Regulatory Compliance

Significant time and effort were directed towards ensuring full compliance with statutory obligations, particularly in light of the amendments to Section 9 of the Colombo Stock Exchange Listing Rules that came into effect in August 2025. As early adopters of regulatory mandates, the FCH Board undertook a comprehensive review of the existing governance framework and proceeded to update the policy framework. Simultaneously, sub-committee mandates were further refined with reporting protocols further enhanced to ensure clear accountability in key governance areas. I must reiterate that all these initiatives were executed in strict adherence to the prescribed timelines, which I believe stands as a testament to the Board's commitment to continuous improvement in governance standards in line with regulatory developments.

Risk Management

In response to the evolving economic and regulatory environments, the Board remained increasingly vigilant on risk management. Working closely with the Board Integrated Risk Management Committee (BIRMC), the Board focused on reinforcing operational controls across the Enterprise Risk Management Framework (ERMF) with a view to driving prudent capital allocation to safeguard the Group's financial resilience over time.

Sustainability Integration

With sustainability emerging as a strategic priority in recent years, the Board took deliberate action in the current year to maintain stronger oversight over Environment, Social and Governance (ESG) matters through the establishment of the Sustainability Management Committee (SMC). The SMC was entrusted with the responsibility of embedded sustainability

considerations into strategy, investments, and operations, in order to improve the Group's readiness to adopt advanced disclosure mandates such as SLFRS S1 and S2 in due course.

Group Governance

As a large financial services Group in Sri Lanka, the FCH Board acknowledges that cohesive oversight over subsidiaries is vital not only for safeguarding the reputation of the FCH brand, but also crucial for maintaining the integrity and stability of the country's financial system. Working proactively throughout the year, the Board implemented measures to preserve the independence of subsidiary Boards, with notable changes made to mitigate potential conflicts of interest. Significant emphasis was also placed on aligning subsidiary governance mandates with the Group's overarching governance framework.

Declaration

As Chairman of the Board, I wish to confirm that the FCH Board remains firmly committed to observing the highest standards of corporate governance, integrity and professionalism throughout all operations across the Group. Furthermore, I declare that all the members of the Board and all First Capital's employees have acted in compliance with the applicable regulatory and statutory requirements and have discharged their duties in accordance with the policies, procedures and standards set out under the Group Corporate Governance Framework, including the Code of Conduct for Employees and Directors and the Anti-Bribery and Corruption policy.

Sgd.

Rajendra Theagarajah
Chairman

05 June 2026

2. APPROACH TO GOVERNANCE

As a responsible financial services institution, First Capital Holdings PLC (FCH) operates on the principle that strong corporate governance is fundamental to maintaining market confidence, safeguarding stakeholder interests, and ensuring financial system stability. Given the nature of its operations, which involve managing public funds, market intermediation, and exposure to complex financial risks, FCH's institutional governance framework is built on a combination of internal codes, policies, and procedures, together with external regulatory mandates and the voluntary adoption of global best practices that underpin the commitment to:

Integrity – Ensure that all Directors, management, and employees act with honesty, fairness, and ethical responsibility in every interaction, embedding ethical considerations

into both strategic and operational decisions.

Transparency – Facilitate timely, accurate, and meaningful disclosure of financial and non-financial information to stakeholders, enabling informed decision-making and fostering trust through adherence to regulatory requirements and global best practices.

Accountability – Establish clear roles and responsibilities across the Board, Sub-Committees, and management, enabling independent oversight, effective monitoring of performance, and responsible decision-making aligned with strategic objectives.

Fairness – Equitable treatment of all stakeholders by ensuring decisions reflect the interests including shareholders, clients, employees,

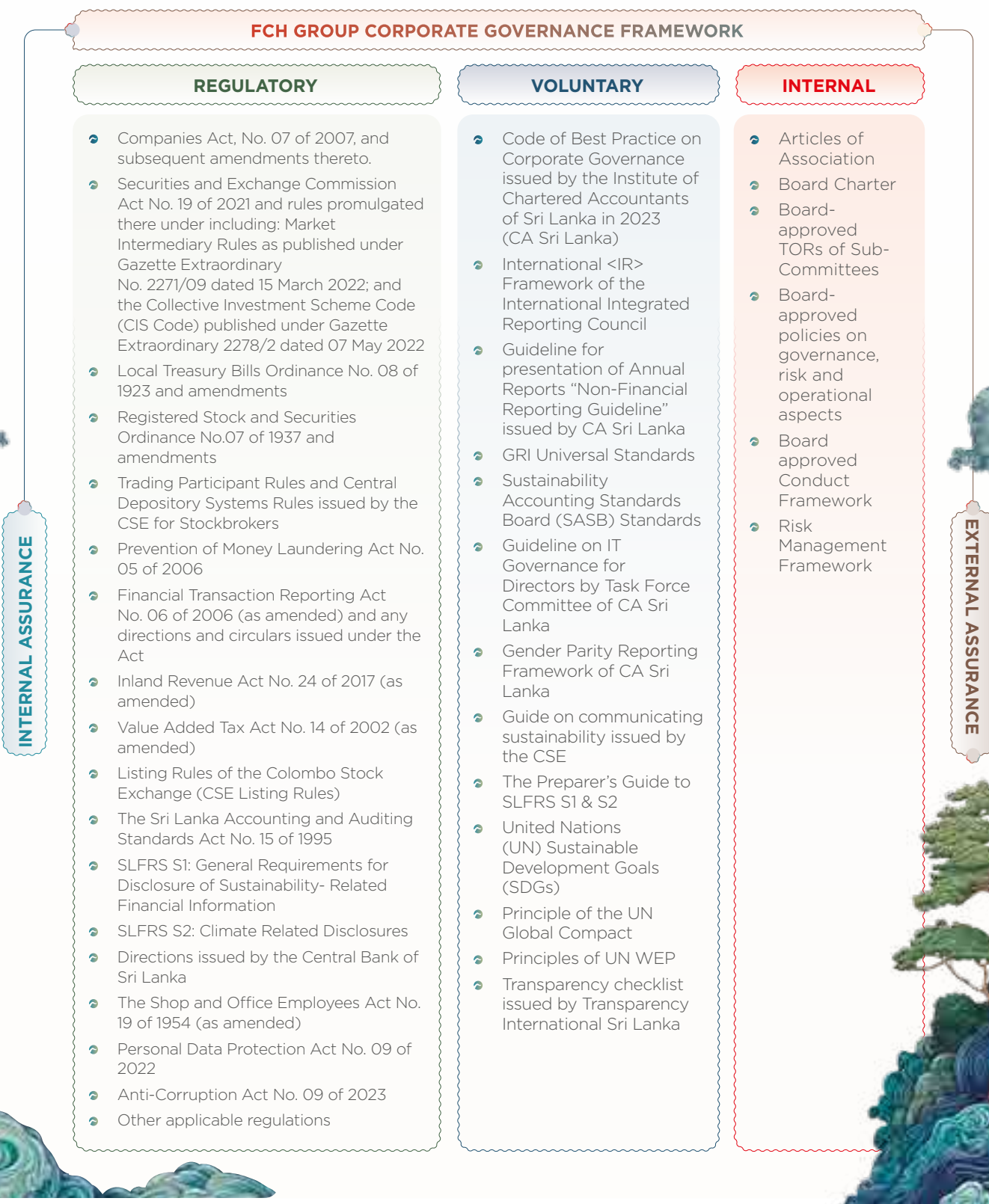
and business partners.

Sustainability – Focus on long-term value creation into business strategy, risk management, and operations by balancing economic performance with environmental stewardship and social responsibility to enhance resilience and contribute positively to the broader economy and society.

In keeping with the endeavour to support progressive value creation, FCH's approach to governance is continuously evolving, with practices and structures reviewed and enhanced on an ongoing basis to respond to changing stakeholder expectations and organisational priorities against the backdrop of changing regulatory developments, economic conditions, geopolitical influences and technological advancements.



3. INTEGRATED GOVERNANCE FRAMEWORK



4. GOVERNANCE STRUCTURE

GRI: GRI 2-9



GOVERNANCE STRUCTURE

External Governance through:

REGULATORY GOVERNANCE:

- All laws and regulations applicable in the day-to-day operations of the Group



SHAREHOLDERS



Internal Governance through:

- Articles of Association of the Company
- Terms of Reference and charters of Board Sub-Committees
- Risk Management Framework
- Board approved policies and procedures
- Board Charter
- Board approved conduct Framework

Level 1 Governance

BOARD OF DIRECTORS

Remuneration Committee

Investment, Asset and Liability Committee

Board Integrated Risk Management Committee

Board Audit Committee

Related Party Transactions Review Committee

Board Nominations and Governance Committee

Level 2 Governance

MANAGING DIRECTOR/ CEO



KEY MANAGEMENT PERSONNEL (KMPs)

Level 3 Governance

Internal Audit

External Audit

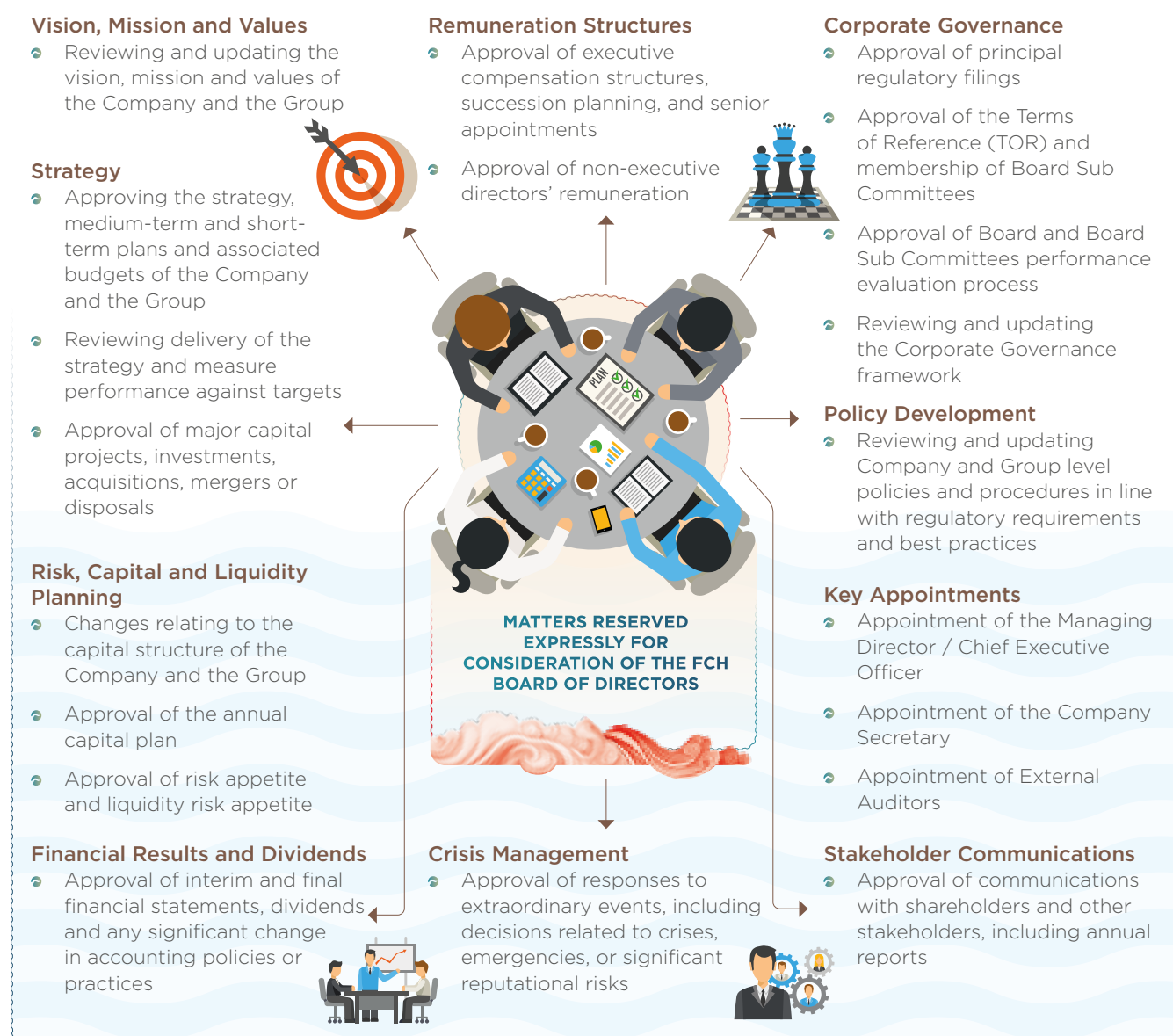
5. THE BOARD OF DIRECTORS

5.1. The Role of the Board

CODE OF BEST PRACTICE REFERENCES: Principles A.1, A.1.1, A.1.2, A.1.3

The Board of Directors of First Capital Holdings PLC (FCH), as the highest governing body within the organisation, and as such serves as the guardian of corporate governance. In this capacity the Board bears ultimate responsibility for ensuring that both the Company and the Group are managed in accordance with sound governance practices and the highest ethical standards.

The role and responsibilities of the Board are outlined under the Policy on Matters Relating to the Board of Directors, which dictates that the FCH Board is required to define the vision, mission, values, and strategic direction of the Company and the Group. In fulfilling this mandate, the Board provides strategic leadership to guide strategy formulation and execution of business plans within an appropriate risk appetite. To that end, a clearly defined schedule of matters is reserved for the Board's direct consideration and approval.



Policy Development Update - FY 2025/26		
New Policies approved by the Board	Description and Purpose	Area of Operation Impacted
Policy on New Products	This policy establishes a standardised governance framework for the introduction of new products within First Capital Holdings PLC and its subsidiaries. It ensures regulatory compliance, strategic alignment, and effective risk management across all entities in the group.	Business Operations
Policy on Personal Data Protection	To safeguard the privacy and security of personal information collected from individuals, including customers, employees, suppliers, and other stakeholders. This Policy outlines how First Capital collects, uses, discloses, and protects personal data in accordance with the Personal Data Protection Act No. 09 of 2022 ("PDPA"). This policy was drafted based on the guidelines provided in the PDPA and the Personal Data Protection Impact Assessment conducted by the Risk and Compliance division.	Client handling divisions, HR, IT and Risk & Compliance
Office Conduct Policy	Policy sets out the standards of behaviour expected from all employees to ensure a professional, respectful, and productive work environment. It provides guidelines on appropriate workplace behaviour, communication, dress code, use of company property, punctuality, and interactions with colleagues, clients, and stakeholders.	HR Department
Religious Activities Policy	Policy outlines the principles and guidelines for managing religious practices, observances, and expressions within a company. Its purpose is to ensure that all religious activities are conducted respectfully, lawfully, and in a manner that promotes inclusivity and harmony among employees, students, or participants.	HR Department
Policy on external work arrangements while on payroll diversity, equity and inclusion policy	It defines the conditions under which employees may engage in external employment, freelance work, consultancy, or business activities while remaining on the company's payroll. The policy aims to prevent conflicts of interest, ensure that outside work does not interfere with job performance, and protect the company's confidential information and resources. It typically outlines disclosure requirements, approval procedures, permissible and prohibited activities, and consequences for non-compliance.	HR Department

Policy amendments approved by the Board	Description and Amendments made	Area of Operation Impacted
Policy on Matters Related to Board of Directors	The Policy on Matters Related to the Board of Directors has been amended to incorporate the relevant provisions introduced under the Companies Act, No. 07 of 2007, and subsequent amendments thereto.	Company secretary
Board Charter	Board charter was established by integrating relevant policies and best practices	Company secretary

5.2. Directors Remuneration

CODE OF BEST PRACTICE

REFERENCES: Principles B.1, B.2, B.2.1, B.2.3, B.2.5, B.2.14, B.3.1, B.3.2

GRI: GRI 2-19, 2- 20, 2- 21

The FCH Board has established a comprehensive Remuneration Policy to support consistent, transparent, and equitable remuneration of both Executive and Non-Executive Directors. The Policy aims to attract individuals of the highest calibre with the skills and experience required to effectively serve on the Board.

In line with this Policy, the remuneration structures for Executive Directors comprise both fixed and variable elements, where the fixed element is benchmarked against relevant local market standards, while the variable component consists of performance-linked incentives set based on clearly defined targets that align with the long-term strategic goals of the Company. These principles are also applied to the remuneration of Key Management Personnel (KMP).

The Remuneration Committee (REMCO), as the designated custodian of the Remuneration Policy, is responsible for overseeing its implementation. The Committee conducts annual benchmarking to evaluate the remuneration structures of Executive Directors and KMP, and based on this assessment, makes recommendations to the Board regarding appropriate adjustments to both fixed and variable components of remuneration as deemed appropriate. The Managing Director/Chief Executive Officer (MD/CEO) is invited to participate in these discussions, except in matters relating to his own remuneration.

The Annual total compensation ratio of First Capital Holdings PLC's Managing Director / CEO who is the highest paid executive of the organisation, is not disclosed for confidentiality reasons.

6. BOARD EFFECTIVENESS

6.1. Board Composition

CODE OF BEST PRACTICE

REFERENCES: Principles A.5, A.5.1, A.5.2, A.10, A.10.1

GRI: GRI 2-10, 2 -17, 405 -1

The FCH Board as at 31 March 2026 comprised eight Directors, consisting of one Executive Director and seven Non-Executive Directors, of which five are Independent Non-Executive Directors, reflecting an appropriate balance of independent oversight to enable objective decision-making at the highest level.

The FCH Board is also represented by a diverse mix of age, gender, skills and professional expertise, spanning areas such as finance, capital markets, risk management, legal, governance, and corporate strategy, collectively representing

the Board's ability to provide strategic guidance, exercise effective oversight of management, and support sustainable value creation for the Company and the Group.

The composition of the FCH Board is governed by the Articles of Association, the Policy on Matters relating to the Board of Directors and applicable regulations, which together ensure the Board maintains an appropriate balance of skills, experience, and independence to effectively discharge its governance responsibilities.

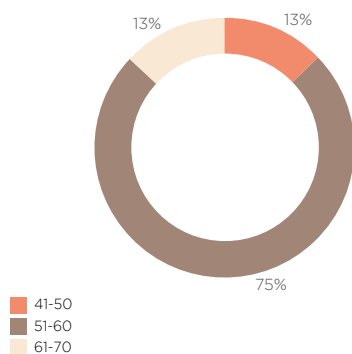
The composition of the Board may change from time to time as a result of new appointments, retirements, resignations, or the re-election of Directors in accordance with the Articles of Association and applicable regulatory requirements, or in line with emerging skill requirements. Such changes ensure that the Board continues to maintain the diversity, expertise, and independence necessary to effectively guide the Company and the Group.

COMPOSITION OF THE BOARD

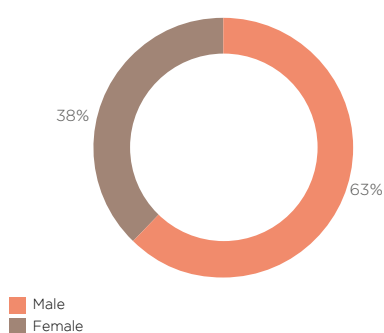
Name of the Director	Date of Appointment	Membership Status	Age (Years)	Tenure on the Board (Years)
Mr. Rajendra Theagarajah	28 June 2024	NED ID	68	2
Ms. Manjula Mathews	27 December 2022	NED NID	58	4
Mr. Dilshan Wirasekara	16 May 2017	ED NID	51	9
Mr. Ramesh Schaffter	25 July 2019	NED NID	56	7
Mr. Kuda Banda Herath	29 April 2024	NED ID	59	2
Ms. Inoshini Perera	28 June 2024	NED ID	42	2
Ms. Rachini Rajapaksa	28 June 2024	NED ID	58	2
Mr. Dilendra Wimalasekera	28 June 2024	NED ID	52	2

ED – Executive Director, NED – Non-Executive Director, ID – Independent Director, NID – Non-Independent Director

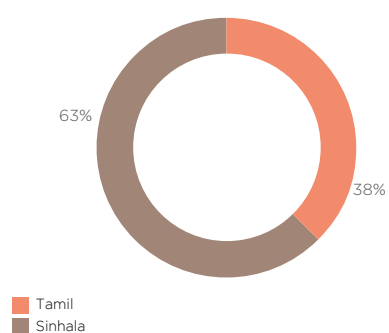
Board's age composition



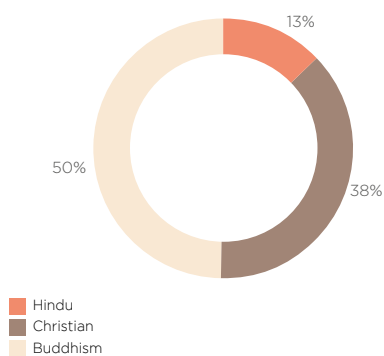
Board's gender composition



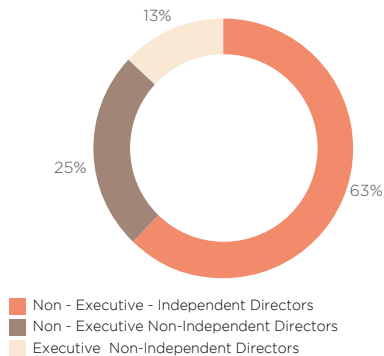
Board's nationality



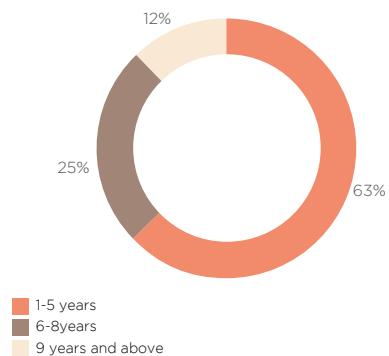
Diversity by Religion



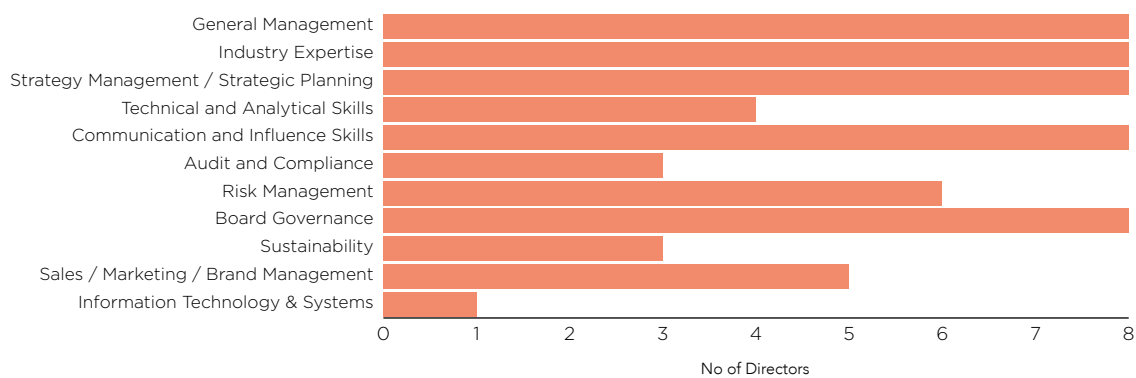
Executive and Non-Executive Directors



Tenure



Board Competency and Expertise Matrix



6.2. Non-Executive Directors

CODE OF BEST PRACTICE

REFERENCES: Principles A.5.1, A.5.2, A.5.3, A.5.4, A.5.5, A.5.9, A.5.10

The presence of Non-Executive Directors (NEDs) and Independent NEDs on the FCH Board significantly enhances Board effectiveness. Independent NEDs are required to be free of any business or other relationships that could materially compromise their ability to act objectively. Directors' independence is assessed against the criteria set out in section 9.8.3 of the CSE Listing Rules.

The Board is satisfied that all Non-Executive Directors currently serving on the FCH Board meet these independence requirements and are fully capable of fulfilling their governance responsibilities

Free from day-to-day management responsibilities, NEDs contribute to the Board deliberations by challenging assumptions, testing proposals, and ensuring decisions are made in the best interests

of the Company, the Group and all stakeholders. NED's oversight is also particularly important in safeguarding governance standards, monitoring risk management and internal controls, upholding ethical conduct, and ensuring accountability, thereby strengthening decision-making and supporting the long-term sustainability and resilience of the Company and the Group.

CRITERIA FOR DETERMINING DIRECTORS INDEPENDENCE

The independence of Directors is assessed in accordance with Rule 9.8.3 of the Colombo Stock Exchange (CSE) Listing Rules. In determining whether a Director qualifies as independent, the Board considers all criteria prescribed under Rule 9.8.3, including employment history, business relationships, shareholding interests, family relationships, board tenure, cross-directorships, and other factors that may impair independent judgement. Directors who satisfy these requirements are deemed independent and are able to exercise objective and unbiased judgement in the best interests of the Company and its stakeholders.

<https://cdn.cse.lk/pdf/listing-rules/Listing-Rules-Section-9-Corporate-Governance.pdf>

The total number of external Board seats (excluding directorship within the FCH Group) held by each Director as of 31 March 2026 is summarised below;

Name of the Director	Independence status	No. of Board seats held in Listed Companies		No. of Board seats held in Unlisted Companies	
		Executive Capacity	Non- Executive Capacity	Executive Capacity	Non- Executive Capacity
Mr. Rajendra Theagarajah	Independent	N/A	2	N/A	7
Ms. Manjula Mathews	Non-Independent	N/A	2	N/A	10
Mr. Dilshan Wirasekara	Non-Independent	N/A	1	3	3
Mr. Ramesh Schaffter	Non-Independent	1	2	3	8
Mr. Kuda Banda Herath	Independent	N/A	1	N/A	5
Ms. Inoshini Perera	Independent	N/A	N/A	1	2
Ms. Rachini Rajapaksa	Independent	N/A	1	N/A	8
Mr. Dilendra Wimalasekera	Independent	N/A	N/A	3	2

6.3. Board Refreshment

Board refreshment serves as a key enabler for the introduction of new perspectives, skills, and experience as well as strengthening diversity of age, gender, and professional expertise at the leadership level.

6.3.1. Selection and Appointment of New Directors

CODE OF BEST PRACTICE REFERENCES:

Principles A.7.1, A.7.2, A.7.4

The need for selecting and appointing new Directors typically occurs as a consequence of the retirement or resignation of existing Board members. Additionally, the Board Nominations and Governance Committee (BNGC) also regularly reviews the structure, size, and composition of the Board against applicable regulatory requirements and emerging global best practices as well as emerging skill requirements necessitated by strategic objectives. Based on findings, the BNGC proceeds to identify and nominate suitable candidates who enhance the overall balance, independence, and diversity of the FCH Board.

All new appointments are formally disclosed to the Colombo Stock Exchange, accompanied by a detailed profile of the appointee, covering professional expertise, current directorships and shareholding in other entities. In parallel, a press release is issued to inform shareholders and other stakeholders.

IDENTIFICATION OF DIRECTOR REQUIREMENTS

- The BNGC identifies prospective Directors by assessing the skills, experience, regulatory fit, and diversity requirements of the Board, taking into account the Group's strategic objectives, existing Board composition, regulatory requirements, and the need to maintain an appropriate balance of gender, age, ethnicity, and perspectives.

SEARCH FOR CANDIDATES

- The BNGC identifies suitable candidates through internal recommendations and external sources, including executive search firms, and evaluates them against defined criteria such as experience, expertise, independence, and alignment with the Group's values and strategic objectives.

EVALUATION OF CANDIDATES

- The BNGC undertakes a structured evaluation process, including interviews and appropriate background checks, and thereafter shortlists and recommends candidates to the Board based on an overall assessment of their competence, integrity, independence, and suitability for Board appointment.

APPROVAL PROCESS

- The BNGC submits its recommendations to the Board of Directors for review and deliberation, following which the appointment of Directors is subject to Board approval and, where applicable, shareholder approval by way of an ordinary resolution passed at a duly convened meeting or by written resolution.

APPOINTMENT AND DISCLOSURE

- Upon approval, Directors are formally appointed, the relevant statutory filings are made with the appropriate regulatory authorities, and the appointment is promptly disclosed to the Colombo Stock Exchange and the public in accordance with applicable listing and disclosure requirements.

ONBOARDING AND INTEGRATION

- Newly appointed Directors are supported through a structured induction programme to familiarise them with the Group's operations, governance framework, and strategic direction, while the BNGC oversees ongoing performance evaluations and annually assesses Board development and succession requirements.

6.3.2. Retirement, Resignation and Re-election of Directors

CODE OF BEST PRACTICE REFERENCES: Principles A.8.1, A.8.2, A.8.3

In accordance with the Articles of Association, one-third of the Non-Executive Directors are required to retire by rotation at each Annual General Meeting (AGM). Directors retiring by rotation may offer themselves for re-election by shareholders, subject to a recommendation by the BNGC. In making such recommendations, the BNGC evaluates each Director's attendance, level of engagement, and contribution to Board deliberations, together with continued compliance with the eligibility criteria set out in the Colombo Stock Exchange (CSE) Listing Rules.

As stated in the Company's Articles of Association, any Director appointed by the Board to fill a casual vacancy is required to stand for re-election by shareholders at the subsequent Annual General Meeting (AGM).

Board Changes for FY 2025/26			
New Appointments	Resignations	Retirement	Re-election at the AGM held on 30 June 2025
N/A	N/A	N/A	Ms. Manjula Mathews

6.4. Board Succession Planning

CODE OF BEST PRACTICE REFERENCES: Principles A.7.3

Board succession planning is treated as a continuous and proactive process rather than an ad hoc activity. The main aim of the Board succession planning is to facilitate leadership continuity, with emphasis on identifying future Board needs based on required skills, experience, diversity, and independence, including emerging areas such as digital, cybersecurity, and regulatory expertise. In this regard, clear succession plans are established for key Board roles such as the Chairperson, Committee Chairs, and other critical Board roles, with due consideration of tenure limits and retirement age of existing Board members.

The process is overseen by the BNGC with regular reporting to the Board.

6.5. Duties and Responsibilities of Individual Directors

All Board of Directors are expected to devote the necessary time, commitment, and attention required to effectively discharge their responsibilities as Directors of the Company and the Group. This includes active participation in Board meetings and deliberations, where Directors are expected to contribute their skills, knowledge, and professional experience to support robust discussions and exercise independent judgment in decision-making at the highest level.

Directors are also required to participate in the annual Board self-assessment process as a part of the performance evaluation, which helps drive continuous improvement in Board effectiveness by enabling Directors to reflect on their individual and collective performance while identifying opportunities to further strengthen governance practices across the Company and the Group.

6.6. Conflicts of Interest

GRI: GRI 2-15

Maintaining high standards of integrity and transparency is essential to the effective functioning of the FCH Board. All Directors are expected to act in good faith and in the best interests of the Company and the Group, while upholding the highest standards of professionalism and ethical conduct in the discharge of their duties.

In adherence to these principles, Directors are required to disclose any actual or potential conflicts of interest that may arise in relation to matters considered by the Board. Directors must declare in writing at the time of appointment, and annually thereafter indicating any direct, indirect, beneficial, or non-beneficial interest in a contract or proposed transaction involving the Company or the Group.

In line with ongoing improvements, the Conflict of Interest Policy was updated in the current year with the introduction of a formalised framework governing the initiation of blackout periods for listed shares and debentures in which First Capital intends to invest. The revised policy was presented to and approved by the Board at its meeting held on 11 November 2025.

6.7. Induction and Training for Directors

CODE OF BEST PRACTICE
REFERENCES: Principles A.1.8

All newly appointed Directors to the FCH Board are required to participate in a structured induction programme designed to provide a comprehensive understanding of the Company and Group's operations, strategy, and governance framework. As part of this process, each Director receives a detailed orientation pack containing key internal policies, procedural manuals, and relevant external reference materials, ensuring they are fully briefed and equipped to discharge their responsibilities effectively.

The induction also includes in-person meetings with the Board Chair, Managing Director/CEO, and selected Key Management Personnel (KMP) to Directors to gain practical insight into day-to-day business activities and operational challenges.

To support continuous improvement and effective oversight, Directors have access to ongoing internal and external training programmes throughout their tenure, to enhance knowledge, build awareness of economic, regulatory, and industry developments.

Training Programme	No. of Directors Participating
ESG Awareness Session	03
Board's Role in Mandatory Sustainability Reporting	05
Future of Finance 2025 Seminar	02
Global Sustainability Conference	02
Anti-Money Laundering (AML) & Countering The Financing of Terrorism (CFT)	02

6.8. Board Meetings

Board meetings serve as the primary forum for the Board of Directors to provide strategic oversight, exercise governance, review operational and financial performance, assess risk and compliance matters and deliberate on key strategic initiatives that align with the long-term interests of shareholders and stakeholders.

A structured framework is in place for planning Board meetings, starting with the annual meeting calendar, prepared in advance by the Company Secretary in consultation with the Board Chairman, to ensure Board meetings are held regularly. Once finalised, the meeting calendar is communicated to all Board Directors.

ACCESS TO INFORMATION

CODE OF BEST PRACTICE REFERENCES: Principles A.1.1, A.1.6, A.6.1, A.6.2

In preparation for the meeting, Directors are encouraged to engage with members of the Corporate Management team to seek any necessary information or clarifications to gain a balanced understanding of the topics to be discussed. Directors are also allowed to seek independent professional advice at the Company's expense, as needed.

ENSURING EFFECTIVENESS OF BOARD MEETINGS



BEFORE EACH BOARD MEETING:

- The Chairman, assisted by the Company Secretary, sets the agenda for the meeting to ensure relevant matters are presented for discussion in order of priority.
- A Board pack is prepared and circulated among all Directors seven (7) days prior to the Board Meeting. The Board pack typically contains qualitative and quantitative information on matters to be raised at the Board Meeting along with the MD/CEO's review of business operations, financial performance, industry trends and market developments pertaining to each sector and the Group as a whole.
- Directors have the right to submit proposals to be included in the agenda for the upcoming meeting.



AT THE BOARD MEETING:

- It is mandatory for Directors to attend Board meetings.
- All Board members expected to be fully prepared and engage proactively in all Board proceedings.
- The Chairman is entrusted with the responsibility of ensuring orderly conduct of Board meetings.
- All Directors are expected to adhere to proper Board room ethics and conduct, including recusing themselves, where matters involving conflict of interest are being discussed.
- KMP's are also invited to attend Board meetings, as needed to discuss relevant areas of business.
- Minutes of Board meetings are maintained by the Company Secretary.



AFTER THE BOARD MEETING:

- The Company Secretary prepares detailed minutes which are presented to the Chairman for approval, prior to circulation among Board members.
- The Board monitors all action items with decisions requiring disclosure to regulators, shareholders, or external stakeholders actioned promptly, in line with CSE Listing Rules, regulatory requirements, and corporate governance standards.
- Minutes and supporting documentation are safely archived as part of the official corporate record for compliance, audit, and historical reference.

MEETING ATTENDANCE

Name of the Board Member	Board Meetings		Board Audit Committee		Nomination & Governance Committee		Remuneration Committee		Related Party Transaction Review Committee		Board Integrated Risk Management Committee		Investment, Asset and Liability Committee	
	Eligibility	Participation	Eligibility	Participation	Eligibility	Participation	Eligibility	Participation	Eligibility	Participation	Eligibility	Participation	Eligibility	Participation
Mr. Rajendra Theagarajah	13	12	-	-	1	1	4	4	-	-	-	-	24	16
Ms. Manjula Mathews	13	10	4	4	1	1	-	-	4	4	-	-	24	22
Mr. Dilshan Wirasekara	13	12	-	-	-	-	-	-	-	-	11	11	24	22
Mr. Ramesh Schaffter	13	9	-	-	-	-	4	4	-	-	-	-	-	-
Mr. Kuda Herath	13	9	-	-	1	1	-	-	-	-	-	-	-	-
Ms. Inoshini Perera	13	11	4	4	-	-	-	-	4	4	11	11	-	-
Ms. Rachini Rajapaksa	13	13	4	4	-	-	-	-	4	4	11	11	24	23
Mr. Dilendra Wimalasekera	13	13	-	-	-	-	4	4	-	-	-	-	-	-

Board Meeting Highlights

Date	Major Action Discussed/ Approved
April 2025	- Approved the Group Strategic Plan and Budget for FY 2025/26, including strategic IT and business investments. - Approved a Rs. 3Bn listed debenture issuance to strengthen capital adequacy and support future growth initiatives. - Approved the appointment of KPMG to implement the Group ESG Framework aligned with SLFRS S1 & S2 standards. - Reviewed digital transformation initiatives and directed management to recalibrate the FY2025/26 IT strategy to better align with business objectives and governance expectations.
May 2025	- Reviewed Group financial performance, capital adequacy and treasury market positioning amidst market volatility and mark-to-market reversals. - Approved the Group bonus scheme - Approved revised Related Party Transaction (RPT) policies to strengthen governance and compliance oversight. - Reviewed the Group ESG roadmap, including sustainability initiatives aligned with the Janashakthi Group framework and UN Women Empowerment Principles.
June 2025	- Strengthened governance oversight on regulatory, operational and litigation matters, including SEC-related proceedings and risk monitoring. - Reviewed ESG strategic priorities and alignment with broader Janashakthi Group sustainability initiatives. - Conducted Board and Chairman performance evaluation and identified areas for enhanced strategic focus and Board development.
July 2025	- Approved adoption of international ESG and sustainability initiatives, including SSCI Certification, UN Global Compact and UN PRI engagement. - Approval for the DigiFirst digital transformation roadmap. - Reviewed customer experience, brand positioning and digital engagement initiatives targeting long-term growth and market positioning.
August 2025	- Approved revised policies on New Products and Conflict of Interest to strengthen governance and product oversight. - Reviewed business continuity, disaster recovery readiness and operational risk management initiatives. - Strengthened internal surveillance and monitoring controls following disciplinary and compliance-related matters.
September 2025	- Approved strategic equity investments. - Approved amendments to AML/CFT processes and strengthened governance and compliance oversight frameworks. - Reviewed sustainability leadership initiatives, including international ESG certifications and regional brand-building initiatives.
October 2025	Conducted the Mid-Year Strategic Review assessing progress against the Group's five-year strategic plan, digital transformation roadmap and operational KPIs.

Date	Major Action Discussed/ Approved
November 2025	- Approved the Sustainability Management Committee framework and strengthened governance oversight for sustainability reporting and ESG integration. - Reviewed long-term core system strategy and future replacement. - Approved amendments to the Conflict of Interest Policy and reviewed enhanced governance and regulatory compliance requirements.
December 2025	- Approved the Group Sustainability Strategy and appointed a Chief Transformation Officer to strengthen digital transformation and technology governance. - Reviewed Group performance and strategic portfolio positioning amidst increased equity market volatility and mark-to-market reversals.
January 2026	- Reviewed the Strategic Technology and Digital Roadmap, including phased core system modernisation and digital platform enhancement initiatives. - Approved a Rs. 15Mn contribution toward national relief and recovery efforts following Cyclone Ditwah.
February 2026	- Strengthened governance oversight relating to regulatory compliance, operational controls and client onboarding procedures. - Reviewed enhancements to the Data Loss Prevention framework, climate risk assessment and operational risk quantification initiatives. - Reviewed strategic progress relating to branch expansion, digital transformation and technology modernisation initiatives.
March 2026	- Reviewed the revised corporate strategy plan, business outlook and Group strategic positioning for the upcoming financial year. - Approved amendments to the Personal Data Protection Policy to strengthen data governance and cybersecurity oversight. - Reviewed and strengthened governance frameworks relating to risk management, communication protocols and group-wide policy standardisation.

6.9. Board and Board Sub-Committee Evaluation

CODE OF BEST PRACTICE

REFERENCES: Principles A.9.1, A.9.2, A.9.3, A.9.4

GRI: GRI 2-18

In line with the CSE Listing Rules, a formal process for evaluating the performance of the Board and its Sub-Committees was introduced during the current year. As per the established procedure, the evaluation begins with an annual self-assessment by each Director documenting their individual contributions, engagement, and effectiveness in Board deliberations. All self-declarations are reviewed by the Nominations and Governance Committee (BNGC) with findings presented to the Board. Additionally, the BNGC also conducts a collective assessment of the Board, considering the balance of skills, experience, knowledge, independence, and gender diversity to ensure that the Board is well-equipped to meet its strategic and oversight responsibilities.

A similar methodology is applied to Board Sub-Committees, assessing their performance against their respective Terms of Reference (ToR), mandates, and regulatory expectations.

The outcome of the current year evaluation confirms that the FCH Board and its Sub-Committees are competent, well-structured, and positioned to execute their roles effectively in line with regulatory directives and governance best practices.

6.10. Evaluating the performance of the MD/CEO

CODE OF BEST PRACTICE

REFERENCES: Principles A.11.1, A.11.2

The Chairman jointly with the Deputy Chairman conducts an annual evaluation of the performance of the MD/CEO against predefined goals and strategic objectives established at the start of each financial year to assess the effectiveness in leadership, strategic decision-making, and value creation. Findings from the evaluation along with key observations and insights are presented to the BNGC, for deliberations regarding adjustments to the MD/CEO's remuneration, if any, with recommendations made to the Remuneration Committee (RC) for appropriate action.

7. DIVISION OF RESPONSIBILITIES

GRI: GRI 2-11, 2-13

The role of the First Capital Holdings PLC (FCH) Chairman is distinct and separate from that of the Managing Director (MD)/CEO, underscoring the principle that no single person has unfettered decision-making powers at a leadership level.

7.1. Chairman

CODE OF BEST PRACTICE

REFERENCES: Principles A.2.1, A.3, A.3.1

The Chairman of First Capital Holdings PLC- Mr. Rajendra Theagarajah who serves as an Independent Non-Executive Director, is responsible for leading the Board and ensuring the Board and Board Committees function effectively and efficiently as per their respective mandates.

7.2. Managing Director (MD) / Chief Executive Officer (CEO)

CODE OF BEST PRACTICE

REFERENCES: Principles A.2.1

The MD/CEO - Mr. Dilshan Wirasekara is responsible for driving the Company and Group operational performance as per the Board approved strategy and within the risk appetite and for creating an organisational culture that reflects the organisations core values.

SEGREGATION OF DUTIES AND RESPONSIBILITIES AT A LEADERSHIP LEVEL



Chairman

- a) Provide Leadership to the Board.
- b) Chair meetings of the Board in such a manner will stimulate debate on issues before the Board and encourage the most effective contribution from each member.
- c) Chair meetings of shareholders and ensure effective communication with shareholders and relevant stakeholders.
- d) Consultation with the CEO, Directors, and the Company Secretary in setting the agenda for the Board meetings taking into consideration matters relating to strategy, performance, resource allocation, risk management, and compliance.
- e) Act as liaison between the Board and Management. The Chairman should act as the main link between the Board and management particularly between the Board and the Managing Director/ Chief Executive Officer.
- f) Ensure proper committee structure, including assignments of members and committee Chairmen. The Chairman should also ensure that there is a succession plan framework for the Board, evaluated by the Board Nomination and Governance Committee and approved by the Board.
- g) Ensure that all Board members, upon taking up their office, are fully briefed on the terms of their appointment, time commitment, duties and responsibilities, and the business of First Capital.
- h) Conduct performance assessments of the Board, its committees, and individual Directors.



Managing Director/CEO

- a) Formulate and implement group strategy and ensure that the business strategy aligns with the group's goals and shareholders' interests.
- b) Oversee day-to-day operations.
- c) Allocate resources efficiently.
- d) Comply with relevant laws and corporate governance standards and ensure timely regulatory filings and compliance.
- e) Communicate effectively with the Board, shareholders, and stakeholders.
- f) Manage business risks and implement internal controls.
- g) Oversee senior management and key personnel.
- h) Maintain a positive corporate culture and ethical work environment.
- i) Advise the Board on significant business matters.
- j) Uphold high standards of ethics and integrity.

7.3. Board Sub Committees

CODE OF BEST PRACTICE REFERENCES: Principles D.3.1, D.4.1, D.5.2, B.2.1

To support its ability to fulfil its oversight responsibilities, the FCH Board has established 06 Sub-Committees, including four mandatory committees in compliance with all relevant regulatory requirements.

Each Sub-Committee operates under a formally approved Terms of Reference (ToR), which clearly defines its delegated responsibilities, scope, and authority. These ToRs are reviewed annually by the Board and updated as necessary to ensure alignment with evolving regulatory standards, governance best practices, and the strategic priorities of the Company and the Group.

To promote accountability, the Chairman of each Committee is required to report back to the Board following every Committee meeting, ensuring that Directors are fully informed and that all aspects of the Board's mandate are addressed effectively.

BOARD SUB COMMITTEES

BOARD AUDIT COMMITTEE

Purpose: Oversight of financial reporting, internal controls, internal and external audits and compliance with legal and regulatory requirements.

Composition of the Committee:

Rachini Rajapaksa – Independent Non-Executive Director (Chairperson)

Inoshini Perera – Independent Non-Executive Director

Manjula Mathews – Non-Independent Non-Executive Director

Meeting Frequency Quarterly

(Pages 187-191)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Purpose: Ensuring that the Company takes the interest of shareholders as a whole into consideration in a manner that avoids conflict of interest.

Composition of the Committee:

Rachini Rajapaksa – Independent Non-Executive Director (Chairperson)

Inoshini Perera – Independent Non-Executive Director

Manjula Mathews – Non-Independent-Non-Executive Director

Meeting Frequency Quarterly

(Pages 201-204)

BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

Purpose: To monitor and oversee the Group's risk profile and the implementation of the risk framework approved by the Board.

Composition of the Committee:

Rachini Rajapaksa – Independent Non-Executive Director (Chairperson)

Inoshini Perera – Independent Non-Executive Director

Dilshan Wirasekara – Managing Director/ CEO

Meeting Frequency Monthly

(Pages 196-200)

REMUNERATION COMMITTEE

Purpose: Evaluation and recommendation of the Company's remuneration structure in alignment with performance parameters.

Composition of the Committee:

Dilendra Wimalasekera – Independent Non-Executive Director (Chairman)

Rajendra Theagarajah – Independent-Non-Executive Director

Ramesh Schaffter – Non-Independent-Non-Executive Director

Meeting Frequency Semi-annually

(Pages 192-195)

BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

Purpose: Reviewing the composition of the Board to ensure that the Board is properly constituted and balanced in terms of skills, experience and diversity.

Composition of the Committee:

Kuda Banda Herath – Independent Non-Executive Director (Chairman)

Rajendra Theagarajah – Independent Non-Executive Director

Manjula Mathews – Non-Independent Non-Executive Director

Meeting Frequency Annually and as and when required

(Pages 208-210)

INVESTMENT, ASSET AND LIABILITY COMMITTEE

Purpose: Reviewing investment related analysis, liquidity positions and risks.

Composition of the Committee:

Rajendra Theagarajah – Independent Non-Executive Director (Chairman)

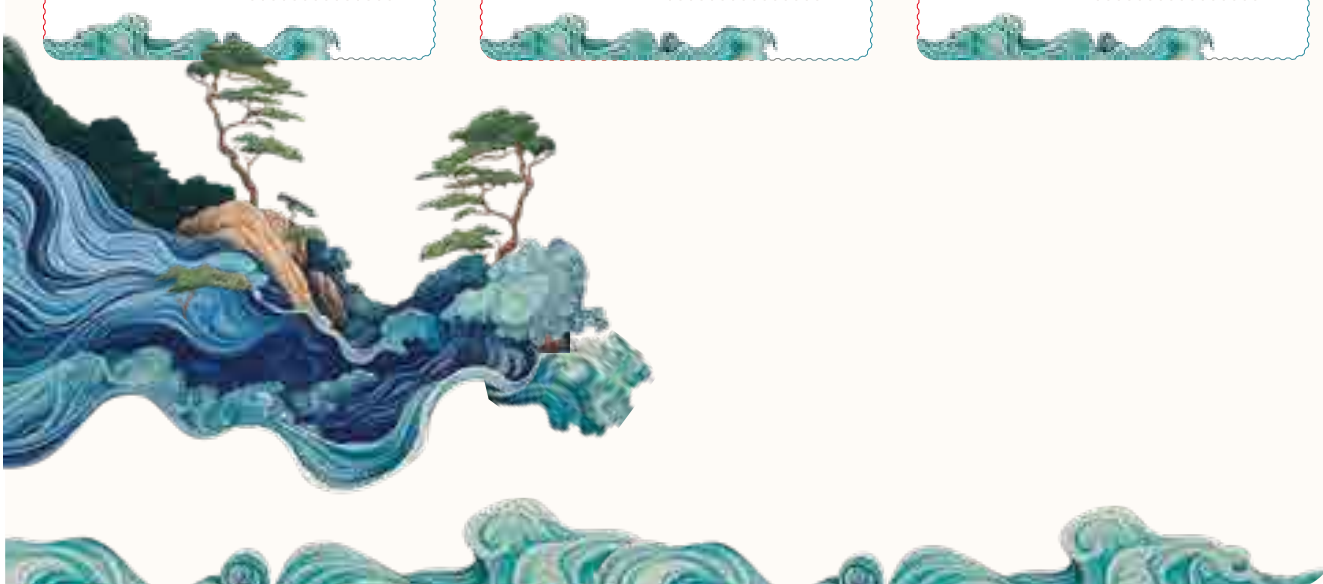
Rachini Rajapaksa – Independent-Non-Executive Director

Manjula Mathews – Non-Independent Non-Executive Director

Dilshan Wirasekara – Managing Director/ CEO

Meeting Frequency Bi-weekly

(Pages 205-207)



BOARD MEMBERSHIP IN SUB-COMMITTEES

Name of the Director	Audit Committee	Board Nomination & Governance Committee	Remuneration Committee	Related Party Transaction Review Committee	Board Integrated Risk Management Committee	Investment, Asset and Liability Committee
Mr. Rajendra Theagarajah		✓	✓			✓•
Ms. Manjula Mathews	✓	✓		✓		✓
Mr. Dilshan Wirasekara					✓	✓
Mr. Ramesh Schaffter			✓			
Mr. Kuda Herath		✓•				
Ms. Inoshini Perera	✓			✓	✓	
Ms. Rachini Rajapaksa	✓•			✓•	✓•	✓
Mr. Dilendra Wimalasekera			✓•			

- Chairman/Chairperson of the Committee

7.4. Company Secretary

CODE OF BEST PRACTICE REFERENCES: Principles A.1.4, A.6

Janashakthi Corporate Services Limited functioned as the Company Secretary of First Capital Holdings PLC during the financial year 2025/26 and until 30 April 2026. Ms. Heidy Seneviratne has been appointed as the Company Secretary with effect from 1 May 2026. In line with good governance principles, the appointment and removal of the Company Secretary is a matter expressly reserved for the Board, ensuring independence and accountability in the role.

The Company Secretary, under the direction of the FCH Board Chairman, is accountable for all matters with regard to the proper functioning of the Board. The Company Secretary serves as the secretary to the Board and all Board Sub Committees and as such facilitates the effective flow of information to the Board and Board

Committees and between Senior Management and Non-Executive Directors. The Company Secretary attends all Board meetings and Board Sub Committee meetings.

In addition to the aforementioned responsibilities, the Company Secretary is also required to:

1. Advise Directors individually and the Board collectively about carrying out their duties and responsibilities in compliance with relevant regulations and the Articles of Association.
2. Coordinate necessary requirements to ensure Board meetings are conducted smoothly, including liaising with the Board Chairman to work out the agenda, issue of proper notices of meetings, and circulation of board papers.
3. Maintain minutes of general meetings and Board meetings and all Sub-Committee meetings

4. Maintain the register of all shareholders, containing details of past and present and their shareholdings.
5. Ensure the Group operates in compliance with the CSE listing rules, including in regard to related party disclosures
6. Informing regulators of any changes in the Group's governance structure owing to the appointment or resignation of Directors.
7. Coordinate necessary requirements to facilitate the AGM, including circulation of notices and the circulation of the annual report in adherence to CSE listing rules.

8. Assist in the induction of new Directors and facilitating the ongoing professional development of Directors, including training and knowledge development to keep them updated on the latest developments in legislation and regulations in the local financial services industry
9. Serve as the custodian for the Group's legal documents, including the certificate of incorporation and memorandum and Articles of Association.

All Directors have unrestricted access to the professional expertise and counsel of the Company Secretary across all aspects of the Board's mandate and the Group's operations.

The performance of the Company Secretary is reviewed annually as part of the broader Board evaluation process. The latest assessment confirmed that the FCH Group's Company Secretary:

- Is competent, suitably qualified, and experienced to advise the Board effectively;
- Possesses the necessary skills, knowledge, and governance expertise to support informed decision-making;
- Maintains an arm's length relationship with the Board and individual Directors; and has discharged responsibilities effectively throughout the year, supporting robust governance and operational oversight.

7.5. Executive Committees

Executive Committees are appointed by the MD/CEO to assist in the day-to-day management and operational oversight of the Company and the Group. Executive Committees typically composed of KMP's, are tasked with bringing more focused oversight to key areas, monitoring key operational and strategic initiatives, addressing emerging risks, and facilitating timely decision-making. By delegating specific responsibilities to Executive Committees, the MD/CEO ensures that critical business areas are managed efficiently while maintaining alignment with the Group's overall strategy and objectives.

Executive Committees		
Management Committee (MANCO)	IT Steering Committee (ITSC)	Group Sustainability Management Committee (SMC -Appointed in October 2025)
Oversees day-to-day operational execution across trading, client engagement and back-office functions; monitors progress of strategic projects including digitalisation; and ensures alignment with the Approved Operating Plan (AOP).	Oversees the alignment of IT strategy with business objectives, monitors major IT projects, manages technology-related risks including cybersecurity and ensures effective governance of IT investments and resources.	Oversees the Company's ESG strategy and roadmap towards achieving established targets and also works to enhance the Company's ESG disclosures, ensuring transparent communication of its sustainability commitment to stakeholders.

8. BOARD OVERSIGHT RESPONSIBILITIES

GRI: GRI 2-12

8.1. Regulatory Compliance

GRI: GRI 2-12

The FCH Board holds ultimate responsibility for ensuring that the Company and the Group operate in full compliance with all applicable laws, regulations, and regulatory directives. In this regard, the Board has established a comprehensive compliance framework encompassing policies, procedures, and monitoring mechanisms to ensure 100% compliance with corporate, financial, securities, and listing requirements, as well as other statutory obligations relevant to the Company and Group operations.

The Board confirms that First Capital Holdings PLC remains fully compliant with all relevant statutory and regulatory obligations as at 31 March 2026.

8.2. Financial Reporting and Assurance

CODE OF BEST PRACTICE

REFERENCES: Principles D.1.1, D.1.2, D.1.3, D.1.4, D.3.1, D.3.2, A.4

As the highest governing authority of the Company and Group, the FCH Board is responsible for ensuring the integrity, accuracy, and transparency of financial reporting. In this regard, the Board undertakes to ensure that robust internal controls, risk management processes, and accounting policies are in place to safeguard assets, prevent irregularities, and support timely, reliable, and compliant financial disclosures in accordance with applicable laws, regulations, and reporting standards.

The Board also provides oversight of the preparation of financial statements including reviewing and approving quarterly and annual financial statements to ensure they present a true and fair view of the financial position and performance of the Company and the Group.

The responsibility for obtaining assurance on financial reporting has been delegated to the Board Audit Committee (BAC). The BAC seeks independent assurance from the Internal Auditor regarding the effectiveness of internal controls and obtains independent opinions from External Auditors to validate the integrity of financial reporting.

For more information, refer to:

- Directors' Statement on Internal Control Over Financial Reporting
- Annual Report of the Board of Directors on the Affairs of the Company and the Group (pages 72 to 77)
- Independent Assurance Report on Directors' Statement on Internal Control Over Financial Reporting (pages 378 to 381)
- Statement of Directors' Responsibility (pages 215 and 216)

8.3. Risk Management and Internal Control

CODE OF BEST PRACTICE REFERENCES: Principles D.2.1.1, D.2.1.2, D.2.1.3, D.2.2.1, D.2.2.2

The Board remains the ultimate authority responsible for ensuring effective risk management and internal control frameworks are in place to support the achievement of strategic objectives. Working with a clear understanding of the risks applicable to the Company and Group, the FCH Board has established a comprehensive integrated Enterprise Risk Management Framework (ERMF) accompanied with a structured internal control system that provides timely and accurate information on key risk exposures to enable informed decision-making to support growth objectives while safeguarding capital adequacy, operational resilience, and long-term sustainability of the Company and Group business models.

To assist in fulfilling its oversight responsibilities, the Board relies on the Board Integrated Risk Management Committee (BIRMC) to monitor key risk exposures. Under the supervision of the BIRMC, the Risk Department is entrusted with the responsibility of operationalising the ERMF. Additionally, the Internal Audit function is tasked with independently assessing the adequacy and effectiveness of internal controls, reporting findings directly to the Board Audit Committee (BAC) to ensure transparency, accountability, and continuous improvement of the risk and control environment.

Risk-Related Policies Reviewed and Updated by the Board in FY 2025/26	Changes made	Effective date of change
Conflict of Interest Policy	Initiation of blackout periods for listed shares and debentures that First Capital intends to invest in	04 November 2025
AML CFT Policy	Freezing of funds/ assets	12 September 2025
Investment Policy	Incorporating changes requested by IALCO	01 December 2025
Policy on Personal Data Protection	Policy updates to be in line with the updated Personal Data Protection (Amendment) Act, No. 22 of 2025	15 December 2025
Process Manual - FCE	No significant change. Reviewed the entire policy.	01 August 2025

For more information, refer to:

- Risk Management Report (pages 230 to 244)

8.3.1 Major and Material Transactions

CODE OF BEST PRACTICE
REFERENCES: Principles C.3

During the financial year ended 31 March 2026, the Company and the Group did not engage in or commit to any transaction that constituted a "major transaction" within the meaning of the Code of Best Practice on Corporate Governance or Section 185 of the Companies Act, No. 07 of 2007, and subsequent amendments thereto. No transaction or series of related transactions were entered into that had the purpose or effect of acquiring, disposing, or varying rights or liabilities exceeding one-third of the value of the Company's net assets or the consolidated net assets of the Group.

Furthermore, there were no transactions during the year that would have substantially altered the nature of the business carried on by the Company or the Group, nor any transactions requiring shareholder approval by ordinary or special resolution pursuant to the requirements of the Securities and Exchange Commission of Sri Lanka or the Colombo Stock Exchange Listing Rules (Section 9.14).

8.4. Ethics and Conduct

8.4.1. Code of Conduct

CODE OF BEST PRACTICE
REFERENCES: Principles D.6.1, D.6.2, D.6.3, D.6.4, D.6.5, D.6.6, D.6.7

GRI: GRI 2-23

The Code of Conduct (Code) sets out clear expectations regarding the culture, values and behaviours required of all employees and Directors of FCH. The Code which applies without exception to all employees and Directors of the Company and Group, is based on three key pillars:

- Market conduct, prioritising client interests, fair treatment, and market integrity.
- Personal conduct, promoting respect, inclusivity and encouraging employees to speak up when wrongdoings occur.
- Societal conduct, responsibly managing our impact on society and the environment.

Compliance with the above dimensions is strictly enforced supported by regular monitoring by the Board Nominations and Governance Committee (BNGC) and the BAC. The BNGC reviews conduct reports addressing significant matters at the Group and entity level, while the BAC monitors the implementation of remedial actions identified in Regulatory audit reports and internal audit reports, ensuring adherence to regulatory and legislative requirements.

POLICY FRAMEWORK

CODE OF BEST PRACTICE REFERENCES: Principles I

HUMAN RESOURCES

HR policy manual includes,

- Recruitment policy
- Grievance Handling Policy
- Whistleblowing policy
- Leave Policy
- Flexy Working Hours policy
- Policy for Staff Loans
- Employee separation/cessation policy
- Job rotation policy
- Remuneration and benefits policy

TECHNOLOGY & DIGITAL

IT policy manual includes,

- IS Risk Assessment Procedure
- Physical and Environmental Security Procedure
- Media Handling & Disposal Procedure
- Service Level Management Procedure
- Vulnerability Assessment and Patch Management Procedure
- Backup and Recovery Procedure
- Information Security Incident Management Procedure
- Log Management Procedure
- Performance Availability and Capacity Management Procedure
- Virus & Malicious Software Prevention Procedure
- Cloud Onboarding and Offboarding Process
- Change & Release Management Procedure
- IS Risk Assessment and Treatment for Projects Procedure
- Disaster Recovery and Business Continuity Plan
- System Access Control Procedure
- ISMS Mandatory Procedure

- Information Assets Management Procedure
- Human Resource Security Procedure

ETHICS AND INTEGRITY

- Code of Conduct
- Anti-bribery and Anti-corruption Policy
- Whistleblowing policy
- Policy on Outsourcing Services
- Conflict of Interest policy
- Anti-money Laundering and terrorist financing risk management policy and procedure
- Sustainability Policy
- Policy for Deceased customers

RISK MANAGEMENT

Delegated Authority Manual that includes

- RACI framework
- Investment policy
- Operational DA framework

Enterprise Risk Management Framework that includes

- Interest rate Risk Management Framework
- Liquidity Risk Management Framework
- Compliance Risk Management Framework

Business continuity plan and Risk Management Framework

- Credit policy manual
- Policy and Guidance Document for Impairment of Lending

- Incident and near-miss management procedure

INVESTMENT POLICY

- Investment policy and procedure
- Credit policy and procedure
- Policy on New Products

COMMUNICATION

- Complaint Handling policy
- Communication policy

8.4.2. Anti-Bribery and Corruption (ABC) Policy

CODE OF BEST PRACTICE REFERENCES: Principles D.6.3, D.6.5

The ABC policy outlines strict prohibitions against bribery, kickbacks, gifts, and facilitation payments in the course of conducting business, including strict prohibitions against funding political parties within Sri Lanka. The ABC policy applies unconditionally to all Directors and employees of the Company and the Group. The policy also stipulates specific compliance obligations and reinforces accountability through regular training programmes for both employees and Directors. Furthermore, business partners and third parties acting on behalf of the Company and/or the Group are made aware and expected to align with these standards.

8.4.3. Whistleblower Policy

CODE OF BEST PRACTICE REFERENCES: Principles D.6.4

GRI: GRI 2-16, 2- 25, 2- 26

The Whistleblowing Policy provides a confidential channel through which employees and other stakeholders can report suspected financial irregularities, issues in financial reporting, internal control lapses, or other concerns that may warrant investigation. All whistleblower reports are directed to and reviewed by the Chair of the BAC. During the investigation process, every effort is made to keep the whistleblower informed of progress, while maintaining confidentiality and protection from retaliation.

Regular training sessions reinforce these standards across employees and directors, extending requirements to business partners and stakeholders.

No whistleblower complaints were received in the current financial year.

8.4.4. Policy on Trading in Listed Securities

The policy prohibits Executive Directors, Key Management Personnel and staff members with access to price-sensitive information from trading in the Company's or Group's securities. Non-Executive Directors are subject to trading restrictions during blackout periods to ensure compliance with insider trading regulations.

8.5. IT and Information Security Systems

The Board of Directors remains accountable for ensuring strategic investments in technology and digital infrastructure are closely aligned with the long-term business objectives, operational priorities, and risk management framework of the Company and the Group.

Accordingly, the Board approves the IT and digital strategy, objectives, and budget, ensuring these resources effectively support business operations and strategic growth ambitions. Given the scale and complexity of FCH's operations, the IT Steering Committee (ITSC), an Executive-level Committee, has been appointed to oversee the implementation of the digital strategy, strengthen IT infrastructure, safeguard digital assets, and manage information security risks at an operational level.

8.6. Human Capital Governance

The Human Resource (HR) governance structure at FCH is structured to promote a culture of trust, transparency, and accountability within the Company and the Group. The Board of Directors provides oversight and strategic direction, supported by the Remuneration Committee and the Board Nominations and Governance Committee, which together ensure that HR policies and practices are aligned with the organisational objectives and governance standards.

At an operational level, the FCH Group Head of HR is responsible for the effective implementation of Board-approved HR strategies and policies and ensuring compliance with statutory and regulatory, and also promoting the adoption of global best practices, including alignment with the principles of the

International Labour Organisation (ILO) and the United Nations Global Compact (UNGC).

8.7. Sustainability Governance

CODE OF BEST PRACTICE

REFERENCES: Principles H.1.1, H.3.1, H.3.1.1, H.3.1.2, H.5.4

GRI: GRI 2-14

Sustainability governance is anchored at Board level. The Board provides strategic direction and oversight on sustainability, ensuring that Environmental, Social, and Governance (ESG) considerations are integrated into the long-term value creation agenda and risk management frameworks of the Company and the Group.

Supporting the Board in this regard is the newly established Sustainability Management Committee (SMC), which has been assigned the task of establishing ESG targets, coordinating ESG initiatives across business units and monitoring progress against targets. The SMC is further tasked with strengthening ESG integration into core operations by ensuring alignment with evolving regulatory requirements and global best practices. The Committee also oversees the work of divisional-level ESG Sponsors who are responsible for identifying, implementing, and reporting on sustainability initiatives within their respective divisions, while also bringing forward emerging ESG matters, risks, and opportunities for discussion at the SMC and BIRMC.

8.8 Sustainability and Climate Related Risks and Opportunities

Sustainability and climate related risks and opportunities have been identified through a value chain analysis and considered for including in the risk register for further assessments.

8.9 Cybersecurity, Information Security, and Data Governance

CODE OF BEST PRACTICE

REFERENCES: Principles G

The Group continues to strengthen its cybersecurity and information security framework in response to the evolving threat landscape, with ongoing investments in advanced monitoring, threat detection, and incident response capabilities to safeguard digital infrastructure and client data. Robust security protocols, regular penetration testing, and continuous system assessments are complemented by employee awareness programmes and real-time response mechanisms, enhancing resilience against cyber threats.

During the year, the Group further advanced its data governance practices through the implementation of key technologies, including Data Loss Prevention (DLP), Mobile Device Management (MDM), Privileged Access Management (PAM), and Endpoint Detection and Response (EDR), alongside enterprise-wide encryption, centralised patch management, and conditional access controls. The Group also commenced its alignment with ISO/IEC 27001 standards, and obtained certification during the financial year, reflecting its commitment to global best practices. No material data breaches or privacy incidents were reported during the year. The Board receives periodic assurance on cyber risk management from external auditors through security audits.

In line with emerging regulatory requirements, including the Personal Data Protection Act, steps are being taken to enhance governance structures, including the appointment of the Group-level Chief Information Security Officer

(CISO), while the officer of Risk and Compliance division continues to serve as the designated Data Protection Officer (DPO), ensuring oversight of data protection and privacy across the Group.

8.10 Stakeholder Engagement

The Board, as the highest governing body within the organisation, is responsible for ensuring that stakeholder considerations are appropriately reflected in strategic decision-making and value creation.

The Board has delegated the day-to-day management of stakeholder relationships to the executive leadership team, which is responsible for implementing Board-approved policies and strategies and designing appropriate stakeholder strategies to engage with stakeholders to identify their perspectives, concerns, and feedback to inform decision making processes within the Company and the Group.

For more information, refer to:

- Stakeholder Engagement (pages 32 to 40)

8.11 Shareholder Relations

CODE OF BEST PRACTICE

REFERENCES: Principles C.2.1, C.2.2, C.2.3, C.2.5, C.2.7, E

The FCH Board remains firmly committed to maintaining transparent, timely, and effective communication with shareholders. The Board ensures that shareholders are provided with accurate, relevant, and timely information on financial performance, strategic direction, and material developments, enabling informed decision-making.

Shareholders have the opportunity to comment or make suggestions on publicly available information, by writing directly to the Company

Secretaries, where all significant issues and concerns are referred to the Board along with management observations.

Meanwhile relations with institutional shareholders are managed directly under the purview of the Chief Financial Officer through regular one-on-one interactions.

The FCH Board remains firmly committed to maintaining transparent, timely, and effective communication with shareholders. This commitment is formalised through the Policy on Relations with Shareholders and Investors, which has been approved and adopted by the Board.

As set out under the policy, all shareholder information, including quarterly financial results, the Annual Report and any other relevant disclosures are published in a timely manner with due consideration of the CSE Listing Rules. Similarly, all price sensitive information is disseminated to the public as per requirements of the corporate disclosures stipulated under the CSE Listing Rules.

The Group encourages shareholders to utilise the Investor / stakeholder feedback form on page 591 of this annual report to provide comments and feedback on published information. Alternatively, shareholders are also welcome to write directly to:

Mangala Jayashantha
Chief Financial Officer
First Capital Holdings PLC
02, Deal Place
Colombo 03.
mangala@firstcapital.lk

The Company Secretary is entrusted with the responsibility of consolidating and reporting material issues and concerns raised

by shareholders to the Board. This process ensures that shareholder perspectives are considered in strategic and governance discussions, promoting alignment between the Board's oversight responsibilities and stakeholder expectations.

8.12 Annual General Meeting (AGM) and Voting Rights

CODE OF BEST PRACTICE

REFERENCES: Principles C.1.1, C.1.2, C.1.3, C.1.4, C.1.5, E,F

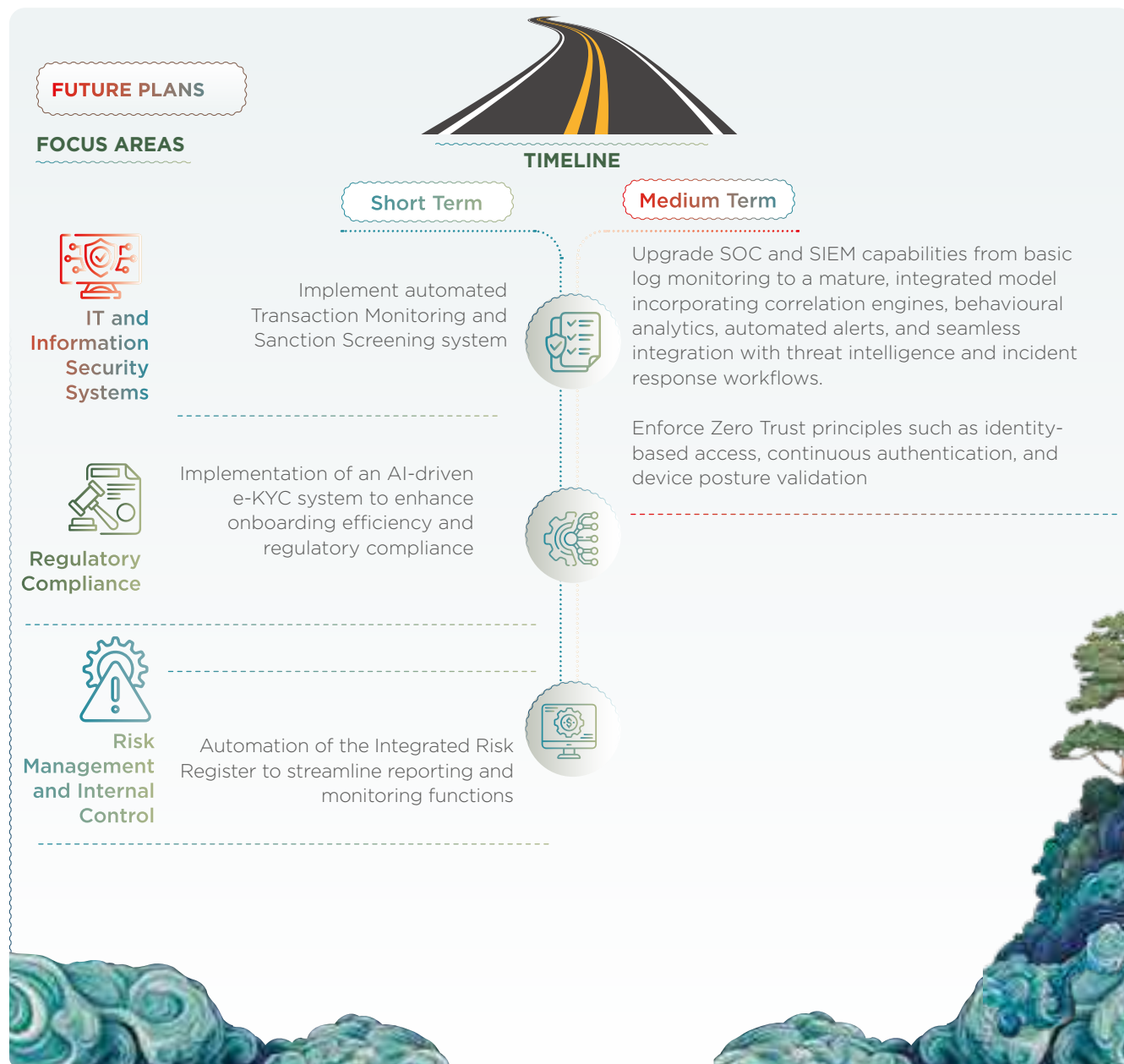
The Board is responsible for hosting the AGM at the conclusion of the financial year end. The AGM provides an opportunity for shareholders to interact directly with the Board of Directors of the company or organisation.

In adherence to CSE rules for listed entities, the notice of the AGM, the Annual Report and accounts and any other resolution to be tabled at the AGM along with the voting procedures, are circulated to shareholders 15 working days prior to the AGM. The digital version of the Annual Report is uploaded to the CSE website and also made available on the corporate website for viewing and download.

All Shareholders are encouraged to exercise their voting rights either in person at the AGM or by proxy. A special mechanism is in place to record and count all proxy votes lodged for each resolution. The outcome of the vote on each resolution is informed to the CSE, soon after the conclusion of the AGM.

First Capital Holdings PLC's 34th AGM is scheduled to be held on 30 June 2026.

8.13 Governance Roadmap



9. GROUP GOVERNANCE

The approach to Group governance underscores the Board commitment to provide strategic direction, oversight, and stewardship to ensure that the Company and the Group operate in a responsible and sustainable manner within an appropriate risk framework.

Accordingly, a consistent and well-coordinated approach to governance across the Group ensures adequate structures and processes are in place to support the effective supervision of subsidiary companies, taking into consideration the regulatory jurisdictions, applicable norms, and the nature, size, and complexity of risks faced by the Group and its subsidiaries.

In alignment with SEC minimum governance requirements, the Board has also introduced measures to preserve the independence of subsidiary Boards from the parent and other Group entities to strengthen oversight at the subsidiary level and promote consistency and alignment in governance practices across the Group, while avoiding potential conflicts of interest.

Group Governance Highlights for FY 2025/26

- Appointment of Mr. Kavin Karunamoorthy to the Board of Directors as an Executive Director (Designation – Director / CEO) to the Board of First Capital Asset Management Limited (FCAM).
- Mr. Dilshan Wirasekara was re-designated as a Non-Executive Director to the FCAM.
- Resignation of Ms. Minette Perera from the Board of Directors of FCAM.
- Appointment of Ms. Heidy Seneviratne as an Authorised Officer for First Capital Holdings PLC and its subsidiaries (FCH) and First Capital Treasuries PLC (FCT) for the disclosure requirement under the Companies Act, No. 07 of 2007, and subsequent amendments thereto.
- Oversight of the sustainability matters was delegated to the Board of Directors of FCH and FCT, and it was updated to the Policy on Matters relating to Board of Directors.
- Ms. Diluni Danushika was appointed as Head of Sustainability and Corporate Reporting for FCH and FCT.
- Mr. Sithira Wanniarachchi was appointed as Chief Information Security Officer at the group level.
- Upon alignment with ISO/IEC 27001 standard, the certification was obtained during the year.
- Internal Auditor of the FCT and First Capital Limited were awarded to M/s B R De Silva upon discontinuation of M/s EY.
- M/s EY was appointed as the Internal Auditor of First Capital Advisory Service (Pvt) Limited and conducted the audit during the year.

CORPORATE GOVERNANCE COMPLIANCE REPORT ON CODE OF BEST PRACTICES

This report shows the status of compliance of the Company in accordance with the Code of Best Practice on Corporate Governance published by CA Sri Lanka (2023).

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section A			
A. Directors	Every public company should be headed by an effective Board, which should direct, lead and control the Company.	Complied	Please refer the list of Director and related details.
A.1 The Board	The Board should meet regularly. Board meetings should be held at least once in every quarter of a financial year, to effectively execute Board's responsibilities, while providing information to the Board on a structured and regular basis (ideally monthly or as agreed by the Board). The regularity of the Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	Complied	Board meetings are held on a monthly basis.
A.1.1 Frequency of Board meetings	Information to be provided on a regular basis. • A board pack containing all relevant information is submitted to the Board of Directors. • Financial and operational results on pre-agreed with Key Performance Indicators. • Financial performance compared to previous periods, budgets and targets. • Impact of risk factors on financial and operating results and actions to mitigate such risks. • Forecast for the next period. • Compliance with laws and regulations and any non-compliances. • Internal control breaches or frauds during the period and related actions taken. • Financial and operational decisions taken by the CEO within his delegated authority. • Share trading of the Company and related party transactions by Key Management Personnel. • Sustainability/ environmental, social, and governance (ESG) related risks and opportunities (if any) during the period. • Cyber security-related risks, mitigative measures and a security breach report (if any) during the period and any other matters the Board should be aware of.		The last Board meeting was held on 20 March 2026 (FY 2025/26). All relevant information submitted to the Board meetings.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. In performing its role, the Board should be responsible for matters including:	Complied	
	Ensuring the formulation and implementation of a sound business strategy	Complied	The Board implements the Strategic Planning process and the status of the same is reviewed monthly. Strategies formulated are implemented through the CEO and Senior Management Team.
	Appointing the chair and the senior independent director, if relevant	Complied	Chairman of the Board is an Independent Director and a separate individual from the one who holds position of CEO.
	Ensuring that the CEO and management team possess the skills, experience, and knowledge to implement the strategy	Complied	Fitness and propriety criteria are met and the same is evaluated on an annual basis. The Group is steered by a team of multidisciplinary professionals (Profiles of Senior Management Team provided on pages 78 to 82), led by a CEO with diversified qualifications and experience reporting to the Chairman/ Board of Directors, an industry prominent figure with diversified qualifications and experience.
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy	Complied	A strong succession planning process is in place to identify and groom staff for key positions within the Group to ensure the continuity of its operations.
	Approving budgets and major capital expenditure.	Complied	Budgets and capital expenditures which requires consent of the Board are being approved.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	Determining the matters expressly reserved to the Board and those delegated to the Management including the limits of authority and financial delegation.	Complied	A formal Delegated Authority Manual is being maintained, it overlooks the delegated operational functions and determines the matters delegated to the management.
	Ensuring effective systems to secure integrity of information, internal controls, cyber security, business continuity and risk management.	Complied	These aspects are being managed through establishing a sound internal audit process and the Risk Management Framework including IT controls. Such systems are continuously monitored by the Management, Internal and External Auditors. The BAC periodically reviews these, and the findings are reported to the Board for their decisions. A Business Continuity Plan is developed and being tested periodically to ensure sustainability of operations.
	Ensuring the availability of information communication technology (ICT) roadmap in line with the business strategy of the company and monitor the progress of implementation through the ICT dashboard.	Complied	This is an integral part of our strategic plan and follow up is done at Board meetings.
	Ensuring compliance with laws, regulations, and ethical standards.	Complied	The responsibility is delegated to the BAC. The status of the same is being reported to the Board for review. All new regulations pertaining to compliance with laws and regulations are discussed at the Board Meetings thus ensuring the commitment of the highest governing body. A stringent governance, risk and compliance (GRC) framework tailored to company and regulatory requirements which enhance proactive compliance culture.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	Ensuring all stakeholder interests are considered in corporate decisions.	Complied	The Group has established a strong set of values, and adhering to these values and principles is always encouraged. The Board evaluates the impact on all the key stakeholders of the Company before arriving at any key business decision.
	Recognising sustainable business development and ESG risk and opportunities in corporate strategy, decisions and activities and consider the need for adopting “integrated reporting”.	Complied	The Board acknowledges the importance of incorporating sustainability and ESG considerations into the Group’s strategy, decisions and operations. Oversight of relevant functions is supported through management committees, which monitor implementation and progress, with appropriate reporting to the Board. The Annual Report is prepared in accordance with the principles of the Integrated Reporting Framework to provide an integrated and coherent view of the Group’s financial and non-financial performance and long-term value creation.
	Ensuring that the Company’s values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.	Complied	Responsibility of the same is being reviewed by the BAC. The accounting policies are reviewed on a frequent basis to ensure they are in line with the changing business specifics and best practices in the industry. The Independent Auditor’s Report appears from pages 378 to 381 in the Annual Report and affirms that the Company’s financial statements are in line with Sri Lanka Accounting Standards.
	Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans, and related risks.	Complied	This is continuously reviewed and monitored at the monthly Board Committee meetings and annual strategy review meeting.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the company.	Complied	Corporate reporting process (including financial and non-financial disclosures) follows a review process through the BAC and the final reports are being approved by the Board. The Company issues and uploads quarterly and annual financial statements together with the relevant disclosures, on the CSE and company websites.
	Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.	Complied	During the year, the Board committed to fulfil its stewardship obligations on behalf of all stakeholders in line with laws, regulations, and governance practices of the Company.
A.1.3 Compliance with Laws and independent professional advice	The Board collectively, and Directors individually, must act in accordance with the laws of the Country, as applicable to the business enterprise. There should be a procedure agreed to by the Board of Directors, wherein a Director can require the Company to obtain independent professional advice where necessary, at the Company's expense.	Complied	Provisions are available through the recommend, approve, consult, inform (RACI) framework for the Board of Directors to obtain such independent professional advice.
A.1.4 Company Secretary	All Directors should have access to the advice and services of the Company Secretary, who is responsible for the Board in ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. If the company secretary is employed by the company in another capacity as well, it cannot conflict with the role of company secretary. Any question of the removal of the Company Secretary should be a matter for the Board as a whole.	Complied	Ms. Heidi Seneviratne serves as the Company Secretary for First Capital Holdings PLC and the Board members have direct access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary remains with the Board through the RACI framework.
	The Company should obtain appropriate insurance cover as recommended by the Board Nominations Committee to the Board of Directors and Key Management Personal (KMP).	Complied	Appropriate insurance covers are available for the Directors, KMPs.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.5 Independent judgment	All Directors should bring independent judgment to bear in discharging their duties and responsibilities on matters relating to the Board including strategy, performance, resource allocation, risk management, compliance, and standards of business conduct.	Complied	Relevant provisions and powers are provided to the Board members to bring their independent judgements, avoiding matters of potential or actual conflicts of interests and use their vote for the matters accordingly.
A.1.6. Dedication of adequate time and effort by the Board	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged. It must be recognised that Directors must dedicate sufficient time before a meeting to review Board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting. This should be supplemented by a time allocation for familiarisation with business operations, risks, and controls.	Complied	Proper time durations are allocated by timely tabling of reports and analysis. Paperless board meeting solutions (BoardPac software) have been arranged to facilitate review, questioning and discussion of these reports prior and after the meeting. Directors' time was spent on strategy evaluation, performance review and directing corrective measures for fine tuning areas where it was deemed required. In addition to the board meetings, Directors attended Sub-committee meetings and contributed to the decision making. Board Sub-Committees include; • Board Audit Committee • Related Party Transactions Review Committee • Remuneration Committee • Board Nomination and Governance Committee • Investment, Asset, and liabilities Committee • Board Integrated Risk Management Committee

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.7 Calling for resolutions for the best interest to the Company	One-third of Directors can call for a resolution to be presented to the Board where they feel it is in best interest to the company to do so.	Complied	Any single 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 Articles of Association, resolutions can be passed with majority voting.
A.1.8 Training for new and existing Directors	Every Director should receive appropriate training when first appointed to the Board of a company, and subsequently as necessary. Training curricula should encompass both general aspects of directorship and matters specific to the industry/company concerned. A Director must recognise that there is a need for continuous training and an expansion of the knowledge, and skills required to effectively perform duties as a director. The Board should regularly review and agree the training and development needs of the Directors. In accepting an appointment as a Director of a company, consideration should be given to the responsibilities of the role, ability to commit time any existing or potential conflicts of interest and possessing required competencies of the role.	Complied	Directors are encouraged to participate in continuous professional and self-development activities as necessary. The Board consists of professionals and industry experts who have adequate knowledge and experience to conduct their functions (please refer to the Director profiles, Pages 72 to 77). Relevant training is being provided/arranged if such requirements are identified at Board or Sub-committee levels (Pages 101 to 102). The Board Nomination and Governance Committee is collectively overlooking the requirement in the event of appointing a Director.
A.2 Chairman and Chief Executive Officer (CEO)	There are two key tasks at the top of every public company. (i) Conducting of the business of the Board (ii) Facilitating executive responsibilities for 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 decisions.	Complied	Clear division of responsibilities is being maintained. Relevant responsibilities are clearly mentioned in the Policy for Matters related to the Board of Directors.
A.2.1 Separation of Roles - Chairman and CEO	A decision to combine the posts of Chairman and CEO in one person should be justified and highlighted in the Annual Report.	Not applicable	Chairman and group CEO are two separate posts held by two different competent personnel.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.3 Chairman's Role	The Chairman's role in preserving good Corporate Governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions. The Chairman should conduct Board proceedings in a proper manner and ensure, inter-alia, that:		
A.3.1			
		Complied	The agenda of the meeting is decided based on the regular discussions. The sub-committee reports (including risk management requirements), regulatory guidance and the points the CEO is required to present, and highlight are decided considering its impact on the business operations.
		Complied	Reports and analysis related to matters are being tabled in timely manner to provide Directors adequate time to review and discuss.
		Complied	Relevant Board sub-committees are in place and the responsibilities of the same are specified through the 'Terms and References' (TOR) of such sub-committee.
		Complied	The Board includes Directors with diverse knowledge and expertise and their contribution to the subject matters are being obtained.
		Complied	IT infrastructure is being provided to facilitate this requirement.
		Complied	Please refer the Director list and details Pages 72 to 77.
	The views of Directors on issues under consideration are ascertained and a record of such deliberations reflected in the minutes.	Complied	Matters discuss at the meetings are being properly minute.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.3 Chairman's Role A.3.1	The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders.	Complied	At monthly Board meetings performance and affairs of each business unit are being discussed. Through the sub-committee reports and Risk Management Framework, information related to Company affairs are being obtained and analysed at the Board level.
A.4 Financial acumen and knowledge	The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Complied	The Board consists of Finance professionals and collectively possess a strong capability to assess the integrity of the Company's financial reporting systems and controls, continually review, critique these systems, and make changes to them as necessary and to guide the matters related to Finance. Such professionals are being allocated to the BAC as well. Refer Director profiles in Pages 72 to 77.
A.5 Board Balance	It is preferable for the Board to 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.	Complied	The board comprised of both Executive and Non-Executive Directors. Boards of subsidiary companies were reconstituted by appointing relevant CEOs as Executive Directors. Such Executive Directors attend the board meetings as regular invitees. Two of the Non-Executive Directors are Non-Independent.
A.5.1. Board Balance	The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.	Complied	The Board comprised of seven Non- Executive Directors, out of a total of eight Directors.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.5.1. Board Balance	The Board should include at least three Non-Executive Directors or such number of Non-Executive Directors equivalent to one third of total number of Directors, whichever is higher.	Complied	The Board is comprised of seven Non- Executive Directors. Please refer Director list and details (Pages 72 to 77).
A.5.2/ A.5.3/ A.5.4/ A.5.5/ A.5.6 Independent Directors	In the event the Chairman and CEO is the same person or if the Chairman is not an Independent Director, Non- Executive Directors should comprise a majority of the Board.	Not Applicable	
	The total number of Directors is to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting.	Complied	The Board comprised total of eight Directors.
	Further, any change occurring to this ratio should be rectified within 90 days from the date of the change.	Not applicable	
	A.5.2 Where the constitution of the Board of Directors includes only three Non-Executive Directors, all three Non-Executive Directors should be 'Independent'. In other instances, three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be 'Independent'.	Complied	The Board is comprised of Five Independent Directors out of a total of seven Non-executive Directors. Please refer Director list and details Pages 72 to 77.
	A.5.3 For a Director to be deemed 'Independent' such Director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	Complied	The Board considers Non-Executive Directors' independence on an annual basis. The independence of Non- Executive Directors is determined in line with the Listing Rules of Colombo Stock Exchange (CSE).

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.5.2/ A.5.3/ A.5.4/ A.5.5/ A.5.6 Independent Directors	A.5.4 Each Non-Executive Director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria set out in the Specimen in Schedule C and confirm at the end of each quarter whether the declared status on independence continues.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence.
	A.5.5 The Board should make a determination annually, unless a change has arisen subsequently, as to the independence or non-independence of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board. The Board should determine whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.	Complied	Annual determination was made by the Board
	The Board should specify the criteria not met and the basis for its determination in the annual report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary and should set out in the Annual Report the names of Directors determined to be 'Independent'.	Not applicable	
	A.5.6 If an alternate Director is appointed by a Non- Executive Director such alternate Director should not be an executive of the Company.	Not Applicable	
	If an alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of independence and the provision on minimum number of independent Directors also should be satisfied.	Not applicable	
	Alternate Directors shall provide declaration of independence as required for directors whom he/ she alternate to. The name and brief profile of the alternate Directors should be disclosed in the annual report.		
A.5.7/ A.5.8 Senior Independent Director (SID)	A.5.7 In the event the Chairman and CEO is the same person, or the Chairman is not an Independent Director, or the Chairman is the immediately preceding CEO, or the Chairman and CEO are close family members, the Board should appoint one of the Independent Non- Executive Directors to be the SID and disclose this appointment in the Annual Report.	Not applicable	Chairman and the CEO are two separate personnel, and the Chairman is an Independent Non- Executive Director.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	The Senior Independent Director (SID) should provide guidance to the chairman on matters of governance of the Company, to enable this process he should meet at least twice each year with the Non-Executive Directors and at least once a year with the Executive Directors, to enable discussion and communication of governance related matters. The outcome of these discussions should be informed to the Chairman.	Not applicable	
	A.5.8 The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company.	Not applicable	
	The Senior Independent Director should participate in all meetings with majority, significant, and minority shareholders and be made aware of their concerns by the Company Secretary.	Not applicable	
A.5.9 Meetings with Non-Executive Directors	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Complied	The Chairman held meetings with the Independent Directors only.
A.5.10 Recording of concern in Board Minutes	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes.	Complied	All matters discussed at the Board meetings are properly minute.
A.6 Supply of information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.		
A.6.1 Obligation of the Management	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	Complied	Management provides required (standard and other) timely information to the Board of directors. Proper time durations are allocated by timely tabling of reports and analysis. Paperless board meeting solutions (BoardPac software) have been arranged to facilitate review, inquiries and discussion of these reports prior and after the meeting.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.6.2 Management has obligation to provide appropriate and timely information	The agenda and papers required for a Board Meeting should ordinarily be provided to Directors at least seven (7) days before the meeting, to facilitate its effective conduct. The minutes of the meeting should ordinarily be provided to Directors at least two weeks after the meeting date.	Substantially Complied	Agenda and the papers are being tabled at least a week prior to the meeting and minutes are circulated within two weeks after the meeting.
A.7 Appointment to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board.	Complied	Policy on matters related to Board of Directors is in place
A.7.1 Board Nomination Committee	A Board Nomination Committee comprising a minimum of three members should be established to make recommendations to the Board on all new Board appointments.	Complied	Providing recommendations for the Board appointments is the primary responsibility of the BNGC appointed by the Board of Directors.
	The majority of the membership of the committee shall comprise maximum of three Non-Executive Directors and shall include at least two or one-third (whichever is higher) of independent Non-Executive Directors.	Complied	The Committee is comprised of three (3) members whereas the majority of directors are Independent Non-Executive Directors.
	The chairman of the committee shall be an Independent Non-Executive Director appointed by the Board.	Complied	The Chairman of the Committee is an Independent Non-Executive Director.
	If the Chairman of the Company is an Independent Non-Executive Director, he/she should chair the Board Nomination Committee. In situations where a Senior Independent Director has been appointed, he/she should chair the Board Nomination Committee.	Conflicts with Listing Rules.	The Chairman of the Committee and the Chairman of the Company (Independent Non-Executive Director) is two different personnel in compliance with Listing Rule 9.3.3.
A.7.2 Assessing Board Composition	The Board Nomination Committee should annually assess Board-composition against pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. The committee should also consider diversity on the Board, including gender, age and any other factor relevant to the industry.	Complied	The assessment is conducted by the BNGC as required.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	The findings of such assessment should be considered when new Board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are fit and proper. Members of the Board Nomination Committee should not participate in decision making relating to their own appointment/ reappointment and the chairman of the Board should not chair the Committee when it is dealing with the appointment of his/her successor.		
A.7.3 Succession plan for CEO and Key Management Personnel	The Committee should ensure that there is a succession plan for the Chief Executive Officer and for all Key Management Personnel (KPM) and determine the training and development requirements for those identified for succession.	Complied	The succession plan for KMPs is reviewed by the BNGC on annual basis.
A.7.4 Appointment of new Directors to the Board	Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders: • A brief resume of the Director; • The nature of his expertise in relevant functional areas; • The names of companies in which the Director holds directorships or memberships in Board committees; and • Whether such Director can be considered 'Independent'. Even if a director is appointed as an alternate director, the disclosures stated above should be made.	Complied	
A.7.5 Appointment to the Board Nomination Committee	The chairman and members of the Board Nomination Committee should be identified in the Annual Report. A separate section of the Annual Report should describe the work of the Board Nomination Committee including the process it has used in relation to Board appointments.	Complied	Please refer to Board Nomination Committee details in Pages 208 to 210.
A.7.6	Terms of Reference for Board Nomination Committee are set out in place.	Complied	Terms of Reference of the BNGC; are in place.
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.	Complied	Process is being followed.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.8.1 Appointment of Non-Executive Directors	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a director, and their re-appointment should not be automatic.	Complied	This process is evaluated annually, and re-elections take place at the AGM. Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
A.8.2 Electing of Directors and Re-election	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a resume minimally as set out in paragraph A.7.4 above, to enable shareholders to make an informed decision on their election.	Complied	This procedure is in place.
A.8.3 Resignation	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Complied	
A.9 Appraisal of Board performance	Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.	Complied	The Directors have made self-appraisal for this FY.
A.9.1	The board should have in place a formal and rigorous process for annually reviewing the performance of the board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities.	Complied	
A.9.2	The Board should also undertake an annual self-evaluation of its own performance and that of its Committees, Chairman, Non-Executive Directors, and Executive Directors. The evaluation of the Board and the Chairman should be carried out by each Director individually. Evaluation of Non-Executive Directors should be carried out individually by the Executive Directors and the Chairman. Evaluation of Executive Directors should be carried out individually by the Chairman and Non-Executive Directors.	Substantially Complied	The Board performance evaluation process in place and consists of the required evaluation levels.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	The Board should consider a periodic 360-degree appraisal of Executive Directors and other Key Management Personnel. The collective outcome should be compiled and made available to the Board Nomination Committee, which should consider the results of the evaluation and make recommendation to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.		
A.9.3	The Board should have a process to review the participation, contribution, and engagement of each Director at the time of re-election.	Complied	The BNGC is delegated with the relevant responsibilities to align with re-election process in accordance with the provisions of the Company's Articles of Association (AoA) and the CSE Listing Rules
A.9.4	The Board should state how such performance evaluations have been conducted, in the annual report.	Complied	Please refer Page 99
A.10 Disclosure of information in respect of Directors	Shareholders should be kept advised of relevant details in respect of Directors.	Complied	Please refer Pages 72 to 77
A.10.1	The annual report should set out following information in relation to each Director: • Name, qualifications and brief profile • The nature of his/her expertise in relevant functional areas • Immediate family and/or material business relationships with other Directors of the Company • Whether Executive, Non-Executive and/or independent Director • Names of listed companies in Sri Lanka in which the Director concerned serves as a Director	complied	Please refer Director list and details on Pages 72 to 77.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.10.1	- 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 - Number/percentage of Board meetings of the Company attended during the year - The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an Executive or Non-Executive capacity - Names of Board Committees in which the Director serves as Chairman or a Member and; - Number/percentage of committee meetings attended during the year.		
A.11 Appraisal of the CEO	The Board should be required, at least annually, to assess the performance of the CEO.	Substantially Complied	The Board delegated this to the BNGC.
A.11.1 Target / Goals for the CEO	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium, and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the CEO during the year.	Complied	The Board ensures that a business performance plan is completed and approved by the Board for each year of operation. This plan is developed to tie up with the corporate plan of the Company and Key Performance Indicators (KPIs) are drawn up to monitor the success of operations. The overall KPIs are used to evaluate the performance of the CEO against results achieved by the Company.
A.11.2 Evaluation of the performance of the CEO	The performance of the CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets were reasonable in the circumstances.	Substantially Complied	The Board Nomination and Governance Committee of the Board carries out this evaluation and submits their briefing to the Board for any further discussion required.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section B - Directors' remuneration			
B.1 Remuneration procedure	Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. To avoid potential conflicts of interest, no Director should be involved in deciding his/her own remuneration.	Complied	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. The policy on Remuneration is in place.
B.2 Remuneration Committee	The level and makeup 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 corporate and individual performance ensuring the balance between short, medium, and long-term perspectives of the performance outcomes.	Complied	The Remuneration Committee ensures this.
B.2.1 Remuneration Committee Purpose	The Board of Directors should set up a Remuneration Committee to make recommendations to the Board on the Company's framework of remunerating the Chief Executive Officer, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating Senior Management, including post-employment benefits as well as terminal benefits.	Complied	The purpose of the Committee is to assist the Board in matters of compensation of the Company's Executive Directors, Corporate Management Team and other employees as determined by the committee.
B.2.2 Composition	Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be independent. The Chairman should be an Independent Non-Executive Director and should be appointed by the Board.	Complied	The Remuneration Committee consists of two Independent Non-Executive Directors out of total three Non-Executive Directors. Please refer details Pages 192 to 195.
B.2.3 Remuneration of Executive Directors & Senior Management	The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of Executive Directors and Senior Management and have access to professional advice from within and outside the Company, in discharging their responsibilities.	Complied	The Remuneration Committee decides the remuneration of the Executive Directors. The Committee has provisions to obtain professional advises if required.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.4 The level and make up of remuneration	The Remuneration Committee should provide the packages needed to attract, retain, and motivate Executive Directors and the Chief Executive of the quality required but should avoid paying more than is necessary for this purpose and ensure that the process for Senior Management compensation is structured in the similar manner. The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a sub-committee of the Board, which might include the CEO.	Complied	This responsibility is with the Remuneration Committee.
B.2.5 Design the remuneration for long-term success	Executive Directors' remuneration should be designed to promote the short medium and long-term performance of the Company.	Complied	The remuneration levels are designed to attract and retain the best talent to ensure the long-term success and sustainability of business.
B.2.6 Design the remuneration of the Executive Directors to promote long-term success of the Company	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	Complied	
B.2.7 Comparison of remuneration within the Group	The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases.	Complied	Salary standards are being maintained, and the Committee conducts a centralised function to the entire Group of Companies.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.8 Performance based remuneration	The performance-related elements of remuneration of the CEO and Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. The performance-related elements should be transparent, stretching and rigorously applied. The committee should review at least annually the performance of the Chief Executive and Executive Directors against the set targets and goals, which have been approved by the board, and recommend the basis for revising remuneration, benefits, and other payments of performance-based incentives. The Committee should ensure that the guidelines for fair and transparent procedures recommended by them and approved by the Board for evaluating Senior Management's performance and revising their remuneration, benefits and other payments of performance-based incentives is followed.	Complied	A proper performance evaluation is conducted by the Board Nomination and Governance Committee and results were communicated to the Board of Directors. A standard and transparent evaluation methodology is being followed for all Executive Directors. Revising remuneration, benefits and other payments were conducted by the Remuneration committee considering the results of the performance evaluations. Performance related element of the remuneration is being decided through a policy approved by the Board which is transparent.
B.2.9 Executive share optional	Executive share options should not be offered at a discount (i.e. less than the market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the remuneration committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Not applicable	
B.2.10 Designing the remuneration	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule G of the Rules. The schemes should include provisions that would enable the Company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a Company may not be entitled to do so.	Not applicable	
B.2.11 Early termination of directors	The Remuneration Committees should consider what compensation commitments (including pension contributions) their CEO and Executive Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committees should, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Complied	Remuneration Committee consider such information in decision making on remuneration of the CEO and Directors.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.12 Early termination of directors	Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Complied	
B.2.13 The level and make up of remuneration	The Board as a whole, or where required by the Articles of Association, the shareholders should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee. The Board may delegate this responsibility to a sub-committee of the board, which might include the CEO.	Complied	The remuneration of Non-Executive Directors shall be approved by the shareholders.
B.2.14 Remuneration for Non-Executive Directors	Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices which should be reviewed periodically. Remuneration for Non-Executive Directors should not normally include share options. If exceptional options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the Board. Holding share options could be relevant to the determination of a Non-Executive Director's independence (as set out in provision A.5.5).	Complied	Fee of Non-Executive Directors is determined by the time, commitment, and responsibilities of their role.
B.2.15 Annual report disclosures	The Chairman and members of the Remuneration Committee should be listed in the annual report each year.	Complied	Please refer Pages 192 to 195.
B.2.16 Terms of Reference	The Terms of Reference for Remuneration committees are set out in Schedule H.	Complied	Terms of reference of Remuneration committee was established based on the Listing Rules.
B.3 Disclosures of Remuneration	The Company's Annual Report should contain a statement of remuneration policy and details of remuneration of the Board as a whole.	Complied	Aggregate remuneration paid to Directors is mentioned in Note 12 to the financial statements. Please refer page 90 for the statement of remuneration policy

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.3.1 Annual report disclosure on remuneration payment to Directors	The Annual Report should set out the names of Directors (or persons in the parent company's committee in the case of a Group company) comprising the Remuneration Committee, scope, number of meetings held, a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Complied	Please refer pages 192 to 195 and Note 12 for fees paid to Directors.
B.3.2 Annual report disclosure on remuneration payment to Senior Management and CEO	The Annual Report should also contain the number and aggregate remuneration of the Senior Management Personnel reporting directly to the CEO including that of the CEO, if he/she is not an Executive Director.	Complied	An aggregate remuneration paid for 2025/26 year is stated in the page 411.
Section C - Relations with shareholders			
C.1 Constructive use of the AGM and conduct of General Meetings	Boards should use the AGM to communicate with shareholders and should encourage their participation.	Complied	
C.1.1 Adequate notice of the AGM	Companies should arrange for the notice of the AGM and related papers to be sent to the shareholders as determined by the statute, before the meeting.	Complied	A copy of the Annual Report including Financial Statements along with the notice of Meeting is sent to shareholders 15 working days prior to the date of the AGM.
C.1.2 Separate resolution for all separate issues at the AGM	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote should make it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.	Complied	Relevant proxy appointment forms are being provided for each resolution.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.1.3 Recording and counting proxy appointment	The Company should ensure that all the valid proxy appointments received for general meetings are properly recorded and counted. For each resolution, where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the Company: • The number of shares in respect of which proxy appointments have been validly made • The number of votes for the resolution • The number of votes against the resolution • The number of shares in respect of which the vote was directed to be withheld. • When, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board should take steps to understand the reasons behind the vote results and determine any actions are required.	Complied	Relevant procedures are being followed at the AGM.
C.1.4 Availability of Board sub-committee Chairpersons	The Chairman of the Board should arrange for the Chairman of the Audit, Remuneration, Nomination and Related Party Transactions Review Committees and the Senior Independent Director where such appointment has been made, to be available to answer questions at the AGM if so, requested by the Chairman.	Complied	All respective chairmen of the sub- committees attend the AGM and available for any questions.
C.1.5 Procedure for voting	Companies should circulate, along with every notice of general meeting, a summary of the procedures governing voting at General Meetings.	Complied	Disseminations are made through Colombo Stock Exchange (CSE).
C.2 Communication with the shareholders	The Board should implement effective communication with shareholders.	Complied	All information regarding the Annual Report is disseminated through Chief Financial Officer and all other changes are communicated through the Company Secretary - Ms. Heidy Seneviratne
C.2.1 Effective Communication with shareholders	There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	Complied	Disseminations are made through Colombo Stock Exchange (CSE).

Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.2.2 policy and methodology for communication with shareholders	The Company should disclose the policy and methodology for communication with shareholders.	Complied	Please refer shareholder communication section. The Company has published the Policy on Relations with Shareholders and Investors on the Corporate website.
C.2.3 Implementation of the policy and the methodology	The Company should disclose how the above policy and methodology is implemented.	Complied	Mentioned in the policy.
C.2.4 Contact person in relation to shareholder communications	The Company should disclose the contact person for such communication.	Complied	Mentioned in the policy and published in the web-site.
C.2.5 Process to make all Directors aware of major issues and concern of shareholders and responding them	There should be a process to make all Directors aware of major issues and concerns of shareholders, and this process has to be disclosed by the Company.	Complied	Shareholder inquiries and concerns are being communicated to the Directors through the Company Secretary. The Company Secretary maintains a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The process is in place through the Policy on Relations with Shareholders and Investors.
C.2.6 Person to contact in relation to shareholders and responding them	The Company should decide on the person to contact in relation to shareholders' matters. The relevant person with statutory responsibilities to contact in relation to shareholders' matters is the Company Secretary or in his/her absence should be a member of the Board of Directors.	Complied	Shareholder inquiries and concerns are being communicated to the Directors through the Company Secretary.
C.2.7 Responding to shareholder matters	The process for responding to shareholder matters should be formulated by the Board and disclosed.	Complied	Mentioned in the policy.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.3 Major and material transactions	Further to complying with the requirements under the Companies Act, No. 07 of 2007, and subsequent amendments thereto, Securities and Exchange Commission law and Colombo Stock Exchange regulations; as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/ vary the Company's net assets base or in the case of a Company with subsidiaries, the consolidated group net asset base.	Complied	
C.3.1 Major transactions	Prior to a Company engaging in or committing to a 'Major 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, the Directors should disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an extraordinary general meeting. It also applies to transactions or series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company.	Complied	
C.3.2	Limited liability companies should in addition comply with section 185 (1),(2),(3) and any other provisions of the Companies Act, No. 07 of 2007, and subsequent amendments thereto.	Not Applicable	
C.3.3	Public Listed companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the Securities and the Exchange Commission and by the Colombo Stock Exchange which are contained in the Section 9.14 (Related Party Transactions) of the listing rules.	Complied	The Company Secretary ensures the disclosure requirements and shareholder approval by special resolution.
D. Accountability and Audit			
D.1 Financial and Business Reporting (The Annual Report)			
D.1	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.	Complied	All required sections are included in the Annual Report.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.1	The Board should present an Annual Report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	Complied	The Annual Report is audited by the M/s KPMG and the same is reviewed by the BAC prior to obtaining approval from the Board. Above mentioned process ensures the compliance with relevant laws, regulations, and standards.
D.1.2	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	Complied	The review process of interim and other price sensitive public reports follows the same review and monitoring processes prior to publication.
D.1.3	The Board should before it approves the company's financial statements for a financial period, obtain from the CEO and CFO a declaration that, in their opinion, 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 of the financial position and performance of the company and that the system of risk management and internal control was operating effectively.	Substantially Complied	The declaration is obtained by the BAC at the point of recommending financial statements for the approval of the Board.
D.1.4 Directors report	The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:	Complied	Please refer the Director declaration.
	The Company has not engaged in any activity, which contravenes laws and regulations	Complied	
	The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested	Complied	
	The Company has made all endeavours to ensure the equitable treatment of shareholders	Complied	
	The Directors have complied with best practices of corporate governance.	Complied	
	Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made.	Complied	
	They have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith,	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.4 Directors report	The business is a going concern, with supporting assumption or qualifications as necessary (The matters to which the Board should give due consideration when adopting the going concern assumption are set out in Schedule J to this Code). The Directors should explain in the Annual Report their responsibility for preparing the Annual Report and Financial Statements, and state that they consider the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable, and provides the information necessary for shareholders to assess the Company's financial position, performance, ESG/sustainability risk and opportunities, business model, and outlook and if it is unable to make any of these declarations, explain why it is unable to do so.	Complied	Please refer page 212
D.1.5 Statement of Directors and Auditors' responsibility for the financial statement	The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of financial statements, together with a statement by the Auditors about their reporting responsibilities. Further, the Annual Report should contain a Report/Statement on risk management and Internal Control. (Refer H for the Contents of the statement on internal control)	Complied	The Statement of Directors' responsibility in preparation of the Financial Statements is given on pages 215 to 216 while the Independent Auditor's report on pages 378 to 381 states the Auditor's responsibility for the Financial Statements. The statement on risk management and internal control is given on page 230 and 244.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.6 Management Discussion Analysis	The Annual Report should contain a “Management Discussion & Analysis”, discussing, among other issues: • Business model; • Industry structure and developments; • Opportunities and threats; • Risks management; • Internal control systems and their adequacy; • Corporate and enterprise governance; • Stakeholder relationships; • Social and environmental governance activities carried out by the Company; • Financial performance; • Investment in physical and intellectual capital; • Human resource management carried out by the Company; • Prospects for the future; The Management Discussion and Analysis may be structured based on the integrated reporting framework issued by International Integrated Reporting Council and “A Preparer’s Guide to Integrated Corporate Reporting”, handbook on integrated corporate reporting and Non-financial reporting guideline issued by CA Sri Lanka.	Complied	Please refer the Management Discussion and Analysis section Pages 222 to 330.
D.1.7 Summoning an Extraordinary General Meeting (EGM) to notify serious loss of capital	In the event the net assets of the Company fall below 50% of the value of the Company’s shareholders’ funds, the Directors shall forthwith summon an Extraordinary General Meeting of the Company to notify shareholders of the position and of remedial action being taken. The Directors should report periodically to the shareholders progress on these remedial action.	Not applicable	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.8 Related party transactions	The Board should adequately and accurately disclose the Related party transactions in its Annual Report: - Each related party should submit signed and dated declaration quarterly mentioning whether they have related party transactions with the Company as defined in this Code; - It should be the responsibility of the Company Secretary to keep a record on related party transactions and make necessary disclosures accordingly; - There should be a process to capture related parties and related party transactions. This process needs to be operationalised and related party transactions should be properly documented. - A record/ register either in hard or soft form on related party and related party transaction should be maintained by the Company; - This record should ensure that the Company captures information to comply with the respective related party disclosure requirements imposed by SEC/Accounting Standards/ Auditing Standards and similar regulations.	Substantially Complied	The Company has system capability to identify related party transactions. Such reports can be generated through the system. Details of such related party transactions are being tabled to the Related Party Transactions Review Committee through the Company Secretary. Records of the same are being maintained in soft form. When identifying and reporting such transactions, relevant regulations and Accounting standards are being followed.
D.2 Risk management and internal control	The Board should establish a policy for determining the nature and extent of the principal risks, which are anticipated to be undertaken 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.	Complied	Risk Management Framework is in place to achieve this requirement. Relevant policies and procedures are in place to ensure sound system of internal controls.
D.2.1 Risk Management Framework	The Board should adopt a framework for risk management and the processes to identify, assess, monitor and manage risks with clear delegation of responsibilities to ensure its effectiveness in supporting achievement of the strategic, operational, and financial objectives of the company.	Complied	The Board monitors the effectiveness of Risk Management processes and internal controls through the Risk Management Framework and reporting processes.
D.2.1.1 Risk Assessment	The Board should ensure that the company has carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency, or liquidity.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.2.1.2 Disclosures	The Board should describe the Risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated.	Complied	Please refer pages 230 to 244 Risk Management section.
D.2.1.3 Risk Committee	While the board as a whole is ultimately responsible for risk management, the Board should establish a Risk Committee to oversee risk management. Alternatively, the entire Board may take up this role or allocate certain aspects of risk to other committees established by the Board and retain certain aspects specifically at Board level.	Complied	Board Integrated Risk Management Committee (BIRMC) (a Board sub-committee) is established for this task.
D.2.1.4 Regulatory Requirements	The Company should consider regulatory requirements and sector/industry specific business risks in determining the need to have a separate Risk Committee. Companies may consider combining audit and risk functions under one committee.	Complied	The Board has established BIRMC. There is no regulatory requirement to establish such committee.
D.2.1.5 Risk Committee Composition	When an Independent Risk Committee is established, the committee should comprise of at least three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive director.	Complied	The Committee consists of three members where two are Non-Executive Directors. The Committee chaired by an Independent Non-Executive Director.
D.2.1.6 Terms of Reference	The Risk Committee should have a written term of reference dealing clearly with its authority and duties. The terms of reference must address at a minimum how it will assist the board's oversight of Risk Management.	Complied	Responsibility has been assigned through the Terms of Reference of BIRMC.
D.2.1.7 Disclosures	The Annual Report should contain a report of the Risk Committee, setting out its role and how it discharged its responsibilities.	Complied	Pages 196 to 200.
D.2.1.8 Regulatory Requirements on forming Risk Committee	Companies in regulated industries should consider applicable laws and regulations in determining the composition, scope, roles, and responsibilities of the Risk Committee.	Not applicable	
D.2.2 Procedures	The Board should establish a process to ensure internal controls are designed, implemented, and monitored, to provide reasonable assurance of the achievement of an entity's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.	Complied	The Delegated Authority Manual provides the RACI framework of establishing and reviewing policies and procedures which will ultimately achieve this objective.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.2.2.1 Review and Monitoring	The Board should ensure that an effective system of internal controls is established in respect of financial, operational and compliance system, processes, and practices and are monitored regularly. Further, at least annually the Board should obtain a review of the effectiveness of the internal control systems and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.	Complied	The Company achieves this through the outsourced internal audit functions. Such reports are being verified and actions are being followed up by the BAC. Refer to pages 217 to 219 on the statement on internal controls.
D.2.2.2 Internal Audit	Companies should have an internal audit function.	Complied	
D.2.2.3 Audit Committee	The Board should require the Audit Committee to ensure carrying out reviews of the process and effectiveness of internal controls and report their recommendations to the Board. Board should take responsibility for disclosures on internal controls in the Annual Report.	Complied	Refer to Pages 217 to 219.
D.2.2.4 Responsibilities of Directors	Schedule L contains guidance on the responsibilities of Directors in maintaining a sound system of internal control and the contents of the statement of internal control.	Complied	
D.2.2.5 Review the need for internal audit function	The Directors should confirm in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity. The Directors should describe those risks and explain how they are being managed or mitigated.	Complied	Refer to Pages 230 to 244.
D.2.3 Internal Audit function	Companies should have an internal audit function.	Complied	
D.3. Audit Committee	The Board should establish formal and transparent arrangements for considering how they should; select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management ensure compliance with laws and regulations and ensuring the independence of the Company's Auditors.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.3.1 Composition of the Audit Committee	The Board should establish an Audit Committee exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be Independent. If there are more Non-Executive Directors, the majority should be Independent. The Committee should be chaired by an Independent Non- Executive Director who is a member from a professional accounting body. The Board should satisfy itself that at least one member of the Audit Committee has recent and relevant experience in financial reporting and control.	Complied	Please refer page 187 to 191.
D.3.2 TOR of the Audit committee	The Audit Committee should have a written TOR, dealing clearly with its authority and duties. The Audit Committee's written Terms of Reference must address: • The Committee's purpose • The duties and responsibilities of the Audit Committee	Complied	TOR of the BAC complies with all the requirements mentioned.
D.3.3 Disclosures	A separate section of the Annual Report should describe the work of the committee in discharging its responsibilities. The Annual Report should contain a report by the Audit Committee, setting out the manner of compliance by the Company, in relation to the above, during the period to which the Annual Report relates.	Complied	Please refer the BAC report Pages 187 to 191.
D.4 Risk Committee	The Board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.	Complied	The Board monitors the effectiveness of Risk Management processes and internal controls through the Risk Management Framework and reporting processes.
D.4.1 Composition of Risk Committee	The Board should establish a risk committee which should comprise of a minimum of three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive Director. The CEO and CFO should be required to attend all meetings of the Risk Committee. The chief Information Officer and heads of strategic business units should be invited to attend as necessary.	Complied	The Committee consists of three Directors, majority of whom are Non-Executive directors and the Chairman is an Independent Director. CEO and CFO attend all meetings and relevant heads of business and service functions are invited as necessary.
D.4.2 Terms of Reference of Risk Committee	The Risk Committee should have written Terms of Reference dealing clearly with its authority and duties. The TOR must address at a minimum how it will assist the Board's oversight.	Complied	Responsibility has been assigned through the TOR of the BIRMC.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.4.3 Risk Committee	The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. The Chief Risk Officer (CRO) shall be the secretary of the committee. If the company does not have a designated CRO, CEO shall nominate a senior executive to serve as the secretary to the committee.	Complied	The Committee meets monthly. The CRO is the Secretary of the committee.
D.4.4 Independent professional advice	The Committee should have authority to seek external professional advice if required in connection with the performance of its duties.	Complied	Provisions are available for the committee to obtain such advice.
D.4.5 Disclosures	The Annual Report should contain a report of the Risk Committee, setting out its role and how it discharged its responsibilities.	Complied	Please refer to pages 196 to 200 for the committee details.
D.5 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.	Complied	Relevant policies are in place.
D.5.1 Disclosures of Related Party Transaction Review Committee	A Related Party and Related Party Transactions will be as defined in LKAS 24.	Complied	
D.5.2 Related Party Transaction Review Committee Composition	The Board should establish a Related Party Transactions (RPT) Review Committee consisting exclusively of Non- Executive Directors with a minimum of three Non- Executive Directors of whom the majority should be independent. Executive Directors may attend by invitation. The Chairman should be an Independent Non- Executive Director appointed by the Board.	Complied	Please refer page 201 to 204 for the committee details.
D.5.3	RPT Review Committee should have written TOR dealing clearly with its authority and duties which should be approved by the Board of Directors. The RPT Review Committee’s written terms of reference must address: • A procedure for documenting related parties in accordance with the definitions in LKAS 24 and the CSE Listing Rules. A procedure to obtain a statement from each related party:	Complied	The TOR of the Committee addresses the relevant requirements.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	• If such party is a person; details of their close family members and entities in which the aforementioned parties have control, joint control, significant influence or serve as a Key Management Personnel and, transactions if any, in accordance with the listing rules of Colombo Stock Exchange. • If such party is an entity as defined in LKAS 24 as a related party details of transactions and balances with such party/parties. • Declaration of related parties and related party transactions should be obtained at least once in each quarter, and when there is a change in circumstances from each Key Management Personnel, and in respect of related parties which are entities, from their CEO. • In any event prior to entering into any transaction between such related parties and the Company, its parent or any of subsidiaries, sub-subsidiaries, fellow subsidiaries, associates, joint ventures and any other entities which are considered related parties as defined in LKAS 24, a specific disclosure should be made and reviewed by the RPT review committee and/or the Board of Directors as relevant, unless they are exempted related party transactions as defined in CSE listing rules. Personnel of the company responsible for contracting, procurement, payments, and any other channel through which an inflow or outflow of resources can result, should have a list of all related parties and have a process in place to capture and report any related party transaction within their area of responsibility. • A procedure to inform all related parties of what constitutes exempted related party transactions. • A procedure to identify and for Directors and other Key Management Personnel to report recurrent and non-recurrent transactions and to obtain Board or shareholder approval by special or ordinary resolution as required by the CSE listing rules.		

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.5.3	- A policy and procedure to delegate dealing with recurrent related party transactions (as defined in the CSE listing rules) to relevant management personnel. - A procedure for the RPT Review Committee to review and recommend to the board matters relating to such transactions. - Any interested Directors should not participate at the meeting at which the transaction relating to him/ her is discussed unless invited to seek clarification/ information. - A procedure and definition of disclosures required to be made by the company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval. - A procedure to identify Related Party Transactions which require immediate disclosure as per the CSE listing rules and to ensure that required disclosures are made by the Company to the CSE in accordance with the CSE listing rules. - A procedure to identify Related Party Transactions which require shareholder approval by special resolution at an extraordinary general meeting. - The Company Secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals, and minutes. - Review and recommend to the Board the related party disclosures to be made in the annual report of the company.		
D.6. Code of Business Conduct & Ethics	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.	Complied	Code of conduct is in place.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.6.1 Code of Business Conduct and ethics	All Companies must disclose whether they have a Code of Business Conduct & Ethics for Directors and Key Management Personnel and if they have such a Code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared compliance with such Code, and if unable to make that declaration, state why they are unable to do so. Each Company may determine its own policies in the formulation of such a Code, but all Companies should address the following important topics in their respective Codes: • Conflict of interest • Bribery and corruption • Entertainment and gifts • Accurate accounting and record-keeping • Fair and transparent procurement practices • Corporate opportunities • Confidentiality • Fair dealing • Protection and proper use of company assets including information assets; • Sexual harassment, discrimination, and abuse • Compliance with laws, rules and regulations (including insider trading laws); and • Encouraging the reporting of any illegal, fraudulent, or unethical behaviour.	Complied	Please refer page 106
D.6.2 Process in placed to ensure that material and price sensitive information	The Company should have a process in placed to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.	Complied	The Company has formulated a policy.
D.6.3 Policy, process for monitoring, and disclosure of shares purchased	The Company should establish a policy, process for monitoring, and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting.	Complied	The policy on Trading in Company Securities is in place.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.6.4 Procedures on Code of Conduct	The Company should establish a procedure to deal with complaints received from whistle-blowers such as employees, customers, suppliers, and any other parties in relation to non-compliance with company's code of business conduct and ethics.	Complied	The whistleblowing policy is in place.
D.6.5 Training	The Company should conduct training on the code of business conduct and ethics as part of induction training of new employees and require confirmation of compliance at least on annual basis from all employees.	Complied	Induction sessions are conducted for all new staff members.
D.6.6 Compliance	The process for companywide dissemination of the policy, training arrangements, violations/non compliances (if any) with actions taken should be reported to the board on a regular basis. Any exemptions/ waivers from compliance with the code of business conduct and ethics with reasons and timelines should be approved by the board.	Complied	
D.6.7 Affirmation by the chairman for no violation	The Chairman must affirm in the Company's Annual Report that a code of conduct and ethics has been introduced companywide and the procedure for disseminating, monitoring and compliance with that code. He must also disclose that he is not aware of any violation of any of the provisions of the Code of Business Conduct & Ethics. Disclosures should contain the types and numbers of violations and procedures followed in dealing with them.	Complied	Refer page from 62 to 66
D.7. Corporate Governance Disclosures	Directors should be required to disclose the extent to which the Company adheres to establish principles and practices of good Corporate Governance.	Complied	Please refer the Corporate Governance report Pages 84 to 156.
D.7.1 Corporate Governance Report in Annual Report	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	Complied	Please refer the Corporate Governance report Pages 84 to 156.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section E – Shareholders			
Section E - Institutional Investors			
E.1 Shareholder 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.	Complied	The shareholders are given sufficient opportunity at the AGM to discuss any matters with the Directors.
E.1.1 Views of shareholders	A Listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	Complied	The Company Secretary corresponds with the shareholders as and when the need arises. The policy on Relations with Shareholders and Investors is in place which outline the shareholder communication procedures.
E.2. Evaluation of Governance Disclosures (Principle)	When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	Complied	The Management and Board maintain regular dialogue with institutional shareholders regarding key business transactions.
Section F - Other Investors			
F.1. Investing/Divesting Decision (Principle)	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Complied	Required financial and non-financial information are being disseminated through Colombo Stock Exchange to facilitate this requirement.
F.2. Shareholder Voting (Principle)	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Complied	Invitations are being circulated to all shareholders to participate to General meetings of the company.
Section G - Internet of Things and Cybersecurity			
G.1. (Principle)	The Board should have a process to identify how in the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the company's network to send and receive data. Such access could be authorised or unauthorised.	Complied	Such policies are in place in the Board approved IT Policy Manual.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
G.2 (Principle)	The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cybersecurity Risk Management Policy which should be approved by the Board. The policy should include a Robust Cybersecurity Risk Management Process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, Reporting process, scope and regularity of an Information Communication Technology (ICT) audit, and the need for cybersecurity insurance.	Complied	The Group level Chief Information Security Officer (CISO) has appointed a with the necessary expertise, authority, and adequate budget. As per the Board approved IT Policy of the Company, periodic IT and cyber security audits are being conducted and it gives assurance to the same.
G.3 (Principle)	The Board should allocate regular and adequate time on the Board meeting agenda for discussions about Cyber- Risk Management. The matters taken up for the discussion on the board meeting agenda may include; • Potential cybersecurity risks in the Company's business model • CISO's security strategy and status of the current projects • Compliance with the Cybersecurity Risk Management process and incident reports • Findings and recommendations from independent reviewers	Complied	Risk register items related to Information security and cyber- security are being discussed at the Board Integrated Risk Management Committee and at the Board meetings.
G.4 (Principle)	The Board should ensure the effectiveness of Cybersecurity Risk Management through independent periodic review and assurance. The scope and the frequency of the independent periodic reviews could be determined based on the industry vulnerability, company's business model and incident findings.	Complied	Based on the IT Policy approved by the Board, Information and cyber security audits are conducted and reports of the same are reviewed by the Board Audit Committee and discussed at the Board meetings.
G.5 (Principle)	The Board should disclose in the Annual Report, the process to identify and manage cyber security risks.	Complied	Please refer the Risk Management

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section H.1 - Sustainability : ESG Risk and Opportunities			
H.1 Board Concerns on ESG	The Board should consider sustainability/ESG risk and opportunities in the Company's business model, operations, short- and medium-term planning and in its long-term strategy to ensure that the Company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.	Complied	Sustainability- and climate-related risks and opportunities are identified through a comprehensive value chain mapping across each stage of the entity's operations, in line with the requirements of SLFRS S1 and SLFRS S2
H.1.1 Strategic Plans	The Company should include the impact of sustainability/ESG risks and opportunities in its business plans, strategic plans and present them to the Board for consideration on a regular basis. This could be in the form of scenarios, probability of occurrence, likely impact, mitigative actions and monitoring and management.	Complied	Sustainability-related actions are integrated into the entity's strategy, while sustainability- and climate-related risks are incorporated into the risk register for ongoing monitoring and management
H.2 Stakeholder Engagement	The Board and Key Management Personnel should continuously engage with and consider the views of its stakeholders to better understand and manage the Company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment and other ESG issues. Many institutional investors consider these factors in their investment decision making.	Complied	A stakeholder questionnaire was distributed to key stakeholders to capture and understand their sustainability expectations
H.2.1 Procedure on stakeholder Interest	The Company should have a process to recognise significant stakeholders and material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.	Complied	Refer to pages 41 to 45, material matters. Refer to pages 32 to 40, stakeholder engagement
H.3 Governance framework	The Company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors.	Complied	Refer to page 108 for sustainability governance structure
H.3.1 Environmental Governance	Sustainability factors should be addressed through a process of environmental governance and social governance.	Complied	Refer to pages 57 to 60 for ESG Outcomes

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.3.1.1 Policies and Practices	Environmental governance of an organisation should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications on business strategies, plans, decisions, and operations. The company policy and practices on matters such a following should be considered: • Health and safety • Climate change • Pollution prevention • Effluent treatment • Sustainable resource use • Restoration of natural resources • Renewable energy and • Biodiversity.	Substantially complied	A sustainability policy is in place to ensure governance on ESG factors.
H.3.1.2 Community Engagement	Social governance of an organisation should include an integrated approach to engage separately with representative groups of the community, customers, employees, suppliers, outsourced providers and any other party that can influence or be influenced by the organisation's business model in relation to aspects material to its sustainable growth. The Organisation should include an integrated approach to build a relationship with the community for sustainable development including a process for responsive community engagement, fair competition and business practices, thereby demonstrating corporate social responsibility.	Substantially complied	The company engages in activities related to improving the financial literacy of society. Such awareness campaigns are conducted both physically and through digital channels. Further, the company engages in community development activities on its own and through organisations that specialise in such activities. Please refer pages 312 to 321.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.3.1.2 Community Engagement	The Organisation should adopt an integrated approach to building a relationship with customers. This includes establishing a process for customer feedback through engagement, efficient service delivery, standards for product responsibility and product recall and other matters material and relevant to the organisation's business model and customer experience. The labour practice related governance of an organisation should encompass all policies and practices in relation to work performed by or on behalf of the organisation in accordance with its business model and should also include policies and practices such as health and safety, equal opportunity, gender balance, career development and training, reward and recognition, conditions of work, work-life balance and industrial relations. The organisation should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the company.		The company has implemented initiatives to improve communication with clients, especially through digital channels (WhatsApp, call centre and online portal) HR practices are maintained to improve the work-life balance of staff members. Relevant legal requirements are being followed.
H.4 Governance Structure	The Board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognising, managing and measuring on all pertinent aspects of sustainability using financial and non-financial measures.	Complied	Please refer page 108 for sustainability governance structure

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.4.1 Key resources and Capitals	The Company should recognise the key resources/capitals deployed in its business and stakeholders who can influence these resources/capitals and establish financial and non-financial measures for resource/capital management and related outputs and outcomes.	Complied	Refer to pages 32 to 40, for stakeholder engagement and capital reports.
H.4.2 Process of managing ESG	The Company should have a process to ascertain, assess and manage sustainability/ESG factors which have an impact on the sustainability of the Company.	Complied	Refer to pages 342 to 371 for SLFRS S1 sustainability-related financial disclosures
H.4.3 Financial and non-financial measures	The Company should establish financial and non-financial measures in respect of all material matters relating to significant stakeholders including as determined in H.2.1 and environmental and social factors stated in H.3.1.1 and H.3.1.2.	Partially Complied	Refer to pages 41 to 45 for material matters
H.5 Disclosures	The Company's annual report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported.	Complied	Refer to page 244

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.5.1 ESG Business strategy	Environmental, social and governance considerations can affect a Company's ability to execute its business strategy and create value. While many of these factors are 'non-financial', their management and likely impact have financial consequences. Hence, they are important factors to be built into a company's business model, strategy, governance and Risk Management Framework. Sustainability/ESG factors relevant to the company could impact the following: • Access to financial capital • Cost savings and productivity • Brand value and reputation • Employee recruitment • Employee retention • Access to markets • License to operate • Market capitalisation Integrating sustainability/ESG related policies and practices into a company's strategy, business model, governance and risk management, and reporting its likely impact and implications are increasingly seen by investors as material to their investment decisions. Further, investors want to understand how well companies are managing the risks associated with such factors, as this is seen as a key test of the long term sustainability of the company. They are also increasing interested in the opportunities presented by the low carbon economy and are allocating capital to companies that are well equipped to benefit from this.	Complied	Sustainability is consolidated with the corporate strategy. Please refer page from 342 to 373 for more disclosures

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.5.2 Disclosures	Companies should provide information in relation to: • The relevance of environmental, social and governance factors to their business models and strategy. • How sustainability/ESG related issues may affect their business, e.g. through legislation, reputational damage, employee turnover, license to operate, legal action, stakeholder relationships, and how these impacts may affect business, strategy, and financial and operational performance. • How risks and opportunities pertaining to sustainability/ESG are recognised, managed, measured, and reported.	Complied	For Environmental, Social and Governance refer pages 57 to 60.
H.5.3 Corporate Governance	The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organisational culture, code of conduct and business model supports sustainability of the company in the short, medium, and long term.	Complied	Refer to pages 84 to 156.
H.5.4 ESG Reporting	Sustainability/ESG reporting is a Board's responsibility, and it is designed to add value by providing a credible account of the company's economic, social, and environmental impacts. Sustainability/ESG reporting, and disclosure should be formalised as part of the Company's reporting process and take place on a regular basis. Such reporting should link sustainable/ESG issues more closely with strategy. Sustainability/ESG reporting may be built on a number of different guidelines, such as: • Integrated reporting framework • The global reporting initiative guidelines	Complied	Refer to pages 332 to 371. For Environmental, Social and Governance refer pages 57 to 60. Refer pages 567 to 569 for GRI Index Refer pages 372 to 373 for SASB index

Statement of Compliance Report

COMPLIANCE REQUIREMENTS ON CORPORATE GOVERNANCE RULES (SECTION 9) OF THE LISTING RULES

The Continuing Listing Rule Section 9.1.3 of the Colombo Stock Exchange mandates companies listed on the Colombo Stock Exchange to publish a statement in the Annual Report, confirming compliance with the Corporate Governance rules.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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	All required policies were established. Please refer to pages 84 to 183 for the disclosure of policies related to Corporate Governance. Weblink - https://firstcapital.lk/wp-content/uploads/2026/01/Policy-Summary-2.pdf
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.	Not Applicable	Not Applicable
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied	Please refer to pages 84 to 183 for the disclosure of policies related to Corporate Governance and its publication.

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LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied	The procedure is in place to facilitate this requirement.
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 pages from 187 to 210.
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 pages from 187 to 210.
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	Please refer to page 187 to 210 for the members of the Board sub-committees.
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	

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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	A Policy on relations with shareholders and investors is established. Please refer page 109 for the Annual Report disclosure.

9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall: (a) recognise the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and CEO or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO. (b) where a Listed Entity decides to combine the role of the Chairperson and CEO, (i) set out the rationale for combining such positions; and, (ii) require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest (iii) set out the measures implemented to safeguard the interests of the SID	Complied	The policy on matters relating to the Board of Directors is in place. Terms of References of the Board and sub-committee is in place. The Policy on Trading in Listed Securities is in place

Statement of Compliance Report

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.5.1	(c) require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of Directors (d) stipulate the maximum number of Directors with the rationale for the same (e) specify the frequency of Board meetings, having regard to the requirements under the Listing Rules (f) provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules (g) specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position (h) provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements (i) specify the maximum number of directorships in Listed Entities that may be held by Directors (j) Recognise the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum		
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied	
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 pages from 62 to 71.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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.	Not Applicable	Not Applicable
9.6.3	The Requirement for a SID (a), (b), (c), (d) and (e)	Not Applicable	Not Applicable
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	Not Applicable	Not Applicable
9.7 FITNESS OF DIRECTORS AND CEOs			
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	Complied	Fit and Proper Criteria have been considered in the assessment for all Directors and CEO.
9.7.2	Listed Entities shall ensure that persons recommended by the Board 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	Declarations from all Directors and CEO were obtained.

Statement of Compliance Report

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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 Not Applicable	Refer pages from 90 to 95. Not Applicable
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 to pages 72 to 77.
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied	
9.8.3	Criteria for determining independence:	Complied	Independence of the Directors is assessed against the stipulated criteria.
9.8.4	Definitions related to Section 9.8.3	Complied	

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.8.5	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified containing at a minimum the content prescribed therein. (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	Complied Not Applicable	Declarations from all Directors were obtained and assessed.

9.9 ALTERNATE DIRECTORS

9.9	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity: (a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. (b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity. (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Board Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. (d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:	Not Applicable	No Alternate Directors are appointed to the Board as at reporting date.

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LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.9	i. The exceptional circumstances leading to such appointment; ii. The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; iii. The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, iv. A Statement by the Entity indicating whether such appointment has been reviewed by the Board Nominations and Governance Committee of the Entity. (e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.		
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	The policy on matters relating to the Board of Directors is in place and necessary limits are included. Related details are included in the Articles of Association.
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 Board Nominations and Governance Committee of the Entity.	Complied	No new appointments during the 2025/26
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied	No changes to the compositions of Board Committees during the 2025/26

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LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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 Board Nominations and Governance Committee.	Complied	The procedures are outlined in the Policy on Matters relating to the Board of Directors and Policy on Corporate Governance, Nominations and Re-Elections. The policies are disclosed in pages 208 to 210.
9.11.3	The Board Nominations and Governance Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of Composition meetings.	Complied	Terms of Reference is in place.
9.11.4	(1) The members of the Board Nominations and Governance Committee (BNGC) 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 Board 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	The BNGC composition is constructed in line with the stipulated rules. Please refer to page 208 to 210 .
9.11.5	Functions of the Nominations and Governance Committee	Complied	The BNGC functionalities in line with the stipulated rules and Terms of Reference are established covering the requirements.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.11.6	Disclosures in Annual Report: The Annual Report of Listed Entities shall contain a report of the Board Nominations and Governance Committee signed by its Chairperson.	Complied	Please refer to pages 208 to 210.
9.12 REMUNERATION COMMITTEE			
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	Please refer to pages 192 to 195.
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	The Policy on Remuneration is in place and the Remuneration Committee shall establish and maintain it accordingly.
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	
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	Terms of Reference is in place for the Remuneration Committee.
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	The Remuneration Committee composition is constructed in line with the stipulated rules. Refer pages from 192 to 195.

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LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.12.7	Functions of Remuneration Committee	Complied	The Remuneration Committee functionalities are in line with the stipulated rules and the terms of reference is established covering the requirements.
9.12.8	The Annual Report should set out the following:	Complied	Refer pages from 192 to 195.
	(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);		
	(b) A statement regarding the remuneration policy; and,	Complied	Refer pages from 192 to 195.
	(c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied	Refer pages from 192 to 195.
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.	N/A	A separate sub-committee is in place Board Integrated Risk Management Committee Refer pages from 196 to 200.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied	Terms of Reference is in place.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
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. (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 recognised 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.	Complied	The Board Audit Committee composition is constructed in line with the stipulated rules. Refer pages from 187 to 191.
9.13.4	Functions of the Audit Committee	Complied	TOR cover all the required functions.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
	(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and (i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.		
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE			
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	Please refer to pages 201 to 204.
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	The Related Party Transaction Review Committee composition is constructed in line with the stipulated rules. Refer pages from 201 to 204.

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LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.14.3	Functions of the Related party transactions review committee (1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein. (2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions. (3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied	Terms and references cover all the required functions. Policy on Related Party Transaction Review Committee is in place.

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.14.4	General requirements: (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. (3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. (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	Complied	Please refer to pages 201 to 204 for the details of the Related Party Transaction Review Committee.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied	
9.14.6	Shareholder approval	Complied	
9.14.7	Immediate disclosures	Complied	
9.14.8	Disclosures in the Annual Report	Complied	
9.14.9	Acquisition and disposal of assets from/to related parties	Complied	
9.14.10	Exempted related party transactions	Complied	

Statement of Compliance Report

LISTING RULE REFERENCE	LISTING RULE (DESCRIPTION)	STATUS OF COMPLIANCE	DETAILS/ REFERENCE
9.15 DEFINITIONS			
9.16 ADDITIONAL DISCLOSURES			
	The following declarations by the Board of Directors to be included in the Annual Report:	Complied	
	(i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested.	Complied	
	(ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so.	Complied	
	(iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.	Complied	
	(iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Complied	

REPORT ON THE STATUS OF COMPLIANCE WITH SECTION 168 OF THE COMPANIES ACT, NO. 07 OF 2007, AND SUBSEQUENT AMENDMENTS THERETO. IS PRESENTED BELOW.

REFERENCE TO THE COMPANIES ACT	INFORMATION REQUIRED TO BE DISCLOSED AS PER THE COMPANIES ACT	STATUS OF COMPLIANCE	DETAILS/REFERENCE
Section 168 (1) (a)	The nature of the business of the Company together with any change thereof during the accounting period.	Complied	Refer to page 390.
Section 168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151 and 152.	Complied	Financial Statements of the Group and the Company for the year ended 31 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 subsequent amendments thereto. 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 385 form an integral part of this Report.
Section 168 (1) (c)	Auditors' Report on the Financial Statements of the Company.	Complied	Refer pages from 378 to 381 for the "Independent Auditors' Report".
Section 168 (1) (d)	Accounting policies of the Company and Any change therein.	Complied	Note to the Financial Statements: Material Accounting Policies adopted in the preparation of the Financial Statements of the Group and the Company are given on pages from 390 to 401.
Section 168 (1) (e)	Particulars of the entries made in the Interests Register of the Company during the accounting period.	Complied	The Company maintains the Interest Registers. All 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, and subsequent amendments thereto.
Section 168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Complied	Refer Note 12 to the Financial Statements on page 411. Further, refer to the Remuneration Committee Report on pages 192 to 195.

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REFERENCE TO THE COMPANIES ACT	INFORMATION REQUIRED TO BE DISCLOSED AS PER THE COMPANIES ACT	STATUS OF COMPLIANCE	DETAILS/REFERENCE
Section 168 (1) (g)	Total amount of donations made by the Company during the accounting period.	Complied	Refer Note 12 to the Financial Statements on page 411.
Section 168 (1) (h)	Information on Directorate of the Company during and at the end of the accounting period.	Complied	Refer to the pages from 466 to 467.
Section 168 (1) (i)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company.	Complied	Note 12 to the Financial Statements on page 411.
Section 168 (1) (j)	Auditors' relationship or any interest with the Company.	Complied	Refer to the page from 378 to 381 for Auditors' Report.
Section 168 (1) (k)	Acknowledgement of the contents of this Report/ Signatures on behalf of the Board.	Complied	Refer page 385.
Sections 130 (A)-130 (J)	The Company maintains a Register of Beneficial Owners and has implemented procedures to obtain, record and report beneficial ownership information in accordance with Sections 130A-130J of the Companies Act, No. 07 of 2007, and subsequent amendments thereto.	Complied	

The following outlines the extent to which current practices on information technology, data privacy and cyber security align with applicable governing principles and best practices.

STATUS OF IT COMPLIANCE TO FIVE DOMAINS INTRODUCED BY THE IT GOVERNANCE INSTITUTE [ISACA]

Criteria	Strategic Alignment	Description	Status of compliance
1	Strategic Alignment		
1.1	Ensure IT input is obtained in Strategic Planning	Ensure senior IT Staff are involved in the development of the organisation's strategic plan	Complied
1.2	Review & Approve IT Strategic Plan	Approve the IT strategic plan developed for the organisation which sets the overall direction of IT. IT goals and strategy must be periodically reviewed based on the role IT plays in the organisation	Complied
1.3	Ensure Business Strategy - IT Alignment	The goals and plans related to information technology should facilitate the achievement of strategic goals	Complied
1.4	Review & Approve IT Capital Expenditure	Review and approve capital expenditure on IT	Complied
1.5	Monitoring of IT Investments	IT investments must be reviewed periodically to ensure that IT investments deliver the promised benefits	Complied
1.6	Stay abreast of New Technologies	Monitor new technologies in order to obtain competitive advantages for business growth	Complied
2	Value Delivery		
2.1	Review & Approve IT Policies	Approve IT Policies, review policies periodically based on changes in the internal and external environments	Complied
2.2	Obtain Independent Assurance on Compliance & Policy Enforcement	Obtain assurance on compliance and ensure policy enforcement. This should cover outsourced third-party vendors who provide services	Complied
2.3	Establish Mechanisms for Policy Communication	Ensure IT policies are communicated to staff	Complied
2.4	Obtain reports on Critical Review of IT Infrastructure	Periodically receive review reports on IT infrastructure & platforms and ensure they are up to date in line with emerging technologies	complied
2.5	Approve Key Infrastructure Changes	Approve key changes to IT services, vendors, business applications and infrastructure	Complied
3	Risk Management		
3.1	Review cyber risk assessments	Periodical review of cyber risk assessments including internal and external vulnerability assessments. Obtain assurance on the effectiveness of risk treatment plans	Complied
3.2	Review BCP and DRP	Review the organisation's BCP/DRP including the BCP test results	Complied
3.3	Establish Security Policies & Protocols	Review and approve security policies and protocols ensuring a multi-layered defence encompassing MFA, firewalls, encryption, and regular patch management	Complied
3.4	Establish Mechanisms for Cyber Security Training & Awareness	Ensure cybersecurity training is carried out when onboarding new employees and the conduct of periodical refresher sessions on latest cyber security threats	Complied

Statement of Compliance Report

Criteria	Strategic Alignment	Description	Status of compliance
4	Resource Management		
4.1	Review and Approve the IT Budget Review the IT budget to ensure proper alignment with strategic goals. Resource allocation is dependent on IT Posture, need for innovation, future plans, maintenance, and upgrades	Review the IT budget to ensure proper alignment with strategic goals. Resource allocation is dependent on IT Posture, need for innovation, future plans, maintenance, and upgrades	Complied
4.2	Evaluate and Optimise IT Infrastructure	Review the IT budget to ensure proper alignment with strategic goals. Resource allocation is dependent on IT Posture, need for innovation, future plans, maintenance, and upgrades	Complied
4.3	Talent Augmentation and Succession	Invest in continuous professional development for IT professionals. Create a culture of learning where reskilling and upskilling is done to keep pace with advancements in technology and changes to the cyber threat landscape. Ensure proper succession plans are in place for Senior IT Staff	Complied
4.4	Monitor IT Capital Expenditure	Review reports on budget versus actual cost incurred and timelines of key capital expenditure projects	Complied
5	Performance Management		
5.1	Ensure a Cyber Skills Competency Assessment is carried out for IT Function	This is required to ensure that the IT Function consists of skilled, competent and experienced employees for the various critical IT roles and are able to discharge their duties effectively	Complied
5.2	Rigorous Review of the IT Organisation Chart and Cadre	This entails a comprehensive review of the roles and responsibilities of the IT function, a review of the reporting lines to ensure proper segregation of duties and independence of certain cyber security roles	Complied CISO recruited under the Group level to cover responsibilities related to all subsidiaries. He is directly reporting to the Boards of each entity.
5.3	Formulate Key Performance Indicators (KPIs)	Establishing KPIs for the IT function is important to monitor performance of IT activities, processes and projects. These KPI's may include system downtime, service response times, adherence to service level agreements (SLAs), user satisfaction rates, or on time project completion, project cost overruns	Complied
5.4	Regular Assessments of Processes and Systems	Conduct regular audits or performance reviews which assist in identifying inefficiencies, bottlenecks, or areas that could be further optimised. Proactively analyse performance data which allows for proactive measures to be taken to enhance efficiency and address potential adverse events	Complied
5.5	Create Feedback Channels	Obtaining feedback from end-users and other stakeholders helps to understand user experiences and new needs. Surveys, focus groups, or helpdesk feedback may provide valuable feedback for enhancing IT service delivery and user satisfaction	Complied

Criteria	Strategic Alignment	Description	Status of compliance
5.6	Benchmarking exercises	Comparing current performance metrics against industry benchmarks or past performance assists in the identifying of areas requiring further improvement	In progress. The company is in the process of conducting an benchmarking assessment through an external service provider

STATUS OF IT COMPLIANCE TO KING IV TECHNOLOGY AND INFORMATION GOVERNANCE PRINCIPLES AND RECOMMENDED PRACTICES

No.	Recommended practices	Status of compliance
1	The governing body should assume responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the organisation.	Complied
2	The governing body should approve policy that articulates and gives effect to its set direction on the employment of technology and information.	Complied
3	The governing body should delegate to management the responsibility to implement and execute effective technology and information management.	Complied
4	The governing body should exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following:	
	a. Integration of people, technologies, information and processes across the organisation.	Yes
	b. Integration of technology and information risks into organisation-wide risk management.	Yes
	c. Arrangements to provide for business resilience.	Yes
	d. Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events.	Complied
	e. Management of the performance of, and the risks pertaining to, third- party and outsourced service providers.	Complied
	f. The assessment of value delivered to the organisation through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure.	Yes
	g. The responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security.	Yes
	h. Ethical and responsible use of technology and information.	Yes
	i. Compliance with relevant laws.	Yes
5	The governing body should exercise ongoing oversight of the management of information and, in particular, oversee that it results in the following:	
	a. The leveraging of information to sustain and enhance the organisation's intellectual capital.	Yes
	b. An information architecture that supports confidentiality, integrity and availability of information.	Yes
	c. The protection of privacy of personal information.	Yes
	d. The continual monitoring of security of information.	Yes

Statement of Compliance Report

No.	Recommended practices	Status of compliance
6	The governing body should exercise ongoing oversight of the management of technology and, in particular, oversee that it results in the following:	
	a. A technology architecture that enables the achievement of strategic and operational objectives.	Yes
	b. The management of the risks pertaining to the sourcing of technology.	Yes
	c. Monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the organisation and its business model.	Yes
7	The governing body should consider the need to receive periodic independent assurance on the effectiveness of the organisation's technology and information arrangements, including outsourced services.	Yes
8	The following should be disclosed in relation to technology and information:	
	a. An overview of the arrangements for governing and managing technology and information.	Yes
	b. Key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents.	Yes
	c. Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed.	Yes
	d. Planned areas of future focus.	Yes

IT CHECKLIST ON DATA PROTECTION & PRIVACY AS PER PERSONAL DATA PROTECTION ACT, NO. 9 OF 2022

No.	Checklist Item	Status/ Comments
1	Does the Company have a data classification policy ?	Yes
2	Does the Company know what data protection laws and regulations the organisation is subject to ?	Yes
3	Does the Company have a data protection officer (DPO)?	Yes. Officer of the Risk and Compliance division has been appointed as the DPO upon Board approval
4	What type of personal data the Company collect and where is it located ? • type • sources • format • how it is used • structure and classification according to sensitivity • whether it is subject to access, deletion, disclosure or other individual rights and requests - location	Personal data types identified through the Record of Processing Activities (ROPA) included in the Data Protection Impact Assessment (DPIA). Further it includes the sensitivity, legitimate interest, Controlling & processing points, storing & retention for particular data types. In addition Policy on Personal Data Protection policy is in place covering all other requirements.

No.	Checklist Item	Status/ Comments
5	What is the purpose of collecting and retaining personal data? Is it disclosed in the form of a privacy policy?	Yes
6	Does the Company obtain consent for collecting the data?	Consent Management mechanism informed to service provider and currently in progress.
7	Does the Company have proper safeguards in place to protect the data?	Yes
8	Does the Company transfer personal data across borders?	Yes (based on the specific requirements after executing NDAs)
9	Does the Company transfer personal data to other vendors?	Yes (based on the specific requirements after executing NDAs)
10	Has the Company carried out a privacy due diligence prior to onboarding third party vendors?	Yes (through the Vendor Management Policy)
11	Does the Company have privacy related clauses in the agreements with vendors?	Yes
12	Does the Company have a right to audit vendors for compliance with "privacy" requirements?	Yes
13	Does the company have a data privacy strategy?	Yes (this is included in the IT policy under Data Protection policy)
14	Does the Company have a data privacy program in place?	Yes
15	Has the Company established a data breach notification process?	Yes
16	Does the Company carry out awareness sessions and training for Directors and employees?	In Progress
17	Does the Company have a data destruction policy?	Yes included in the Policy on Personal Data Protection

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BOARD LEVEL CHECKLIST FOR CYBER SECURITY

This report shows the status of compliance of the highest governance body in accordance with the Guideline on IT Governance for Directors issued by CA Sri Lanka and Schedule O of the Code of Best Practice on Corporate Governance 2023.

Section	Requirement	Status/ Compliance
1	The board should consist of at least one Director from an information technology background, preferably with knowledge and experience in cyber security.	Complied
2	A dedicated board committee or the delegated Audit/Risk Committee should exercise oversight over cyber security.	Complied
3	The board should ensure that the organisation has a cyber security strategy.	Complied
4	The board should ensure that cyber security roles and responsibilities are defined.	Complied
5	The board should ensure that staff at all levels recognise that they each have important responsibilities to ensure your organisation's cyber resilience. Make clear that you expect all staff to act with integrity and to promptly escalate observed non-compliance within or outside your organisation.	Complied
6	The board should appoint a Chief Information Security Officer [CISO]. The roles of Chief Information Officer [CIO] and Chief Information Security Officer [CISO] should be segregated.	Complied CISO recruited at the Group level to oversee all subsidiaries
7	The board should ensure that the organisation adopts a risk management framework for identifying, evaluating and mitigating cyber risks and periodically review the cyber security risk assessment [including third party vendors and supply chain partners].	Complied
	Regularly review third-party risks related to cyber security.	Complied
	Periodically review the performance on the cyber security control measures and consider seeking independent advice for continuous improvement.	Complied
	Work to integrate cyber resilience and risk assessment into your organisation's overall business strategy, risk management, budgeting, and resource allocation.	Complied
8	The board should ensure that adequate time is spent on deliberating cyber risks and the adequacy of technology resilience.	Complied
9	Ensure that a formal, independent cyber resilience review of your organisation is carried out annually.	Complied
10	The board should determine and set the "cyber risk appetite" of the organisation.	Complied
	Annually define your organisation's risk tolerance, ensuring it is consistent with your corporate strategy and risk appetite.	Complied
11	The board should allocate sufficient resources to managing cyber risks.	Complied
	The board should ensure that the organisation has a cyber security budget sufficient to address and mitigate cyber security threats faced by the organisation.	Complied
12	The board should be made aware of any laws and regulations regarding cybersecurity and data protection in jurisdictions that the company operates in and ensure that a mechanism is available to ensure ongoing compliance.	Complied
13	The board should ensure that the organisation has an incident response plan.	Complied

Section	Requirement	Status/ Compliance
14	The board should ensure that the organisation adopts an effective data governance program that classifies data, determines its value and allows for a risk-based safeguarding of data covering its entire life cycle.	Substantially complied
15	The board should ensure that the organisation has an up to date and tested business continuity plan	Complied
16	When an individual joins the board, ensure that they have appropriate and up-to-date skills and knowledge to understand and manage the risks posed by cyber threats.	Complied
17	The board should ensure that Directors and employees receive cybersecurity training periodically.	Complied
	Ensure that the board is aware of its role as the ultimate responsibility-holder for your organisation's cyber risk and resilience.	Complied
	Oversee the creation, implementation, testing and ongoing improvement of cyber resilience plans, ensuring they are harmonised across your organisation and that your CISO or other accountable officer regularly reports on them to the board.	Complied CISO recruited at the Group level to oversee all subsidiaries
18	Solicit regular advice from management on your organisation's current and future cyber risk exposure, relevant regulatory requirements, and industry and societal benchmarks for risk appetite. Plan to engage in: - Regular briefings on duties created by new regulations and legislation, - Board and executive committee joint planning and visits to best practice peers and leaders in cybersecurity, - Security briefings on the threat environment, and - Board-level exchanges of information on governance and reporting.	Complied
19	Make clear to management that they are accountable for reporting a quantified and understandable assessment of cyber risks, threats, and events as a standing agenda item during board meetings.	Complied
	Regularly check in with management and other relevant personnel about developments related to ongoing systemic challenges such as supply chain vulnerabilities, common dependencies, and gaps in information sharing.	Complied
	Oversee management's role in fostering and maintaining your organisation's risk culture. Regularly assess the effectiveness of your organisation's risk culture, considering the impact of culture on safety and soundness and making changes where necessary.	Complied

Adherence to the Requirements of Transparency

International Sri Lanka

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
1	Does the Company have a publicly stated commitment to anti-corruption?	Yes. Please refer page 107.
2	Does the Company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?	Yes. We have developed our Anti-corruption and anti-bribery (ABC) policy based on relevant laws and best practices. The Board affirms that the Company complies with all relevant laws, regulations, directions, and internal policies of the Company.
3	Does the Company leadership (Chairperson/CEO/ Member of the Board of Directors) demonstrate support for anti-corruption?	Yes. The Board approved ABC Policy demonstrating their fullest support for anti-corruption and anti-bribery.
4	Does the Company's code of conduct / anti-corruption policy explicitly apply to all employees and Directors?	Yes. It is specifically stated in our ABC Policy. Please refer page 107.
5	Does the Company's anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the Company or represent it (for example: agents, advisors, representatives or intermediaries)?	Yes. The Board approved ABC Policy applies for all stakeholders.
6	Does the Company require external entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers) to abide by the Company's anti-corruption programme or supplier code?	Yes. There is a stipulated process related to approving suppliers and service providers.
7	Does the Company have in place an anti-corruption training programme for its employees and directors?	Awareness programme and the materials for the employees and directors are in place. Further Risk and Compliance division and Legal division are provided with resource requirements.
8	Does the Company have a policy on gifts, hospitality and expenses?	Yes. It is incorporated in to the ABC Policy.
9	Does the policy on gifts, hospitality or expenses include a definition of thresholds (descriptive or quoted as amounts) as well as procedures and reporting requirements?	Yes. It is clearly defined.
10	Is there a policy that explicitly prohibits facilitation payments?	Yes. It is incorporated in to the ABC Policy.
11	Does the Company provide a mechanism/channel through which employees can report suspected acts of corruption or breaches of anti-corruption policies, and does the mechanism/channel allow for confidential and/or anonymous reporting (whistle-blowing)?	Yes. The reporting mechanisms are clearly defined in the ABC Policy. Further, Board approved whistle-blowing policy is in place. Please refer page 107 for more details.
12	Does the whistle-blowing mechanism/channel enable employees and others to raise concerns and report suspected acts of corruption or breaches of anti-corruption policies without risk of reprisal?	Yes. The whistleblowing policy effectively delineates the procedure for reporting suspicions of corruption or breaches of anti-corruption regulations, guaranteeing that individuals can raise concerns without apprehension of reprisal.
13	Does the mechanism/channel provide for two-way communication with the whistle-blower for any needed follow-up on the concern/s raised?	The mechanism provides for two-way communication with the whistle-blower for any needed follow-up on the concerns raised.

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
14	Does the Company carry out regular or continuous monitoring of its anti-corruption programme/policy to review its suitability, adequacy and effectiveness, and implement improvements as appropriate?	Yes. The policy is reviewed on an annual basis or as and when required.
15	Does the Company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?	Yes. There is a defined process to be followed and the policy requires such contributions to be disclosed in the Annual report. No political contributions were made during the period.
16	Does the Company disclose its ultimate beneficial owner/s?	Yes. Please refer page 390.
17	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - The full list with names	Please refer page 390.
18	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Percentages owned in each of them	Please refer page 390.
19	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Countries of incorporation (for each entity) The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	The Company does not have any subsidiaries which are incorporated outside Sri Lanka. Please refer page 270 for places of local operations.
20	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Countries of operations (for each entity) A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	The Company does not have foreign operations. Please refer page 270 for places of local operations.
21	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - the full list with names	The Company does not have any non-fully consolidated holdings. However, the Company follows equity accounting for the investment made on its subsidiaries.
22	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - percentages owned in each of them	The Company does not have non-fully consolidated holdings. Please refer to page 390 for details of consolidated subsidiaries.
23	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - Countries of incorporation (for each entity) The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	The Company does not have foreign operations.

Adherence to the Requirements of Transparency International Sri Lanka

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
24	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - Countries of operations (for each entity) A multinational corporation (MNC) is a Company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	The Company does not have foreign operations.
25	Does the Company disclose its revenue/sales in Sri Lanka?	Yes. Please refer page 404.
26	Does the Company disclose its capital expenditure in Sri Lanka?	Yes. Please refer pages 444 to 450.
27	Does the Company disclose its pre-tax income in Sri Lanka?	Yes. Please refer page 382 to 383.
28	Does the Company disclose its income tax in Sri Lanka?	Yes. Please refer page 382.
29	Does the Company disclose its community contribution (Corporate Social Responsibility programmes) in Sri Lanka?	Yes. Please refer page 411.
30	Does the Company have an explicit publicly stated commitment against sexual harassment?	Yes. The Company has established a Sexual Harassment Policy that states the commitment against sexual harassment. Further, the Company's code of conduct covers the same as well.
31	Does the Company have an explicit, publicly stated commitment to non-discrimination based on gender?	Yes. Board approved HR policy of the Company includes the Company's commitment to non-discrimination based on gender.
32	Does the Company adopt a gender inclusive/equal opportunity recruitment policy?	Please refer Human Capital section on page 286 to 311 for gender balance.
33	Does the Company adopt a gender inclusive promotion policy?	The Company's performance assessment process is purely based on the performance of the staff member.
34	Does the Company have a policy for bidding on government contracts/tenders?	The Company does not engage in bidding on government contracts/tenders.
35	Does the Company disclose its current contracts with local and/or foreign governments?	No such contracts with local and/or foreign governments.
36	Does the Company publish tendering and post award documents for government contracts and awarded tenders?	No such contracts or awarded tenders.
37	Does the Company disclose audited financial accounts for government contracts and awarded tenders?	No such transactions.

Board Audit Committee Report



Rachini Rajapaksa
Independent Non-Executive Director

“The Committee reviews annual and interim financial statements with a focus on key judgments, policy changes, adjustments, and going concern considerations, supported by management attestations and internal control assurances.”

CHARTER OF THE COMMITTEE

The Board Audit Committee (BAC) assists the Board in the discharge of its responsibilities by overseeing financial reporting, both internal and external audits and internal control practices. The BAC Charter explicitly defines the Terms of Reference (TOR) of the Committee and governs the composition, functions and responsibilities. The Committee evaluates the Company's procedures for ensuring compliance with applicable laws, regulations, and any existing internal codes of conduct.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the BAC are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange (“CSE Rules”)
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (“Code 2023”)

COMPOSITION

The BAC consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director of the Company. The Committee is chaired by Ms. Rachini Rajapaksa.

The members of the Board appointed BAC as of date are as follows.

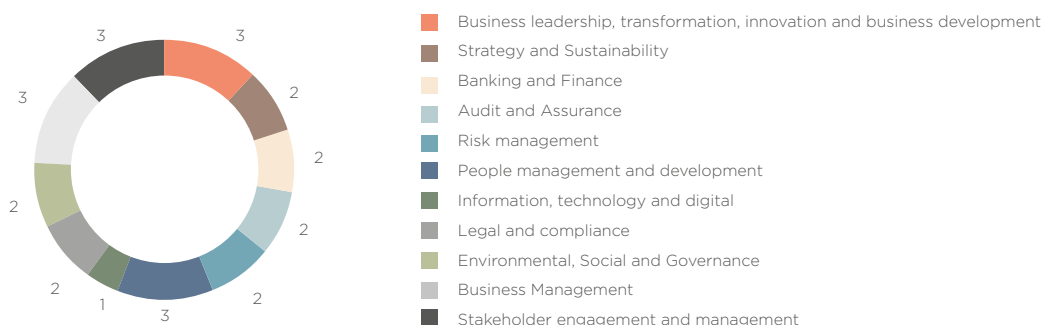
Name of the Board Subcommittee Member	Designation	Membership Status
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Chairperson
Ms. Inoshini Perera	Independent Non-Executive Director	Member
Ms. Manjula Mathews	Non-Independent Non-Executive Director	Member

Secretary to the Committee – Ms. Heidy Seneviratne

Brief profiles of the members of the Board appointed Audit Committee are given on pages 72 to 77 of the Annual Report.

Board Audit Committee Report

Diversity of Expertise



*An individual Director may represent more than one discipline

KEY RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities and the main activities are to:

- Oversee the integrity of the Group's financial reporting framework, to ensure the financial reporting systems, internal accounting controls, and disclosure processes are robust, effective, and capable of providing accurate, timely, and reliable information to the Board, regulators, and other stakeholders.
- Review and monitor the preparation of financial statements to ensure the consistent application of appropriate accounting policies in compliance with applicable accounting standards and regulatory requirements, and significant financial matters are accurately disclosed, including key judgments, related party transactions, and potential conflicts of interest.
- Evaluate the adequacy and effectiveness of the Group's internal control and risk management environment, including financial, operational, information systems, and compliance controls, to safeguard assets, prevent and detect fraud, and support sound corporate governance practices.
- Oversee the effectiveness and independence of the external audit process by reviewing audit plans, assessing auditor performance and objectivity, and monitor compliance with applicable auditing standards and regulations, including policies governing the provision of non-audit services.
- Provide oversight and guidance on the internal audit function, including reviewing the scope, effectiveness, and alignment of the internal audit plan with the Group's risk profile and strategic priorities.
- Assess the adequacy and effectiveness of the Group's compliance framework through the review of compliance reports and monitoring adherence to applicable laws, regulations, internal policies, and governance requirements.
- Facilitate effective communication and coordination among the external auditors, internal auditors, management, and the Board to ensure transparency, timely resolution of issues, and alignment on matters relating to financial reporting, controls, risk, and compliance.
- Exercise authority, where necessary, to commission independent reviews, obtain additional information, and escalate unresolved matters, including reporting to relevant regulatory authorities in accordance with applicable regulatory requirements.
- Report regularly to the Board on the Committee's deliberations, including key findings, recommendations, decisions, and follow-up actions arising from Committee meetings.
- Ensure that disclosures contained in the BAC Report are comprehensive, transparent, and aligned with applicable statutory, regulatory, and reporting requirements.

FINANCIAL REPORTING SYSTEM

The Committee reviewed the Group's financial reporting system and its effectiveness in ensuring transparency, accuracy, and compliance. In this regard, the Committee evaluated the preparation and presentation of annual and interim financial statements to ensure alignment with Sri Lanka Accounting Standards, Listing Rules, the Companies Act, No. 07 of 2007, and subsequent amendments thereto and subsequent amendments there to, and other applicable regulatory requirements.

Further, the Committee assessed the appropriateness and consistency of key accounting policies, as well as the rationale underlying significant estimates and judgments applied in the preparation of the financial statements, to ensure that the disclosures present a true and fair view of the Group's financial position.

SIGNIFICANT ACCOUNTING JUDGEMENTS CONSIDERED DURING THE YEAR

The following issues were addressed, and the judgements were taken by the Committee during the year under review.

- Valuation of financial instruments
- Carrying value of investments in group companies
- Adequacy of impairment provision in line with IFRS 9
- Provisioning for statutory payments including VAT on Financial services with a special focus on the subsidiary First Capital Limited
- Adoption of external actuarial valuation for retirement benefit obligation

INTERNAL AUDIT / CONSULTANCY SERVICE

The Internal Audit advisory function of subsidiaries has been outsourced to M/s. Ernst & Young and M/s. B R De Silva. Further the function of the parent Company has been assigned to the Internal Audit Division of Janashakthi Group, the ultimate parent. Control weaknesses highlighted in the internal audit reports were examined by the Committee and the follow-up action taken by the management on the audit recommendations were also reviewed. The Committee reviewed the effectiveness of the internal audit function and the scope and procedures for internal audit during the ensuing year. The internal audit scope has been significantly enhanced to cover internal and regulatory control parameters, including AML/CFT procedures mandated by the FIU, CBSL.

EXTERNAL AUDIT

The Committee reviewed the annual financial statements for 2025/26 including the audit opinion and the key audit matters with the external auditors prior to recommendation to the Board of Directors for approval. External auditors' management letters pertaining to the previous year's audit and the management's response thereto were discussed during the year. The committee reviewed the follow-up action taken by the management to ensure that the recommendations contained in the management letter were implemented.

The Committee reviewed the non-audit services provided by the auditors to ensure that the provision of these services does not impair their independence and objectivity.

The fees payable to the auditors have been recommended by the Committee to the Board for approval.

Having determined the independence of the auditor and reviewed the effectiveness of the external audit, the Audit Committee also recommended to the Board of Directors that M/s KPMG be reappointed as Auditors for the financial year ending 31 March 2027, subject to the approval of the shareholders at the Annual General Meeting. Furthermore, M/s KPMG have been the external auditors of the company for more than 20 years, and the rotation of the engagement partner takes place every 7 years.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year under review, the BAC assessed the Group's major financial risk exposures and evaluated the control procedures implemented by management for monitoring, controlling, and reporting such risks. In addition, the Committee reviewed ongoing legal matters pertaining to the Group, with particular attention to the inherent risks and potential implications for the Group.

During the year under review, the Board Audit Committee (BAC) continued to oversee the effectiveness of the Group's internal control environment and key risk management practices, with a focus on ensuring that appropriate measures were in place to identify, monitor, and mitigate material risks. The Committee noted the transition of certain policy-related responsibilities to the Board Integrated Risk Management Committee (BIRMC) and accordingly maintained its focus on oversight and assurance activities within its mandate.

Board Audit Committee Report

The Committee reviewed and approved the transition of internal audit services following the discontinuation of M/s Ernst & Young as the Internal Auditors to First Capital Limited (FCL) and First Capital Treasuries PLC (FCT). After evaluating proposals from several audit firms, the Committee recommended the appointment of M/s B R De Silva as the new Internal Auditors. In addition, the Committee closely monitored and reviewed system-related issues identified within the Group's digital platforms ensuring that appropriate corrective actions were taken by management to strengthen system controls and enhance operational resilience.

The Committee also reviewed the Compliance register developed by the Compliance division, which serves as a tool for monitoring adherence to the policies related to corporate governance regulations.

The BAC has received written assurance from the Chief Executive Officer and the Chief Financial Officer of First Capital Holdings PLC that the financial and business operations are operating effectively through the submission of compliance reports on a quarterly basis.

MEETINGS

Four BAC meetings were held during the year under review. The external auditors and internal auditors are also present at meetings on a need basis. The proceedings of the BAC meetings are reported to the Board of Directors on a regular basis.

The attendance of the Members for the Audit Committee meetings during year 2025/26 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Ms. Rachini Rajapaksa	Chairperson	5/5
Ms. Inoshini Perera	Members	5/5
Ms. Manjula Mathews	Members	5/5

Regular Attendees by Invitation:

Mr. Dilshan Wirasekara (Managing Director)	5/5
Mr. Mangala Jayashantha (Chief Financial Officer)	5/5
Ms. Harshanee Deshapriya (Head of Legal)	5/5
Mr. Kapila Perera (Chief Risk Officer)	3/5

BOARD AUDIT COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The BAC contributes to strengthening corporate governance by fostering a culture of accountability, transparency, and ethical conduct across the Group. Through its independent oversight, the Committee enhances the credibility of financial reporting and ensures that governance practices are aligned with regulatory expectations and stakeholder interests. Its focus on maintaining high standards of integrity supports informed decision-making and reinforces confidence among investors and other stakeholders.

In carrying out its role, the BAC promotes a robust control environment by providing oversight of risk management practices, compliance frameworks, and audit outcomes. The Committee facilitates constructive engagement between management and assurance providers, while ensuring that identified issues are addressed in a timely and effective manner. Through continuous monitoring and disciplined governance practices, the BAC plays a key role in strengthening the overall governance framework and supporting the Group's long-term sustainability.

PERFORMANCE Strategy Formulation

The BAC rigorously evaluates strategic initiatives to ensure they are executed within a robust, resilient, and well-controlled environment, with due regard to risk management, financial reporting integrity, technological readiness, and regulatory compliance. It safeguards the independence of the internal audit function while reinforcing accountability across the three lines of defence. The Committee ensures that the Group's strategic priorities are supported by strong management information systems (MIS), effective internal

controls over financial reporting (ICOFR), and a structured audit framework. Through continuous oversight and comprehensive access to information, the BAC aligns governance, control, and assurance mechanisms with the Group's strategic objectives, thereby promoting transparency, accountability, and sustainable value creation.

CONFORMANCE **Accountability**

Accountability remains central to the BAC's mandate, ensuring the integrity and compliance of the Group's financial reporting. The Committee reviews annual and interim financial statements with a focus on key judgments, policy changes, adjustments, and going concern considerations, supported by management attestations and internal control assurances. It also evaluates the performance and independence of External Auditors, oversees audit partner rotation, and ensures compliance with non-financial reporting requirements, including ESG disclosures, thereby enhancing transparency and reporting credibility.

Monitoring and Supervision

The BAC provides comprehensive oversight of Internal Audit, External Audit, ICFR, MIS reliability, and regulatory compliance. It reviews audit plans, monitors progress, and ensures timely resolution of findings while commissioning independent quality assessments where necessary. The Committee also oversees compliance frameworks, whistleblowing mechanisms, anti-bribery and corruption procedures and technology-related risks. Its coordinated approach with other Board Sub-Committees ensures effective governance, robust control environments, and alignment with the Group's regulatory and strategic objectives.

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson
Board Audit Committee

05 June 2026

Remuneration Committee Report



DILENDRA WIMALASEKERE

Independent Non- Executive Director

“We oversee the development and implementation of remuneration policies, design performance-based incentive structures, and ensure full compliance with applicable regulatory and corporate governance requirements.”

We are committed to ensuring that the remuneration of the Company's executive directors and senior management is fair, competitive, and aligned with both individual performance, market and the long term interests of shareholders. We oversee the development and implementation of remuneration policies, design performance-based incentive structures, and ensure full compliance with applicable regulatory and corporate governance requirements. The Committee also ensures transparency in disclosures, benchmarks compensation against industry standards, and safeguards against conflicts of interest by maintaining an independent and objective decision-making process.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the Remuneration Committee are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange (“CSE Rules”)
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (“Code 2023”)

Composition of the Committee

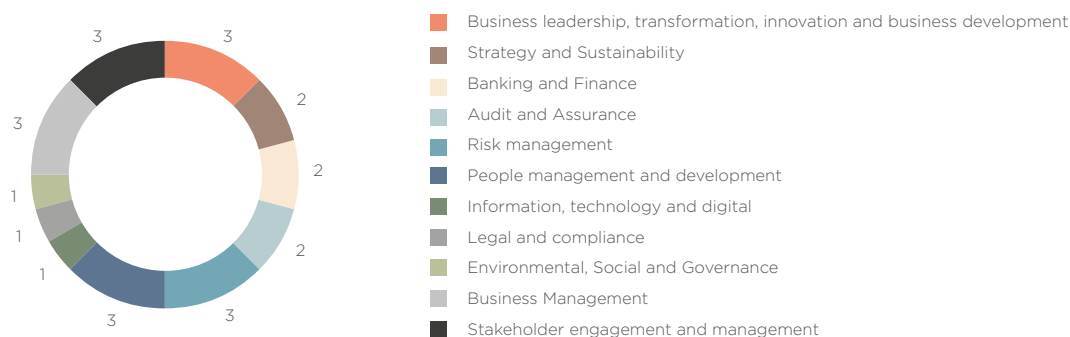
The Remuneration Committee was appointed by the Board of Directors of the company. As at 31 March 2026, the committee comprised the following directors.

Name of the Board Subcommittee Member	Designation	Membership Status
Mr. Dilendra Wimalasekere	Independent Non-Executive Director	Chairman
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Member
Mr. Ramesh Schaffter	Non-Independent Non-Executive Director	Member

The Company Secretary serves as the Secretary to the Committee.

Brief profiles of the members of the Board appointed Remuneration Committee are given on Pages 72 to 77 of the Annual Report.

Diversity of Expertise



KEY RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- Review and recommend a remuneration and incentive scheme, including any proposed equity incentive awards including terminal benefits for the Managing Director, and the Senior Management team including KMP.
- Review proposed increments and market adjustments to compensation to ensure appropriate rates in relation to market/industry and the compensation philosophy of the company.
- Approve annual increments, bonuses, incentives and any other compensation changes for the Managing Director and the Senior Management team including KMP, based on corporate and individual performance against set targets and goals.
- Ensure the remuneration and benefits are set on a fair and equitable basis.
- Ensure a proper mechanism is in place for management development and succession planning and periodic reviews of the same.
- Review market data on compensation and benefits and approve periodic recommendations made by the management.
- Communication with shareholders on the remuneration policy and the committee's work (on behalf of the Board) through a Remuneration committee report.
- Participate in the recruitment and selection process of the KMP based on the recommendations made by Managing Director.
- Recommend appropriate service contracts for Executive Directors.
- Approve the terms of any compensation package in the event of early termination of the contract of an Executive Director.
- Provide directions on disciplinary matters that involves an employee that could create a significant impact to the company.

The aggregate remuneration of the Executive and Non-Executive Directors for the year is Rs. 140Mn.

Other matters

The Remuneration committee is authorised by the Board to seek appropriate professional advice inside and outside the company as and when it considers this necessary.

Remuneration Committee Report

MEETINGS

The Remuneration committee convened four times during the period under review.

The attendance of the Members for the Committee meetings during year 2025/26 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Mr. Dilendra Wimalasekere	Chairman	4/4
Mr. Rajendra Theagarajah	Member	4/4
Mr. Ramesh Schaffter	Member	4/4

REMUNERATION COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The Remuneration Committee (RC) is a mandatory Board Sub-Committee responsible for providing strategic oversight and governance over the Group's human capital management and remuneration practices. In line with applicable regulatory requirements and governance principles, the Committee ensures that policies and frameworks relating to human resources and remuneration are aligned with the Group's strategic objectives and uphold the highest standards of integrity, accountability, and ethical conduct. Guided by the principles of performance and conformance, the RC supports value creation while reinforcing transparency and sound governance practices.

PERFORMANCE

Strategy Formulation

The Committee provides strategic oversight of the Group's human resources and remuneration frameworks, ensuring alignment with its vision, risk appetite, and business priorities. It collaborates with the Board and Senior Management to define short- and long-term leadership objectives, supporting sustainable performance and effective strategy execution, while also focusing on leadership development, workforce planning, and organisational effectiveness. In addition, the Committee oversees the formulation of remuneration

policies that promote high performance while ensuring fairness, competitiveness, and market alignment, using benchmarking and external insights where appropriate to attract and retain talent, enhance employee engagement, and support the achievement of strategic objectives.

Policy Making

Policy formulation is a core function of the Committee under its performance mandate. The RC reviews and recommends policies across key areas of human resource management, including talent acquisition, career development, performance management, training, employee relations, well-being, ethics, and grievance handling, to foster a culture of professionalism and ethical conduct. It also oversees the implementation of key governance policies, including the Code of Business Conduct and Ethics and the Anti-Bribery and Corruption Policy, ensuring alignment with regulatory requirements and best practices. In addition, the Committee guides remuneration practices through the Policy on Remuneration, promoting fairness, competitiveness, and performance linkage, while supporting mechanisms such as claw-back provisions and ESG-linked measures to enhance accountability and long-term value creation.

CONFORMANCE

Accountability

The Committee ensures accountability and transparency in remuneration governance by recommending compensation structures for senior management and overseeing their approval by the Board, thereby mitigating conflicts of interest and ensuring alignment with market standards and regulatory expectations. It also collaborates with the Board Integrated Risk Management Committee to align remuneration practices with the Group's risk appetite and governance framework. Through regular evaluations and reporting to the Board, the Committee demonstrates its effectiveness, ensures compliance with governance standards, and reinforces stakeholder confidence while supporting continuous improvement.

Monitoring and Supervision

Monitoring and supervision form a key aspect of the Committee's conformance responsibilities. The RC oversees the implementation of human resource strategies, ensures compliance with approved policies, and evaluates the effectiveness of performance management systems in line with established governance procedures. It also upholds ethical standards across the organisation, ensuring adherence to the Code of Conduct and regulatory requirements, while assessing senior management performance against defined objectives. In addition, the Committee periodically reviews its Terms of Reference and employee benefit frameworks, including provident and pension schemes, to ensure alignment with best practices and evolving regulatory expectations, and recommends improvements to the Board where necessary.

(Sgd.)

Mr. Dilendra Wimalasekera

Chairman – Remuneration
Committee

05 June 2026

Board Integrated Risk Management Committee Report



Rachini Rajapaksa
Independent Non-Executive Director

The financial year 2025/26 was a period of heightened external uncertainty for the Group's risk framework, marked by domestic weather-related disruption, the implementation of the Personal Data Protection Act, and renewed geopolitical tensions in the Middle East that weighed on global financial markets and on Sri Lanka's tourism, trade and macro-economic outlook. Against this backdrop, the Committee's emphasis was on elevating the quality of our risk intelligence — refining methodologies, strengthening frameworks, and ensuring a measured, forward-looking response to emerging risks

THE YEAR AT A GLANCE

MEETINGS HELD

11

MEMBER ATTENDANCE

100%

RISK PILLARS OVERSEEN

04

LINES OF DEFENCE

03

CHARTER OF THE COMMITTEE

The Board Integrated Risk Management Committee (BIRMC) is a formally constituted sub-committee of the Board of Directors, established to provide dedicated oversight of the Group's integrated risk management

framework. The Committee operates in accordance with a Board-approved Charter (Terms of Reference), which is reviewed periodically to remain aligned with evolving governance expectations and regulatory requirements.

Regulatory Framework Governing the Committee

The role, responsibilities and composition of the BIRMC are determined in accordance with the provisions set out in:

- Companies Act, No. 07 of 2007, and subsequent amendments thereto
- Listing Rules of the Colombo Stock Exchange
- Securities & Exchange Commission of Sri Lanka Act No. 19 of 2021
- Code of Best Practice on Corporate Governance 2023
- Personal Data Protection Act No. 9 of 2022
- Applicable CBSL, SEC, CSE and FIU directions and guidelines

COMPOSITION OF THE COMMITTEE

The Committee comprises two Independent Non-Executive Directors (one of whom chairs the Committee), the Managing Director / CEO, and the Chief Risk

Officer who serves as Secretary. The composition ensures a balance of independent oversight and executive insight, with each member bringing complementary expertise in finance, risk, governance and capital markets. Senior

management, specialists from the Risk & Compliance function, and external advisors attend meetings by invitation to provide context and support informed decision-making.

Name of the Board Subcommittee Member	Designation	Membership Status
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Chairperson
Ms. Inoshini Perera	Independent Non-Executive Director	Member
Mr. Dilshan Wirasekara	Non-Independent Executive Director	Member
Mr. Kapila Perera	Chief Risk Officer	Secretary

MEETINGS AND ATTENDANCE

The Committee held 11 meetings during the financial year 2025/26. All minutes and proceedings were submitted to the Board of Directors. The cadence of meetings is illustrated below.

MEETING CADENCE | FY 2025/26

APR 28	MAY 21	JUN 30	AUG 07	SEP 11	OCT 09	NOV 04	DEC 08	JAN 20	FEB 16	MAR 16

ATTENDANCE OF MEMBERS

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Ms. Rachini Rajapaksa	Chairperson	11/11
Ms. Inoshini Perera	Member	11/11
Mr. Dilshan Wirasekara	Member	11/11
Mr. Kapila Perera	Secretary	11/11

ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The BIRMC is responsible for establishing and maintaining a comprehensive risk-governance and risk management system for

identifying, assessing, monitoring and managing risk - supporting the First Capital Group's Board and Corporate Management Team in overseeing risk in a dynamic business environment.

The Committee's work is anchored in the Three Lines of Defence model, which ensures clear accountability for risk ownership, independent oversight, and independent assurance:

1

FIRST LINE OF DEFENCE

Business units and management — day-to-day ownership of risks within the approved risk appetite; first point of identification, assessment and control.

2

SECOND LINE OF DEFENCE

Risk & Compliance function - independent oversight, policy setting, risk-register review, monitoring of key risk indicators, and escalation to the BIRMC.

3

THIRD LINE OF DEFENCE

Internal Audit and external assurance — independent assurance to the Audit Committee and Board on the adequacy and effectiveness of the risk and control framework.

Board Integrated Risk Management Committee Report

KEY RESPONSIBILITIES AND SCOPE OF WORK

The Committee's mandate covers the following principal areas:

- Overseeing the Group's integrated risk management framework, including the processes for identifying, assessing, responding to and reporting on significant risks.
- Ensuring that risks are managed within the Board-approved risk appetite and that a robust risk culture is embedded across the organisation.
- Reviewing the adequacy and effectiveness of the Group's risk management framework and recommending updates to the Board of Directors.
- Reviewing risk registers, key risk indicators and emerging risk trends presented by management.
- Reviewing and recommending policies and frameworks governing the Group's principal risk pillars — financial, operational, technology and cyber, and strategic and emerging risks — for Board approval.
- Approving periodic regulatory-compliance reports for onward submission to the Board of Directors and the relevant regulators.
- Supporting the Risk & Compliance function with appropriate resources, tools, and training to enhance capability.

PERFORMANCE AND CONFORMANCE

Strategy Formulation

The BIRMC supports the Board in translating strategic priorities into risk-informed plans that are realistic, actionable and aligned with stakeholder expectations. It evaluates the operating environment — including market developments, regulatory trends, technological advancements and emerging risks — to ensure that strategic decisions are backed by data and measurable outcomes. By embedding risk considerations into strategy, the BIRMC enables the Group to pursue growth opportunities while maintaining operational discipline and resilience.

Policy Making

The BIRMC guides the development, review and oversight of enterprise risk policies across the Group's principal risk pillars — covering financial risk, operational risk, IT and cyber risk, and strategic and emerging risk. It ensures that policies remain dynamic, practical and compliant with regulatory requirements, and that they are effectively communicated across the Group through management briefings, training and awareness programmes.

Accountability

Under delegated authority from the Board, the Committee ensures accountability, transparency and effective stewardship within the Group's risk-governance framework. Through structured reporting and engagement with Senior Management, it oversees the Group's risk profile, evaluates exposures against the approved risk appetite, and monitors the effectiveness of internal controls, while promoting a strong risk culture across the organisation.

Monitoring and Supervision

The Committee maintains continuous monitoring of the Group's enterprise-wide risk profile using structured reporting and data-driven insights — including key risk indicators and emerging trends — to support timely and informed decision-making. It also strengthens organisational resilience by overseeing robust business-continuity and disaster-recovery frameworks, while safeguarding financial stability, operational resilience and regulatory compliance.

RISK OVERSIGHT — YEAR IN REVIEW

During the year, the Committee maintained oversight across four broad risk pillars, structured to reflect the Group's diversified capital-markets operations. The Committee's review cycle ensured that risks across each pillar were identified, assessed, responded to and reported on a timely basis.



FINANCIAL RISK

Market, credit, liquidity, counterparty and concentration risks across the Group's capital-markets operations.



OPERATIONAL RISK

Process, people and system risks arising from the Group's day-to-day business activities and outsourced arrangements.



TECHNOLOGY & CYBER RISK

Information security, data protection, cyber-resilience and third-party technology-service-provider risks.



STRATEGIC & EMERGING RISK

Regulatory, reputational, business-continuity, climate-related and macro economic risks shaping the operating environment.

Through the year, the Committee reviewed monthly risk registers covering the Group's full risk universe, together with in-depth thematic reviews of process-level controls within key business functions. The Committee noted that the Group's overall risk profile remained within approved tolerances, and that management responded in a considered and timely manner to the notable external events encountered during

the year — including domestic weather-related disruption, the implementation of the Personal Data Protection Act, and the geopolitical developments in the Middle East and their impact on global financial markets and the Sri Lankan macro economic outlook.

Where emerging risks warranted closer attention, the Committee directed management to refine

methodologies, strengthen controls and broaden the scope of surveillance. The Committee also reviewed, and recommended to the Board for approval, a number of policies and frameworks during the year, further strengthening the Group's governance and risk architecture.

LOOKING AHEAD - FOCUS AREAS FOR FY 2026/27

- Further strengthening market-risk measurement methodologies, including enhanced Value-at-Risk techniques.
- Embedding the standardised operational risk assessment framework across the Group.
- Continued implementation of the Personal Data Protection framework and advancement of the Group's cyber-resilience agenda.
- Deepening climate and sustainability-related risk considerations in line with evolving reporting standards.
- Maintaining vigilant oversight of geopolitical, macro economic and other emerging risks, and their impact to the Group's business.

Board Integrated Risk Management Committee Report

CONCLUSION

The Committee is satisfied that the Group's risk management framework operated effectively during the year, that significant risks were identified and managed within the approved risk appetite, and that the framework continues to evolve in line with the Group's strategic direction and the broader risk environment. The Committee will continue to deepen its oversight - advancing methodologies, broadening emerging-risk surveillance, and supporting management in building a risk-aware culture that underpins the Group's strategic ambitions.

On behalf of the Committee, I thank my fellow members, the Managing Director / CEO, the Chief Risk Officer, and all members of the management team and the Risk & Compliance function for their sustained engagement and professionalism throughout the year.

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson — Board Integrated Risk Management Committee

05 June 2026
Colombo

Related Party Transactions Review Committee Report



Rachini Rajapaksa
Independent Non-Executive Director

The Committee exercises ongoing monitoring and supervision of RPTs to ensure compliance with approved policies, procedures and regulatory requirements. This includes overseeing the identification and classification of related parties, enforcing Director abstention protocols and reviewing material changes to previously approved transactions.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the Related Party Transactions Review Committee (RPTRC) are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange (“CSE Rules”)
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (“Code 2023”)
- LKAS 24 - Related Party Transactions accounting standard issued by CA Sri Lanka

COMPOSITION

The RPTRC was appointed by the Board of Directors of the Company and reports directly to the Board. The Committee consists of three (3) members with a combination of two Independent Non- Executive Directors and one Non-Independent Non- Executive Director. The members of the committee are as follows:

The members of the Board appointed RPTRC as of date are as follows.

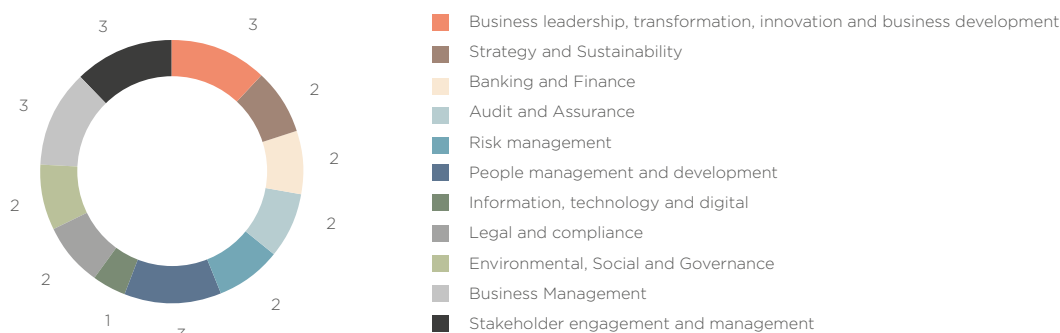
Name of the Board Subcommittee Member	Designation	Membership Status
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Chairperson
Ms. Inoshini Perera	Independent Non-Executive Director	Member
Ms. Manjula Mathews	Non-Independent Non-Executive Director	Member

The Company Secretary serves as the Secretary to the Committee.

Brief profiles of the members of the Board appointed RPTRC Committee are given on pages 72 to 77 of the Annual Report.

Related Party Transactions Review Committee Report

Diversity of Expertise



*An individual Director may represent more than one discipline

KEY RESPONSIBILITIES OF THE COMMITTEE

The Related Party Transactions Review Committee (RPTRC) is responsible for assisting the Board of Directors in ensuring that all Related Party Transactions (RPTs) of the Group are conducted in a transparent, fair and compliant manner, in line with applicable laws, regulations and best practices. In discharging its mandate, the Committee undertakes the following key responsibilities:

➤ Oversight of Related Party Transactions

Review and oversee all RPTs to ensure that appropriate policies, procedures and controls are in place for the identification, monitoring, evaluation and reporting of such transactions, and that potential conflicts of interest are effectively managed.

➤ Ensuring Arm's Length Basis and Fair Treatment

Ensure that all RPTs are conducted on an arm's length basis and on terms no more favourable than those offered to non related parties, while safeguarding the interests of the Group and its shareholders as a whole.

➤ Review and Recommendation for Approval

Review proposed RPTs and, where required, recommend such transactions to the Board of Directors for approval prior to execution, in accordance with regulatory thresholds and internal governance frameworks.

➤ Management of Conflicts of Interest

Ensure that Directors and other related parties abstain from participating in deliberations and decision making on transactions in which they have an interest, except where their input is specifically requested for assessment purposes. Where necessary, recommend the establishment of special committees or the obtaining of independent professional advice.

➤ Review of Recurrent Related Party Transactions

Establish appropriate guidelines for Management in respect of recurrent RPTs and conduct periodic reviews to ensure such transactions continue to be appropriate, compliant and aligned with approved guidelines.

➤ Policy, Procedure and Governance Framework

Recommend, review and periodically update the Group's policies, procedures and Terms of Reference relating to RPTs, ensuring alignment with regulatory requirements and evolving best practices in corporate governance.

➤ Reporting and Disclosure

Ensure that minutes of Committee meetings are properly maintained and submitted to the Board, and that comprehensive quarterly reports on RPTs, related parties and the economic consequences of such transactions are presented to the Board. The Committee also ensures that all required regulatory and public disclosures are made in a timely and accurate manner.

Regulatory Compliance

Monitor compliance with applicable provisions of the Central Group of Sri Lanka Directions, Companies Act, Colombo Stock Exchange Listing Rules, LKAS 24 and other relevant regulatory and governance requirements relating to Related Party Transactions.

Access to Independent Advice

Obtain external professional or expert advice, where necessary, to support the Committee's assessment of complex, material or high risk Related Party Transactions.

Enhancement of Committee Effectiveness

Carry out periodic self evaluations, review the effectiveness of the Committee's performance and recommend enhancements to its scope and functioning, as appropriate, to strengthen the overall Corporate Governance Framework of the Group.

MEETINGS

The Committee held four meetings during the year under review. Proceedings of the Committee meetings are regularly reported to the Board of Directors.

The attendance at the RPTRC meeting during the year 2025/26 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Ms. Rachini Rajapaksa	Chairperson	4/4
Ms. Inoshini Perera	Member	4/4
Ms. Manjula Mathews	Member	4/4

RELATED PARTY COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The RPTRC plays a pivotal role in strengthening the Group's Corporate Governance Framework by ensuring that RPTs are conducted with integrity, transparency and in full compliance with applicable regulatory and governance requirements. The Committee provides independent oversight of transactions involving Directors, Key Management Personnel, subsidiaries and other connected parties, ensuring that such transactions are carried out strictly on an arm's length basis and do not confer undue or preferential benefits. Through rigorous review, approval and monitoring processes, the BRPTRC safeguards the interests of shareholders and other stakeholders while promoting fairness and accountability in decision making.

PERFORMANCE

Strategy Formulation

The RPTRC supports the Board by providing strategic oversight over the management of Related Party Transactions (RPTs). The Committee establishes clear boundaries and governance expectations to ensure RPTs are consistently conducted in line with regulatory requirements, ethical standards and the Group's risk appetite. It exercises the authority delegated by the Board to challenge, defer or reject transactions that do not align with the Group's long term value creation objectives or prudential standards, while safeguarding the interests of shareholders and other stakeholders.

Policy Making

The Committee plays a key role in strengthening the governance framework for RPTs by recommending, reviewing and updating the Group's policies, procedures and guidelines relating to related party transactions. These frameworks define related parties, approval thresholds, documentation standards, disclosure requirements and approval hierarchies, ensuring consistent application across the Group. Periodic reviews are undertaken to ensure continued alignment with regulatory requirements and emerging best practices in corporate governance.

Related Party Transactions Review Committee Report

CONFORMANCE

Accountability

The RPTRC enhances accountability by ensuring comprehensive and transparent reporting of RPTs to the Board, regulators and shareholders, as applicable. The Committee ensures that major and material transactions are escalated appropriately and that required disclosures are made in a timely and accurate manner. Through independent review and approval processes, the Committee reinforces ethical conduct, mitigates conflicts of interest and promotes confidence among stakeholders in the integrity of the Group's governance practices.

Monitoring and Supervision

The Committee exercises ongoing monitoring and supervision of RPTs to ensure compliance with approved policies, procedures and regulatory requirements. This includes overseeing the identification and classification of related parties, enforcing Director abstention protocols and reviewing material changes to previously approved transactions. Regular quarter wise reporting to the Board on RPTs and their economic consequences strengthens transparency and enables the Board to effectively discharge its oversight responsibilities.

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson - Related Party
Transactions Review Committee

05 June 2026
Colombo

Investment, Asset and Liability Committee Report



Rajendra Theagarajah
Independent Non-Executive Chairman

The Committee provides continuous oversight of the Group's asset and liability positions by monitoring portfolio performance, liquidity levels, funding profiles and market risk exposures. Regular reviews enable the timely identification of emerging risks, imbalances or deviations from approved limits and policies.

Charter of the Committee

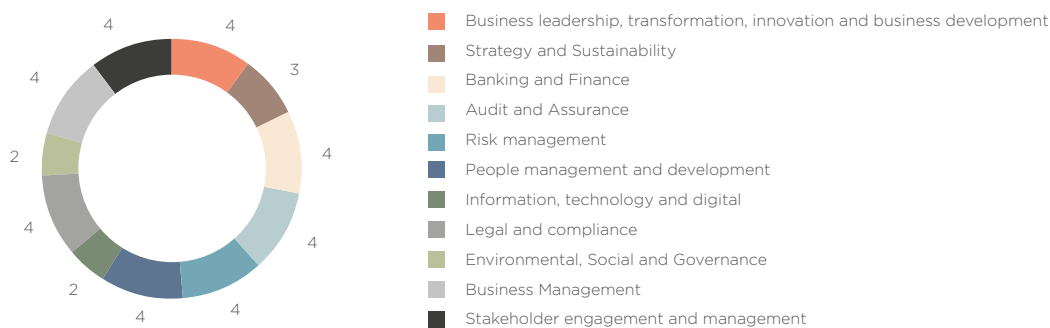
The Investment Asset and Liability Committee (IALCO) has the delegated authority of the Board of Directors to make strategic and operational investment decisions and is primarily responsible for the investment strategy and the asset and liability management of the Group companies. Investment decisions on debt, equity, and other related investment proposals are being evaluated by the Committee for the best interest of the Group. The Committee also evaluates the liquidity positions of the Group regulatory compliances related to Investment decisions while enhancing the shareholder value.

This is not applicable as it is not a regulatory requirement.

COMPOSITION OF THE COMMITTEE

Name of the Board Subcommittee Member	Designation	Membership Status
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Chairman
Ms. Manjula Mathews	Non- Independent Non-Executive Director	Member
Ms. Rachini Rajapaksha	Independent Non-Executive Director	Member
Mr. Dilshan Wirasekara	Non- Independent Executive Director	Member

Diversity of Expertise



*An individual Director may represent more than one discipline

Investment, Asset and Liability Committee Report

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

Developing the investment strategy of the Group based on the strategic plan

The Committee is responsible for developing and recommending the Group's investment strategy, aligned with the approved strategic plan, macroeconomic conditions and market outlook. In formulating the strategy, IALCO considers factors such as interest rate movements, liquidity conditions, capital adequacy, risk appetite and regulatory constraints, ensuring that investment activities support sustainable earnings growth while preserving capital and liquidity.

Review, Evaluate and approve Investment decisions relating to the investment strategy

IALCO reviews, evaluates and approves investment and funding decisions undertaken in line with the approved investment strategy. This includes assessing the risk return profile, maturity structure, concentration levels and overall impact on the Group's balance sheet. Through this process, the Committee ensures that investment decisions are prudent, commercially sound and consistent with the Group's strategic and financial objectives.

Ensure adherence to the regulatory and Internal compliance levels and policies in making investment and borrowing decisions

The Committee ensures strict adherence to applicable regulatory requirements, internal policies and risk limits when making investment and borrowing decisions. IALCO oversees compliance with statutory liquidity ratios,

exposure limits and other regulatory directives, while ensuring alignment with internal governance frameworks, thereby safeguarding the Group from regulatory, financial and reputational risks.

Reviews the performance of the existing portfolios

IALCO periodically reviews the performance of existing investment portfolios, monitoring yields, market valuations, maturity profiles and risk exposures. This enables timely identification of emerging risks, underperforming assets or mismatches and supports informed decision making to optimise portfolio performance and balance sheet efficiency.

Advise and recommend investment decisions for the best interests of the stakeholders

In fulfilling its advisory role, IALCO evaluates investment opportunities and provides recommendations to senior management and the Board, as appropriate, in the best interests of the Group and its stakeholders. The Committee ensures that investment decisions balance growth objectives with risk management considerations, while promoting long term value creation and financial stability.

COMMITTEE MEETINGS

The Investment Committee held 25 meetings during the year under review. The proceedings of the Committee meetings have been escalated to the Board Meetings.

Attendance

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Mr. Rajendra Theagarajah	Chairman	17/25
Mr. Dilshan Wirasekara	Member	22/25
Ms. Rachini Rajapaksha	Member	24/25
Ms. Manjula Mathews	Member	23/25

INVESTMENT, ASSET AND LIABILITY COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The IALCO plays a vital role in strengthening corporate governance by supporting the Board and senior management in ensuring prudent balance sheet management, effective investment oversight and sound financial decision making. Through a structured governance framework, the Committee provides disciplined oversight of asset allocation, liability management, liquidity and funding strategies, aligned with the Group's overall strategic objectives and risk appetite.

The Committee enhances governance by ensuring that investment and borrowing decisions are taken in a transparent, objective and well controlled manner, with due consideration given to risk return trade offs, regulatory requirements and internal policies. By embedding robust review, evaluation and approval processes, the Committee mitigates financial, liquidity and market risks while promoting consistency and accountability in decision making.

PERFORMANCE

Strategy Formulation

The IALCO supports strategic decision making by overseeing the formulation and implementation of the Group's investment, funding and balance sheet management strategies. By aligning asset allocation, liability management, liquidity and interest rate management with the approved

strategic plan and risk appetite, the Committee ensures that financial strategies support sustainable growth, capital preservation and long term value creation.

Policy Making

The Committee contributes to sound governance through the development, review and enforcement of policies relating to investments, asset and liability management, liquidity and funding. These policies provide a structured framework for decision making and ensure consistency, discipline and alignment with regulatory requirements and internal controls, thereby strengthening governance practices across the Group.

CONFORMANCE

Accountability

Accountability is reinforced through clearly defined approval frameworks, delegated authorities and transparent decision making processes. The Committee ensures that investment and borrowing decisions are subject to rigorous evaluation and approval, with clear documentation and reporting to senior management and the Board, as appropriate. This disciplined approach enhances responsibility, traceability and financial governance.

Monitoring and supervision

The Committee provides continuous oversight of the Group's asset and liability positions by monitoring portfolio performance, liquidity levels, funding profiles and market risk exposures. Regular reviews enable the timely identification of emerging risks, imbalances or deviations from approved limits and policies. Through proactive monitoring and corrective actions, the Committee ensures financial stability, regulatory compliance and effective balance sheet management.

(Sgd.)

Rajendra Theagarajah

Chairman - Investment, Asset and Liability Committee

05 June 2026
Colombo

Board Nomination and Governance Committee Report



Kuda Herath
Independent Non-Executive Director

The principal role of the BNGC is to proactively manage the composition of the Board, under the delegated authority of the Board of Directors of the Company.

CHARTER OF THE COMMITTEE

The principal role of the Board Nomination and Governance Committee (BNGC) is to proactively manage the composition of the Board, under the delegated authority of the Board of Directors of the Company. The Committee is also responsible for overseeing succession planning for the Managing Director/Chief Executive Officer. The Committee has the authority to deliberate on matters within its scope and to report to the Board of Directors with recommendations, enabling the Board to make informed decisions. In addition, the Committee is responsible for defining and establishing the nomination process for Non-Executive Directors (NEDs), leading the Board appointment process, and making recommendations to the Board on the appointment of Non-Executive Directors.

REGULATORY FRAMEWORK TO THE FUNCTIONS OF THE COMMITTEE

The role, responsibilities, and composition of the BNGC are determined in accordance with the provisions set out in the:

- Listing Rules of the Colombo Stock Exchange (“CSE Rules”)
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (“Code 2023”)

COMPOSITION OF THE COMMITTEE

Name of the Board Subcommittee Member	Designation	Membership Status
Mr. Kuda Herath	Independent Non-Executive Director	Chairman
Ms. Manjula Mathews	Non-Independent Non-Executive Director	Member
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Member

The Company Secretary serves as the Secretary to the Committee.

COMMITTEE MEETINGS

The Board Nomination and Governance Committee held 2 meetings during the year under review.

Attendance

Name of the Board Subcommittee Member	Membership Status	Attendance in 2025/26 (Attended/ Eligible to Attend)
Mr. Kuda Herath	Chairman	2/2
Ms. Manjula Mathews	Member	2/2
Mr. Rajendra Theagarajah	Member	2/2

Diversity of Expertise



*An individual Director may represent more than one discipline

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Board Composition and Succession Planning**
 Proactively reviewed the structure, size, composition and diversity of the Board and its Sub Committees, and oversaw succession planning for Directors, the Managing Director/CEO and Key Management Personnel (KMPs) to ensure leadership continuity.
- Appointments, Elections and Re elections**
 Led and coordinated the nomination, appointment, election and re election processes for Directors, including oversight of AGM-related governance matters, in line with regulatory and governance requirements.
- Assessment of Director Independence and Fitness**
 Conducted regular assessments of the independence, fitness and propriety of Directors, ensuring compliance with applicable regulatory standards and safeguarding the integrity of Board decision making.
- Performance Evaluation**
 Facilitated the annual performance evaluation of the Board, its Sub Committees and the Managing Director/CEO, identifying areas for improvement and supporting continuous enhancement of governance effectiveness.
- Governance Framework and Policy Oversight**
 Reviewed, updated and strengthened the Corporate Governance Framework and related policies to ensure alignment with evolving legal, regulatory and best practice requirements, while promoting transparency and accountability.
- Board Knowledge and Capacity Building**
 Oversaw induction, training and continuous professional development programmes for Directors to enhance governance competencies and awareness of regulatory, industry and emerging risk developments.
- Subsidiary Governance Oversight**
 Ensured consistency of governance practices across subsidiaries by overseeing director nominations, appointments and governance structures in line with Group standards.
- Regulatory Compliance and Engagement**
 Ensured effective communication and engagement with regulators and timely, accurate governance disclosures in the Annual Report, reinforcing stakeholder confidence.

Board Nomination and Governance Committee Report

BOARD NOMINATION AND GOVERNANCE COMMITTEE'S ROLE IN STRENGTHENING CORPORATE GOVERNANCE

The BNGC plays a pivotal role in strengthening the Group's corporate governance by supporting the Board in ensuring effective leadership, sound governance structures and sustained regulatory compliance. As a mandatory Board Sub Committee, the BNGC is responsible for overseeing Board appointments, succession planning and the continuous enhancement of the Corporate Governance Framework in line with regulatory requirements and best practices.

The Committee contributes to governance effectiveness by ensuring that the Board and its Sub Committees comprise an appropriate balance of skills, experience, independence and diversity aligned with the Group's strategic objectives. Through structured and transparent nomination and re-appointment processes, the BNGC reinforces objective, merit based leadership decisions and safeguards the integrity and independence of Board deliberations.

PERFORMANCE Strategy Formulation

The BNGC supports the Board's strategic effectiveness by ensuring that the composition of the Board and its Sub Committees aligns with the Group's strategic direction and operating environment. Through structured nomination, succession planning and performance evaluation processes, the Committee helps maintain a Board equipped with the right mix

of skills, experience, independence and diversity to provide effective strategic oversight. By evaluating Board and MD/CEO performance and strengthening succession readiness, the Committee ensures leadership continuity and protects the long term execution of the Group's strategic objectives.

Policy Making

The Committee plays a key role in translating governance objectives into effective organisational practices by overseeing the development, review and updating of the Corporate Governance Framework and related policies. It ensures that governance policies remain aligned with evolving legal, regulatory and best practice requirements and are applied consistently across the Group and its subsidiaries. Through disciplined policy oversight, the Committee promotes clarity in roles, responsibilities and accountability, supporting sound decision making and strengthening governance credibility.

CONFORMANCE

Accountability

Accountability is reinforced through transparent nomination processes, structured performance evaluations and clear governance protocols. The Committee ensures objective and merit based appointments by requiring Directors to abstain from deliberations on matters relating to their own appointments or re-appointments. It also facilitates regular evaluations of the Board, its Subcommittees and the Managing Director/CEO to assess effectiveness, identify improvement areas and enhance governance

discipline. These measures strengthen integrity, independence and stakeholder confidence in the Group's governance processes.

Monitoring and supervision

The Committee provides ongoing oversight of the Corporate Governance Framework to ensure effective implementation and continuous improvement. It monitors compliance with regulatory and governance requirements, including the independence and fitness and propriety of Directors, MD/CEO and Key Management Personnel. By reviewing governance reports, evaluating deviations and ensuring appropriate remedial actions, the Committee supports proactive governance supervision. This structured monitoring approach ensures that governance systems remain effective, responsive and aligned with regulatory expectations and best practices.

(Sgd.)

Mr. Kuda Herath

Chairman - Board Nominations and Governance Committee

05 June 2026
Colombo

Annual Report of the Board of Directors

The Directors of First Capital Holdings PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements for the year ended 31 March 2026 which were approved by the Directors on 05 June 2026.

REVIEW OF OPERATIONS

The Group reported profit after tax of Rs. 2,105.2 Mn. A more comprehensive review of the operations of the Group during the financial year and the results of those operations are contained in the Managing Director/ Chief Executive Officer's Review on pages 67 to 71 of the Annual Report. This report forms an integral part of the Director's Report.

PRINCIPAL ACTIVITIES

The main activity of the Company is the investment and management of subsidiaries. Further information on the activities of subsidiary companies is contained on page 21 of the Annual Report.

LEGAL STATUS

First Capital Holdings PLC was incorporated in 1992 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act, No. 07 of 2007, and subsequent amendments thereto.

CHANGES TO THE GROUP STRUCTURE

There have been no changes to the Group Structure during the financial year.

FINANCIAL RESULTS

The Group's profit after tax for financial year 2025/26 was Rs. 2,105.2 Mn compared to Rs. 5,016.6 Mn in the previous year. The segmental analysis is presented on pages 516 to 517 in the Notes to the Financial Statements.

INTEREST IN SHARES/ DIRECTORS DEALINGS IN SHARES

Refer page 525 for Directors/ Chief Executive Officer and their shareholdings as at 31 March 2026.

OTHER DIRECTORSHIP/ SIGNIFICANT POSITIONS OF DIRECTORS

Information on the Other Directorships/ significant positions of the present Directors of the Company are given on pages 72 to 77.

RELATED PARTY TRANSACTIONS

Related party transactions have been declared at meetings of the Directors and are detailed in Note 43.5 to the financial statements.

The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) pertaining to related party transactions during the year 2025/26.

The financial statements and related notes of the Company are set out on pages 382 to 518 of the Annual Report.

BOARD OF DIRECTORS

Directorate

The Directors of the Company as at 31 March 2026 are as follows.

1. Mr. Rajendra Theagarajah
2. Ms. Manjula Mathews
3. Mr. Dilshan Wirasekara
4. Mr. Ramesh Schaffter
5. Mr. K.B. Herath
6. Ms. Rachini Rajapaksa
7. Ms. Inoshini Perera
8. Mr. Dilendra Wimalasekera

The profiles of the Directors are given on pages 72 to 77 of the Annual Report.

DIRECTORS' INTERESTS

As required by the Companies Act, No. 07 of 2007, and subsequent amendments thereto, and subsequent amendments thereto, an Interests Register was maintained by the Company during the period under review. All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The Interests Register is available for inspection as required under the Companies Act.

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

Financial Performance	2025/26 Rs.'000	2024/25 Rs.'000
Revenue	15,095,751	14,068,795
Profit before tax	3,547,964	6,685,254
Profit after tax	2,105,169	5,016,635
Total comprehensive income (TCI)	2,072,540	5,036,303
Attribution (TCI)		
Equity holders of the parent	1,900,558	4,711,191
Non-Controlling interest	171,982	325,112
Total	2,072,540	5,036,303

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 43.5 to the financial statements.

REMUNERATION AND FEES

Details of Directors' remuneration and fees are set out in Note 12 to the financial statements. All fees and remuneration have been duly approved by the Board of Directors of the Company.

RISK AND INTERNAL CONTROL

The Board of Directors has satisfied itself that there exists an effective and comprehensive system of internal controls to monitor, control and manage the risks to which the Company is exposed, to carry on its business in an orderly manner, to safeguard its assets and to secure as far as possible reliability and accuracy of records. We have discussed Exposure to Risk in detail under "Board Integrated Risk Management Report" on pages 196 to 200.

CORPORATE GOVERNANCE

The Directors acknowledge their responsibility for the Group's corporate governance and the system of internal control. The Directors are responsible to the shareholders for providing strategic direction to the Company and safeguarding the assets of the Company. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the financial statements. The compliance with recommended corporate governance practices are disclosed on pages 84 to 183 of the Annual Report.

The performance of the Company is monitored by way of regular review meetings. These meetings provide an opportunity to ensure that progress is in line with the agreed targets. Regular Board meetings are held to further strengthen the review process and ensure compliance with all statutory and regulatory obligations.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group and the Company incurred Rs. 22.2 Mn and Rs. 9.3 Mn respectively (2024/25 - Group: Rs. 482.8 Mn, Company: Rs. 11.7 Mn) on the acquisition of property, plant and equipment, details of which are available in Note 26 to the Financial Statements.

The investment in intangible assets including capital work-in progress by the Group during the year was Rs. 25.5Mn whilst the investment in intangible assets by the Company was Rs. 20.2 Mn (2024/25 - Group: Rs. 25.9 Mn, Company: Rs. 10.6 Mn).

EMPLOYEE SHARE OWNERSHIP PLANS

The Company/ Group does not operate any share option schemes.

RATIOS AND MARKET PRICE INFORMATION

Please refer to the page No. 54 for ratios and page No.55 for price information.

DIVIDEND

The Board of Directors of First Capital Holdings PLC declared an interim dividend of Rs. 7.00 per share amounting to Rs. 2,835.0Mn for 2025/26 (2024/25 - Rs. 7.50 per share).

MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on pages 390 to 401.

GOING CONCERN

The Board of Directors has reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

CAPITAL EXPENDITURE

Details of property, plant and equipment, right of use assets and intangible assets and their movements during the year are given on Note 26 and 27 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 pages 386 to 387 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 amendments thereto as disclosed on Note 13 to the financial statements.

STATED CAPITAL

The stated capital of the Company as at 31 March 2026 was Rs. 227.5Mn consisting of 405,000,000 ordinary shares.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDERS

As at 31 March 2026, there were 11,445 registered shareholders. Share information and the twenty largest shareholders as at 31 March 2026 are listed on pages 526 to 527 of the Annual Report.

Information relating to market value of a share and information on share trading is stated under Shareholder and Investor Information on pages 521 to 528 of the Annual Report.

DEBT SECURITIES ISSUED

The details of debt securities issued by the Group and the Company are set out on pages 529 to 531 of the Annual Report.

CORPORATE DONATIONS

The details relating to corporate donations are presented under Note 12 to the financial statements.

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 in relation to the employees have been made on time, and that neither the Company nor its subsidiaries have engaged in any activities contravening laws and regulations.

ENVIRONMENTAL PROTECTION

The Company has not engaged in any activity that is harmful or hazardous to the environment. Measures taken by the Company on environmental protection are given in the report on Natural Capital on pages 322 to 330 and approach to sustainability on pages 332 to 341.

EQUAL OPPORTUNITIES

The Group is committed to providing equal opportunities to all employees irrespective of their gender, marital status, age, religion, race or disability. It is the Group'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 requires an adjustment to or a disclosure in the financial statements other than those disclosed on Note 46 to the financial statements.

INDEPENDENT AUDITORS

During the period under review, the Company's Auditors were M/s KPMG, Chartered Accountants. The fees paid to auditors are disclosed on Note 12 to the financial statements.

Based on the declaration from M/s KPMG, and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company or its subsidiaries, other than as disclosed in the above paragraph.

M/s KPMG, Chartered Accountants, have expressed their willingness to continue in office as Auditors of the Company for the ensuing year.

In accordance with the Companies Act, No. 07 of 2007, and subsequent amendments thereto and subsequent amendments there to, a resolution proposing the re- appointment of M/s KPMG, Chartered Accountants, as Auditors

to the Company will be submitted at the Annual General Meeting.

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report on the financial statements is given on pages 378 to 381 of the Annual Report.

AUDITOR'S RIGHT TO INFORMATION

Each person who is a Director of the Company at the date of approval of this report confirms that:

As far as each Director is aware, there is no relevant audit information, of which the Company's auditors are unaware.

Each Director has taken all the steps that he or she ought to have taken as a Director to make him or herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

FUTURE DEVELOPMENTS

An overview of the future developments of the Company is given in the Chairman's Statement on pages 62 to 66, the Managing Director/CEO's Review on pages 67 to 71 and the Management Discussion and Analysis on pages 222 to 330.

DIGITAL TRUST AND INNOVATION

We recognise that digital trust is the foundation of our relationship with customers, partners, and stakeholders. As we continue to invest in digital transformation, our commitment to security, privacy, and transparency remains a top priority.

Annual Report of the Board of Directors

The Company not only enhances user experience but also modernises the Investment institution Sector by integrating digital communication channels with traditional financial operations. This year marked a significant milestone with two groundbreaking moves as the Company has introduced a game-changing facility for bidding on treasury bills and bond auctions through WhatsApp and becoming the first company in the country to introduce an investment and withdrawal facility via WhatsApp for its Unit Trust Funds.

By fostering a culture of digital trust and investment in digital infrastructure, we empower our customers with secure, seamless, and ethical digital experiences, reinforcing our reputation as a responsible and forward-thinking organisation.

SUSTAINABILITY IN ACTION

Our sustainability strategy focuses on commitment towards fostering a sustainable future by integrating environmental stewardship, ethical business practices, and community well-being into every aspect of our operations. We recognise the importance of balancing economic growth with social and environmental responsibility, ensuring that our actions contribute to a positive impact on the communities we serve.

By embedding these principles into our corporate culture, we aim to lead by example, inspire others to take action, and contribute to a more sustainable and just world for all.

ANNUAL GENERAL MEETING

The 34th Annual General Meeting of the Company will be held on 30 June 2026. The Notice convening the Meeting and the Agenda are given on page 587 of the Annual Report.

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

(sgd.)

Heidy Seneviratne
Company Secretary

(sgd.)

Dilshan Wirasekara
Managing Director/CEO

(sgd.)

Rajendra Theagarajah
Chairman

05 June 2026
Colombo

Statements of Directors' Responsibility

The Statement sets out the responsibility of the Board of Directors, in relation to the Financial Statements of First Capital Holdings PLC ("the Company") and the Consolidated Financial Statements of the Company and its subsidiaries ("the Group").

The Directors of the Company are responsible for ensuring that the Company and its subsidiaries maintain accurate records of accounts of all the transactions and prepare and present the financial statements to the shareholders in accordance with the relevant provisions of the Companies Act No. 7 of 2007 and subsequent amendments there to, and other statutes which are applicable in the preparation of financial statements. The financial statements comprise the Statements of Financial Position as at 31 March 2026, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended and notes thereto. The Directors are required to prepare these financial statements on a going concern basis unless it is not appropriate.

The Directors confirm that the financial statements of the Company and the Group give a true and fair view of;

- The state of affairs of the Company and the Group as at 31 March 2026 and
- The financial performance of the Company and the Group for the financial year ended 31 March 2026

COMPLIANCE REPORT

The board of directors also wishes to confirm that;

- Appropriate Accounting Policies have been adopted in a consistent basis and appropriate estimates and judgements have been made to reflect the true substance and form of transactions.
- The financial statements of the Company and the Group for the year ended 31 March 2026 incorporated in this report have been prepared in accordance with the, Sri Lanka Accounting Standards (LKAS/SLFRS) and Listing Rules of the Colombo Stock Exchange.

They ensure the proper accounting records which correctly record and explain the Company's transactions and also determine the Company's financial position with responsible accuracy at any time are maintained by the company enabling the preparation of financial statements and further enabling the financial statements to be readily and properly audited, in accordance with Section 148(1) of the Act. The Directors have therefore caused the Company and its subsidiaries to maintain proper books of accounts and regularly review financial reports at their meetings.

They accept responsibility for the integrity and objectivity of the financial statements presented.

The financial statements of the Company and the Group have been certified by the Chief Financial Officer of the Company who is

responsible for the preparation of financial statements and signed by two Directors in accordance with Section 150 and 152 of the Companies Act.

They review and approve all internal financial statements prior to their release.

They have taken reasonable measures to safeguard the assets of the Company and its subsidiaries and to prevent and detect frauds and other irregularities. In this regard, the Directors have laid down effective and comprehensive internal control system.

To the best of their knowledge, all statutory payments due in respect of the Company and its subsidiaries as the financial reporting date have been paid or where relevant provided for.

After considering the financial position, operating conditions and regulatory and other factors, they have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future and that the Going Concern basis is the most appropriate in the preparation of these financial statements.

The Auditors of the Company, Messrs. KPMG who was reappointed in accordance with a resolution passed at the last Annual General Meeting were provided with all necessary information required by them in order to carry out their audit and to express an opinion which is contained on pages 378 to 381 of this Annual Report.

Statements of Directors' Responsibility

As required by Sections 166(1) and 167(1) of the Companies Act, they have prepared the Annual Report in time and will ensure that a copy thereof is sent to every shareholder of the Company, who expressed desire to receive a hard copy. A soft copy of the Annual Report will be published/ hosted in the Company's Website and Colombo Stock Exchange website within the stipulated period of time as required by Section 7.5 (a) and (b) of the Listing Rules of the Colombo Stock Exchange.

Accordingly, the Board of Directors is of the view that it has discharged its responsibilities as set out in the above statement.

By Order of the Board,

(sgd.)

Ms. Heidi Seneviratne
Company Secretary

05 June 2026
Colombo

Directors Statement on Internal Controls

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and company assets. The Board has delegated the function of monitoring the adequacy of internal controls to the Board Audit Committee (BAC) among other duties. The function is further delegated to the Board Integrated Risk Management Committee (BIRMC) to monitor the same more frequently.

The main function of the Risk Management (RM) process is to identify the principal risks impacting the business and take mitigating actions. The Management of the Company identifies the risks that affect the business and reports matters to relevant sub-committees. Based on the RM framework, the Risk and Compliance division, with the feedback from senior management, implements policies related to risk and control. The Risk and Compliance division is accountable to the Board for monitoring and providing assurance as to the effectiveness of internal controls. The Company has commissioned M/s EY, M/s. B R De Silva and Janashakthi Group Internal Auditors, as independent internal audit consultants, to ensure the effectiveness of the internal control systems. As a result of their activities, several processes have been enhanced during the year under review.

The Board has implemented the following to obtain reasonable assurance that proper systems of internal controls are in place;

- The delegation of authority has been revisited with the recent changes to the organisation structure, adjustments required based on inflation and relevant changes were made to ensure system and internal controls.
- The effectiveness of the internal audit function was monitored and has appointed M/s EY, M/s B R De Silva and Janashakthi Group Internal Auditor as the internal consultant/auditor for all subsidiary companies and parent company respectively.
- The Company appointed M/s EY to conduct a compliance review to evaluate the adequacy and effectiveness of the policies and procedures relating to Anti-Bribery and Corruption.
- BAC, BIRMC, and independent Internal Auditors are responsible for reviewing and reporting on the internal control environment of the Company.
 - The minutes of the BAC and BIRMC meetings are tabled at regular Board meetings. The report of the BAC and BIRMC is provided in the annual report.
 - The BAC reviews and approves the internal audit plan for the year. The audit plan is structured on a matrix based on key risk areas including the adequacy of internal controls. Delivery dates of action plans are regularly monitored, and any delays are highlighted and rectified.
 - During the year under review the audit committee reviewed thirteen audit reports three management letters submitted by internal and external auditors respectively. The reports covered key findings with management comments and actions taken to rectify any control weaknesses. Control weaknesses identified in previous reviews were also tracked to ensure that the management has taken the necessary action to eliminate or minimise any risks.
- The BAC reviewed and approved the Internal Audit scope which includes specifically ensuring the effective design and implementation of internal controls;
- The effectiveness of the internal controls is measured based on the repetition of the control weaknesses or improvement areas that have been highlighted in the audit reports.
- Improvements in line with industry and/ or non-industry best practices are also implemented on an ongoing basis.
- BAC continued to monitor the progress of the bottom-up compliance sign off process which strengthened the control environment and provides guidance to the senior management and comfort to the Board of Directors that staff at all functions are aware and conduct business transactions as per the rules and procedures.
- Implement policy and procedures relevant to Personal Data Protection including appointment of Data Protection officer.
- The Group recruited a Chief Information Security Officer (CISO) with the necessary expertise and authority in order to manage the cybersecurity and other IT-related risks of the Group.

Directors Statement on Internal Controls

- Appointment of Authorised Officer for the reporting of ultimate beneficial owners to the Registrar of the Company
- The Company's AML/CFT Policy was updated based on the SEC guidelines and improvement suggestions made by the Financial Intelligence Unit of CBSL and Internal Auditors.
- The Company obtained ISO/IEC 27001 certification during the year.
- Risk and Compliance division reviews the process and system gaps frequently and policies and processes are being implemented and updated in order to mitigate the risks identified based on such assessments.
- On Information Technology (IT) controls, the Board has initiated multiple mechanisms.
 - The Company obtained ISO/IEC 27001 certification during the year.
 - Implemented Information Security Management System Manual, Policies, Procedures, Registers and forms according to the ISO standard.
 - Vulnerability and penetration testing assessments were carried out to ensure the integrity of financial information, data security, and adequate access controls are in place with regard to the processing of data.
 - The assignment of conducting an audit of IT policies and procedures was awarded to M/s Trustvaults.
 - To further enhance the security of our communication channels,

additional email security controls were implemented which collectively reduce the risk of cyber-attacks, such as phishing and malware delivery via email.

- As part of our ongoing efforts to ensure the safety of our IT environment, we implemented a robust web filtering security solution. This system restricts access to harmful or unauthorised websites, helping to prevent malware infections, data breaches, and other web-based security threats.
- The organisation has implemented Microsoft 365 E5 Information Protection and Governance capabilities to strengthen data security, compliance, and risk management. This implementation provides advanced data protection through the classification, labelling, and encryption of sensitive information, along with robust data loss prevention controls to minimise the risk of unauthorised access and data leakage. Additionally, it enables effective information governance through retention policies, legal hold capabilities, and lifecycle management, ensuring compliance with regulatory requirements. Enhanced auditing, monitoring, and eDiscovery features further support visibility, incident investigation, and accountability, thereby improving the organisation's overall cybersecurity posture and governance framework.

- The following actions were taken by the Board to enhance the effectiveness of the Corporate Governance structure and risk management framework.
- Oversight of the sustainability matters was delegated to the Board of Directors, and it was updated to the Policy on Matters relating to Board of Directors.
- The Company established Sustainability Management Committee (SMC), which has been assigned the task of establishing ESG targets, coordinating ESG initiatives across business units and monitoring progress against targets.
- Appointment of Mr. Kavin Karunamoorthy to the Board of Directors as an Executive Director (Designation – Director / CEO) to the Board of First Capital Asset Management Limited (FCAM)

The Company has implemented 5 policies and updated 3 policies outlined by the Listing Rules of the CSE to establish and enhance the corporate governance practices.

Newly Implemented Policies

- Policy on New Products
- Policy on Personal data protection
- Office conduct policy
- Religious activities policy
- Policy on external work arrangements while on payroll Diversity, equity and inclusion policy

Revised Policies

- Policy on Conflict of Interest
- Policy on Anti-Money Laundering, Countering Terrorist Financing and Countering Proliferation Financing
- Investment Policy
- IT Policies and Procedures

CONCLUSION

The Board having implemented the above is aware that such systems are designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements of loss.

(Sgd.)

Mr. Dilshan Wirasekara

Managing Director/ CEO

(Sgd.)

Ms. Rachini Rajapaksa

Chairperson - Board Audit Committee

(Sgd.)

Mr. Rajendra Theagarajah

Chairman

05 June 2026

Colombo

Responsibility Statement of Chairman, Managing Director/ Chief Executive Officer and Chief Financial Officer

The Financial Statements of First Capital Holdings PLC (the Company) and the Consolidated Financial Statements of the Group for the year 2025/26 are prepared and presented in accordance with the following requirements:

- Sri Lanka Accounting Standards (SLFRSs and LKASs) issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act, No. 07 of 2007, and subsequent amendments thereto.
- 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 in 2023

The Group reports its financial results to the shareholders on a quarterly basis. The Group's significant accounting policies comply with Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka and have been applied consistently and appropriately. Key accounting policies, estimates, and judgments involving significant complexity were reviewed and discussed with the Board Audit Committee (BAC) and the External Auditors.

Comparative figures have been reclassified where necessary to conform to the current year's presentation. The Board of Directors and Management accept responsibility for the integrity, reliability, and objectivity of these consolidated financial statements. To the best of our knowledge, the consolidated financial statements present a true and fair view of the Group's assets, liabilities, financial position, operational performance,

and cash flows.

The Board has reasonable grounds to believe that the Group possesses adequate resources to continue its operations for the foreseeable future. Accordingly, despite prevailing local and global economic challenges and their potential impact on operations and future performance, the going concern basis has been adopted in preparing these consolidated financial statements.

The estimates and judgments used in preparing the consolidated financial statements were made with due prudence and reasonableness to ensure that the consolidated financial statements fairly reflect the substance of underlying transactions and accurately present the Group's financial position. To support this objective, the Company and its subsidiaries have implemented and maintained appropriate systems of internal controls and procedures aimed at safeguarding assets, preventing and detecting fraud, errors, and other irregularities. These controls and procedures are continuously reviewed, evaluated, and enhanced where necessary.

The Internal Audit function conducts periodic reviews to provide reasonable assurance that established policies and procedures are consistently adhered to across the Group.

The financial statements were audited by the independent external auditors, Messrs KPMG, Chartered Accountants.

The Audit Committee of the Company meets regularly with both the internal and independent auditors to review the effectiveness of audits and discuss auditing, internal control, and financial reporting issues. The independent

and internal auditors have full and free access to the Audit Committee to discuss any substantive matters. The Audit Committee approves the audit and non-audit services provided by the external auditor to ensure that such services do not impair their independence.

The Company publishes an Integrated Annual Report, which also contains a separate report on the mandatory sustainability reporting in accordance with SLFRS S1 and S2. FCH has used the transitional provision available in the standards for first time reporters, adopting a Climate First approach. We will continue to evolve the scope and depth of reporting in the year ahead.

We confirm that:

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

(Sgd.)

Mr. Mangala Jayashantha
Chief Financial Officer

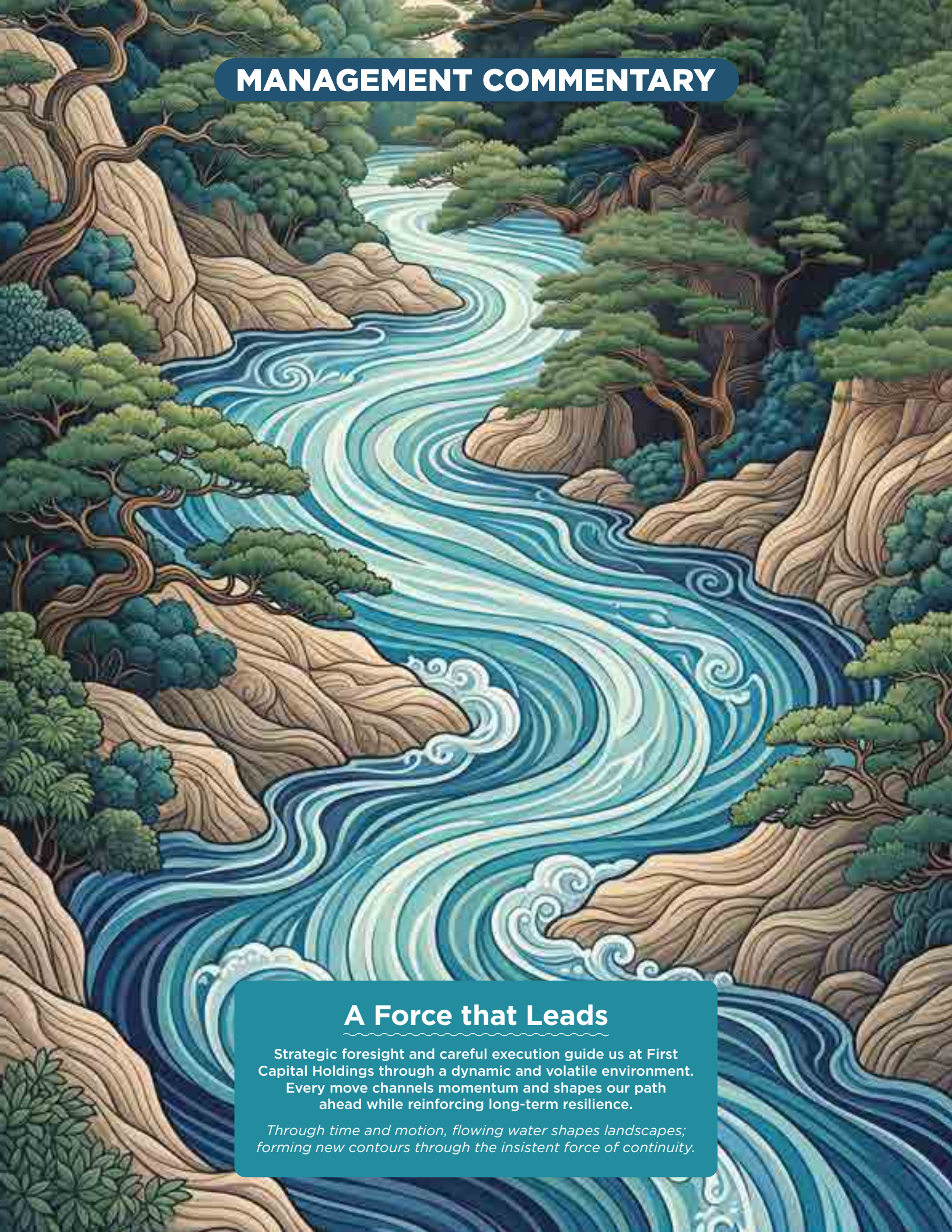
(Sgd.)

Mr. Dishan Wirasekara
Managing Director/Chief Executive Officer

(Sgd.)

Mr. Rajendra Theagarajah
Chairman

05 June 2026



MANAGEMENT COMMENTARY

A Force that Leads

Strategic foresight and careful execution guide us at First Capital Holdings through a dynamic and volatile environment. Every move channels momentum and shapes our path ahead while reinforcing long-term resilience.

Through time and motion, flowing water shapes landscapes; forming new contours through the insistent force of continuity.

Market interest rates continued their downward trajectory in 2025, supported by an accommodative monetary policy stance, a low-inflation environment, well-anchored inflation expectations, and reduced risk premia amid improved sovereign credit conditions. Sri Lankan economy continued its recovery trajectory, with GDP growth estimated to have reached 5% in 2025. Positive growth was attributed to ongoing structural adjustments and the gradual normalisation of domestic demand conditions.



GLOBAL ECONOMIC UPDATE

Global economic activity in 2025 reflected a phase of uneven stabilisation, where growth remained positive but lacked synchronised momentum across major regions. While the post-pandemic recovery cycle had largely matured, the global economy continued to operate in an environment shaped by persistent structural uncertainties. Supply-side resilience improved in certain sectors, yet geopolitical fragmentation and fragmented policy responses continued to weigh on the efficiency of global capital allocation.

At the same time, the global landscape was periodically disrupted by renewed geopolitical tensions and regional conflicts, which created episodic shocks across energy markets, logistics networks, and investor sentiment.

These disruptions, while not derailing global growth, contributed to heightened volatility in financial conditions and reinforced a cautious “risk-managed” stance across both sovereigns and private sector participants.

INFLATION DYNAMICS

Global inflation continued its gradual disinflationary trajectory from prior peaks, but remained uneven across jurisdictions. While headline inflation moderated in most economies, underlying price pressures persisted, particularly in services inflation and wage-sensitive sectors. This stickiness prevented a uniform easing cycle and kept monetary authorities cautious in their policy recalibration.

As a result, inflation remained above long-term targets in several advanced economies for much of the year, while emerging markets

experienced a more mixed inflation profile, with some benefiting from currency stability and others remaining exposed to imported inflation pressures.

COMMODITY PRICE TRENDS

Commodity markets were characterised by heightened volatility driven primarily by geopolitical tensions and supply-side disruptions. Energy markets, in particular, experienced intermittent spikes linked to conflict-driven uncertainty and production adjustments among key exporting nations. Despite these disruptions, average price levels remained broadly contained compared to prior crisis peaks.

Industrial metals and agricultural commodities reflected divergent trends, with industrial demand supported by selective infrastructure and industrial policy initiatives in major economies, while agricultural prices remained sensitive to climate variability and supply chain inefficiencies.

GLOBAL TRADE FLOWS

Global trade growth in 2025 remained subdued, reflecting a structural shift away from hyper-globalisation towards more regionalised and security-oriented trade frameworks. The expansion of trade blocks and increased bilateral arrangements, prompted by rising geopolitical tensions and a more pronounced shift towards economic self-interest among major economies, continued to reshape the architecture of global commerce. In particular, evolving US trade tariff dynamics and associated policy recalibrations reinforced fragmentation trends and contributed to higher trade frictions, while uneven tariff structures saw

export-oriented economies facing severe challenges due to reduced global competitiveness.

GLOBAL INVESTMENT TRENDS

With capital allocation decisions heavily influenced by macro uncertainty, interest rate expectations, and geopolitical risk premiums, global investment activity moderated in 2025. Private investment growth was uneven, with selective strength in technology, energy transition, and infrastructure-linked sectors.

Cross-border capital flows also remained relatively constrained compared to historical norms, reflecting both regulatory fragmentation and heightened risk aversion. Notably, however, there was clear evidence of a gradual shift towards long-duration, infrastructure-aligned investments, particularly in energy transition, digital infrastructure, and resilient supply chain assets.

ADVANCED ECONOMIES

Advanced economies experienced modest and uneven growth, constrained by high interest rates for most of the year and subdued productivity gains. While labour markets remained relatively resilient, consumption growth moderated in many advanced economies under the weight of tighter financial conditions and lingering cost-of-living pressures.

Fiscal constraints in several economies further limited policy flexibility, with elevated debt levels restricting aggressive counter-cyclical interventions. Growth performance therefore remained largely dependent on services sectors, while manufacturing activity continued to reflect the impact of global demand fragmentation

EMERGING MARKETS AND DEVELOPING ECONOMIES

Emerging markets and developing economies (EMDEs) exhibited a more divergent performance profile in 2025, as some economies benefited from stabilising inflation, improved external balances, and resilient domestic demand, with others constrained by debt vulnerabilities and currency pressures.

While volatility in capital flows remained a key challenge, owing to tightening financial conditions, structural growth potential of EMDEs remained intact, particularly in economies with strong domestic consumption bases and ongoing reform momentum.

GLOBAL CAPITAL MARKETS

Global capital markets in 2025 operated in a broadly risk-adjusted environment, characterised by episodic volatility and selective investor participation. While liquidity conditions improved relative to prior tightening phases, investor behaviour remained highly selective, with capital concentrated in high-quality assets and defensive sectors, in turn contributing to a bifurcated market structure across asset classes and geographies.

GLOBAL EQUITY MARKETS

Notable gains were observed in global equity markets in 2025, with many indices reporting all-time highs. Technology, healthcare, and industrials were indeed key drivers of growth, alongside renewable energy and AI-related infrastructure. However, performance remained uneven across regions, reflecting divergent growth trajectories and currency movements.

Market breadth remained relatively narrow, with returns concentrated among a limited set of outperforming sectors. Emerging markets experienced volatility early in the year due to tariff fears but showed resilience, with some emerging indices outperforming developed markets on the back of improving macro stability and currency strengthening.

GLOBAL FIXED INCOME MARKETS

Global fixed income markets transitioned towards a more normalised interest rate environment in 2025 amidst a gradual stabilisation of yield curves across major economies.

However, persistent inflation uncertainty and fiscal pressures in advanced economies kept sovereign yields elevated which created a challenging environment for duration positioning, with investors increasingly focused on yield optimisation and credit selection. Meanwhile strong corporate balance sheets and limited default activity across investment-grade segments also contributed towards further stabilising capital markets during the year.

GLOBAL ASSET & WEALTH MANAGEMENT

The global asset and wealth management industry continued to expand in 2025, supported by structural inflows into managed solutions and advisory-driven platforms. Global assets under management (AUM) reached record levels by mid-2025. However, fee compression and heightened competition remained key industry challenges.

There was a notable shift towards alternative assets, passive strategies, and thematic investing, particularly in areas linked to technology, sustainability, and infrastructure. Wealth managers increasingly focused on holistic client solutions rather than traditional product-centric models.

GLOBAL M&A ACTIVITY

Cautious sentiment, higher financing costs, and valuation gaps between buyers and sellers saw global mergers and acquisitions activity moderating relative to historical peaks in 2021-2022. Strategic transactions, however, continued to dominate over financial sponsor-led deals.

Despite the muted overall environment, select sectors such as technology, energy transition, and healthcare saw sustained deal activity, driven by consolidation trends and long-term strategic repositioning.

GLOBAL DEMAND FOR ESG-LINKED FINANCING

Demand for ESG-linked financing continued to expand globally with sustainability-linked loans, green bonds, and transition finance instruments gaining increasing traction across both developed and emerging markets. Throughout 2025, institutional investors continued to integrate ESG considerations into capital allocation frameworks.

However, inconsistencies in standards, reporting frameworks, and verification mechanisms remained a key challenge. Despite this, the direction of travel was clear, with sustainability increasingly embedded into mainstream capital markets rather than operating as a parallel segment.

OUTLOOK AND PROSPECTS

Global Economic Outlook

Early projections released in January 2026 prior to the escalation of tensions in the Middle East, forecast global growth at 3.3% in 2026 and 3.2% in 2027, indicative of the gradual stabilisation in global economic conditions. However, these projections were subject to a significant revision following the onset of the current Middle East conflict which has materially heightened global uncertainty and introduced significant downside risks to the outlook. The resulting direct adverse impact to shipping routes, strained critical supply chains, and impacted global oil and commodity markets, alongside disruptions to air travel and broader logistics networks have placed substantial pressure on both trade flows and economic activity, with financial markets exhibiting increased volatility and a visible repricing of risk.

Against this backdrop, the growth prospects of most economies have been revised downward with the expectation of higher energy and commodity prices, disruptions to global trade and logistics networks, tighter financial conditions, elevated risk premia, and weakening investor and consumer confidence. Policy uncertainty has also intensified, further constraining medium-term visibility and investment planning.

Oil prices, previously projected to average around USD 62 per barrel, have experienced sharp volatility, with Brent crude at times exceeding USD 100 per barrel. This surge in energy prices is likely to exert renewed inflationary pressures, particularly in the near term.

In addition, higher shipping, insurance, and transportation costs, coupled with potential supply-side bottlenecks arising from disrupted trade routes, are expected to contribute to imported inflation across economies. Any further disruption to critical energy or transport infrastructure could also amplify these pressures, tightening global supply conditions and delaying the normalisation of commodity prices even after geopolitical tensions subside.

SRI LANKA'S ECONOMIC ROUNDUP

Further building on the stability momentum achieved in the previous year, the Sri Lankan economy continued its recovery trajectory, with GDP growth estimated to have reached 5% in 2025. Positive growth was attributed to ongoing structural adjustments and the gradual normalisation of domestic demand conditions.

The services remained the key growth driver, supported by improved tourism inflows, financial services activity, and transport-related services. Industrial output showed signs of stabilisation, particularly in export-oriented manufacturing segments, although recovery was moderated by weak external demand conditions. Agriculture remained vulnerable to climatic disruptions and input cost pressures which constrained productivity gains despite improved supply conditions in certain sub-sectors.

As of October 2025, Fitch Ratings affirmed Sri Lanka's long-term foreign currency issuer default rating at 'CCC+', citing continued recovery, although the rating remains in "junk" territory due to high debt.

Inflation

Inflation was contained in 2025, continuing its downward trajectory from the elevated levels observed during the crisis period. Deflationary conditions were observed at the start of 2025, before gradually shifting into positive territory and stabilising at around 2% in August 2025 amidst improved supply conditions, stabilising exchange rate dynamics, and prudent monetary policy management by the Central Bank of Sri Lanka. However, inflationary pressures persisted in selected categories, particularly food and services, reflecting structural supply-side constraints.

Labour Market

Sri Lanka's labour market activity showed gradual improvement in 2025, underpinned by the recovery in services and export-oriented industries. The Labour Force Participation Rate (LFPR), defined as the proportion of the working-age household population engaged in the labour force, increased to 49.4% in 2025 compared to 47.4% in 2024. In parallel, the unemployment rate declined to 3.9% in 2025 from 4.4% in 2024, indicating improved labour absorption across key sectors. However, youth unemployment remained relatively elevated, at approximately 18% for the 20-24 age cohort and 11% for the 25-29 age cohort, highlighting continued structural challenges in early-career employment transition and skills alignment.

Interest Rates

Market interest rates continued their downward trajectory in 2025, supported by an accommodative monetary policy stance, a low-inflation environment, well-anchored inflation expectations, and reduced risk premia amid

improved sovereign credit conditions. Monetary policy easing implemented from mid-2023 through 2024, was extended further in 2025 with the Overnight Policy Rate (OPR) reduced by 25 basis points to 7.75% from 8.00% in May. Consequently, the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were set at 7.25% and 8.25%, respectively, maintaining a ± 50 bps margin around the OPR.

Domestic Money Market Liquidity

Domestic money market conditions remained in surplus throughout 2025, consistent with the prevailing accommodative monetary policy stance. Surplus liquidity was driven by Central Bank interventions through net foreign exchange purchases aimed at strengthening external reserves and limiting exchange rate volatility, as well as foreign currency buy-sell swap operations with licensed commercial banks.

At the same time, liquidity conditions were partially offset by cash withdrawals, coupon payments on Treasury bond holdings, and the Government's utilisation of rupee liquidity to obtain foreign exchange from the Central Bank for external debt servicing. Despite these absorptive factors, the average liquidity surplus increased to approximately Rs. 136.4 Bn in 2025, compared to Rs. 93.2 Bn in 2024.

Exchange Rate

After two consecutive years of appreciation, the Sri Lankan rupee depreciated against the US dollar in 2025. The exchange rate moved from Rs. 292.58 per USD at end-2024 to Rs. 309.99 per USD by end-2025, reflecting a depreciation of 5.95%. This movement was

primarily driven by increased import demand, particularly higher vehicle imports following the full relaxation of import restrictions, which exerted pressure on foreign exchange demand and the exchange rate.

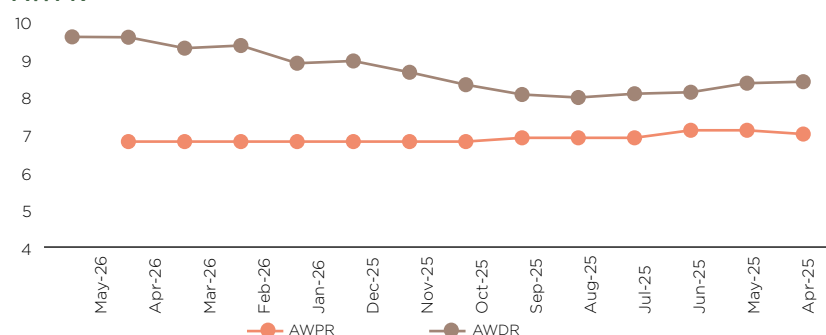
External Sector

Sri Lanka's external sector strengthened further in 2025, with the current account recording a surplus for the third consecutive year. However, the merchandise trade deficit widened to USD 7.9 Bn from USD 6.1 Bn in 2024, as import expenditure rose by 14.0% to USD 21.5 Bn, outpacing the 6.3% growth in exports, which reached a historic high of USD 13.6 Bn. The expansion in imports was primarily driven by higher vehicle imports, alongside broader increases in consumer and intermediate goods.

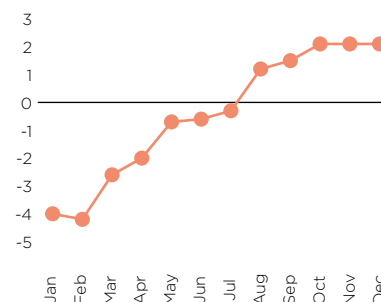
Despite the wider trade gap, the current account surplus improved to USD 1.7 Bn in 2025 from USD 1.2 Bn in 2024, supported by a stronger services surplus, robust growth in workers' remittances, and a narrowing of the primary income deficit. This reflects continued resilience in external inflows, which helped offset the pressure from a higher import bill.

Operating Environment

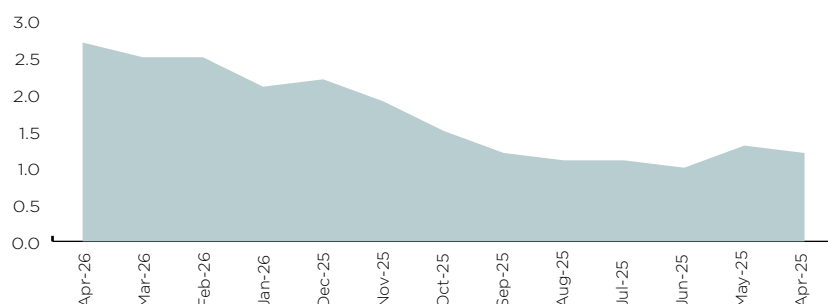
AWPR



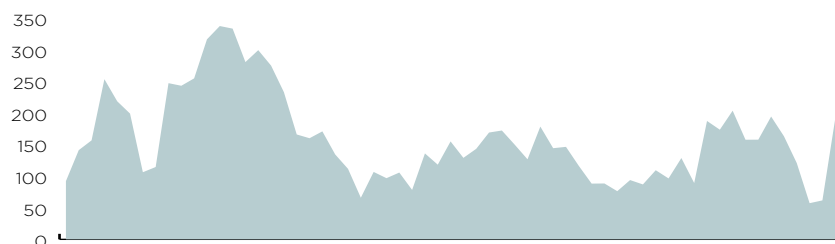
2025 YoY Inflation



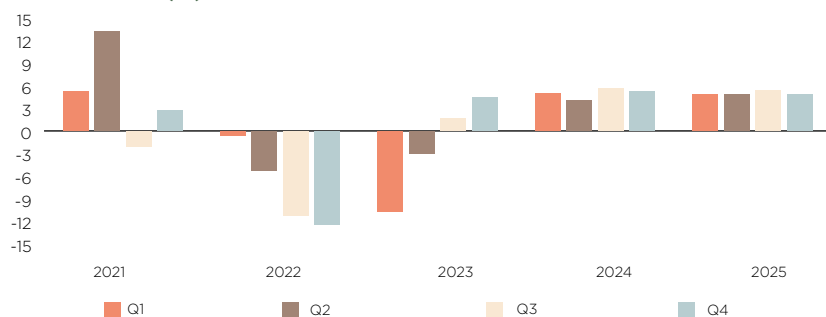
Interest Rate Spread



Liquidity & Reserves



GDP Growth (%)



OUTLOOK FOR SRI LANKA'S ECONOMY

The escalation of geopolitical tensions in the Middle East is likely to have major implications for the Sri Lankan economy, particularly if the conflict is prolonged. Given Sri Lanka's significant dependence on Gulf-sourced energy, any sustained increase in global oil and gas prices would raise the import fuel bill, in turn widening the trade deficit as well as exerting renewed upward pressure on domestic inflation.

Worker remittances also remain highly vulnerable, especially given that more than 50% of Sri Lanka's remittance inflows often originate from Gulf countries. Any disruption to labour mobility or employment conditions in the gulf region could potentially weaken remittance inflows, which would adversely impact the Country's external sector and cause greater exchange rate volatility.

In addition, Sri Lanka's trade linkages with the Middle East, particularly in key export segments such as tea could be affected by shifts in softening demand, while broader disruptions to global shipping routes, alongside rising freight and insurance costs, may further weigh on Sri Lanka's export competitiveness across markets.

Context	Key Performance Indicators (Sector)	Key Performance Indicators	Way Forward For The FCH Group
Primary Dealer Activity The Primary Dealer segment recorded a healthy performance in 2025. Market activity showed mixed trends with participation in primary auctions for Treasury bills and bonds remaining volatile. Secondary market activity declined notably. Sector total assets grew by 13.9% YoY to Rs. 338.5 Bn. The investment portfolio in government securities expanded by 11.6% to Rs. 309.9 Bn. Aggregate PAT declined to Rs. 8.2 Bn from Rs. 13.7 Bn in 2024, attributed to lower trading gains and higher fair value revaluation losses.	- Total Assets: Rs. 338.5 Bn (+13.9% YoY) - Govt. Securities Portfolio: Rs. 309.9 Bn (+11.6% YoY) - Aggregate PAT: Rs. 8.2 Bn (vs Rs. 13.7 Bn in 2024) - ROA: 4.0% (vs 8.4% in 2024) - ROE: 17.8% (vs 32.8% in 2024) - Total Equity: Rs. 41.4 Bn (-5.2% YoY) - Capital Adequacy Ratio: 16.8% (vs 18.7% in 2024; min. 10%) - Treasury Bills Outstanding: Rs. 3.1 Tn (vs Rs. 4.1 Tn in 2024) - Treasury Bonds Outstanding: Rs. 15.6 Tn (vs Rs. 14.1 Tn in 2024)	- Total Assets (PD Segment): Rs.54.8Bn - Govt. Securities Portfolio: Rs.47.4Bn Trading Income: - PAT (PD Segment):Rs.1.6Bn - ROA: 2.33 - ROE:19.16 - Capital Adequacy Ratio: 24.22	- Maintain disciplined trading and portfolio positioning within a relatively stable macroeconomic and policy environment - Actively capture tactical trading opportunities arising from interest rate volatility in the government securities market - Selectively assume higher risk positions along the yield curve - Focus on medium- to long-tenor government securities to optimise yield opportunities - Pursue enhanced trading gains through strategic positioning
Unit Trusts The Unit Trust sector recorded measured expansion in 2025, supported by continued growth in investor participation and AUM. The number of funds increased to 95 from 90 in 2024. Total assets increased by 7.5% to Rs. 588.5 Bn at end-2025 from Rs. 547.4 Bn at end-2024. Money market and income funds continued to dominate, accounting for 80.3% of UT funds.	- Number of Funds: 95 (vs 90 in 2024) - Management Companies: Unchanged - Total Assets: Rs. 588.5 Bn (+7.5% YoY) - Prior Year Total Assets: Rs. 547.4 Bn (2024) - Money Market & Income Funds: 80.3% share of total UT sector	- AUM (Unit Trust Segment): Rs. 48.8Bn - AUM (Fund Management): Rs. 47.4Bn - Revenue (Fund Management): Rs. 128.9Mn - Revenue (Unit Trust): - Market Share: 9%	- Accelerate AUM growth through targeted expansion of private wealth management - Develop both discretionary and non-discretionary private wealth mandates - Strengthen high-touch advisory model supported by technology-enabled solutions - Improve long-term AUM stability through more resilient product architecture

Operating Environment

Context	Key Performance Indicators (Sector)	Key Performance Indicators	Way Forward For The FCH Group
Government Securities Primary market yields on T-bills and T-bonds declined steadily in early 2025 and remained broadly stable thereafter. Primary market borrowings declined to Rs. 7.7 Tn from Rs. 10.5 Tn in 2024. T-bills contracted to Rs. 3.1 Tn while T-bonds rose to Rs. 15.6 Tn. Foreign investor demand improved with net inflows of USD 247.9 Mn vs net outflow of USD 178.9 Mn in 2024. The 10yr-91day spread widened to 309 bps from 285 bps.	- Primary Borrowings: Rs. 7.7 Tn (vs Rs. 10.5 Tn in 2024) - T-Bills Outstanding: Rs. 3.1 Tn (vs Rs. 4.1 Tn in 2024) - T-Bonds Outstanding: Rs. 15.6 Tn (vs Rs. 14.1 Tn in 2024) - Foreign Net Flows: USD +247.9 Mn (vs -USD 178.9 Mn in 2024) 10yr-91day Spread: 309 bps (vs 285 bps in 2024) - Yield Direction: Downward shift in secondary market curve - Secondary Market Volume: Moderated in H2 2025	- Proprietary Govt. Securities Portfolio: Rs. 47.4Bn - Trading Gains / Fair Value Gains: Rs. 1.44Bn	- Optimise returns on surplus liquidity while supporting Group treasury and risk capital requirements - Maintain agility to respond to evolving market conditions and emerging trading opportunities - Selectively expand proprietary exposures across carefully chosen asset classes - Strengthen positioning in fixed income and listed equities markets - Leverage in-house research to enhance disciplined asset allocation and trading decisions - Capitalise on market dislocations and trading opportunities within a strong risk management framework

Context	Key Performance Indicators (Sector)	Key Performance Indicators	Way Forward For The FCH Group
Equity Market Activity Sri Lanka's equity market outperformed expectations in 2025. Easing inflation, relative exchange rate stability, and gradual economic recovery underpinned broad-based rally with renewed retail and institutional participation. The ASPI gained 41.9% and the S&P SL20 rose 26.6% during 2025. Market capitalisation rose 41.7% to Rs. 8,068.6 Bn. Average daily turnover rose to Rs. 5,179.2 Mn from Rs. 2,246.9 Mn in 2024. Average daily transactions nearly doubled YoY.	- ASPI Return: +41.9% (2025) - S&P SL20 Return: +26.6% (2025) - Market Capitalisation: Rs. 8,068.6 Bn (+41.7% YoY) - Avg. Daily Turnover: Rs. 5,179.2 Mn (vs Rs. 2,246.9 Mn in 2024) - Daily Transactions: Nearly doubled YoY - Market Sentiment: Broadly positive throughout 2025	- Brokerage Turnover (FCE): Rs. 720.5Mn - Market Share (Turnover based): 4.46% - Active Client Accounts (31.03.2026): 13,835	- Capitalise on improving macroeconomic conditions to strengthen investor confidence and participation - Sustain and expand domestic investor engagement in the equity market - Leverage a balanced operating model to capture emerging market opportunities - Strengthen strategic positioning within the equity brokerage landscape - Continue investment in digital platforms to enhance client accessibility

Sources: Central Bank of Sri Lanka — Annual Economic Review 2024 (published April 2025); Financial Stability Review 2025 Summary; CBSL website data.

Risk Management Report

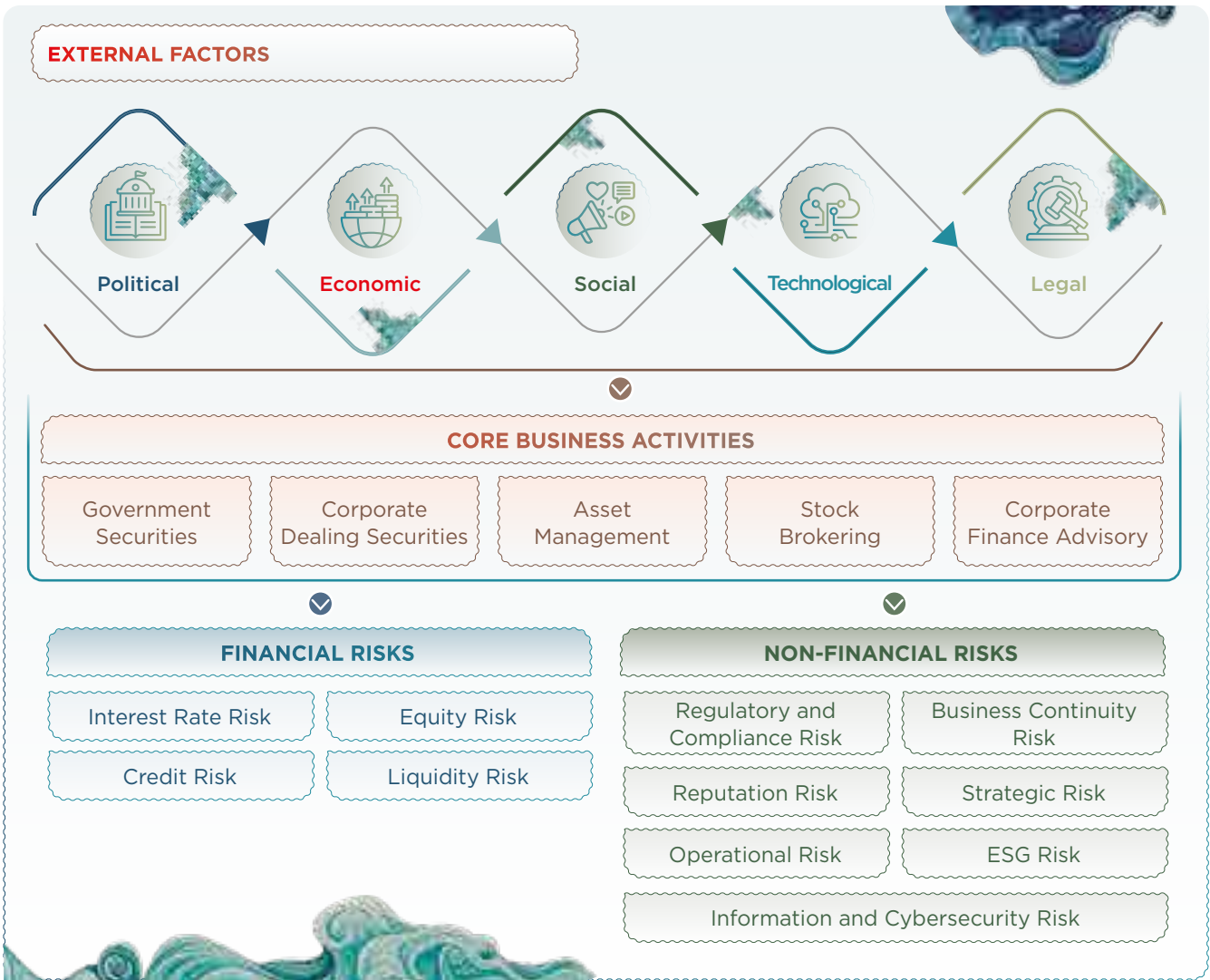


IRMF strengthens the Group’s ability to operate proactively rather than reactively and in doing so safeguards the Group’s financial stability and operational continuity,

Operating within Sri Lanka’s financial services and capital market ecosystem, effective and proactive risk management remains fundamental to the FCH Group’s ability to preserve institutional stability, protect stakeholder interests, and sustain long-term value creation. Given the inherently interconnected nature of financial markets, the Group is continuously exposed to a broad spectrum of risks which are further amplified by the increasingly complex global environment characterised by geopolitical uncertainty, fragmented trade flows, rapid technological

change, climate-related disruptions, and heightened macroeconomic volatility.

Within this context, the importance of risk management for the FCH Group extends well beyond regulatory compliance or defensive control mechanisms to serve as a strategic enabler that supports informed decision-making, strengthens resilience, and enhances the Group’s capacity to respond swiftly to changing market conditions while safeguarding financial soundness and reputational integrity.



INTEGRATED RISK MANAGEMENT FRAMEWORK (IRMF)

The FCH Group's approach to risk management is firmly anchored on its Integrated Risk Management Framework (IRMF), which serves as the foundation for identifying, assessing, managing, monitoring, and reporting risks across the organisation in a structured and enterprise-wide manner. As the Group operates across multiple financial services verticals, the IRMF plays a critical role in ensuring that risk management practices remain consistent, disciplined, and aligned across all business activities.

The IRMF extends across all subsidiaries, operational functions, and material business processes within the FCH Group to provide

the overarching structure through which key risk categories are governed and monitored in the day to day operations. It also establishes clear lines of accountability, reporting responsibilities, and escalation protocols across the Board, management committees, business units, and control functions to ensure robust oversight and timely response to material risk exposures.

In this way, the IRMF strengthens the Group's ability to operate proactively rather than reactively and in doing so safeguards the Group's financial stability and operational continuity, reinforces stakeholder confidence, preserves market integrity, and supports the

FCH Group's broader commitment to sustainable long-term value creation.

RISK MANAGEMENT PROCESS

A robust Risk Management Process underpins the FCH Group's Integrated Risk Management (IRM) Framework. Structured around a disciplined and enterprise-wide approach, the process supports the proactive identification, assessment, mitigation, monitoring, and reporting of risks across all business verticals and operational functions to enable the Group to effectively manage evolving risk exposures in alignment with its strategic objectives, defined risk appetite, governance standards, and regulatory obligations.

RISK MANAGEMENT PROCESS



RISK IDENTIFICATION

Regular scans identify internal and external risks. Top-down and bottom-up approaches are used.



RISK MEASUREMENT

Risks are assessed using qualitative and quantitative techniques. A risk register tracks and reviews risks.



RISK CONTROL

Risks are managed within the risk appetite. This safeguards assets and supports reliable performance.



RISK MONITORING

Risk exposures are monitored through risk indicators and limits. Risk reports are reviewed by management.

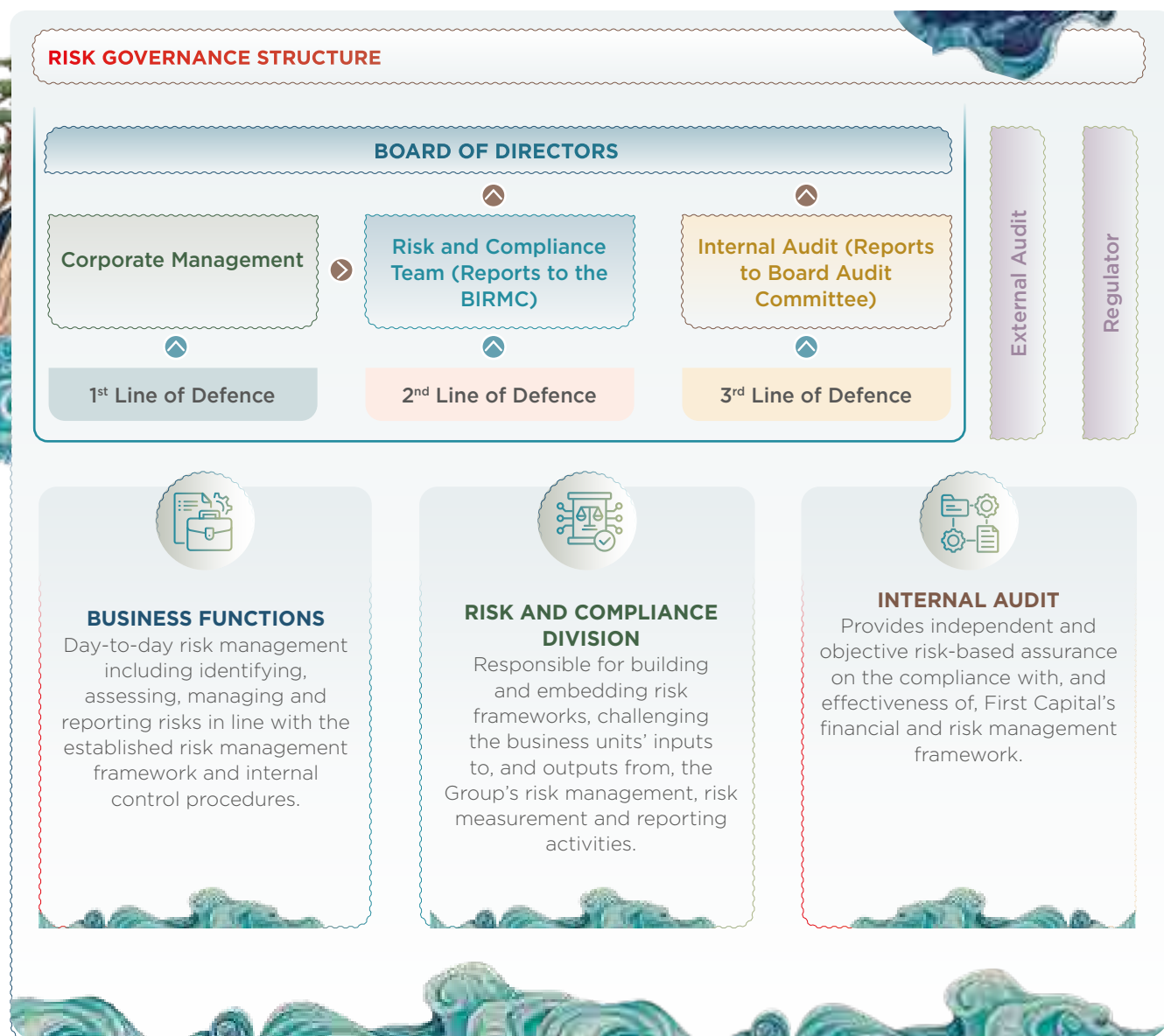
Risk Management Report

RISK GOVERNANCE STRUCTURE

The effectiveness of the IRMF is reinforced by a robust risk governance and oversight structure

led by the Board of Directors. In strengthening this framework, the Board has institutionalised the Three Lines of Defence model

to establish clear accountability, strengthen independent oversight, and promote a strong culture of risk ownership across the FCH Group.



Authority	Risk Category	Risk Governance and Oversight Responsibilities
Board of Directors	All Risks	As the highest governance authority, the Board is responsible for; - Establishing the risk strategy and defining the risk appetite in line with the Group's short, medium and long-term strategic objectives - Establishing risk policies and tolerance limits for each material risk category
Board Integrated Risk Management Committee (BIRMC)	All Risks	Monitoring and overseeing the Group's risk profile and the implementation of the risk framework approved by the Board.
Board Nominations and Governance Committee (BNGC)	Regulatory and Compliance Risk	Assists in formulating policies on the Board and Committee composition and diversity, Board recruitment and drives board effectiveness through evaluations and education. The BNGC is also responsible for succession planning of Directors and senior executives and the oversight of matters relating to corporate governance
Board Audit Committee (BAC)	Operational Risk Regulatory and Compliance Risk	Assists the Board with its oversight duty relating to financial reporting and internal controls over financial reporting, the effectiveness of whistleblowing procedures and the external and internal audit functions.
Investment, Asset and Liability Committee (IALCO)	Financial Risk	Determines the optimal asset and liability structure, enabling the Group to maintain an appropriately balanced liquidity and funding position under various scenarios
IT Steering Committee (ITSC)	Information and Cybersecurity Risk	Ensure IT initiatives align with institutional business objectives and risk management policies. The IRSC is also responsible for reviewing and making recommendations on Group-wide information security and cybersecurity
Management Committee (MANCO)	Operational Risks Strategic Risk Financial Risk Business Continuity Risk	Oversees day-to-day operational execution across trading, client engagement and back office functions; monitors progress of strategic projects including digitalisation; and ensures alignment with the Approved Operating Plan (AOP).
Group Sustainability Management Committee (SMC)	ESG Risk	Oversees the Company's ESG strategy and roadmap towards achieving established targets and also works to enhance the Company's ESG disclosures, ensuring transparent communication of its sustainability commitment to stakeholders.
Remuneration Committee	HR Risk	Oversees the review of the Company's remuneration structure; evaluates alignment with performance parameters; and recommends appropriate enhancements.
Related Party Transactions Review Committee	Regulatory and Compliance Risk	Oversees the consideration of shareholders' interests in decision-making; monitors potential conflicts of interest; and ensures that the interests of shareholders as a whole are protected and upheld.

Risk Management Report

RISK APPETITE

The Board-approved Risk Appetite Framework establishes measurable parameters, ensuring that risk-taking remains deliberate, controlled, and aligned with long-term value creation, regulatory expectations, and stakeholder confidence.

Tolerance limits play a critical role in operationalising the Board's risk appetite by setting out clear thresholds for key risk indicators across material risk categories. These defined boundaries for risk-taking activities act as early warning mechanisms that

enable timely identification of emerging risk exposures before they escalate beyond acceptable levels. In this way, tolerance limits provide a structured basis for monitoring performance against risk expectations, facilitating accountability at both management and Board levels.

Risk Appetite and Tolerance Limits approved by the Board			
Risk Category	Risk Appetite	Threshold for 2025/26	Actual as at 31 March 2026
Interest Rate Risk	FCT Board-approved sensitivity limits	2,000 Mn	1,725 Mn
	Risk weighted Capital Adequacy	15%	24.22%
Equity /Market Risk	Beta-weighted sensitivity analysis	5% change of the ASPI	Below the high threshold limits
Liquidity Risk	Asset and liability mismatch limits (FCT)	Overnight 25% one month 50%	Well below to the limits
	Excess Securities	Excess security model determine the required amount	Well above to the target limit
Operational Risk	Operational risk rating model indicators	Weighted average scores for 4 risk elements	Below the high risk category
Concentration Risk	Concentration limits	Single issue and group exposure limits	Below the limits

POLICIES AND PROCEDURES

Policies and Procedures provide the foundational structure for translating the Board-approved risk appetite into clear operational guidelines. These policies establish standardised approaches for identifying, assessing, mitigating, and reporting risks, ensuring consistency, accountability, and regulatory compliance across all subsidiaries. They also define roles and responsibilities across the Three Lines of Defence, thereby reinforcing strong governance discipline and ensuring that risk management is fully integrated into day-to-day operations.

STRESS TESTING

A key component of the Group's forward-looking risk management approach, stress testing enables the

assessment of the Group's resilience under extreme but plausible adverse conditions, including market shocks, liquidity constraints, and macroeconomic disruptions. By simulating potential stress events, the Group is able to evaluate the adequacy of its capital and liquidity buffers, identify vulnerabilities, and strengthen preparedness for periods of heightened volatility

SCENARIO ANALYSIS

Scenario analysis complements stress testing by facilitating a broader exploration of potential future states of the operating environment, including assessment of geopolitical developments, interest rate shifts, regulatory changes, and market dislocations. Through scenario-based evaluations, the Group enhances

its ability to anticipate emerging risks, understand their potential impact across business lines, and develop appropriate strategic and operational responses.

RISK REGISTER

The Risk Register serves as a key mechanism for documenting risk ownership, control measures, residual risk levels, and mitigation actions. Regular updates to the risk register ensure that emerging risks are promptly identified and that existing risks remain actively monitored, supporting transparency and accountability at all levels of the organisation.

RISK AWARENESS CULTURE

A strong Risk Awareness Culture underpins the effectiveness of the entire risk management framework.

Within the FCH Group, risk awareness is promoted as a shared responsibility with all employees encouraged to engage in proactive identification and escalation of risks in the normal course of business. This culture is reinforced through continuous communication, training, leadership commitment, and integration of risk considerations into performance management of senior leadership.

CAPITAL PLANNING

The FCH Group's capital planning framework is designed to ensure that the Group maintains sufficient and well-structured capital to meet regulatory requirements, support strategic business growth, and absorb potential losses arising from its diverse risk exposures across financial markets and service lines.

Capital planning is conducted on a forward-looking basis, often using

stress tests and scenario analysis to monitor capital adequacy in line with the Group's strategic priorities, business plans, and approved risk appetite. Regular reviews of capital forecasts, projected business growth, and subsidiary-level capital needs enable the FCH Group to make informed decisions on capital allocation, ensuring optimal utilisation of resources while maintaining strong financial resilience.

Interest Rate Risk	Potential losses to the Group's government securities portfolio owing to adverse rate movements		
Management Framework	Formally documented the interest rate risk management framework inducing the stress testing model and the governance structure.		
	Advanced forecasting models to improve the accuracy of predicting interest rate movements in order to proactively respond to changing market conditions. Advanced the market-risk methodology during the year, transitioning to a Weekly Value-at-Risk (VaR) framework at a 95% confidence level with a 10-day holding period and 500-day look-back period		
Responsible Authorities	BIRMC, IALCO		
Risk Context for FY 2025/26	The Central Bank's maintenance of a relatively accommodative stance, including a further reduction in the Overnight Policy Rate (OPR), contributed to a broadly declining interest rate environment during the early part of the year, before stabilising thereafter. In parallel, yields on government securities adjusted downward in line with policy rate movements, supported by improved macroeconomic fundamentals and strong investor demand. However, periodic volatility in short-term rates and temporary yield fluctuations, particularly towards the latter part of the year, highlighted the continued sensitivity of fixed-income markets to fiscal financing expectations and liquidity conditions, underscoring the importance of active interest rate risk management within the Group. The probability of adverse interest rate movements was revised upward by the BIRMC towards the latter part of the year, reflecting elevated macro economic uncertainty arising from the geopolitical developments in the Middle East and their transmission to government securities yields.'s trading and investment portfolios.		
Impact to the FCH Group	Likelihood Medium	Impact Medium	Impact Score Medium
Link to Strategy	1 | 2 | 3		
Focus for the year	Continuous monitoring of government securities markets enabled timely rebalancing of trading and investment portfolios to optimise risk-adjusted returns. In addition, scenario analysis and stress testing were used to assess portfolio sensitivity to rate volatility and support proactive risk mitigation decisions.		
Outlook for FY 2026/27	The outlook suggests a broadly stable but gradually evolving interest rate environment, supported by continued macroeconomic recovery and prudent monetary policy management. However, potential fiscal pressures and global uncertainty may result in intermittent volatility along the yield curve. Against this backdrop, interest rate dynamics are expected to remain a key driver of trading opportunities as well as risk management focus for market participants.		

Risk Management Report

Equity Risk	Potential losses in the equity portfolio and also due to the loans granted as part of margin trading activities, as a consequence of the poor performance of the local equity market		
Management Framework	Continuous monitoring of key equity market performance indicators including Beta, PBV ratio, PE ratio, RSI, MACD and Fibonacci extensions. During the year, the market-risk methodology was advanced with a transition from 1% ASPI sensitivity analysis to a Weekly Value-at-Risk (VaR) framework at 95% confidence and 5% change of the ASPI. The equity risk rating methodology was also revised from the equity method to a cost-method NAV basis following BIRMC direction		
Responsible Authorities	BIRMC, IALCO		
Risk Context for FY 2025/26	Sri Lanka's equity market was characterised by strong overall performance alongside periods of heightened volatility driven by shifting liquidity conditions and evolving investor sentiment. The Colombo Stock Exchange recorded significant gains in key indices, supported by improved macroeconomic stability, accommodative monetary conditions, and stronger corporate earnings. However, the rapid pace of price appreciation and intermittent profit-taking activities contributed to episodic market fluctuations, reinforcing the importance of active equity risk management. The ASPI reached 22,777 by November 2025 supported by strong corporate earnings and accommodative monetary conditions, before Cyclone Ditwa (December 2025) and the Iran-Israel conflict (February 2026 onward) introduced significant volatility.		
Impact to the FCH Group	Likelihood Likely/High	Impact Medium	Impact Score Medium
Link to Strategy	1 | 2 | 3		
Focus for the year	Active diversification across sectors and client portfolios helped mitigate concentration risk and smoothen volatility impacts. In addition, timely rebalancing and adherence to defined risk limits ensured alignment with the Group's risk appetite and investment strategy.		
Outlook for FY 2026/27	The equity market outlook for 2026/27 remains cautiously positive, supported by expectations of continued economic recovery and sustained investor participation. However, market volatility is likely to persist due to external shocks, liquidity shifts, and earnings sensitivity to macroeconomic conditions. Against this backdrop, stock selection, sector rotation, and active risk management will remain central to performance generation		

Credit Risk	Potential losses owing to the failure of borrowers and issuers of corporate debt instruments to settle their dues in a timely manner		
Management Framework	• Selective engagement in corporate debt securities based on stringent analysis of the credit customers' worthiness. • Frequent analysis of quality and value of collaterals		
Responsible Authorities	BIRMC, IALCO		
Risk Context for FY 2025/26	Credit risk remained relatively contained, supported by improved macroeconomic stability, strengthening fiscal conditions, and gradual recovery in domestic economic activity. The normalisation of interest rates and improved liquidity conditions contributed to a more stable repayment environment across counterparties. However, residual vulnerabilities persisted in certain segments, particularly where leverage remained elevated or cash flow recovery was uneven across sectors.		
Impact to the FCH Group	Likelihood Low	Impact Medium	Impact Score Low
Link to Strategy	1 | 2 | 3		
Focus for the year	The Group managed credit risk through stringent counterparty assessment and adherence to internal credit limits aligned with the Board-approved risk appetite framework. The reciprocal lending arrangement under successive revised repayment schedules, with adequate collateral coverage maintained throughout. Debtor-monitoring discipline was strengthened with ageing analysis and top-20 debtor balances of FCE now presented at each BIRMC meeting.		
Outlook for FY 2026/27	Credit risk conditions are expected to remain broadly stable, supported by ongoing economic recovery and improved financial system liquidity. However, sectoral disparities and external shocks may continue to create pockets of stress within specific counterparties. As such, disciplined credit underwriting and proactive monitoring will remain key to maintaining portfolio quality.		

Risk Management Report

Liquidity Risk	Potential losses as a result of inadequate cash flows to conduct daily operations and meet regulatory obligations		
Management Framework	- Formally documented the liquidity risk management framework inducing the stress testing model and the governance structure. - Stress testing models to assess the Treasury department's ability to manage and maintain sufficient liquidity amid adverse market conditions or unexpected events		
Responsible Authorities	BIRMC, IALCO		
Risk Context for FY 2025/26	Liquidity conditions in the financial system remained broadly supportive, underpinned by an accommodative monetary policy stance and sustained surplus liquidity in the domestic money market. Central Bank foreign exchange operations and swap transactions contributed to system liquidity, although periodic outflows related to government financing and foreign exchange requirements created short-term fluctuations. Overall, liquidity risk remained manageable but required continuous monitoring due to evolving fiscal and external sector dynamics		
Impact to the FCH Group	Likelihood Low	Impact Low	Impact Score Low
Link to Strategy	1 | 2 | 3		
Focus for the year	Active monitoring of cash flows across business lines and maintenance of adequate liquidity buffers. Total bank facilities increased from Rs. 7.5 Bn in April 2025 to Rs. 10.84 Bn across eight banking relationships by February 2026 debenture portfolio was actively monitored at each BIRMC meeting, alongside the liquidity positions of FCL and FCH. Contingency funding plans and scenario analysis supported preparedness for potential liquidity stress events		
Outlook for FY 2026/27	Liquidity conditions are expected to remain broadly stable, supported by continued policy normalisation and gradual economic recovery. However, episodic tightening may arise from fiscal financing needs and external sector pressures. Accordingly, maintaining prudent liquidity buffers and diversified funding sources will remain essential for risk resilience.		

Regulatory and Compliance Risk	Potential losses owing to non-compliance with regulations		
Management Framework	- Continuous and ongoing monitoring of regulatory requirements by the R&C and reporting to the Board to ensure timely compliance. - Automated compliance monitoring requirements of business units against stress testing of regulatory thresholds		
Responsible Authorities	BIRMC, BAC, BNGC, RPTRC		
Risk Context for FY 2025/26	Regulatory and compliance risk for the FCH Group remained elevated given the continued strengthening of oversight across Sri Lanka's financial services sector. Enhanced expectations from regulators, including the CBSL, SEC, and CSE, placed greater emphasis on capital adequacy, market conduct, disclosure standards, and AML/KYC/ PDPA compliance.		
Impact to the FCH Group	Likelihood Low	Impact Medium	Impact Score Low
Link to Strategy	2 | 2 | 4		
Focus for the year	While the Group operates within a well-established regulatory framework, evolving requirements and increased supervisory scrutiny required continuous adaptation of internal policies and controls. Consequently the Group strengthened internal policies with emerging regulatory expectations. Continuous training, monitoring systems, and automated compliance checks supported timely identification and mitigation of potential breaches. In addition, robust governance structures and regular internal reviews ensured consistent compliance across all business units. Key achievements during the year included Board approval of the Policy on Personal Data Protection (December 2025), conduct of a Data Protection Impact Assessment (DPIA), appointment of a Data Protection Officer, and implementation of the Amended AML/CFT/CPF Process Manual. The Conflict of Interest Policy and the New Product Policy were also revised and approved by the Board. Monthly compliance reports for FCE, FCAM and FCAS were reviewed by the BIRMC and submitted to regulators within prescribed deadlines. PEP and high-risk client classifications were reviewed at each BIRMC meeting through the Refinitiv World-Check One system.		
Outlook for FY 2026/27	Regulatory and compliance risk is expected to remain heightened as regulatory frameworks continue to evolve in line with global best practices and digital transformation. Greater focus on investor protection is likely to further increase reporting and governance requirements. As such, compliance readiness, automation, and proactive regulatory engagement will remain critical priorities.		

Risk Management Report

Business Continuity Risk	Potential losses owing to business disruptions attributed to the failure of back end systems or inadequate human resources		
Management Framework	- A robust Board-approved human capital strategy aimed at attracting and retaining the best in-class team. - Conducting routine BCP Drills in the presence of an independent observer to provide additional assurances - A dedicated DR site equipped with mirrored databases and off-site backups, ensures the protection and availability of critical data and preserves the Group's ability to respond to and recover from an event that negatively affects business operations		
Responsible Authorities	BIRMC, REMCOM, MANCO		
Risk Context for FY 2025/26	Business continuity risk was tested during the year by Cyclone Ditwa (December 2025) and the National Fuel Pass QR-code reintroduction (March 2026). Both events underscored the importance of maintaining resilient infrastructure and robust recovery capabilities. The Group maintained all critical functions during both events under the established 90/10 office-remote work arrangement, with immediate WFH activation and data-cost reimbursements reinstated in response to the fuel disruption. Insurance coverage for floods and natural disasters was confirmed for the Deal Place and Vallibel premises following a BIRMC-directed review.		
Impact to the FCH Group	Likelihood Low	Impact Low	Impact Score Low
Link to Strategy	1 | 2 | 3 | 4 | 5		
Focus for the year	in line with the Business Continuity Planning Guidelines No. 01/2006 issued by the Central Bank of Sri Lanka, the two mandatory drills were carried out during 2025/26. The primary drill was carried out on 19 June 2025 at the Disaster Recovery (DR) site located at the Janashakthi Insurance Building, Colombo 02, under the observation of an independent auditor, Sri Lanka CERT|CC, while a second drill was conducted on 27 November 2025 at the primary site in Colombo 03.		
Outlook for FY 2026/27	Business continuity risk is expected to remain elevated due to growing digital dependency and increasing cyber risk exposure across the financial sector. Climate-related disruptions and system interdependencies may also present additional operational challenges. Accordingly, continuous investment in cyber resilience, infrastructure redundancy, and tested recovery frameworks will remain critical.		

Reputation Risk	potential or actual damage to First Capital's image which may impair business profitability and sustainability		
Management Framework	- Continuous and ongoing monitoring of service quality parameters. - Regular training of sales teams on customer service. - Monitoring and promptly addressing customer complaints. - Implemented a CRM system to enhance end-to-end services provided to customers		
Responsible Authorities	BIRMC, MANCO		
Risk Context for FY 2025/26	Reputation risk for the FCH Group was primarily driven by the need to maintain consistent client experience amid expanding retail focus, digitalisation, and heightened regulatory scrutiny. Any service disruption or inconsistency had the potential to impact stakeholder confidence in a competitive market environment.		
Impact to the FCH Group	Likelihood Low	Impact Medium	Impact Score Low
Link to Strategy	1 | 2 | 3 | 4 | 5		
Focus for the year	The Group enhanced client relationship management, proactive complaint handling, and continuous service monitoring, supported by standardised digital channels to strengthen service reliability, reinforce brand trust, and safeguard overall reputation.		
Outlook for FY 2026/27	Reputation risk will remain closely linked to service quality, digital experience, and regulatory compliance as the Group deepens its retail and digital footprint. Sustained focus on consistent client engagement, transparency, and proactive issue resolution will be critical to maintaining stakeholder trust.		

Strategic Risk	Potential losses owing to actual results being significantly different from the strategy and business plan		
Management Framework	Continuous and ongoing monitoring and follow up and regular reporting to the Board detailing actual performance against strategic objectives and targets, including through fortnightly Management Committee and monthly Board review meetings		
Responsible Authorities	BIRMC, MANCO		
Risk Context for FY 2025/26	Strategic risk was driven by execution dependencies in transformation initiatives and delays from external service providers, highlighting the need for stronger delivery governance and alignment with evolving business priorities		
Impact to the FCH Group	Likelihood Medium	Impact Medium	Impact Score Medium
Link to Strategy	1 | 2 | 3 | 4 | 5		
Focus for the year	The Group responded by strengthening vendor management, refining project execution processes, and improving internal capabilities through closer collaboration and knowledge transfer.		
Outlook for FY 2026/27	The FCH Group's exposure to strategic risk remains minimal, given the Group's robust strategy and well-diversified business model, which positions FCH to effectively capitalise on Sri Lanka's improving macroeconomic conditions and broader growth momentum, while sustaining disciplined execution of its strategic initiatives.		

Risk Management Report

Operational Risk	Potential losses owing to flawed and failed systems, policies, processes or events that disrupt business operations.		
Management Framework	• A robust framework of policies and processes in place that mitigates operational risk. • Incident and near-miss policy in place to escalate operational misconduct or control lapses to the Management and the Board of Directors. • Frequent risk assessments and gap analysis conducted to assess the efficiency of policies and processes. During the year, the Risk and Compliance Division developed and obtained BIRMC approval for a standardised, data-driven Operational Risk Assessment Model at FCT, transitioning from a judgemental basis to a structured non-linear scoring methodology with Board-approved severity equivalences. The BIRMC directed that this framework be rolled out across the Group.		
Responsible Authorities	BIRMC, BAC, MANCO		
Risk Context for FY 2025/26	Expanded operational complexity associated with business scaling, higher transaction volumes, and increased reliance on digital platforms and automated processes, heightened exposure to process inefficiencies, system dependencies, and execution errors.		
Impact to the FCH Group	Likelihood Medium	Impact Medium	Impact Score Medium
Link to Strategy	1 | 2 | 3 | 4 | 5		
Focus for the year	Proactive identification of incidents and near-misses, which, despite no material losses, provided valuable insights for enhancing controls and preventive mechanisms. Highest investment in process optimisation and automation to improve efficiency and enabling greater scalability across operations. In addition, regular risk assessments and gap analyses informed the refinement of internal policies and escalation protocols, thereby reinforcing overall operational resilience. The BIRMC also conducted dedicated process-understanding sessions covering FCT transaction processing, T-Bill/T-Bond auctions, security allocation, SWIFT operations, CP issuance, and the monthly compliance reporting process — strengthening Committee-level visibility of process-level risks.		
Outlook for FY 2026/27	As the Group expands its operational footprint and automation initiatives, ensuring system resilience, process discipline, and control effectiveness will remain critical. Accordingly, sustained investment in technology, governance, and continuous improvement will be key to maintaining operational stability and scalability.		

Information and Cybersecurity Risk	Potential losses arising as a result of the loss of information due to external or internal breach of IT systems.		
Management Framework	- Comprehensive assessment of IT and Information Security (IT & IS) risks using local and international IT & IS benchmarks, with findings reported to the management and Board for necessary actions. - Vulnerability Assessment and Penetration Testing (VAPT) conducted by an independent third party specialist with findings reported to the Board. - Strengthened incident response and business continuity planning has positioned the Group to respond swiftly to potential cyber incidents, limiting impact and maintaining stakeholder trust - Continuous education was provided to staff on cyber security risks.		
Responsible Authorities	BIRMC, ITSC		
Risk Context for FY 2025/26	As the Group continued to scale its digital channels and enhance customer onboarding and transaction capabilities, the attack surface expanded, increasing exposure to cyber threats, data breaches, and system vulnerabilities. At the same time, heightened regulatory expectations around data protection and information security further reinforced the importance of robust cyber resilience.		
Impact to the FCH Group	Likelihood Medium	Impact Medium	Impact Score Medium
Link to Strategy	1 | 3 | 4		
Focus for the year	Information and cybersecurity risk management governance was significantly strengthened during the year. The Group achieved ISO/IEC 27001:2022 certification for its Information Security Management System. A Chief Information and Security Officer (CISO) was appointed and assumed duties on 15 January 2026. A Chief Transformation Officer was also appointed to strengthen the core-system landscape, with weekly governance meetings established with SasiaNet on the system revamp project. Key focus areas included revising privileged access management, strengthening firewall governance, and refining backup and restoration processes. A Stage 1 DLP proposal was reviewed by the BIRMC, introducing default blocking of internally-labelled documents for external sharing. In addition, the Group enhanced its patch and vulnerability management practices and strengthened its incident response framework with clearer escalation and reporting mechanisms, collectively reinforcing overall cyber resilience and operational readiness Regular VAPT exercises and risk assessments were also conducted to benchmark security maturity against global standards and drive continuous improvement and proactive risk mitigation.		
Outlook for FY 2026/27	The FCH Group's exposure to information and cybersecurity risk remains elevated, driven by continued digital expansion, increasing data volumes, and evolving cyber threat sophistication. As the FCH Group deepens its reliance on digital platforms and automated processes, maintaining robust cyber resilience and data protection frameworks will be critical. Ongoing investment in security infrastructure, continuous monitoring, and enhanced regulatory alignment will remain key priorities to safeguard information assets and maintain stakeholder trust.		

Risk Management Report

ESG Risk	The risk that negatively impacts, or is impacted by, natural capital, climate change, human rights, promoting workplace diversity and the integration of other ESG matters in the business. ESG risks may manifest as credit, market, liquidity, business and non-financial risks for the Group, resulting in potential adverse financial, liability and reputational impacts.		
Management Framework	- Strong board focuses on ESG integration across all levels of the business. - Improve ESG reporting transparency through the adoption of global frameworks such as IR, GRI, SASB and the UN SDGs.		
Responsible Authorities	BIRMC, SMC		
Risk Context for FY 2025/26	ESG-related risk continued to evolve in line with the growing emphasis on sustainable finance, responsible investing, alongside increasing regulatory focus and investor scrutiny elevated the importance of integrating ESG considerations into governance, investment decision-making, and product development processes. At the same time, growing exposure to sustainability-linked finance, climate-related disclosures, and responsible lending and investment practices highlighted the need for stronger ESG integration across business activities. Social considerations, including financial inclusion, investor education, and employee wellbeing, further reinforced the importance of maintaining a balanced and responsible approach to long-term value creation.		
Impact to the FCH Group	Likelihood Low	Impact Low	Impact Score Low
Link to Strategy	1 | 2 | 3 | 4		
Focus for the year	The FCH Group's ESG focus was shaped by the introduction of SLFRS S1 and S2 standards, which provided a timely opportunity to further embed ESG considerations into strategic planning, risk management, and corporate disclosures. This transition strengthened the Group's approach to transparency and enhanced the integration of sustainability factors into long-term value creation. At the same time, the growing global emphasis on ESG created opportunities to attract sustainability-focused investors and improve access to responsible capital, reinforcing the strategic importance of ESG alignment in financial decision-making. In response, the Group continued to align its reporting and governance practices with globally recognised frameworks such as Integrated Reporting, GRI, SASB, and the UN Sustainable Development Goals, thereby strengthening its ESG credibility and differentiation with During the year, the BIRMC reviewed a Climate Risk Assessment paper over three successive meetings, with KPMG recommendations incorporated. Climate Risk was formally added to the FCH risk matrix as a distinct category, rated Low, supported by 100% WFH capability, a geographically-separated DR site, and the completed SLFRS S1/S2 gap analysis by KPMG. A Sustainability Officer was appointed during the year, and Climate-Fund certification is in progress in the financial services sector.		
Outlook for FY 2026/27	ESG risk is expected to intensify as global and local regulatory frameworks continue to evolve, with increasing emphasis on mandatory sustainability disclosures and climate-related financial reporting. This is likely to further elevate stakeholder expectations around transparency, accountability, and sustainable value creation. Against this backdrop, continued alignment with international standards and proactive integration of ESG considerations into strategy and operations will be critical in strengthening resilience and maintaining access to sustainability-linked capital.		

Segment Review

GOVERNMENT SECURITIES



SACHITH PERERA
Director/ Chief Executive Officer –
First Capital Treasuries PLC

NET TRADING INCOME

Rs. **4.61** Bn

OPERATING PROFIT

Rs. **2.37** Bn

NPAT

Rs. **1.61** Bn

FCT serves as an important conduit for Government Domestic debt intermediation across both primary and secondary markets.

OVERVIEW

First Capital Treasuries PLC (FCT), the Primary dealer unit of First Capital Holdings Group holds a well-established position in Sri

Lanka's fixed-income market as a trusted primary dealer with a strong reputation for execution excellence, and market discipline.

FCT serves as an important conduit for Government Domestic debt intermediation across both primary and secondary markets. The Company's value proposition is built on a disciplined approach to leverage primary market auctions and secondary market execution, backed by the expertise of in-house

teams and market insight which together enable the Company to navigate evolving interest rate cycles and shifting yield curve dynamics.

Additionally, the Company's focus on digital technology as a key enabler to simplify the investment process for clients and support more efficient transaction execution, further reinforces the FCT's reputation for reliability and ease of engagement.



CORE OFFERINGS

- Primary market participation in Government Securities
- Secondary market trading
- Market making
- Repo and reverse repo transactions
- Interest Rate solutions
- Yield curve strategies



TARGET SEGMENTS

- Institutional, high-net worth-individuals and mass affluent.
- Digital solutions for retail



PERFORMANCE HIGHLIGHTS FOR FY 2025/26

- Operating Profit - 2.56Bn
- NPAT - 1.58Bn
- Share of Group Assets - 74%
- Contribution to Group NPAT - 51%

Segment Review

GOVERNMENT SECURITIES

CONTEXT AND STRATEGY

The year was characterised by a clear policy focus from the Central Bank on maintaining interest rate stability, with measured and deliberate responses to evolving market conditions. The overarching objective remained to support economic activity without reigniting inflationary pressures.

Following a 25 basis point policy rate cut in May 2025, policy rates were held unchanged for the remainder of the period. Short-term market rates remained closely aligned with policy benchmarks, while elevated system liquidity suppressed volatility, resulting in a relatively stable yield curve across maturities.

Notably, the market demonstrated remarkable resilience to external and domestic shocks, reacting with composure to events that would previously have triggered significant volatility, including the Ditwah cyclone and escalating tensions in the Middle East.

Despite a substantial decline in yields compared to prior years, the yield curve remained structurally steep. This reflected market consensus that the aggressive easing cycle had largely concluded, driving a preference for shorter-duration securities. At the same time, institutional investors selectively extended duration, taking carry positions along the long end, supported by growing confidence in ongoing monetary discipline and fiscal consolidation.

In early 2026, increased foreign participation in the mid-to-long end of the government securities market provided an additional anchor of stability and reinforced confidence in the domestic debt market.

The financial year began in a phase of disinflation, with price pressures gradually returning to low positive territory, albeit remaining well below the Central Bank's medium-term target of 5%. As a result, real interest rates remained meaningfully positive, offering attractive returns to investors. However, these real yields moderated in the latter part of the year as inflation edged upward.

The persistently low inflation environment can be attributed to a combination of tight real monetary conditions, subdued consumer demand, increased expenditure on vehicle imports, and exchange rate stability supported by an improved current account position.

FCT benefited directly from the favourable fixed income environment during the year. The downward shift in the yield curve led to a marked improvement in mark-to-market valuations of existing holdings, while also reducing holding costs and supporting an expansion in net interest margins.

The stability in interest rates and reduced market volatility created opportunities to selectively extend portfolio duration, particularly into medium- and long-tenor securities, enabling the Company to further enhance portfolio returns. This was complemented by a disciplined approach to balance sheet management, aligning duration positioning with evolving market expectations.

Secondary market conditions were characterised by low volatility and improved liquidity, supported by greater policy clarity and increased investor confidence. As a result, trading activity remained largely within predictable yield bands, particularly in the medium tenor segment. This environment reduced

downside risks while enabling the Company to capitalise on tactical trading opportunities, generating consistent gains during periods of range-bound market movements.

The combination of stable yields, favourable carry conditions, and disciplined duration strategies contributed to improved net interest margins and trading performance, reinforcing FCT's core strengths in active fixed income management.

In parallel, FCT continued to strengthen its client franchise and distribution capabilities. The Company placed strategic emphasis on expanding its business-to-business (B2B) segment, while simultaneously broadening its retail footprint through enhanced digital platforms and a network of strategically located branches across the island. These initiatives position FCT to capture a wider investor base and support sustainable growth in its customer-driven business.

Overall, the year underscored FCT's ability to effectively leverage favourable market conditions while continuing to invest in long-term franchise growth and client diversification.

ESG integration has also emerged as a key priority in line with evolving regulatory expectations during the year. With the introduction of the new sustainability reporting standards SLFRS S1 and SLFRS S2, the Board of Directors of FCT has been entrusted with the ultimate responsibility for overseeing ESG integration across the organisation with operational oversight and implementation of sustainability initiatives was delegated to the Sustainability Management Committee.

PRIMARY DEALER VALUE CREATION

Financial Performance	2025/26 Rs. Mn	2024/25 Rs. Mn
Shareholders – Dividends paid *	3,078	1,601
Clients- Interest expenses paid	5,978	5,949
Employees – Employee Benefits Paid	326	297
Government – Income Taxes Paid	607	1,738

* Final Dividend of FY2024/25

OUTLOOK AND PROSPECTS

Looking ahead, a relatively stable macroeconomic and policy environment is expected to provide a favourable backdrop for disciplined trading and portfolio positioning. It is also important to note that underlying economic conditions may continue to produce periodic interest rate volatility, creating tactical trading opportunities within the government securities market. In response to yield movements, FCT will seek to selectively assume higher risk positions along the yield curve, particularly in medium- to long-tenor maturities, while pursuing higher trading gains to stay on course to deliver performance targets for the upcoming year.

Digital transformation will remain a key pillar of the Company's forward agenda with significant investment in technology infrastructure, robotics capabilities, and core system upgrade planned to support scalability. In parallel, ongoing investments in digital platforms and AI-enabled solutions will continue to simplify client engagement and improve accessibility to attract a wider audience of potential investors.

Segment Review

CORPORATE FINANCE ADVISORY



THARUSHA EKANAYAKE
Director/Chief Executive Officer
First Capital Advisory Services (Pvt) Ltd

OPERATING PROFIT

Rs. **63**Mn

NPAT

Rs. **43**Mn

The year under review marked a turning point for the First Capital Advisory Services, as improving macroeconomic stability and the normalisation of interest rates led to a strong revival in transaction volumes and advisory mandates.

OVERVIEW

The Corporate Finance Advisory segment of the First Capital Holdings (FCH) Group is primarily driven by First Capital Advisory Services (Pvt) Ltd (FCAS), which has established a solid reputation as a trusted partner for corporates seeking to optimise their capital structure, access capital markets efficiently, and execute transformative financial strategies in an increasingly dynamic economic environment.

The segment's integrated operating model is designed to support clients throughout the entire transaction lifecycle, from initial strategic advisory and structuring through to execution and placement, ensuring seamless coordination across advisory, investor engagement, and regulatory compliance. A key differentiator of the segment is

the expertise of its senior advisory team, whose extensive experience across capital markets, corporate finance, and transaction structuring enables the delivery of tailored, solutions driven financial outcomes. This internal expertise is further complemented by the synergies derived from being part of the broader FCH Group, providing access to the Group's investment banking ecosystem, including market intelligence platforms, distribution capabilities through securities and wealth management channels, proprietary research insights, and strong relationships with institutional investors.

These capabilities have enabled the Corporate Finance Advisory segment to play a leading role in mergers and acquisitions advisory, equity and debt capital market transactions—including initial public offerings (IPOs), balance sheet restructuring initiatives, and capital optimisation strategies. During the year under review, the segment was actively involved in advising on capital market transactions, including IPO mandates, supporting issuers through the listing process from structuring and regulatory approvals to investor placement and successful execution. The segment has been particularly

active during period of economic transition, supporting corporates in navigating evolving financing conditions and increased demand for structured and strategic financial solutions. In addition, the segment has supported clients in undertaking refinancing and liability management initiatives aimed at enhancing balance sheet resilience and improving capital efficiency.

Building on these foundations, the segment has in recent times begun expanding focus on advisory and structuring for ESG-linked financing and green bond issuances. This positions the segment to support clients in aligning their capital strategies with emerging sustainability considerations, stakeholder expectations, and evolving regulatory frameworks.

CONTEXT AND STRATEGY

The year under review marked a turning point for the FCAS, as improving macroeconomic stability and the normalisation of interest rates led to a strong revival in transaction volumes and advisory mandates. In contrast to the previous year where elevated interest rates and significant market uncertainty constrained capital-raising activity and delayed corporate financing decisions,



CORE OFFERINGS

- Structured debt issuance/asset backed securities
- Debt and equity raising
- M&A advisory
- Balance Sheet Restructuring



TARGET SEGMENTS

- Financial institutions (Banks and NBFI)
- Mid-to-large corporates
- ESG-aligned issuers/clients



PERFORMANCE HIGHLIGHTS FOR FY 2025/26

- Net Trading Income **128Mn**
- Operating Profit **63Mn**
- NPAT **43Mn**
- Share of Group Assets **0.12%**
- Contribution to Group NPAT **2.0%**

the current years' low-interest rate environment and improving investor confidence stimulated renewed interest in capital market transactions.

This shift resulting in a notable resurgence in debt issuances, particularly through listed debentures and structured instruments. As corporates increasingly sought structured funding solutions to manage balance sheet pressures, refinance existing liabilities, and secure capital for growth, structured placements offered enhanced flexibility in terms of tenor, pricing, and investor participation, enabling issuers to raise funds in a more tailored and efficient manner.

Leveraging its end-to-end issuer advisory capabilities, the First Capital Advisory Services successfully executed several structured placements to support clients throughout the transaction lifecycle, from financial structuring and regulatory engagement to investor placement and execution. These developments translated into a significant increase in transaction activity, with deal volumes for the current year reflecting significant expansion compared to the previous year.

Financial Performance

	Rs.
Net Trading Income	128 Mn
Operating Profit	63 Mn
NPAT	43 Mn

Further underscoring the segment's position as a preferred advisor for medium-to-large corporates seeking alternative capital market solutions, the advisory pipeline strengthened notably during the year. Several mergers and acquisitions (M&A) and strategic advisory mandates were secured, with a number of transactions currently progressing various stages of due diligence and execution.

At the same time, early traction emerged in green and sustainability-linked bond advisory, reflecting the growing issuer interest in accessing differentiated pools of capital and aligning financing strategies with evolving sustainability considerations. Against this backdrop, the Corporate Finance Advisory team proactively advanced is positioning within the sustainable finance space, with potential mandates under assessment as at the year end.

OUTLOOK AND PROSPECTS

Building on the strong momentum witnessed during in FY 2025/26, deal activity in the year ahead is expected to remain robust across debt and equity, alongside continued opportunities in balance sheet restructuring and M&A as corporates continue to reposition their capital structures in the post-recovery environment.

At the same time, with green and sustainability-linked financing expected to emerge as an increasingly important growth avenue, the First Capital Advisory Services segment will seek to capitalise on its early mover advantage to solidify its position in this space. Key priorities in this regard, would be to strengthen the segment's advisory capabilities in ESG-aligned financing, while also actively engaging in market development activities to improve visibility and awareness that will translate into the broader adoption of sustainable capital market instruments.

Segment Review

CORPORATE DEALING SECURITIES



DILSHAN WIRASEKARA
Managing Director/CEO
First Capital Limited

NET TRADING INCOME

Rs. **1.3** Bn

OPERATING PROFIT

Rs. **1.0** Bn

NPAT

Rs. **0.9** Bn

As Sri Lanka transitions into a more stable interest rate environment in the coming year, the Corporate Dealing Securities unit will prioritise optimising returns on surplus liquidity while supporting the Group's broader treasury and risk capital requirements.

OVERVIEW

The Corporate Dealing & Securities unit of First Capital Holdings (FCH) Group operates as the

central treasury and proprietary investment division. It is responsible for managing and strategically deploying funds across a diversified portfolio of investment opportunities. The unit plays a critical role in optimising capital deployment to support the Group's broader investment banking ecosystem, while ensuring effective liquidity management through tactical funding deployments, multi-asset trading strategies, and funding optimisation initiatives.

Key strengths that underpin the unit are its robust governance and control frameworks, which ensures proprietary investment activities are conducted within clear defined internal segregation structures that enhance transparency and accountability. Moreover, robust control mechanisms, including exclusion lists for listed securities, provide strict oversight of trading activities.



CORE OFFERINGS

- Proprietary fixed income and equity trading
- Selective securities lending in keeping with regulatory requirements
- Balance sheet and liquidity optimisation
- Intra-group lending in keeping with related party transaction norms



TARGET SEGMENTS

- Internal stakeholders (Group entities)
- Institutional counterparties
- Funding providers



PERFORMANCE HIGHLIGHTS FOR FY 2025/26

- Operating Profit-Rs. 1.0Bn
- NPAT-Rs. 0.9Bn
- Share of Group Assets 40%
- Contribution to Group NPAT-42%

CONTEXT AND STRATEGY

The declining interest rate cycle, flattening yield curve, and strong bullish momentum in listed equities in 2025 created a highly supportive environment for proprietary trading. These conditions unlocked attractive opportunities across multiple asset classes, enabling the FCH Group Corporate Dealing Securities unit to actively capitalise on arbitrage opportunities and yield curve dislocations.

The unit is supported by a funding base of approximately Rs. 15.0 Bn comprising a mix of bank facilities, short-term repurchase agreements (repos), debentures, and commercial paper issuances. The diversity of the fund based continued to provide the flexibility to optimise liquidity deployment and execute trading strategies across a broad range of asset classes and rebalance the portfolio in alignment with evolving return cycles in the current year.

Alongside these activities, initial steps were taken to integrate ESG considerations into the units investment approach, with plans underway to formalise ESG screening mechanisms within the proprietary investment pool.

OUTLOOK AND PROSPECTS

As Sri Lanka transitions into a more stable interest rate environment in the coming year, the Corporate Dealing Securities unit will prioritise optimising returns on surplus liquidity while supporting the Group's broader treasury and risk capital requirements. The unit will maintain the flexibility required to respond swiftly to evolving market conditions and emerging trading opportunities, including expanding proprietary exposures across carefully selected asset classes.

The unit also intends to further strengthen its positioning across fixed income and listed equities, leveraging insights generated through the Group's in-house research to drive disciplined asset allocation and trading strategies. The unit will also explore opportunities in private equity as part of its diversification strategy, while progressively expanding its branch network to enhance nationwide presence and strengthen its physical footprint.

As investment activities expand, continued emphasis will be placed on strengthening governance and transparency frameworks to effectively mitigate potential conflicts of interest and position the unit to capitalise on market dislocations and trading opportunities while maintaining robust oversight and alignment with the Group's broader risk management standards.

Segment Review

ASSET MANAGEMENT



KAVIN KARUNAMOORTHY
Director / Chief Executive Officer
First Capital Asset Management Limited

NET TRADING INCOME

Rs. **416**Mn

OPERATING PROFIT

Rs. **123**Mn

NPAT

Rs. **83**Mn

Within this evolving environment, FCAM focused on maintaining stability of its Assets Under Management (AUM) base amidst shifting investor preferences.

OVERVIEW

First Capital Asset Management (FCAM), is positioned as a high-performing asset manager within Sri Lanka's wealth management

landscape, delivering consistently competitive yields among its peers. FCAM seeks to deliver a differentiated investment experience by offering a robust range of research-driven investment solutions, designed to meet the evolving needs of diverse investors.

A key differentiator for the Company is the expertise of its portfolio management team, whose senior members collectively bring more than two decades of experience on average in portfolio construction and capital market

strategy. Deep industry experience is complemented by FCAM's disciplined investment approach that has recently been enhanced through a triangulated research framework, which integrates proprietary internal analysis with buy-side market insights while combining intelligence generated by First Capital Research and selected third-party research houses, positioning FCAM as a trusted partner for investors seeking leverage high-yielding opportunities in Sri Lanka's capital market.



CORE OFFERINGS

- Unit trusts
- Discretionary and non-discretionary portfolio management Private wealth management
- Personal and retirement planning
- Lifestyle financial solutions



TARGET SEGMENTS

- Unit Trusts: Mass retail investors
- Private Wealth: Institutional and high-net-worth individuals



PERFORMANCE HIGHLIGHTS FOR FY 2025/26

- Net Trading Income – Rs. 416Mn
- Operating Profit – Rs. 123Mn
- NPAT – 83Mn
- Share of Group Assets – 0.03%
- Contribution to Group NPAT – 2.9%

AWARDS AND RECOGNITION



CFA Society Sri Lanka Capital Market Awards 2025

Best Unit Trust Fund - First Capital Money Market Fund - Bronze Award



TAGS Awards 2025

First Capital Money Market Fund - TAGS Awards 2025 - First Capital Asset Management LTD - Unit Trust Category



LMD Most Loved Brands

LMD Most Loved Brands - Wealth Management Category- First Capital Asset Management Limited

CONTEXT AND STRATEGY

Sri Lanka's long-anticipated economic recovery began to materialise in 2025, as improving macroeconomic stability and the gradual normalisation of policy rates translated into renewed momentum across financial markets. Easing monetary conditions, supported by a gradual decline in policy rates, translated into stronger market yields and improved fixed-income valuations while restoring investor confidence across the buy-side.

Within this evolving environment, FCAM focused on maintaining stability of its Assets Under Management (AUM) base amidst shifting investor preferences. In particular, the downward adjustment in interest rates, especially in the first half of the year, encouraged investors to reassess portfolio allocations, with some capital gradually moving away from money market-oriented unit trusts toward higher-yielding instruments offered by non-bank financial institutions.

Market dynamics evolved further during the second half of the year as the equity market gained stronger traction, supported by improving corporate earnings expectations and renewed market participation. Growing investor confidence prompted retail investors to reallocate funds from unit trusts into direct equity investments, which created strong opportunities for asset managers to attract new clientele.

Against this backdrop, the FCAM's strategic emphasis increasingly shifted toward the Private Wealth segment, particularly institutional investors and high-net-worth individuals. Seeking to strengthen client relationships the Company leveraged its high-touch advisory model and technology-enabled solutions to deepen the penetration into this space. Ongoing initiatives driven by FCAM's high-touch advisory model remained critical tools to help clients to better understand evolving market dynamics, assess portfolio

performance, and align investment strategies with their long-term financial objectives and risk profiles.

Digital engagement was also significantly expanded with notable enhancements to digital onboarding processes and the rollout of a new mobile application to enable clients to access investment services through a more seamless and intuitive platform.

Operational efficiency was also further strengthened through back-end automation initiatives, including the implementation of Straight-Through Processing (STP) mechanisms to streamline transaction handling and enhance overall service delivery.

Alongside its focus on private wealth, FCAM continued efforts to popularise unit trust investments among mass retail investors through sustained investor education initiatives. The InvestED programme remained a key platform for raising awareness of capital-market

Segment Review

ASSET MANAGEMENT

products and responsible investing practices. Partnerships with universities and higher-education institutions were also expanded during the year specifically to expand the reach to younger audiences, thereby nurturing the next generation of investors.

	2025/26 Rs. Bn	2024/25 Rs. Bn
Asset Under Management	96.2Bn	112Bn

	2025/26	2024/25
Unit Trust Market Share	9%	12.5%

ASSET MANAGER VALUE CREATION

Financial Performance	2025/26 Rs. Mn	2024/25 Rs. Mn
Shareholders as Dividends Paid	112	N/A
Employees as Employee Benefits Paid	162	161
Government as Income Taxes Paid	48	19
Society as Contribution Paid	-	0.01

OUTLOOK AND PROSPECTS

As Sri Lanka's economic recovery continues to gain momentum and investor preferences shift toward more diversified, advisory-led investment solutions, FCAM will leverage these opportunities to accelerate AUM growth through a targeted expansion of its private wealth management segment with equal priority on both discretionary and non-discretionary private wealth mandates. The Company will aim to grow market share through broad based customer acquisition strategies centred on its high-touch engagement model and advanced technology-enabled solutions to deliver bespoke tailored solutions high-net-worth investors.

Product diversification also remains another key priority, with plans underway to expand the product portfolio to specifically target underserved and emerging investor segments, particularly younger and digitally engaged investors who represent a strong opportunity for sustained growth.

In parallel, FCAM will seek to transition from its traditional single-fund based unit trust offering to multi-fund portfolio management approach to enhance investor outcomes, while also ensuring greater stability in AUM over the long term.

Segment Review

STOCK BROKERING



JALIYA WIJERATNE

Director/ Chief Executive Officer –
First Capital Equities (Private) Limited

OPERATING PROFIT

Rs. **356**Mn

NPAT

Rs. **242**Mn

FCE's expanding presence and consistent growth in market share has enabled the Company to be ranked among the top 10 equity houses in Sri Lanka in terms of market turnover

OVERVIEW

First Capital Equities (Pvt) Ltd (FCE) is positioned as a niche equity trading house in Sri Lanka. FCE's key strengths

include a comprehensive suite of equity services coupled with extensive expertise and backed by in-depth research, to meet the evolving needs of both retail and institutional clients. In addition the Company's multi-channel architecture combining branch and agency network ensures broad accessibility, alongside the strong commitment to investor awareness and engagement, all collectively positions FCE as a trusted and

innovative partner for investors seeking informed, efficient, and technologically advanced equity solutions in Sri Lanka.

Moreover, FCE's expanding presence and consistent growth in market share has enabled the Company to be ranked among the top 10 equity houses in Sri Lanka in terms of market turnover.



CORE OFFERINGS

- Secondary market equity trading
- Broker credit against listed shares
- Digital self directed market access
- Market leading research driven advisory



TARGET SEGMENTS

- Retail (self-directed and broker-assisted)
- Domestic institutions
- Emerging interest from foreign institutional investors



PERFORMANCE HIGHLIGHTS FOR FY 2025/26

- Net Trading Income : Rs. 905Mn
- Operating Profit : Rs. 356Mn
- NPAT: Rs. 242Mn
- Share of Group Assets :2.5%
- Contribution to Group NPAT 11.5%

Segment Review

STOCK BROKERING

CONTEXT AND STRATEGY

In 2025, Sri Lanka's economic landscape continued to stabilise as key indicators showed marked improvement with the resultant conducive environment creating the space for a significant number of listed companies to achieve strong double-digit growth, in turn boosting investor confidence and triggering a revival of the local equity market.

Daily turnover levels surged, with average trading volumes increasing significantly year-on-year, largely driven by strong participation from domestic investors, while foreign investor engagement continued to be relatively subdued. The All Share Price Index (ASPI) achieved a robust gain of around 42% in 2025.

Quick to leverage the conducive environment, FCE pursued a multi-pronged strategy to scale operations and strengthen its market position. A key effort in this regard was the live roll out of the fully digitised operational framework to facilitate end-to-end serving from client onboarding, trade execution, and confirmation processes.

As always FCE's established communication channels remained critical in providing direct and timely updates, including market news, investment insights, and

real-time information to clients. Building on these efforts, a series of financial awareness programmes were initiated on digital platforms, including an educational video series and "Stock Talk" episodes streamed on YouTube.

FINANCIAL PERFORMANCE

Outlook and Prospects

The outlook for the local equity market remains cautiously optimistic, as improving macroeconomic conditions expected to further strengthen investor confidence leading to sustained participation from domestic investors.

Against this backdrop, the outlook for FCE remains positive. Backed by its balanced operating model and strategic positioning, the Company is well placed to capitalise on emerging opportunities supported by ongoing investments in digital platforms and process automation which are expected to further enhance client accessibility and improve overall service delivery.



THE CAPITALS



Financial Capital

KEY COMPONENTS

- Headline Income
- Direct Income
- Direct Expenses
- Operating Income
- Profitability
- Total Comprehensive Income
- Dividend Payout & Policy
- Earnings Per Share (EPS) & Net Asset Value (NAV)
- Total Assets
- Total Liabilities
- Total Equity
- Capital and Borrowings

MANAGEMENT APPROACHES

- Enhancing income quality and long-term value creation integrated investment and advisory solutions.
- Insights-led capital management approach amid normalising interest rates and improved macroeconomic stability, with capital allocated toward return-accretive opportunities across segments.
- Safeguard liquidity by actively managing the capital structure through efficient working capital practices
- Uphold a tax strategy aligned to compliance and long-term stakeholder value.

MATERIAL MATTERS

- Balanced Earnings
- Operational Efficiency
- Ethical Service Standards
- Country rating upgrade
- Accelerated Economic Recovery
- Policy Uncertainty Market Volatility
- Balancing system liquidity
- Heightened importance of risk management
- Regulatory developments
- Environmental, Social and Governance Matters





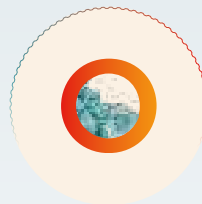
STRENGTHS

- Diversified income base across fund-based and fee-based businesses
- Strong return metrics
- Healthy operating leverage with cost-to-income
- Net asset value growth supported by retained earnings



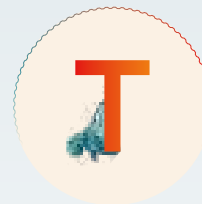
WEAKNESSES

- Income-mix favours Government Securities segment
- Fee-based income remains modest despite strategic emphasis
- Volatility in trading income introduces YoY unpredictability



OPPORTUNITIES

- Asset Management AUM growth and rising dividend income from equity portfolio
- Growing client participation in fixed income and capital markets
- Potential expansion of advisory mandates and product suite in stable macro environment
- Strong liquidity supports optionality for expansion
- Early-stage integration of SLFRS S1 and S2 sustainability standards positions FCH to attract ESG-aligned capital and embed responsible practices across its core businesses



THREATS

- Market reversion risk post interest rate normalisation could compress margins
- Regulatory complexity (CBSL, SEC, SLFRS) adds operational overhead and compliance risk
- High competition from bank-backed platforms in PD and broking segments
- Rate volatility and flattening curve could limit arbitrage opportunities further

KEY ACTIONS FOR FY 2025/26

- Rs. Dividend Payout – Rs. 2.8 Bn
- Rs. 6.4 Bn Tier 2 capital

OUTPUTS FOR FCH

- 2.4% ROA
- 23.2% ROE
- 7.1% Gearing Ratio
- 1.3% Liquid Asset Ratio

STAKEHOLDER OUTCOMES



SHAREHOLDERS

Sustainable value creation through consistent dividend payouts



EMPLOYEES

Performance-linked incentives based on organisational financial performance



CUSTOMERS

Access to stable, well-capitalised financial services and investment solutions



HEADLINE INCOME

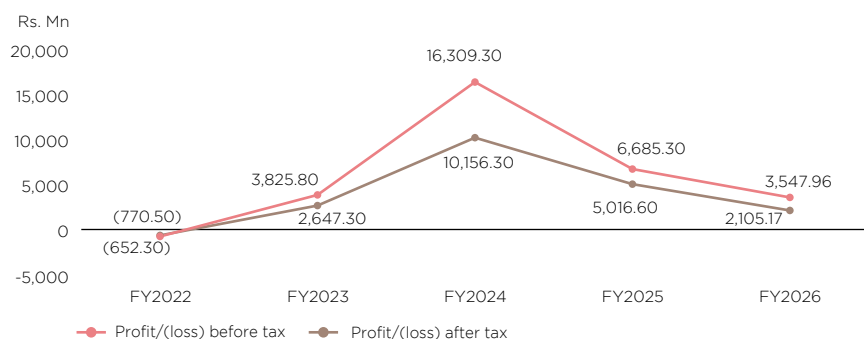
FCH Group headline income increased by 7.3% to Rs. 15.1 Bn in FY 2025/26 from Rs. 14.1 Bn in the prior year, despite a decline in interest income, driven by higher gains from the sale of financial assets classified as FVTPL.

Income Statement Analysis					
	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Gross income	2,273.10	14,296.90	29,563.70	14,068.80	15,095.75
Profit/ (loss) before tax	(770.50)	3,825.80	16,309.30	6,685.30	3,547.96
Income tax expenses	118.30	(1,178.50)	(6,153.00)	(1,668.60)	(1,442.80)
Profit/ (loss) after tax	(652.30)	2,647.30	10,156.30	5,016.60	2,105.17

Earnings and Profitability



Profitability Trend



DIRECT INCOME

Direct Income for FY 2025/26 stood at Rs. 15.1 Bn, reflecting a 7.5% year-on-year increase in line with the lower interest rate environment which adversely impacted the Group's fund-based income verticals. While interest rates remained relatively stable following a single policy rate reduction earlier in the year. However, an increase in gains from the sale of the listed equity portfolio, together with

higher dividend income, contributed to a year-on-year improvement in direct income (Note 7).

First Capital Treasuries PLC (FCT) reported a marginal decline in direct income compared to the previous financial year, with income remaining relatively stable at approximately Rs. 10.7 Bn in FY 2025/26. Market interest rates remained largely stable throughout the year, and the slight variation in performance

primarily reflects normal portfolio adjustments and market conditions rather than any significant shifts in the interest rate environment.

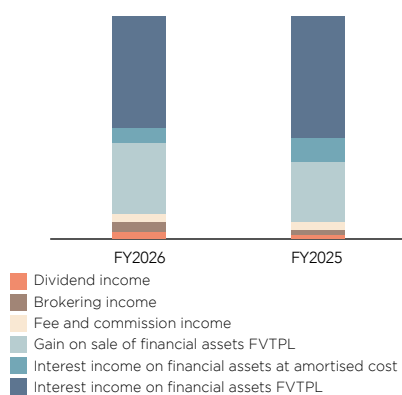
The Corporate Finance Division recorded a strong increase in direct income, rising to Rs. 128.3 Mn in FY 2025/26 from Rs. 55.6 Mn in the previous financial year, representing a growth of approximately 130.7%. Meanwhile, the Dealing Securities Division made a substantial contribution to overall income, primarily driven by gains from the sale of listed equities, which surged by approximately 297% to Rs. 1,831.0 Mn in 2025/26 compared to Rs. 454.4 Mn in FY 2024/25. In addition, dividend income from the listed equity portfolio increased by about 79.1%, reaching Rs. 438.8 Mn in FY 2025/26 from Rs. 245.0 Mn in the prior year, further enhancing the division's performance.

In contrast, non-fund-based income generated through the stock broking segment improved significantly, with brokering income increasing by 122.3% to Rs. 690 Mn during FY 2025/26. The strong performance reflects a notable turnaround in the segment, driven by heightened investor activity and improved market sentiment. During the year, investors increasingly shifted from fixed-income securities to equity instruments in pursuit of higher returns amid changing interest rate dynamics and

stabilising economic conditions. This transition, coupled with increased retail participation and trading volumes in the equity market, contributed to the substantial growth in stock broking income, resulting in a positive contribution to overall non-fund-based income.

Fee income, particularly from the Asset Management segment, recorded a marginal decline during the year, primarily due to the reduction in Assets Under Management (AUM) within the Unit Trust Funds and Private Wealth Management portfolios. Meanwhile, direct income remained stable at Rs. 433 Mn in both years, reflecting consistency in core revenue streams despite the softening in fee-based earnings. This contraction reflects shifting investor sentiment, particularly in a lower interest rate environment, which impacted fund inflows and overall portfolio growth.

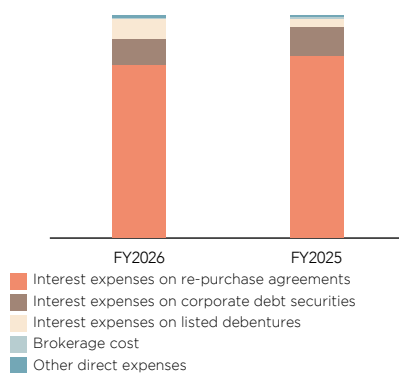
Granular Income Composition



DIRECT EXPENSES

Direct expenses, representing funding costs, declined marginally from Rs. 7.6 Bn in the previous year to Rs. 7.4 Bn in FY 2025/26, reflecting a reduction of 2.2 % year on year which is attributed to the favourable impact of the declining interest rate environment.

Granular Direct Expenses

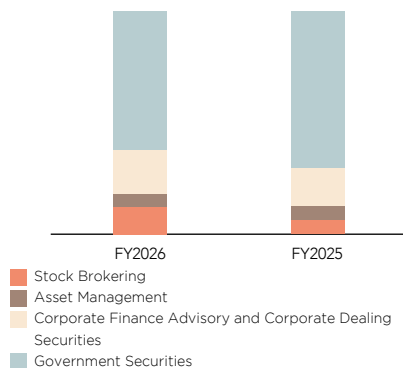


SEGMENTAL PERFORMANCE OVERVIEW

A comprehensive overview and operating review of our core businesses are provided in Segmental Snapshot on pages 245-256. Segmental performance of the current and prior financial years is presented in Note 52 on pages 516-517. The graphical summary below show segmental contribution to earnings and profitability and segmental allocation before consolidation adjustments.

Segmental Contribution - Net trading income		
	FY2026	FY2025
Stock Brokering	12.23%	6.20%
Asset Management	5.63%	6.20%
Corporate Finance Advisory and Corporate Dealing Securities	19.84%	17.20%
Government Securities	62.30%	70.40%

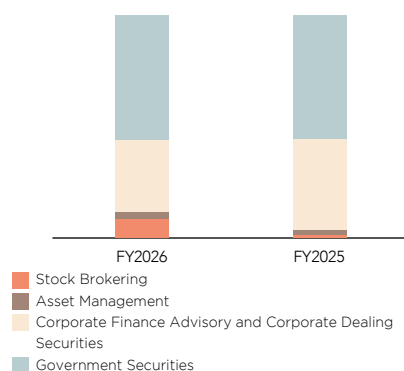
Segmental Contribution - Net trading income



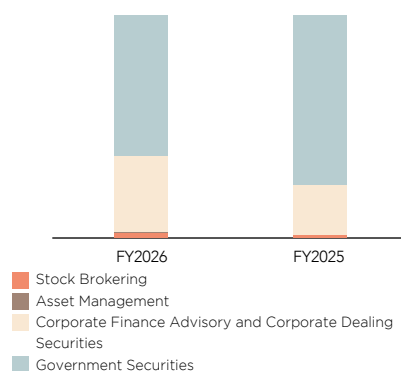
Segmental Contribution - Profit after tax		
	FY2025/26	FY2024/25
Stock Brokering	8.47%	1.29%
Asset Management	2.92%	1.95%
Corporate Finance Advisory and Corporate Dealing Securities	32.50%	40.90%
Government Securities	56.11%	55.86%

Segmental Composition - Assets		
	FY2025/26	FY2024/25
Stock Brokering	2.19%	1.23%
Asset Management	0.27%	0.30%
Corporate Finance Advisory and Corporate Dealing Securities	34.30%	22.24%
Government Securities	63.24%	76.23%

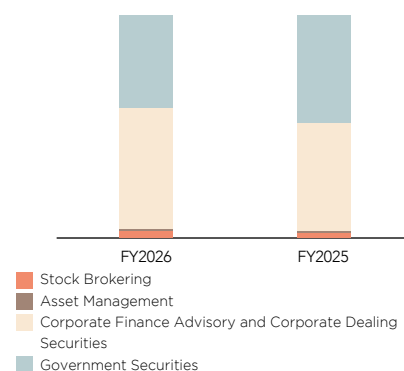
Segmental Contribution - Profit after tax



Segmental Composition - Assets



Segmental Composition - Equity



NET TRADING INCOME BEFORE OPERATING EXPENSE

The cumulative impact of the above factors resulted in a contraction in Net trading income before operating expense, which declined by 29.0% from Rs. 9.3 Bn in the previous year to Rs. 6.6 Bn in FY 2025/26.

Net trading income recorded a significant year-on-year decline, primarily due to limited trading opportunities in government securities within the Primary Dealer Division during the year. Unlike the previous period, which benefited from multiple policy rate reductions and favourable market movements, FY 2025/26 saw only a single policy rate adjustment, resulting in fewer opportunities to capitalise on interest rate-driven gains. This, together with the compression in market yields, resulted in fair valuation losses on government

securities for FY 2025/26. The decline was further compounded by a decrease in market prices of the listed equity portfolio in the Dealing Securities Division specially in March 2026 due to middle east crisis that emerged in February 2026, collectively weighing on overall trading performance.

OPERATING EXPENSES

Operating expenses increased during the year under review, primarily driven by a significant rise in Value Added Tax (VAT) on financial services, which grew by 350.8%. This increase mainly reflects a provision of Rs. 296 Mn made by First Capital Limited (a subsidiary) in respect of the voluntary settlement of all past VAT assessments up to the 2020/21 financial year. In addition, a further provision of Rs. 751 Mn was recognised for subsequent years up

to FY 2025/26, based on the same settlement terms applied to prior assessments.

The increase in operating expenses was further compounded by higher personnel-related costs, including salaries and commissions, as well as increased expenditure on sales and promotional activities, and IT and communication expenses, all of which recorded growth of over 20% compared to the previous financial year.

COST-TO-INCOME RATIO

The FCH Group Cost-to-income ratio deteriorated to 39.6% in the current year from 40.8% in FY 2024/25, the direct result of elevated cost structures alongside the decline in revenue in FY 2025/26.

PROFITABILITY

The FCH Group recorded Profit Before Tax (PBT) of Rs. 3.6 Bn for the financial year ending 31 March 2026, representing a decline of 46.9% year on year attributed mainly to the combined impact of lower operating income and the increase in operating expenses.

The Group reported Profit After Tax (PAT) of Rs. 2.1 Bn, a decline of 58.0% year on year. The sharper decline in PAT compared to PBT is on account of the increase in the overall tax burden which in the current year included income tax and dividend tax.

TOTAL COMPREHENSIVE INCOME

Total Comprehensive Income declined from Rs. 5.0 Bn to Rs. 2.1 Bn, broadly in line with the PAT movement. Total Comprehensive Income was further impacted by an adverse shift in Other Comprehensive Income (OCI), which moved from a net gain of Rs. 19.7 Mn in the previous year to a net loss of Rs. 32.6 Mn in FY 2025/26. The decline in OCI was primarily driven by a mark-to-market loss of Rs. 25.0 Mn on financial assets measured at fair value through other comprehensive income (FVTOCI).

DIVIDEND POLICY & PAYOUT

In FY 2025/26, the total dividend payout amounted to Rs. 2.8 Bn, which saw the dividend payout ratio increasing to 146.7% of earnings, a clear testament to the Group's commitment to maximising shareholder value while maintaining alignment with its return expectations. The Group continued to maintain higher dividend payout ratio over the past two years with 64.7% for FY2024/25 and 77.9% in FY2023/24.

EARNINGS PER SHARE (EPS) & NET ASSET VALUE (NAV)

EPS declined to Rs. 4.77 in FY 2025/26 from Rs. 11.58 in the previous year, representing a year-on-year decrease of approximately 58.8%. This reduction is in line with the overall contraction in business earnings during the period.

Meanwhile, NAV per share recorded a marginal decline from Rs. 21.71 at the beginning of the year to Rs. 19.40 at year-end, primarily reflecting the impact of the dividend payout during the financial year. Despite this reduction, NAV remains supported by the Company's underlying asset base and capital position.

RETURN ON EQUITY (ROE) AND RETURN ON ASSETS (ROA)

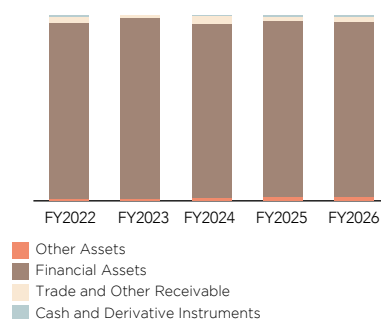
FCH delivered strong returns on both equity and assets in FY2025/26, supported by balanced earnings generation and strategic balance sheet oversight. ROE stood at 23.2%, reflecting efficient capital deployment and the Company's ability to leverage its earnings base effectively. ROA was recorded at 2.4%, underscoring FCH's capacity to generate stable and consistent returns from its asset portfolio. These performance indicators highlight the Company's disciplined financial management, prudent risk approach, and focus on sustaining profitable growth.

TOTAL ASSETS

Total Assets of the FCH Group declined to Rs. 74.2 Bn as at 31 March 2026 from Rs. 99.3 Bn at the end of the previous year. This reduction is in tandem with a deliberate strategic decision taken in response to the heightened geopolitical uncertainty created by the Middle East crisis that emerged in February 2026.

Anticipating potential fair valuation losses arising from pressure on secondary market rates, the Group consciously reduced its investment exposure in the month of March 2026. As a result, financial assets recognised at fair value decreased from Rs. 86.8 Bn at the end of the previous year to Rs. 58.8 Bn, as at 31 March 2026.

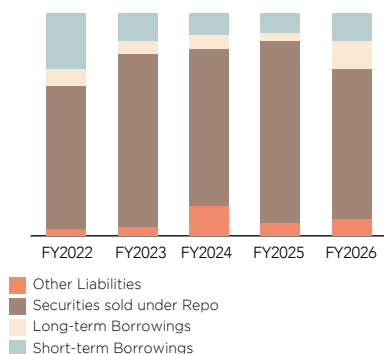
Asset Composition



TOTAL LIABILITIES

Total Liabilities declined from Rs. 89.6 Bn in the previous year, down 26.8% to Rs. 65.5 Bn as at end March 2026. The reduction is due to the lower repo portfolio (Securities sold under repurchase agreements). Securities sold under repurchase agreements, which has always been a key source of funding for the Group, declined from Rs. 73.1 Bn in the previous year to Rs. 44.1 Bn as at the end of the current year in line with the Group's decision to optimise its funding mix.

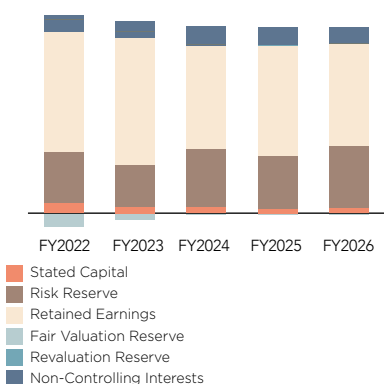
Liability Composition



TOTAL EQUITY

The FCH Group's total equity recorded a marginal decline from Rs. 9.8 Bn in the previous year to Rs. 8.7 Bn in FY 2025/26, representing a decrease of approximately 11.2%. This reduction was primarily driven by the higher dividend payout made by the Group during the current year, reflecting its commitment to delivering shareholder returns while maintaining a sound capital position.

Equity Composition



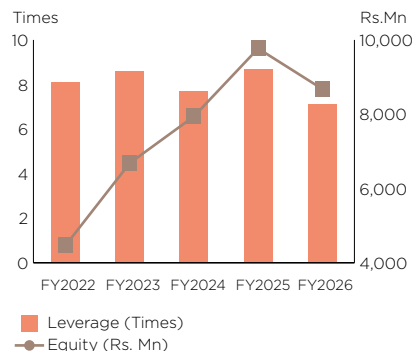
LEVERAGE AND CAPITAL STRUCTURE

The Group's debt-to-equity ratio improved to 7.1x in FY 2025/26, compared to 8.66x in the previous financial year, reflecting a marked strengthening of the Group's capital structure. This reduction highlights a more balanced funding profile, supported by prudent leverage management and enhanced internal capital generation. The improvement also underscores the Group's focus on maintaining financial resilience while optimising its capital position amid evolving market conditions.

During the year, the Primary Dealer division raised Rs. 3 Bn in subordinated debt, followed by an additional Rs. 3 Bn debenture issuance at the Group level, marking a historically high for Tier 2 capital mobilisation in a single year. Consequently, total listed debt increased significantly to Rs. 6.4 Bn by the end of the current from to Rs. 2.0 Bn at the beginning of the year. The Group maintained a strong and stable capital position, supported by a notable 217.4% year on year increase in long-term Tier 2 capital.

Long term bank funding was also increased towards the end of the year to further support balance sheet resilience and reinforce the Group's Long-term capital strength.

Leverage and Equity



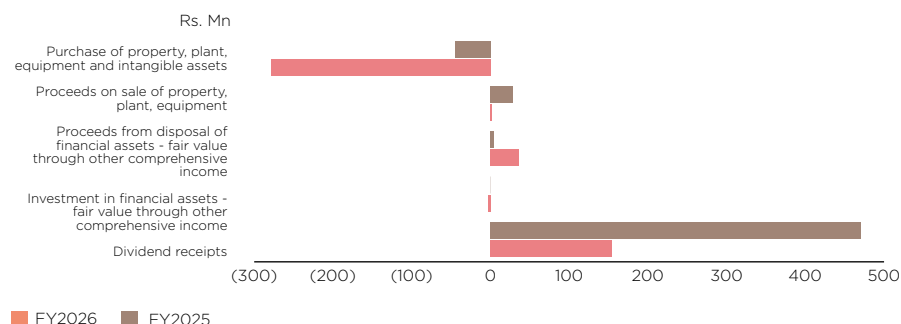
OPERATING CASH FLOWS

Net cash flows from operating activities recorded an outflow of Rs. 2,496.3 Mn in FY 2025/26, compared to an inflow of Rs. 8,949.4 Mn in FY 2024/25, representing a decline of approximately 127.9% year-on-year. This significant reversal was primarily driven by adverse working capital movements, particularly increases in financial assets and reductions in payables, despite relatively stable operating profit before working capital changes.

INVESTING CASH FLOWS

Net cash flows from investing activities improved to an inflow of Rs. 459.9 Mn in FY 2025/26, compared to an outflow of Rs. 88.7 Mn in the previous year, marking a positive shift of approximately 618%. This improvement was supported by higher dividend receipts and proceeds from listed equity investment, indicating active portfolio management and capital recycling during the year.

Cash flows from investing activities

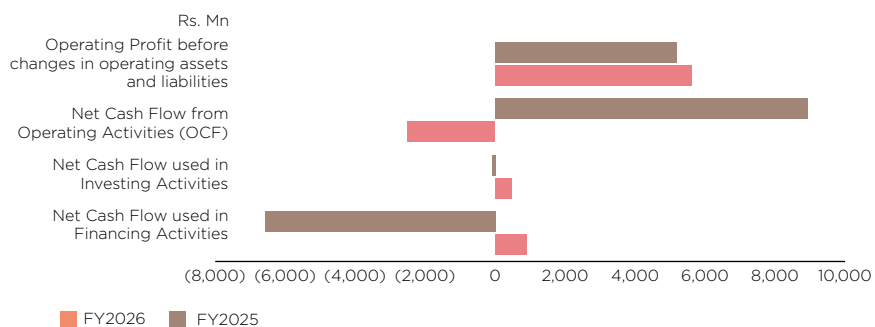


Net cash flows from financing activities recorded an inflow of Rs. 897.0 Mn in FY 2025/26, compared to an outflow of Rs. 6,588.6 Mn in FY 2024/25, reflecting a significant improvement of approximately 114%. This was largely driven by proceeds from debenture issuances (Rs. 6.0 Bn) and long-term borrowings (Rs. 1.0 Bn), which offset dividend payments and debt repayments. The shift highlights a stronger reliance on external funding to support liquidity.

NET CASH POSITION AND LIQUIDITY

As a result of the above movements, the Group recorded a net cash outflow of Rs. 1,139.5 Mn in FY 2025/26, compared to a net inflow of Rs. 2,272.0 Mn in the previous year, representing a decline of approximately 150%. Consequently, cash and cash equivalents decreased from Rs. 916.8 Mn at the beginning of the year to a negative balance of Rs. 222.7 Mn at year-end, indicating tighter liquidity conditions.

Cash Flow Movement



STRATEGIC IMPLICATIONS

The overall cash flow profile reflects a year of heightened balance sheet adjustments and funding realignment. The significant outflow from operating activities underscores pressures from working capital movements and shifting market conditions. However, the strong inflows from financing activities demonstrate proactive capital raising initiatives, including debenture issuances and long-term borrowings, to reinforce liquidity.

The improvement in investing cash flows highlights disciplined portfolio management and capital optimisation. Going forward, the Group may focus on strengthening operating cash generation, enhancing liquidity buffers, and maintaining a balanced funding mix to support sustainable growth while preserving financial resilience.

VALUATION METRICS

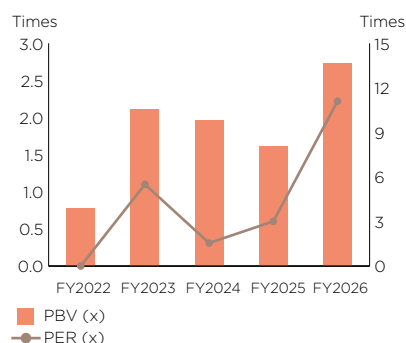
The Group's valuation multiples expanded significantly in FY2026, primarily driven by an increase in the market price of the share towards the year-end, alongside a contraction in earnings and total equity. The Price-to-Book Value (PBV) ratio rose from 1.61x in FY2025 to 2.73x in FY2026, reflecting a higher market valuation relative to a reduced net asset base.

Similarly, the Price-to-Earnings Ratio (PER) increased sharply from 3.01x to 11.1x, largely attributable to the combination of elevated share prices and a decline in earnings during the year. The reduction in profitability amplified the earnings multiple, contributing to the significant re-rating observed.

Financial Capital

Overall, the upward movement in both PBV and PER is indicative of a price-led valuation expansion, underpinned by stronger market sentiment, despite the impact of lower earnings and a marginal decline in the Group's total equity position.

Valuation Multiples



FUTURE PLANS

FOCUS AREAS



TIMELINE

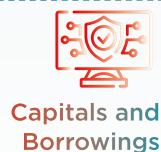
Short Term



Income Generation

Gradual rebuilding of net trading income through improved secondary market participation and disciplined positioning in fixed-income securities

Strengthening of non-fund based income, particularly stock broking, leveraging recent growth momentum



Capitals and Borrowings

Use of competitively priced bank borrowings linked to AWPLR to manage short-term funding needs

Medium Term

Diversification of income base through expansion into higher-yielding corporate debts and structured credit opportunities

Growth of fee-based income through deeper penetration into selected business segments

Establishment of long-term credit facilities/borrowing on debenture issuances at competitive terms

Value Added Statement

	FY 2025/26 Rs. '000	FY 2024/25 Rs. '000
Income generated	15,095,751	14,068,795
Distributed as follows:		
Shareholders		
Dividends paid and declared to ordinary shareholders	(3,163,980)	(3,207,816)
Debt funding providers		
Interest on other debt instruments issued	(670,132)	(287,909)
Clients		
Interest on other debt instruments issued	(6,607,260)	(7,174,040)
Employees		
Salaries and other benefits	(1,064,761)	(1,647,987)
Government		
Income and other taxes	(2,686,807)	(1,977,536)
Corporate social investment	(10,000)	(15,030)
Suppliers/ service providers including vendors	(705,862)	(661,483)
Total distribution	(14,579,822)	(14,971,802)
Retention for future expansion and growth	186,949	(903,006)



Manufactured Capital

KEY COMPONENTS

- 8 branches
- Property, Plant & Equipment valued at Rs. 756Mn as at 31 March 2026
- Robust Digital Channel Architecture
- IT Infrastructure valued at Rs. 112.3Mn as at 31 March 2026
- Support systems, including ISO/IEC 27001:2022 certified information security system + state-of-the-art BCP & DR Infrastructure

MANAGEMENT APPROACHES

- Strategic investment in digital and physical infrastructure aligned with evolving business needs and market demands
- Optimised resource allocation across branches, virtual models and digital interfaces to enable operational scalability
- Continuous innovation in process automation and technology deployment to reduce resource intensity and improve client service delivery
- Risk and resilience planning to mitigate infrastructure failures, enhance cybersecurity and future-proof core systems

MATERIAL MATTERS

- Digitalisation, Data & Cyber Security
- Customer Experience, Protection & Financial Inclusion
- Economic Performance & Financial Resilience
- Responsible Sourcing & Resource Management





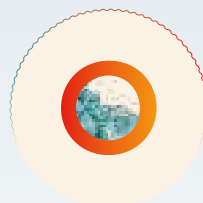
STRENGTHS

- Competitive, reliable, and resilient infrastructure
- Purpose-built systems that align with digital-led strategy and operational scalability



WEAKNESSES

- Limited physical and digital penetration relative to traditional banks and larger non-bank financial institutions



OPPORTUNITIES

- Potential to secure first-mover advantage by pioneering innovative digital channels, platforms, and experiences tailored to niche market segments
- Room to leap-frog legacy systems by adopting agile infrastructure and cloud-native technology stacks



THREATS

- Increasing competitive pressure from conventional capital market service providers offering integrated digital experiences for standardised products
- Rapid technological advancements by larger incumbents may erode differentiation over time

KEY ACTIONS FOR FY 2025/26

- Rs. 19.1Mn invested in PPE
- Rs. 25.5Mn upgrading IT Infrastructure
- Obtained the ISO/IEC 27001:2022 Information Security Standard certification
- Upgraded DR capabilities

OUTPUTS FOR FCH

- 49.5% expansion in the customer base owing to physical and digital channel reach
- ZERO information security incidents / data breaches reported
- Ensured system downtime remained below 1% throughout the Financial year.

STAKEHOLDER OUTCOMES



CUSTOMERS

Improved access to financial services through digital platforms

Enhanced customer experience

Stringent data security and privacy protection



EMPLOYEES

Improved productivity due to reduced workloads owing to digitisation and automation



REGULATORS

Compliance with regulatory requirements and global standards

Contribution to a stable and secure financial system



Manufactured Capital

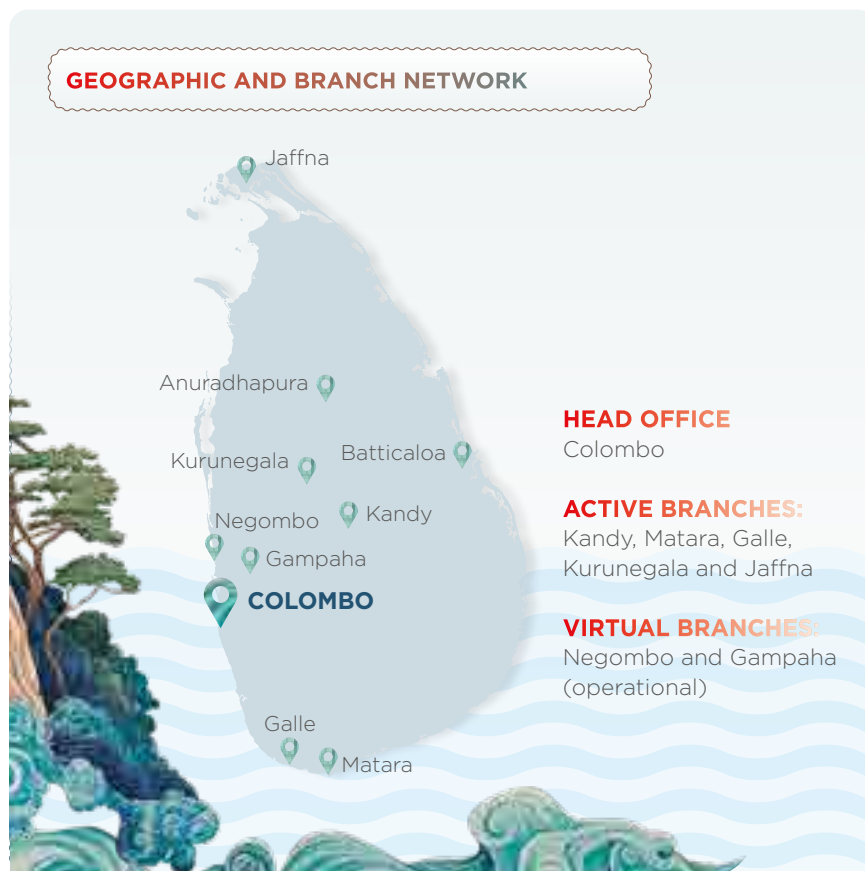
BRANCH NETWORK

Our physical footprint comprises a strategically distributed network of eight touchpoints across key regions, including Colombo, Kandy, Matara, Kurunegala, Jaffna, Batticaloa, Galle, and Anuradhapura. This wide geographic presence enables us to effectively serve customers across the country while maintaining strong regional accessibility.

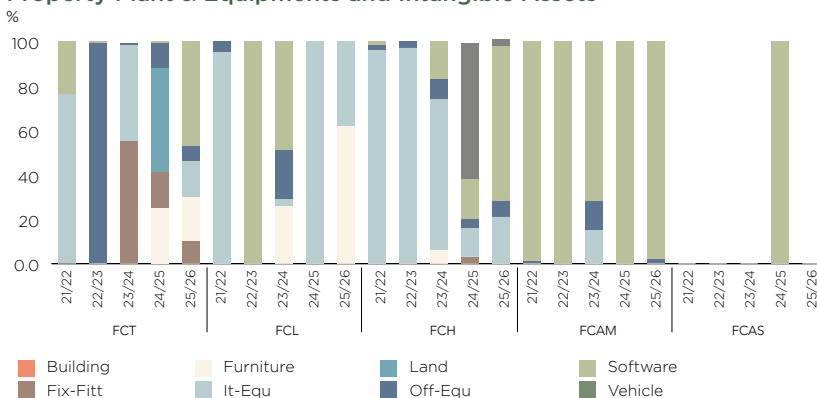
The network is further strengthened by a pioneering virtual branch model operating in Negombo, enhancing convenience and extending our reach through digital channels. Notably, Galle is our most recently opened branch, reflecting our continued commitment to expanding our presence and improving service accessibility in high-potential areas.

PROPERTY, PLANT & EQUIPMENT (PPE)

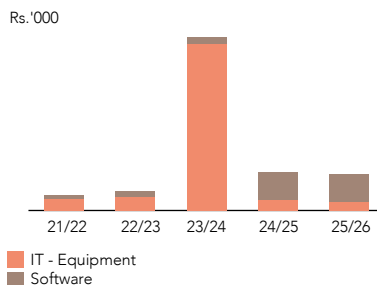
Property, Plant & Equipment (PPE) forms the foundation of the FCH Group's physical asset base that supports branch and head office operations. Given its strategic importance in supporting the Group's growth trajectory, investments in PPE are undertaken through a comprehensive capital budgeting process, beginning with the identification of capital expenditure (CAPEX) requirements in line with strategic priorities. Detailed budgets outlining proposed CAPEX and expected returns are prepared and submitted to the Board for approval. Following approval, procurement is carried out through a competitive quotation process involving pre-qualified vendors, with selections based on rigorous cost-benefit evaluations to ensure both commercial viability and strategic alignment. A sum of Rs. 19.1Mn was invested in PPE in the current financial year.



Property Plant & Equipments and Intangible Assets



FCH Group - IT Infrastructure Investments



Asset Lifecycle Management

The Group has adopted the lifecycle management approach to maximise the value and efficiency of its Property, Plant & Equipment. Preventive maintenance forms a key element of this approach. In FY 2025/26, a total cost of Rs. 2.5Mn was incurred on account of maintenance and building upkeep, including the servicing of elevators, HVAC systems, and other critical infrastructure.

Asset valuations are equally important. Regular revaluations are carried out to ensure asset values reflect prevailing market conditions, alongside impairment assessments to confirm that assets are not carried above their recoverable amounts. Depreciation policies are also reviewed periodically to ensure that useful lives and residual values remain aligned with actual usage. Fully depreciated assets in use are closely monitored for relevance, with

timely disposal or write-off of assets that are no longer economically viable, thereby ensuring optimal utilisation and value realisation across the asset base.

DIGITAL CHANNELS

Digital channels represent an important part of the FCH Group's Manufactured Capital as they serve alongside physical branches in delivering seamless, accessible,

and efficient financial services to a diverse customer base. The Group's suite of digital channels which combine tailor-made platforms with widely accessible general interfaces, are designed to provide personalised, user-friendly experiences for specific customer segments while also ensuring reliable and secure access to customers across Sri Lanka.

FCH GROUP DIGITAL CHANNEL ARCHITECTURE



ONLINE PORTAL

All Group customers can access services through an online portal.



EKYC ONBOARDING VIA AI AVATAR

Provides faster onboarding, 24/7 availability, and personalised interactions for First Capital Customers.



NEW CRM LEAD GENERATION SOLUTION

Drives lead generation and conversion through data-driven, targeted, and efficient customer acquisition and engagement



NEW CORPORATE WEBSITE

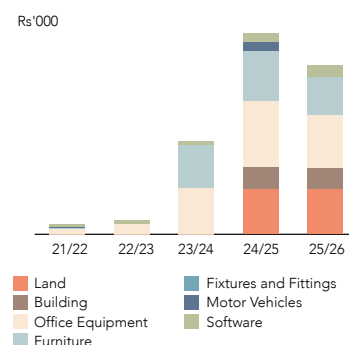
Enables all customer to access information through the corporate website.

IT INFRASTRUCTURE

Acknowledging the value of technology as a key enabler of growth, the FCH Group has consistently invested in strengthening its IT infrastructure to ensure systems remain robust, scalable, and fully equipped to support the Group's evolving business requirements at all times.

Regular upgrades are undertaken across hardware, software, and network systems to maintain alignment with operational demands and emerging compliance requirements. The efficacy of the Group's IT infrastructure is assured through ongoing maintenance activities encompassing routine system updates, preventive maintenance checks, and performance optimisations to minimise downtime and ensure seamless continuity of business operations.

Group - PPE and Intangible Assets Investment Trends (5-Year Overview)



DIGITISATION AND AUTOMATION

For many years, the FCH Group has leveraged digitisation and automation to significantly enhance the performance and efficiency

of its Manufactured Capital. By automating routine operational processes and integrating digital workflows across key business functions, the Group has succeeded in optimising resource utilisation, reducing process complexity, and

accelerating service delivery. More recently, RPA (Robotic Process Automation) has featured strongly in efforts to transform workflows specifically to reduce procedural complexity and minimise manual errors that ultimately translate into

Digitisation / Automation Initiatives for FY 2025/26	Business Unit / Department	Key Benefits
Unit Issuance Automation via RPA Process	FCAM/FCUNIT	Elimination of Manual work carried out by Operations Team Enhances of Customer Experience by reducing the TAT in Unit issuance Process • Average deals approved per day: ~50 • Average time per deal (entering + approval): 2 minutes • Total time saved per day: 100 minutes (2 hours)
Welcome email Automation via RPA Process	FCAM/FCUNIT	Elimination of Manual work carried out by Customer Service Team and enhances customer experience by ensuring same-day delivery of welcome emails. It also accelerates the customers' investment journey. By providing all essential information without delay, customers can begin investing as early as the next day • Average time taken to send a welcome email (existing manual process) : • 2 minutes (Average per customer)
CEFT facility for withdrawal process in Online portal for Unit Trust Funds (From SLIP to CEFT for Rs. 5,000,000 & Below withdrawal value)	FCAM/FCUNIT Back office	Enhances customer experience by reducing the TAT in the withdrawal process
Automated the end-to-end integration of customer information from the e-KYC digital onboarding process into the centralised core KYC system, enhancing accuracy and processing efficiency	KYC System CX Team	• Elimination of Manual work • Enhances of Customer Experience • Reduction of Turnaround Time for the newly onboarded customers
Fund Valuation Report - Investments/ Borrowing & Management fee Calculation Automation	Finance	• Elimination of Manual work carried out by Finance Staff • Elimination of Errors and Mitigation of Rework/ Risks
Implemented full automation of the dayend processing workflow within the FCAM Core System to enhance operational efficiency and accuracy	All units	• To Enhance operational efficiency and accuracy

FCH Group Business Continuity Planning (BCP) framework is designed to safeguard the Group's Manufactured Capital by ensuring the continuity of both physical and digital ecosystems. The annual review of the BCP framework was conducted by the Board in the current year, with no material changes made to the plan other than updates to team structures arising from staff resignations and new appointments.



several new policies implemented, while the DLP roll out led to the establishment of a Formal Data Classification Framework in the current year. In line with the new DLP protocols, multi-factor authentication (MFA) was introduced to support high-privilege access, while reporting structures were further enhanced to track policy compliance, classification accuracy, and DLP rule violations.

To further strengthen the Group's information security architecture, a series of software and infrastructure upgrades were also undertaken, key among them, firewall firmware updates to enhance threat prevention capabilities, patch upgrades to address high risk vulnerabilities

improved service delivery.

INFORMATION SECURITY SYSTEMS

As part of its overall approach to developing Manufactured Capital, the FCH Group has always maintained a strong commitment to safeguarding its information assets and ensuring the resilience of its IT ecosystem. In testament to this commitment, the Group achieved a significant milestone in the current year by securing the ISO/IEC 27001:2022 Information Security Standard certification. Another key initiative for the year was the integration of Data Loss Prevention (DLP) controls to improve data protection systems particularly for departments handling large volumes of sensitive customer and financial data.

The formal ISO certification prompted an expansion of the Group's IT policy framework with

NEW POLICIES AND PROCEDURES INTRODUCED IN FY 2025/26 TO STRENGTHEN INFORMATION SECURITY SYSTEMS

Revised Access Control & Privileged Access Procedures:

- Strengthened procedures for user provisioning, periodic access reviews, privileged account monitoring, and strict approval workflows for elevated permissions.

Updated Firewall Rule Governance Procedure:

- Introduced a more structured change management process for firewall rule additions/modifications, including risk ratings, business justification, and periodic rule reviews.

Refined Backup & Restoration SOPs:

- Enhanced documentation of backup schedules, retention periods, encryption requirements, and mandatory quarterly restoration testing to ensure recoverability.

Revised Patch & Vulnerability Management Procedure:

- Greater emphasis on timely patch deployment, categorisation of vulnerabilities based on severity, and structured reporting to the management committee.

across operating systems, middleware, and database alongside endpoint protection and EDR enhancements to facilitate improved detection and response.

Meanwhile, as part of ongoing security governance and operational resilience monitoring, routine internal due diligence continued throughout the year with regular infrastructure health checks, covering firewalls, servers, endpoint protection, backup systems, network segmentation, patch management, and testing of user access controls. Likewise, policy compliance verification exercise was carried out to assess adherence to internal security standards such as password protocols, device hardening, backup validation, least-privilege access, and segregation of duties.

The annual ISO 27001 audit provided an independent assessment of the Group's Information Security Management System (ISMS) and technical controls. The Groups' information security systems were subject to external VAPT assessments, regulatory audits, and DR drill validations by independent parties, providing further assurance that the infrastructure and security controls meet both global best practices and local regulatory requirements.

BCP FRAMEWORK AND DR INFRASTRUCTURE

The FCH Group Business Continuity Planning (BCP) framework is designed to safeguard the Group's Manufactured Capital by ensuring the continuity of both physical and digital ecosystems. The annual review of the BCP framework was conducted by the Board in the current year, with no material changes made to the plan other than updates to team structures arising from staff resignations and new appointments.

KEY ELEMENTS OF THE FCH GROUP BUSINESS CONTINUITY PLANNING FRAMEWORK

Risk Assessment & Business Impact Analysis

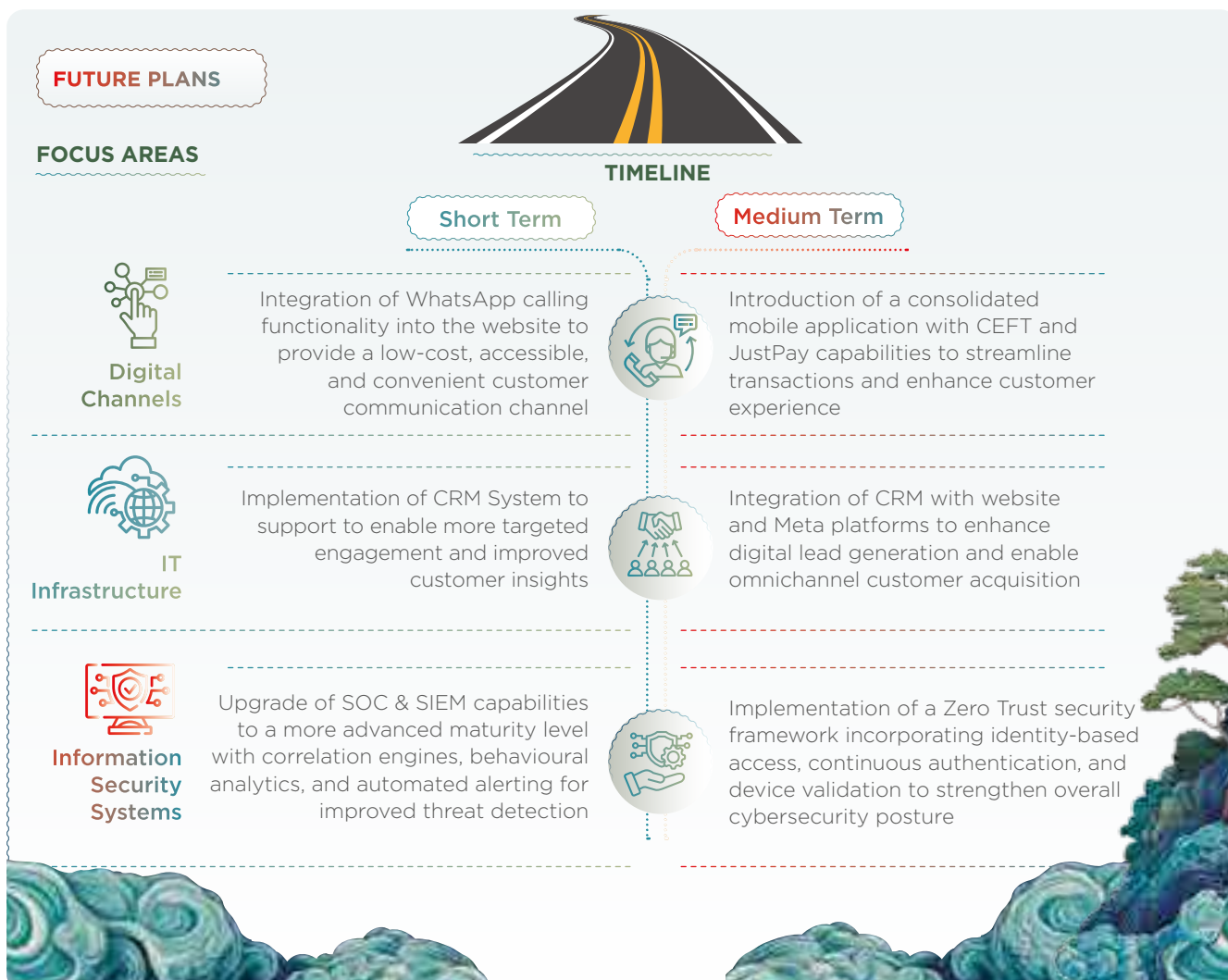
- Continuity Strategies
- Response & Recovery Plans
- Testing & Exercises
- Maintenance & Continuous

The success of the BCP is anchored to the Group's Disaster recovery (DR) infrastructure. A dedicated DR site equipped with mirrored databases and off-site backups, ensures the protection and availability of critical data and preserves the Group's ability to respond to and recover from an event that negatively affects business operations. DR capabilities were upgraded in the current year with the implementation of an automated server replication system between the Head Office and DR site to enable seamless failover and fallback with real-time data synchronisation, thus eliminating the need for manual restoration and ensuring zero data loss. Compared to the previous infrastructure, where recovery required multiple manual steps, the DNS-driven new system architecture supports improved recovery speed, reliability, and overall operational readiness.

Meanwhile, in line with the Business Continuity Planning Guidelines No. 01/2006 issued by the Central Bank of Sri Lanka, the two mandatory drills were carried out during 2025/26. The primary drill was carried out on 19 June 2025 at the Disaster Recovery (DR) site located at the Janashakthi Insurance Building, Colombo 02, under the

observation of an independent auditor, Sri Lanka CERT[CC], while second drill was conducted on 27 November 2025 at the primary site in Colombo 03.

These exercises comprehensively tested the continuity and functionality of front, middle, and back-office operations, including deal entry and verification, CBSL auction and open market operations, securities allocation, SWIFT operations, and confirmation processes. Key systems and infrastructure, including core applications (DealNet and Microsoft Dynamics Navision), SWIFT, CBSL workstations, CIMM systems, and file servers, were also validated to ensure the accuracy of data replication and system reliability. The outcomes of the BCP drills were reviewed by the Board of Directors in line with regulatory requirements, confirming the effectiveness and readiness of the Group's business continuity arrangements.





Intellectual Capital

KEY COMPONENTS

- Knowledge Base
- Business Conduct and Ethics Framework
- Group Synergies
- Standards and Certifications
- Business Partner Network
- Memberships and Affiliations

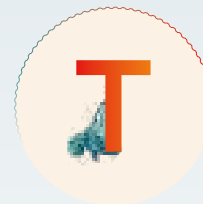
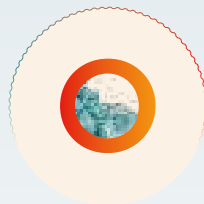
MANAGEMENT APPROACHES

- Building a trusted brand through ongoing commitment to deliver the FCH brand purpose
- Strengthening research, educational content, and insights to support informed decision-making for clients and stakeholders.
- Adoption of Standards and Certifications to ensure governance, operational excellence, and credibility.
- Leveraging expertise across subsidiaries to deliver integrated value
- Engaging business partners to support operational goals and strategic objectives

MATERIAL MATTERS

- Brand image
- Client centricity
- Digital transformation
- Financial inclusion
- Ethical service standards
- Regulatory developments
- Heightened Importance of risk management
- Data protection
Cybersecurity





STRENGTHS

- Established brand legitimacy
- Multi-faceted digital innovation, best-in-class security posture and transformative IT function strengthen brand differentiation and trust
- Brand-driven financial literacy initiatives
- Strong employer branding
- Compliance and reporting excellence

WEAKNESSES

- Lack of awareness amongst the targeted mass affluent segment
- Perceived complexity of products in comparison to traditional banking products
- High concentration of operations within Sri Lanka limits brand exposure and diversification compared to banks with regional or global networks

OPPORTUNITIES

- Rising awareness and interest of yield-seeking investors in investment products as alternatives to traditional bank deposits, particularly among emerging affluent segments
- Enhanced digitalisation and innovation opportunities through the adoption of frontier technologies – AI, automation and data analytics
- Potential to extend brand legitimacy and reach by exploring adjacent regional markets such as Bangladesh and replicating successful local brand and service offerings

THREATS

- Low financial literacy
- Increased competition as commercial banks aggressively leverage investment and asset management space
- Evolving regulatory requirements could impact operational flexibility and increase compliance costs, affecting brand strength if not proactively managed
- Potential downside risks and economic and market volatility may subdue brand building effort

KEY ACTIONS FOR FY 2025/26

- Deepened brand engagements across retail customers and institutional investors
- Focus on promoting financial literacy and investor education
- Conducted a brand health study covering current investors, potential investors, and the wider public
- Strengthened the Business Partner Network
- Expanded Memberships and Affiliations to enhance operational integrity

OUTPUTS FOR FCH

- FCH ranked among the top 100 brands in Sri Lanka Brand Ranking

STAKEHOLDER OUTCOMES



REGULATORS

Improved trust and confidence contributing to stable and resilient financial markets



CUSTOMERS

Promoting inclusive and sustainable economic growth through access to reliable information to support informed investment choices



Intellectual Capital

A TRUSTED BRAND

With a legacy spanning over four decades, First Capital Holdings PLC (FCH) Group has evolved from being known solely as a primary dealer operating in Sri Lanka's early capital markets into a fully integrated, financial service Group at the forefront of Sri Lanka's transformation towards becoming an investment-driven, financially mature economy.

With a clear brand purpose that extends beyond financial intermediation to a broader national mandate to enable efficient mobilisation of capital, the FCH Group aims to connect investors, enterprises, and opportunities to drive sustainable growth and long-term value creation for the nation, thus positioning FCH as a trusted partner for nation-wide progress.

Led by this purpose-driven brand ideology, the FCH brand today

stands as a market leader in delivering differentiated financial solutions backed by deep market expertise, strong research capabilities, and an increasingly digital-first approach. Continued recognition across national and global platforms, including top brand rankings and Superbrands status further testifies to the influence of the FCH brand and the trust it commands among clients and stakeholders.

FCH BRAND STRATEGY & PERFORMANCE

FCH Brand Strategy - FY 2025/26

Challenges



Opportunities



Safeguarding Market Stability



Supporting Capital Markets to Maintain Momentum



FCH Brand Purpose



First Capital
A Janashakthi Group Company

Promoting Financial Literacy and Investor Education



Brand Performance - FY 2025/26

Brand Health Study



Brand Value





CHALLENGES

- Heightened market volatility driven by external shocks, including Cyclone Ditwah resulting in the temporary erosion of investor confidence
- Increased need for credible market guidance and reassurance



OPPORTUNITIES

- Strong equity market activity fuelled by improved corporate performance
- Rising disposable incomes post-recovery expanding investment capacity Shift in mindset from saving to investments driving the demand for alternative instruments
- Growing interest in sustainability and ESG-aligned investments
- Financial literacy gaps creating space for education and awareness initiatives
- High demand for digital accessibility and outreach
- Greater responsibility on institutions to rebuild trust in capital markets



First Capital
A Janashakthi Group Company

FCH BRAND PURPOSE

- To help Sri Lankans build long-term wealth and financial freedom through smart, accessible and innovative investment tools and solutions.
- To simplify complex financial concepts so more people can invest confidently
- To strengthen Sri Lanka's capital markets and support national growth
- To create a powerful social impact.
- To empower all types of investors individuals, families, corporations with trust, research and innovation



FCH BRAND STRATEGY - FY 2025/26

Safeguarding Market Stability

FCH responded to market volatility by positioning itself as a source of stability and clarity. The focus on delivering consistent, objective, research-driven insights ensured timely and accurate information was provided to a broader investor audience.



SUPPORTING CAPITAL MARKETS TO MAINTAIN MOMENTUM

FCH continued to invest its own funds to actively participate in capital markets, thereby strengthening the Group's credibility as a dependable market participant during periods of uncertainty.

PROMOTING FINANCIAL LITERACY AND INVESTOR EDUCATION

FCH intensified its efforts to bridge financial literacy gaps by leveraging digital platforms, alongside multi-language communication to simplify access to market information and investment opportunities. Targeted brand-building initiatives, such as the "Make Your Money Work Harder," and the "FinPowerHer" campaign also played a critical role in investor education. Likewise engagements across universities, industry forums, and the startup ecosystem along with, videos, webinars, and other public-facing initiatives were all aimed at empowering a wider investing audience with the knowledge required to make informed investment decisions.



FB + IG FOLLOWERS

17,895



YOUTUBE

22,200



WEBSITE VISITS

378,000

Intellectual Capital

BRAND PERFORMANCE - FY 2025/26

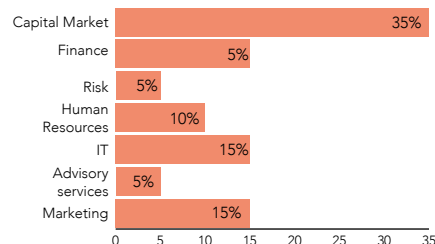
Brand Health Study

The brand health study was conducted in the current year to assess salience, trust, and overall sentiment toward the FCH brand. The study covered current investors, potential investors, and the wider public, with data gathered through a combination of digital surveys, field interviews, and category-level sentiment analysis. Findings revealed a marked improvement in brand recognition, and strengthened trust during periods of market volatility, as well as strong recall of the Group's educational content and research publications. Comparative insights against prior years further highlighted a notable increase in unaided awareness and a strengthened perception of FCH as a leader in market knowledge and insight.

KNOWLEDGE BASE

The FCH Group's strong knowledge base serves as a key catalyst in augmenting the Group's Intellectual Capital. Represented by the skills and expertise of its senior management team with decades of experience across capital markets, finance, risk, IT and advisory services, the knowledge base has proven to be a crucial differentiator

Corporate Management Skill Matrix



in positioning the FCH Group at the forefront of the local capital market ecosystem.

Significant resources are allocated each year to further enhance the Group's institutional knowledge with senior teams encouraged to participate in regular training and capacity building as well as undertake continuous professional development

Senior management teams are also expected to facilitate the transfer of knowledge through coaching and mentoring to ensure the continuity of institutional knowledge amongst the next generation of leaders within the FCH Group.

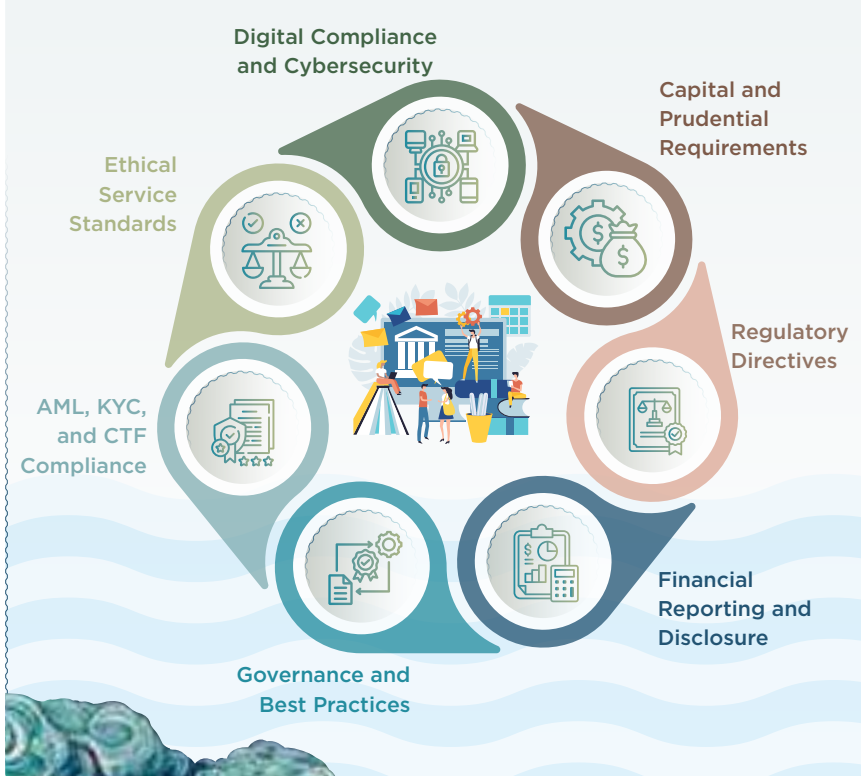
BUSINESS CONDUCT AND ETHICS

Operating within the financial services sector, where internal

actions and decisions directly influence investor confidence and market integrity, the FCH Group considers adherence to the highest ethical standards as a strategic imperative that extends beyond regulatory expectations.

Clear Group-wide policies are in place to embed ethical principles into everyday operations to reinforce accountability across all levels of the organisation by ensuring decision-making remains transparent, fair, and aligned with the best interests of all stakeholders, thereby reducing the risk of misconduct. Essentially by committing to the highest standards of business conduct and ethics, the FCH Group seeks to demonstrate its intention to preserve the stability and integrity of Sri Lanka's financial ecosystem.

OUR BUSINESS CONDUCT AND ETHICS



CAPITAL AND PRUDENTIAL REQUIREMENTS

FCH Group's Government Securities business operates under rigorous oversight by the CBSL, adhering to minimum capital thresholds, capital adequacy ratios, and risk-weighted asset requirements ensuring systemic stability and institutional resilience.

REGULATORY DIRECTIVES

The Group operates in full compliance with rules and directives issued by the CBSL, SEC, and the Colombo Stock Exchange (CSE) across all licensed entities, including Government Securities, Corporate Advisory, Asset Management, and Stock Brokering.

FINANCIAL REPORTING AND DISCLOSURE:

The Group maintains a strong track record in transparent and timely disclosures, supported by best-in-class financial reporting systems and integrated reporting aligned to SLFRS, IFRS, and relevant ESG frameworks.

GOVERNANCE AND BEST PRACTICES

Beyond mandatory compliance, the FCH Group voluntarily aligns with emerging governance best practices, including principles from Sri Lanka's Code of Best Practice on Corporate Governance (2023) and relevant global standards. Sustainability, board diversity, and

ESG integration are progressively being embedded in the governance agenda.

AML, KYC, AND CTF COMPLIANCE:

FCH fully adheres to the Anti-Money Laundering (AML), Know Your Customer (KYC) and Counter-Terrorist Financing (CTF) guidelines of the CBSL's Financial Intelligence Unit (FIU). These protocols are embedded across onboarding, transaction monitoring, and reporting frameworks, supported by robust staff training and system-level automation.

ETHICAL SERVICE STANDARDS

The Code of Ethics applicable Group-wide governs conduct, transparency, and integrity, ensuring ethical decision-making and conflict-free interactions across all stakeholder groups.

Ethical service standards including responsible selling, fair treatment of clients and product suitability assessments are actively reinforced through internal guidelines, policies and employee accountability.

DIGITAL COMPLIANCE AND CYBERSECURITY

The Group aligns with national mandates on digitalisation and e-invoicing and maintains a continually evolving cybersecurity framework supported by a comprehensive suite of cybersecurity and data protection initiatives and tools, thereby retaining the trust of clients, partners, and regulators to support long-term licence to operate and grow within Sri Lanka's capital markets

Intellectual Capital

STANDARDS AND CERTIFICATIONS

Recognised global standards and certifications form a key component of the Group's Intellectual Capital. The voluntary adoption of such best practices provide a disciplined approach to enhance Group-wide policy rigour, drive continuous improvement of processes controls in key areas and promote accountability beyond regulatory requirements, and in doing so support operational resilience and protect stakeholder interests. The standards and certifications adopted by the FCH Group include:

ISO 27001:2013 Information Security Management Standard which provides a comprehensive

framework to identify, manage, and mitigate information security risks and ensure the confidentiality, integrity, and availability of data.

The Certificate of Acceptance to the Sustainability Standards Certification Initiative (SSCI) underscores the Group's commitment to responsible and sustainable finance. By aligning with SSCI principles, the Group ensures that its financial activities support environmentally and socially responsible outcomes, while maintaining rigorous standards of transparency and accountability. The FCH Group stands as the first capital market institution in the world to receive the Certificate of Acceptance to SSCI.

GROUP SYNERGIES

Group synergies play an important role in strengthening Intellectual Capital, specifically by solidifying FCH's leadership in Sri Lanka's capital markets. By leveraging the strengths of subsidiaries from primary dealer activities, asset management and corporate advisory, to equity market expertise, the Group is able to offer a unified and comprehensive value proposition to clients and stakeholders. Moreover, the synergies derived through collaborative expertise and shared resources, better positions the Group to innovate, respond to market developments, and drive thought leadership.

Subsidiary	Specialisation
First Capital Equities (Pvt) Limited (FCE)	Backed by operating licenses from the Securities and Exchange Commission of Sri Lanka, FCE offers equity trading, and broking services supported by extensive research capabilities.
First Capital Asset Management Private Limited (FCAM)	Operating under a Managing Company license from Securities and Exchange Commission of Sri Lanka, FCAM offers a range of research-driven investment solutions designed to meet the evolving needs of both retail and high-net-worth investors
First Capital Advisory Services Private Limited (FCAS)	Operating under a Corporate Finance Advisor license from Securities and Exchange Commission of Sri Lanka, FCAS offers tailored financial advisory and structuring solutions to meet di-verse corporate and institutional client needs..
First Capital Treasuries PLC (FCT)	Licensed as Primary Dealer of Government Securities registered under the Monetary Board of Central Bank of Sri Lanka, FCT remains an active participant in the Primary auctions of Government Securities to facilitate government borrowing and ensure the smooth functioning of the nation's debt capital markets.
	In addition, the Company engages in secondary market trading activities with a view to providing the public with accessible opportunities to invest in and transact with Government Securities.

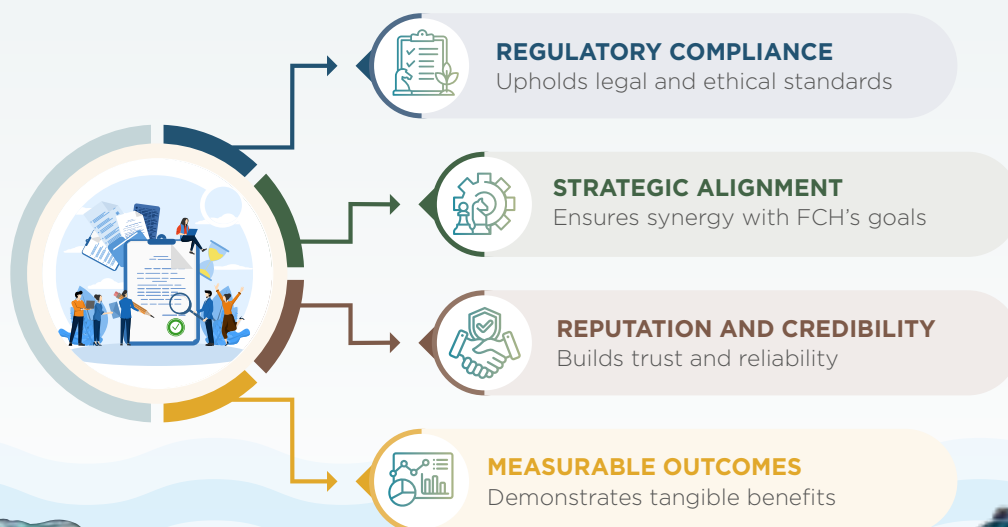
BUSINESS PARTNERS

Over the years, the FCH Group has pursued strategic collaborations with a wide network of business

partners based on the principles of trust and shared value. Such relationships most often aim to support the Group's efforts to

expand market reach, strengthen brand visibility, deliver specialised financial solutions and improve access to investment opportunities.

PARTNER SELECTION CRITERIA



KEY PARTNERSHIPS - FY 2025/26



CFA Society Sri Lanka – The partnership was strengthened by upgrading to Gold Sponsor status, reflecting deeper involvement in professional development, industry education, and capital market advancement.



Startup Nation by Hatch – FCH partnered in this initiative to support Sri Lanka's most promising startups. The programme selected the top 10 startups from over 183 applicants and provided access to funding opportunities of up to USD 100,000, along with mentorship, exposure, and local and global investor networks.



SwimAmerica Swimming Gala 2025 – First Capital partnered as Title Sponsor, supporting over 600 young athletes and promoting sportsmanship, discipline, and personal growth. Proceeds from the event supported the KWA Foundation, which provides scholarships and training support for underprivileged swimmers.



Ceylonese Rugby & Football Club (CR&FC) – FCH renewed its Platinum Sponsorship for a second consecutive year, supporting athlete development, grassroots rugby initiatives, and high-performance sport during the 2024/25 season.



Atarah Capital Pvt Ltd – First Capital Advisory Services entered into a strategic partnership to support corporate finance activities, broaden investor engagement, and strengthen financial structuring capabilities in regional markets.

Intellectual Capital

MEMBERSHIPS AND AFFILIATIONS

GRI: 2-28

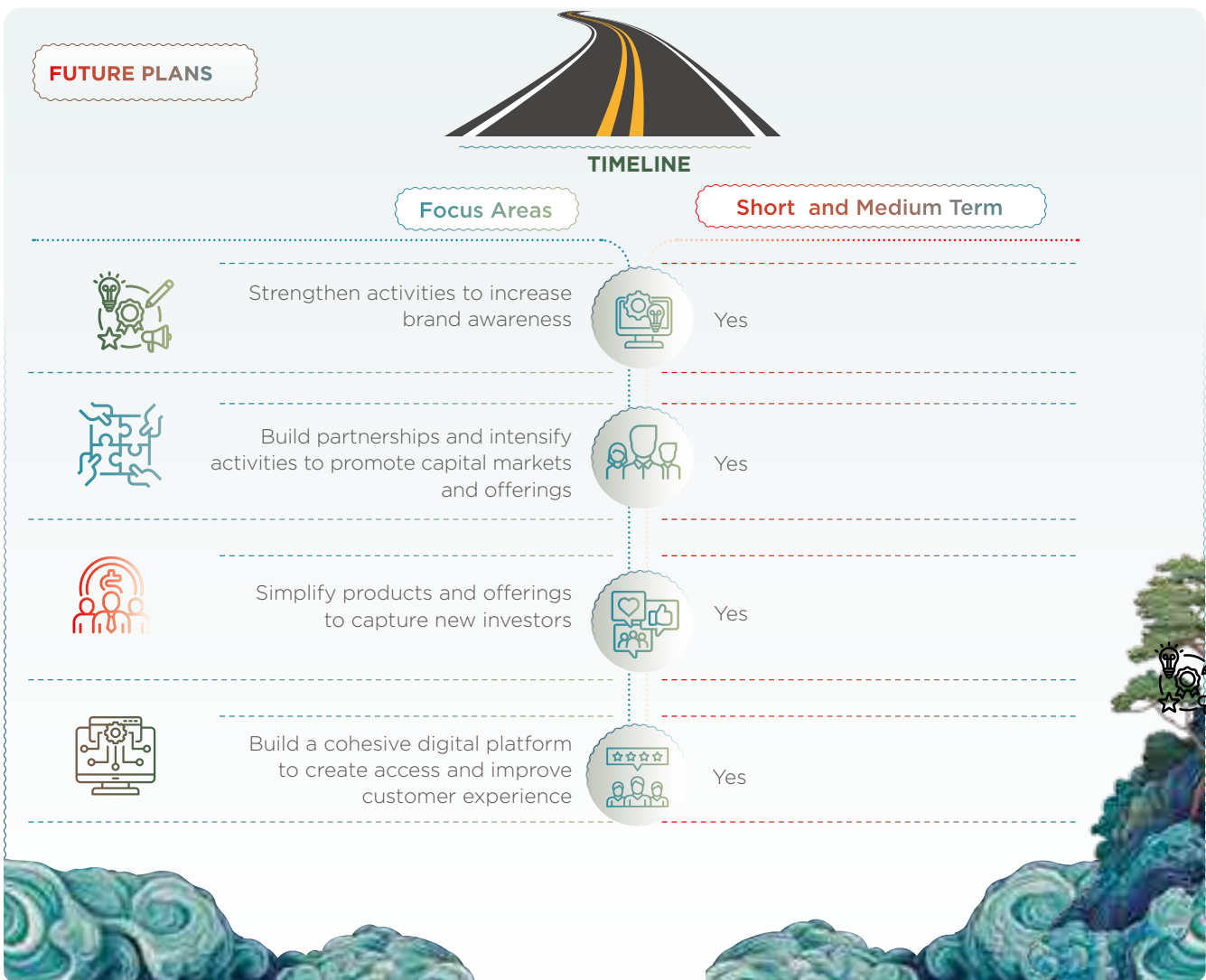
Since the inception, the FCH Group worked closely with recognised professional and industry organisations to support industry development, knowledge sharing, and market education. More recently, the Group has actively sought memberships and affiliations

with leading global and national initiatives to demonstrate leadership for responsible and sustainable business practices.

In the current year, the Group added to its list of memberships and affiliations by becoming:

- Sri Lanka's First Capital Market Institute to become a participant with UN Global Compact
- Sri Lanka's First Capital Market Institute to become a participant with UN Women's Empowerment Principles (WEP)
- Sri Lanka's First Capital Market Institute to become a member of PCAF (Partnership for Carbon Accounting Financials)
- Sri Lanka's First Corporate to become a participant with UN Principles for Responsible Investment (PRI)







Human Capital

KEY COMPONENTS

- HR Governance
- Commitment to Diversity, Equity and Inclusion (DEI)
- Recruitment and Selection
- Employee Onboarding/Offboarding
- Remuneration and Benefits
- Rewards and Recognition
- Performance Management
- Training and Development
- Career Mobility
- Employee Relations
- Safety and Wellbeing
- Employee Engagement

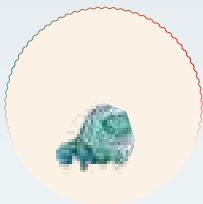
MANAGEMENT APPROACHES

- Offer the best in-class value proposition to build an empowered and high functioning workforce capable of advancing the Group's strategic ambitions
- Build a vision and values led model to drive the PERFORMANCE FIRST culture to empower people to contribute their best every day

MATERIAL MATTERS

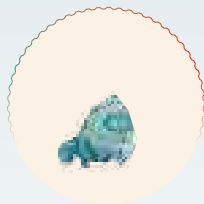
- Employee Relations, Talent & Workplace Culture
- Community Development & Societal Impact





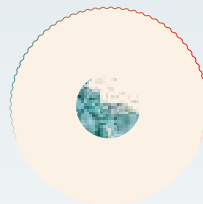
STRENGTHS

- Reward system
- Agility



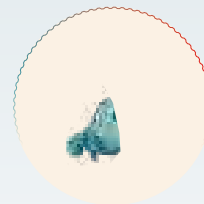
WEAKNESSES

- Weak sales talent in expanding the footprint



OPPORTUNITIES

- Talent pipeline development for all key positions
- Technological advancements revolutionising HR processes
- Evolve and implement an EVP with multi-generational appeal



THREATS

- Skilled labour mobility predominantly through migration
- Increased demand for top talent

KEY ACTIONS FOR FY 2025/26

- Rs. 1Bn paid as monetary benefits to employees
- 41 new recruits
- 21 total employees promoted
- 8 female employees promoted
- 4,529 training hours

OUTPUTS FOR FCH

- 87.1% overall retention ratio
- 12.9% Employee turnover rate
- 12.9% Voluntary turnover rate (without retirement)
- 90% employee Satisfaction
- GPTW award
- 61:39 overall gender ratio
- 18% female representation at a leadership level

STAKEHOLDER OUTCOMES



EMPLOYEES

- Access to learning and skill development opportunities to enable employees to grow professionally and remain competitive
- Clear pathways for career progression and leadership development
- Equal opportunities and the emphasis on inclusion which allows employees to thrive regardless of gender, background, or other differences
- Work-life balance and wellbeing support



Human Capital

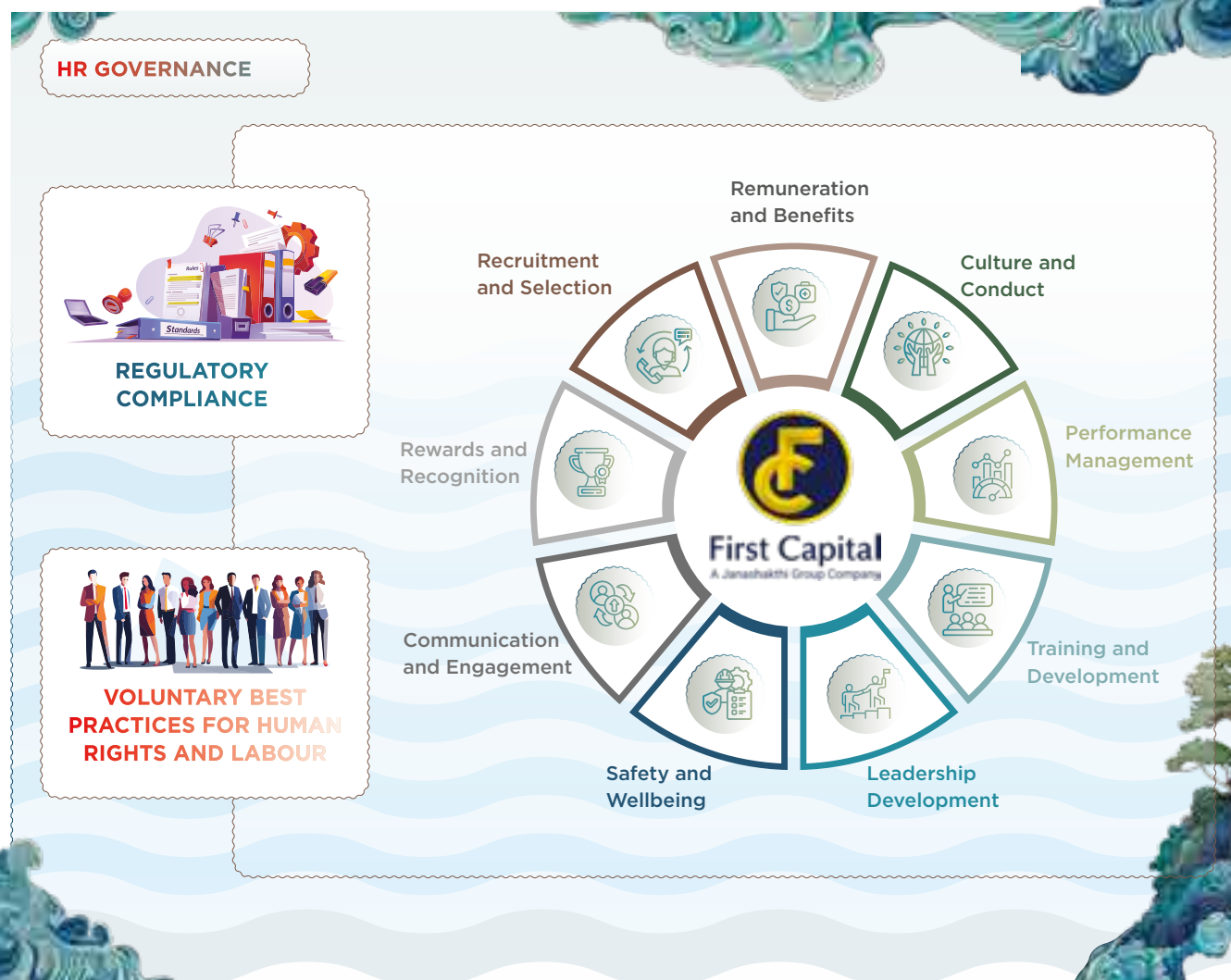
HR GOVERNANCE

The FCH Group maintains a centralised approach to HR governance led by the Board of Directors. The Board provides oversight and direction supported by designated Board sub-committees, including the Remuneration Committee and the Nominations and Governance Committee, which collectively ensure that people-related policies and practices are aligned with the

Group's strategic priorities and governance framework. In line with the Board's broader sustainability agenda, matters relating to diversity, inclusion, and other ESG considerations are also deliberated at Board level, with guidance from the appointed ESG Sponsor.

The implementation of Board directives is overseen by the Group Head of Human Resources, who is responsible for ensuring compliance

with all statutory, regulatory, and contractual requirements, while driving the adoption of best practices, including alignment with internationally recognised frameworks such as the International Labour Organisation (ILO) standards and the United Nations Global Compact (UNGC) Principles on Labour.





REGULATORY COMPLIANCE

- Shop and Office Employees Act of 1954
- EPF Act
- ETF Act
- Payment of Gratuity Act of Sri Lanka

No incidents of non-compliance of regulations were reported in the current year



VOLUNTARY BEST PRACTICES FOR HUMAN RIGHTS AND LABOUR

Non-Discrimination

The FCH Group strives to create a workplace free from discrimination, harassment, and exploitation where all employees are treated with fairness, dignity, and respect, and are provided with equal opportunities based on merit and capability. No incidents of discrimination were reported in the current year.

Freedom of Association and Collective Bargaining

The FCH Group believes in the employees right to freedom of association and collective bargaining and does not prevent any employee from exercising these rights, in accordance with applicable laws and regulations. However, open communication and direct engagement over the years has helped to build strong

relationships with Group employees, thereby eliminating the need for formal trade union representation or collective bargaining arrangements.

Prevention of Child Labour

The FCH Group maintains a zero-tolerance policy on child labour and to that end ensures strict adherence to minimum age requirements in all recruitment practices, supported by robust verification processes and ongoing monitoring to uphold compliance across its operations.

Forced or Compulsory Labour

Recognising the fundamental right to voluntary employment, the FCH Group supports efforts to eliminate the risk of forced / compulsory labour by ensuring all employment contracts contain transparent and fair terms and conditions to ensure employment is entered into freely, without coercion

Human Resource Policies and Procedures

Human Resource policies and procedures are outlined in the Staff Handbook, which is presented to new recruits during the induction and orientation programme and is also made readily accessible via the Group's iLearn platform and the Intranet. All policies and procedures are reviewed annually and updated as needed to capture regulatory changes and best practices as well as the Group's evolving operational and strategic priorities. All these benefits are standard for full-time employees and are not provided to part-time or temporary employees.

Recruitment and Selection

- Recruitment process
- Internal job posting
- The referral system
- Call back interviews
- Policy on rehiring terms

Remuneration and Benefits

- Remuneration and benefits policy
- Leave policy for employees
- Policy for staff housing loans
- Policy for staff vehicle loans
- Examinations reimbursement policy
- Educational assistance scheme
- Professional subscription policy
- Staff distress loan
- Extension after retirement
- Gratuity EPF /ETF continuation after 60
- Sport and welfare club

Culture and Conduct

- Dress code policy
- Friend@work policy
- Induction and orientation Programme
- Office relationships
- Information technology end user policy
- Code of conduct
- Disciplinary actions
- Gift declaration policy
- Internal notifications Policy
- Categories of employment
- Employment of differently abled individuals
- Office conduct policy (implemented in FY 2025/26)

Human Capital Policies and Procedures

Human Resource policies and procedures are outlined in the Staff Handbook, which is presented to new recruits during the induction and orientation programme and is also made readily accessible via the Group's intranet platform. All policies and procedures are reviewed annually and updated as needed to capture regulate changes and best practices as well as the Group's evolving priorities.

- Religious activities policy (implemented in FY2025/26)
- DEI policy (implemented in FY 2025/26)

Performance Management

- Performance development plan
- Cross exposure procedure
- Employee secondment
- Transfer procedure
- Job rotation policy
- Probationary evaluation

Training and Development

- Knowledge sharing sessions

Leadership Development

- Succession planning
- Young forum

Safety and Wellbeing

- Flexi working hours policy
- Staff medical / life insurance
- Work from home policy

- Hospitalisation
- Personal procedure accident insurance cover
- Critical- illness cover
- Policy on external work (implemented in FY2025/26)

Communication and Engagement

- Focus group meetings
- Suggestion scheme
- Skip level meetings
- Grievance handling procedure
- Whistleblowing policy
- Employee separation / cessation policy

Rewards and Recognition

- Living janashakthi values awards
- JXG business related awards policy
- Recognition of academic / professional / social achievements
- Service awards



Sector	Area	SASB Code	Metric	Formula	Unit	Female	Male	Total
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (1) gender and representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Executive Management	Number	3	14	17
					Percentage	2%	8%	
				Non-Executive management	Number	5	21	26
					Percentage	3%	13%	
				Professionals	Number	56	65	121
					Percentage	34%	40%	
				All Other Employees	Number	0	0	0
					Percentage	0%	0%	

Sector	Area	SASB Code	Metric	Formula	Unit	Race / Ethnicity				Total Employees
						Sinhala	Tamil	Burgher	Muslim	
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Executive Management	Number	16	1	0	0	17
				As a Percentage (%)	Percentage	9%	1%	0%	0%	
				Non-Executive management	Number	20	6	0	0	26
				As a Percentage (%)	Percentage	12%	4%	0%	0%	
				Professionals	Number	103	15	0	3	121
				As a Percentage (%)	Percentage	63%	3%	0%	2%	
				All Other Employees	Number	0	0	0	0	0
				As a Percentage (%)	Percentage	0%	0%	0%	0%	
				Total	Number	139	22	0	3	164

Sector	Area	SASB Code	Metric	Formula	Unit	Disability Status						Total Employees
						Physical disability	Visual impairment	Hearing impairment	Intellectual disability	Multiple disabilities	Other	
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Executive Management	Number	0	0	0	0	0	0	0
				As a Percentage (%)	Percentage	-	-	-	-	-	-	
				Non-Executive management	Number	0	0	0	0	0	0	0
				As a Percentage (%)	Percentage	-	-	-	-	-	-	
				Professionals	Number	0	0	0	0	0	0	0
				As a Percentage (%)	Percentage	-	-	-	-	-	-	
				All Other Employees	Number	0	0	0	0	0	0	0
				As a Percentage (%)	Percentage	-	-	-	-	-	-	
				Total	Number	0	0	0	0	0	0	0

Sector	Area	SASB Code	Metric	Formula	Unit	Region of Origin								Total Employees	
						Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva		Sabaragamuwa
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a1.	Percentage of (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Executive Management	Number	17	0	0	0	0	0	0	0	0	17
				As a Percentage (%)	Percentage	10%	0%	0%	0%	0%	0%	0%	0%	0%	
				Non-Executive management	Number	21	1	1	2	1	0	0	0	0	26
				As a Percentage (%)	Percentage	13%	1%	1%	1%	1%	0%	0%	0%	0%	
				Professionals	Number	116	2	1	0	0	2	0	0	0	121
				As a Percentage (%)	Percentage	70%	1%	1%	0%	0%	1%	0%	0%	0%	
				All Other Employees	Number	0	0	0	0	0	0	0	0	0	0
	As a Percentage (%)	Percentage	0%	0%	0%	0%	0%	0%	0%	0%					
	Total		Number	154	3	2	2	1	2	0	0	0	164		

Sector	Area	SASB Code	Metric	Formula	Unit	Migrant Status			Total Employees
						Internal migrant	International migrant	Foreign worker in Sri Lanka	
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a1.	Percentage of (2) diversity group representation for (a) executive management,	Executive Management	Number	17	0	0	17
			(b) non-executive management,	As a Percentage (%)	As a Percentage (%)	10%	0	0%	
			(c) professionals, and	Non-Executive management	Number	26	0	0	26
			(d) all other employees	As a Percentage (%)	As a Percentage (%)	16%	0	0%	
			Professionals	Professionals	Number	121	0	0	121
			As a Percentage (%)	As a Percentage (%)	As a Percentage (%)	74%	0	0%	
			All Other Employees	All Other Employees	Number	0	0	0	0
			As a Percentage (%)	As a Percentage (%)	As a Percentage (%)	0%	0%	0%	
			Total	Total	Number	164	0	0	164

Sector	Area	SASB Code	Metric	Formula	Unit	Age Categories			
						Under 30 years old	30-50 years old	Over 50 years old	Total Employees
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (2) diversity group representation for	Executive Management	Number	0	12	5	17
			(a) executive management,	As a Percentage (%)	As a Percentage (%)	0%	7%	3%	
			(b) non-executive management,	Non-Executive management	Number	0	23	3	26
			(c) professionals, and	As a Percentage (%)	As a Percentage (%)	0%	14	2%	
			(d) all other employees	Professionals	Number	68	47	6	121
				As a Percentage (%)	As a Percentage (%)	41%	29%	4%	
				All Other Employees	Number	0	0	0	0
				As a Percentage (%)	As a Percentage (%)	0%	0%	0%	0%
				Total	Number	68	82	14	164

Sector	Area	SASB Code	Metric	Formula	Unit	Socioeconomic Background			
						Low Income	Middle Income	High Income	Total Employees
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (2) diversity group representation for	Executive Management	Number	0	0	17	17
			(a) executive management,	As a Percentage (%)	As a Percentage (%)	0%	0%	10%	
			(b) non-executive management,	Non-Executive management	Number	0	0	26	26
			(c) professionals, and	As a Percentage (%)	As a Percentage (%)	0%	0%	16%	
			(d) all other employees	Professionals	Number	0	121	0	121
				As a Percentage (%)	As a Percentage (%)	0%	74%	100%	
				All Other Employees	Number	0	0	0	0
				As a Percentage (%)	As a Percentage (%)	0%	0%	0%	0%
				Total	Number	0	121	43	164

Sector	Area	SASB Code	Metric	Formula	Unit	Religious Affiliation				
						Buddhist	Hindu	Islam	Christian	Other
Investment Banking & Brokerage	Employee Diversity & Inclusion	FN-IB-330a.1.	Percentage of (2) diversity group representation for	Executive Management	Number	15	1	0	1	0
			(a) executive management,	As a Percentage (%)	Percentage	9%	1%	0%	1%	0%
			(b) non-executive management,	Non-Executive management	Number	18	5	0	3	0
			(c) professionals, and	As a Percentage (%)	Percentage	11%	3%	0%	2%	0%
			(d) all other employees	Professionals	Number	95	13	3	10	0
				As a Percentage (%)	Percentage	58%	7%	2%	6%	0%
				All Other Employees	Number	0	0	0	0	0
				As a Percentage (%)	Percentage	0%	0%	0%	0%	0%
				Total	Number	128	19	3	14	0

Human Capital

There are currently no employees with physical, visual, hearing, intellectual, or multiple disabilities.

Commitment to Diversity, Equity and Inclusion (DEI)

The FCH Group places DEI at the heart of its people practices to ensure all employees have equal access to opportunities, regardless of gender, background, beliefs, or any status protected by law.

DEI principles are institutionalised across the Group through the DEI Policy which prescribes that diversity at FCH encompasses, but is not limited to, differences in gender, gender identity, sex, sexual orientation, age, ethnicity, nationality, culture, religion, disability, socio-economic background, education, professional experience, perspectives, and ways of thinking. These principles are consistently applied across recruitment, performance management, learning and development, and career advancement. The commitment to DEI stems from the recognition that

diverse teams enhance creativity, decision-making, and organisational resilience. Hence managers at all levels are expected to lead by example in practicing these principles and fostering a respectful, inclusive, and supportive workplace

Moreover, the FinpowrHer programme, the Group's flagship female empowerment initiative specifically aimed at promoting females in leadership, continues to make good progress, translating into a steady increase in female

representation in managerial and executive positions across the FCH Group. Further underscoring the tangible impact of the FinPowerHer programme and other ongoing initiatives in advancing women in leadership, the FCH Group was recognised with the "Higher Representation of Women on the Board" award at the 2025 Satinmag Women-Friendly Workplace Awards.



01

CORPORATE LEADERSHIP

Establish High-Level Corporate Leadership for Gender Equality



RECOGNITION - 2025

Awarded Best Company with Female Representation at the Board Level

- Bias-free recruitment and promotion policies and practices designed to achieve gender balance across higher-level management.
- Five core business functions are currently headed by women: HR, Legal, Operations, Sustainability, and CRM.
- Regular board-level discussions focused on maintaining and continuously improving gender equality across all levels of the organisation.
- Unlimited leave for all senior-level staff — male and female alike — in support of genuine work-life balance.

02

FAIR TREATMENT

**Treat All Women and Men Fairly at Work -
Respect Human Rights and Non-Discrimination**

- Equal opportunities provided to all employees based purely on merit, with zero tolerance for discrimination of any kind.
- Healthy gender pay parity maintained relative to industry standards, reinforcing our commitment to fair compensation.
- A respectful and inclusive workplace culture actively promoted through ethical conduct and strong governance frameworks.
- Training and career development — including international programmes — offered equitably to all employees.
- Structured employee engagement and feedback mechanisms to continuously support fairness and inclusion.
- Diversity and inclusion embedded within leadership decisions and broader workforce planning practices.
- Sustainability reporting aligned with recognised international frameworks to uphold human rights and non-discrimination commitments.

03

HEALTH, SAFETY & WELL-BEING

**Ensure the Health, Safety and Well-Being of All Women
and Men Workers**

- A safe and modern working environment maintained for all employees, following a comprehensive renovation exceeding Rs. 300 Mn.
- Free health testing valued at Rs. 25,000 per employee rolled out across all staff as part of a proactive wellness initiative.
- Art therapy, mindfulness sessions, and free professional counselling services available to all employees.
- Annual staff engagement events including company trip, cricket match, Christmas party, and wellness programmes.
- Free medical check-ups and ongoing wellness initiatives supporting preventive health across the workforce.
- Bi-annual fire drill training conducted at all premises, with health and safety performance monitored through internal controls.

04

EDUCATION & TRAINING

Promote Education, Training and Professional Development for Women



SLITAD PEOPLE DEVELOPMENT AWARDS
Gold Award — Recognised for continuous investment in employee growth, learning, and overall well-being.

- A clear, transparent promotion policy enabling all staff — particularly women — to advance through the organisation on merit, free from bias.
- Budgeted foreign training programme for senior staff members, expanding global exposure and professional expertise.
- Rs. 80 Mn local training budget underscores the Group's long-term investment in continuous workforce development.
- Gender balance in the workforce actively tracked and reported annually to monitor progress toward representational goals.

05

ENTERPRISE DEVELOPMENT

Implement Enterprise Development, Supply Chain and Marketing Practices That Empower Women

- All marketing and branding practices are reviewed to be ethical, responsible, and inclusive — ensuring no discriminatory or stereotypical content is associated with our brand.
- Non-discriminatory procurement and supply chain policies that actively support equal participation of women-owned enterprises in our operating environment.

SIGNATURE PROGRAMMES



FINPOWERHER

A dedicated programme targeting financial knowledge and empowerment among women across Sri Lanka, helping close the financial literacy gap.



FINLIT FOR RURAL WOMEN

Financial literacy initiative for women in rural areas - improving economic decision-making and long-term financial well-being.



FC STARTUP NATION

Policy fireside bringing together investors, policymakers, and ecosystem builders to reimagine Sri Lanka's innovation economy with equal opportunity for entrepreneurs.

06

COMMUNITY & ADVOCACY

Promote Equality Through Community Initiatives and Advocacy

**EMERGENCY SUPPORT • FLOODS & LANDSLIDES**

Rs. 100,000 donation extended to each staff member personally affected by adverse weather events, alongside food and essential item drives for impacted communities and Rs. 15 Mn donation to the Rebuild Sri Lanka Fund.

- School bag and book donation programme, plus provision of meals to students in rural area schools to support access to education.
- Financial support extended to children of minor staff, reinforcing our commitment to employee welfare beyond the workplace.
- FinLit, FinPowerHer, and Stock Talk programmes contribute to financial literacy and equal access to economic knowledge across Sri Lanka.
- Community programmes aligned with national development priorities and UN Sustainable Development Goals, promoting social equality at scale.
- First Capital Startup Nation and the FC Research Symposium position the Company as an active contributor to national policy, innovation, and inclusive economic development.

07

MEASURE & REPORT

Measure and publicly report on progress to achieve gender equality

FCH Group DEI Dashboard	FY 2025/26	FY 2024/25
Gender Diversity (overall)	61:39	65:35
Percent of women and men on the Board	3	3
Female Recruits (as a % of total recruits)	49%	54%
Females Promoted (as a % of total promotions)	38%	44%
Female Exists (as a % of total exists)	47%	82%
Female representation in leadership roles (%)	18%	15%
Gender Pay Equity (at a leadership level)	1:0.90	1:0.88
Incidents of Discrimination	ZERO	ZERO

SECTION

1

2

3

4

5

6

7

8

Basis of preparation: Workforce figures are reported as headcount at the end of the reporting period. The operations of the Company are solely within Sri Lanka, and no locations have the Company operates solely within Sri Lanka, and no locations have been identified as individually significant given the uniform nature of operations ^{LA}

There is no significant fluctuations in the number of employees other than 22 being resigned and 41 being recruited. Reasons for resignations are disclosed in page 304.^{LA}

Workforce Profile by Age and Gender ^{LA}

FCH Group DEI Dashboard		FY2025/26	FY2024/25
Total number of employees	Total Employees	164	145
Employees by gender	Male	100	94
	Female	64	51
Employees by region	Central Province	8	5
	Eastern Province	3	1
	North Central Province	0	0
	North Western Province	6	6
	Northern Province	2	2
	Sabaragamuwa Province	2	0
	Southern Province	12	11
	Uva Province	3	1
	Western Province	128	119
Permanent employees By gender	Male	87	88
	Female	57	43
Permanent employees By region	Central Province	7	5
	Eastern Province	2	1
	North Central Province	0	0
	North Western Province	5	4
	Northern Province	2	2
	Sabaragamuwa Province	1	0
	Southern Province	10	10
	Uva Province	2	1
	Western Province	115	108
Full-time employees By gender	Male	100	94
	Female	64	51
Full-time employees By region	Central Province	8	5
	Eastern Province	3	1
	North Central Province	0	0
	North Western Province	6	6
	Northern Province	2	2
	Sabaragamuwa Province	2	0
	Southern Province	12	11
	Uva Province	3	1
	Western Province	128	119

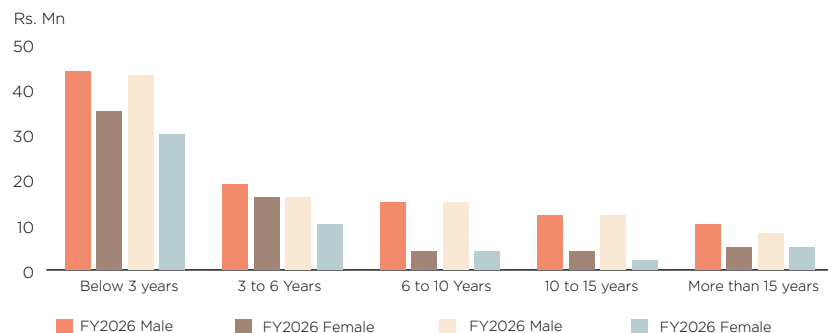
			FY2025/26					
			Senior Leadership	Middle Managers	Line Managers	Executives	Non-Executives	Total
Number of employees per employee category i. Gender ii. Age group	Total		17	26	33	84	4	164
	Male	Below 30	0	0	2	31	0	33
		30 - 50	10	18	19	7	2	56
		Above 50	4	3	2	0	2	11
		Total Male	14	21	23	38	4	100
	Female	Below 30	0	0	3	32	0	35
		30 - 50	3	5	7	13	0	28
		Above 50	0	0	0	1	0	1
		Total Female	3	5	10	46	0	64

			FY2025/26 ^{LA}					
			Senior Leadership	Middle Managers	Line Managers	Executives	Non-Executives	Total
Percentage of employees per employee category i. Gender ii. Age group	Male	Below 30	0%	0%	1%	19%	0%	20%
		30 - 50	6%	11%	12%	4%	1%	34%
		Above 50	2%	2%	1%	0%	1%	7%
		Total Male	9%	13%	14%	23%	2%	61%
	Female	Below 30	0%	0%	2%	20%	0%	21%
		30 - 50	2%	3%	4%	8%	0%	17%
		Above 50	0%	0%	0%	1%	0%	1%
		Total Female	2%	3%	6%	28%	0%	39%
	Total		10%	16%	20%	51%	2%	100%

			FY 2024/25					
			Senior Leadership	Middle Managers	Line Managers	Executives	Non-Executives	Total
Number of employees per employee category i. Gender ii. Age group	Total		16	25	24	74	6	145
	Male	Below 30	0	0	1	30	1	32
		30 - 50	11	19	14	7	2	53
		Above 50	3	2	2	0	2	9
		Total Male	14	21	17	37	5	94
	Female	Below 30	0	0	1	29	1	31
		30 - 50	2	4	6	7	0	19
		Above 50	0	0	0	1	0	1
		Total Female	2	4	7	37	1	51

			FY 2024/25					
			Senior Leadership	Middle Managers	Line Managers	Executives	Non-Executives	Total
Percentage of employees per employee category i. Gender ii. Age group	Male	Below 30	0%	0%	1%	21%	1%	22%
		30 - 50	8%	13%	10%	5%	1%	37%
		Above 50	2%	1%	1%	0%	1%	6%
		Total Male	10%	14%	12%	26%	3%	65%
	Female	Below 30	0%	0%	1%	20%	1%	21%
		30 - 50	1%	3%	4%	5%	0%	13%
		Above 50	0%	0%	0%	1%	0%	1%
		Total Female	1%	3%	5%	26%	1%	35%
	Total		11%	17%	17%	51%	4%	100%

By Service and Gender



At FCH, all employees are engaged on a full-time basis, with no temporary part-time or non-guaranteed hours employees involved in core operations. In addition, cleaning and security personnel are engaged through third-party service providers.^{LA}

RECRUITMENT AND SELECTION

Recruitment at the FCH Group is a highly streamlined process that is guided by the annual manpower plan, which identifies departmental staffing needs based on anticipated workforce attrition, skill requirements, and broader business objectives. As an equal opportunity employer, the Group has always engaged in both internal and external recruitment.

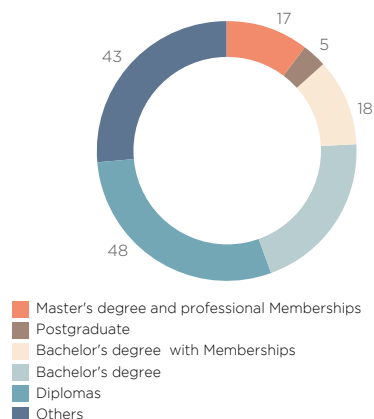
Given the highly competitive industry dynamics and the specific skill sets required of FCH Group employees, the Group has continued to broaden the range of external recruitment channels in collaboration with universities, training institutes, and regional recruitment partners. At the same time, seeking to position as an employer of choice, stories by its leaders, teams, and employees, offering prospective candidates authentic insights into the Group's culture and demonstrating how a career at FCH can be both fulfilling and impactful, are shared on the corporate website.

The Group has established gender-neutral role designations to prevent unconscious bias during the selection process, with all

applications subject to a rigorous evaluation by the HR Department to assess alignment with role-specific requirements. Shortlisting is based on qualifications, experience, and competencies to ensure the most suitable candidates progress to subsequent stages. Prior to final appointment, all necessary due diligence is carried out to verify compliance with regulatory requirements, including the minimum age for employment.

While the majority of new hires are engaged as permanent employees, the Group also considers contract

No. of employees- Qualification wise



employment to gain access to the best-fit candidates. The Group recruits mainly permanent employees for full-time positions. However, on occasion, interns and consultants are hired as needed on a part time basis (these hires are not captured in the Group's employee statistics).

Further, 100% of Key Management Personnel (KMPs) are recruited from within Sri Lanka. Within the KMP appointments for First Capital Treasuries PLC are subject to approval from the CBSL.

Recruitment By Age



Recruitment by Type ^{LA}		FY2025/26 ^{LA}		FY2024/25 ^{LA}	
		Number	%	Number	%
Total number and rate of employee hires	Employee Count	41		28	
	Below 30	26	63%	20	71%
	30 -50	13	32%	8	29%
	Above 50	2	5%	0	0%
Total number and rate of employee hires	Male	21	51%	13	46%
	Female	20	49%	15	54%
Total number and rate of employee hires	Central	3	7%	1	4%
	Eastern	2	5%	0	0%
	North Central	0	0%	0	0%
	North Western	1	2%	2	7%
	Northern	0	0%	1	4%
	Sabaragamuwa	2	5%	0	0%
	Southern	2	5%	1	4%
	Uva	2	5%	0	0%
	Western	29	71%	23	82%

EMPLOYEE ONBOARDING

The Group believes employee onboarding is critical in setting the right tone from the outset of the employment lifecycle. Accordingly, all new recruits of the FCH Group begin their journey with a Day 1 orientation where they have the opportunity to meet the Group's senior leadership and are assigned a peer or "Friend at Work," to oversee a smoother transition. In addition, new employees participate in a formal induction programme to help them understand the Organisational culture, values, work ethic and expectations.



It is during the onboarding process that new recruits are presented with their employment agreements and related correspondence with comprehensive e-files created for storing employee data.

REMUNERATION AND BENEFITS

Market competitive remuneration and benefits designed to attract and retain top talent remains a fundamental aspect of the FCH Group's Employee Value Proposition (EVP). Compensation across all employee categories is structured based on skills, experience, qualifications, and the responsibilities associated with each role, ensuring a fair and consistent approach. Salary structures are regularly benchmarked against industry standards, with the annual salary review serving as a key mechanism to assess and recalibrate compensation levels in line with market movements and regulatory standards. Gender pay equity remains an equal priority, with men and women performing comparable roles remunerated equally.

In response to intensifying competition for talent and minimise the risk of attrition of skilled employees, the Group continued to implement targeted salary adjustments, coupled with performance-based incentives and bonus schemes to reward contribution and reinforce a high-performance culture.

FCH GROUP INTERNSHIP PROGRAMME

The FCH Group's internship programme provides undergraduates and school leavers the opportunity to gain hands-on experience across core business functions, enabling them to develop technical skills, professional competencies, and a deeper understanding of capital markets. Designed to nurture emerging talent, through mentoring, on-the-job training, and exposure to real-world projects, the programme serves as a key value creation initiative that bridges the gap between academic learning and practical industry exposure, and to ease the transition of young professionals into the workforce. For FCH, the programme has proven to be a key feeder for building the talent pipeline by identifying and cultivating high-potential individuals from the start of their career.

EMPLOYEE BENEFITS ^{LA}



Performance-Based Incentives & Bonuses

- Performance-based incentives
- Performance Bonus schemes surpassing industry average



Allowances & Perquisites

- Housing/vehicle and educational loan facilities
- Professional subscriptions
- Distress loans



Welfare

- Club memberships
- Medical insurance cover for employees
- Reimbursement for travel
- Benefits provided as welfare

Gender Pay Parity (Basis Salary) ^{LA}	FY2025/26 ^{LA}		FY2024/25	
	Male	Female	Male	Female
Senior leadership (Excluding GM and CEO level- No female representation)	1.00	0.90	1.00	0.88
Middle management	1.00	1.09	1.00	1.05
Line management	1.00	0.97	1.00	1.00
Executive	1.00	1.09	1.00	0.98

Gender Pay Parity (Total Remuneration)	FY2025/26 ^{LA}		FY2024/25	
	Male	Female	Male	Female
Senior leadership (Excluding GM and CEO level- No female representation)	1.00	0.90	1.00	0.88
Middle management	1.00	1.09	1.00	1.05
Line management	1.00	0.97	1.00	1.00
Executive	1.00	1.09	1.00	0.98

Maternity Leave ^{LA}	FY2025/26
In compliance with the Shop and Office Employees Act of 1954 and the Wages Board Ordinance Amendment Act, female employees are entitled to 84 days paid maternity leave, post-delivery as well as two hours nursing time for a period of one year after recurring to work.	
Beyond the regulatory minimum requirements, the FCH allows employees to request for two additional months of leave on a half pay basis.	
The Group also provides 14 days of paternity leave for male employees.	
Total number of employees that were entitled to parental leave	64
Total number of employees that took parental leave	01
Total number of employees that returned to work in the reporting period after parental leave ended	01
Return Ratio (%)	100%
Retention Ratio (%)	N/A

Paternity Leave ^{LA}	FY2025/26
In compliance with the Shop and Office Employees Act of 1954 and the Wages Board Ordinance Amendment Act, female employees are entitled to 84 days paid maternity leave, post-delivery as well as two hours nursing time for a period of one year after recurring to work.	
Beyond the regulatory minimum requirements, the FCH allows employees to request for two additional months of leave on a half pay basis.	
The Group also provides 14 days of paternity leave for male employees.	
Total number of employees that were entitled to parental leave	100
Total number of employees that took parental leave	Nil
Total number of employees that returned to work in the reporting period after parental leave ended	N/A
Return Ratio (%)	N/A
Retention Ratio (%)	N/A

Employee resignations Reason	FY2025/26			FY2024/25		
	Male	Female		Male	Female	
Resignation	15	7	22	3	14	17
Retirement	-	-	-	-	-	-
Deceased	-	-	-	-	-	-
Termination	-	-	-	-	-	-

There were no retirements during the period at any of the age or employment category level.

Reasons for the resignation	FY2025/26
Better Prospects	8
Migration	9
Personal	3
Other	1

PERFORMANCE MANAGEMENT

Operating in a highly competitive industry, creating cohesive, productive teams that embrace the FCH Group's PERFORMANCE FIRST behaviour is critical for the Group's success. Hence all permanent employees of the FCH Group benefit from a well-structured performance management system combining both mid-year and annual reviews.

The mid-year review serves as a routine checkpoint for managers to provide feedback to employees on their performance, identify development needs, and help under performers to realign as needed. The annual performance appraisal is a more comprehensive and formal evaluation that assesses employee performance against clearly defined Key Performance Indicators (KPIs), aligned with business objectives and developed in accordance with

Resignations by Type ^{LA}		FY2025/26		FY2024/25	
		Number	%	Number	%
Total number and rate of employee turnover	Employee Count	22		17	
	Below 30	13	59%	8	47%
	30 -50	9	41%	9	53%
	Above 50	0	0%	0	0%
Total number and rate of employee turnover	Male	15	68%	3	18%
	Female	7	32%	14	82%
Total number and rate of employee turnover	Central	0	0%	1	6%
	Eastern	0	0%	0	0%
	North Central	0	0%	0	0%
	North Western	1	5%	0	0%
	Northern	0	0%	1	6%
	Sabaragamuwa	0	0%	0	0%
	Southern	1	5%	1	6%
	Uva	0	0%	0	0%
	Western	20	91%	14	82%

SMARTS principles—Specific, Measurable, Achievable, Realistic, Time-bound, and Stretched. An equally important aspect of the annual performance appraisal is the assessment of behavioural competencies across four key pillars namely, Customer, Internal Process, Learning and Growth, and Financial performance. Both the appraiser

and appraisee contribute to the annual evaluation process, with final ratings determined by the reporting manager and subsequently reviewed by the Career Committee to ensure consistency and objectivity.

Outcomes of the annual appraisal process play an important

role in informing remuneration adjustments, promotions, and career development plans.

TRAINING AND DEVELOPMENT

The FCH Group's broad based approach to training and development is designed to ensure employees at all levels are equipped

EMPLOYEE BENEFITS

Employee promotion details	FY2025/26	FY2024/25
Male (%)	38	56
Female (%)	62	44
Mobility rate (%)	13	17

Criteria	Description	As per KPMG					
		Male	%	Female	%	Total participated employees	%
Percentage of employees receiving regular performance and career development reviews by gender and by employee category ^{LA}	Senior Leadership	14	14	3	5	17	10
	Middle Managers	18	18	5	8	23	14
	Line Managers	23	23	9	14	32	20
	Executive	31	31	41	64	72	44
	Non-Executive	4	4	0	0	4	2
	Total Employees receiving PE	90	90	58	91	148	90
	Total Employees	100		64		164	

Performance First Outputs for the FCH Group	FY2025/26	FY2024/25
Workforce return on investment (times)	1.98	3.04
Direct income per employee (Rs.'000)	91,860	96,631
Total assets per employee(Rs.'000)	452,532	685,069
Profit before tax per employee (Rs.'000)	21,634	46,105
Profit after tax per employee (Rs.'000)	12,836	34,597
Value added per employee (Rs.'000)	6,492	11,365

Key benefits FY2025/26 FY2024/25	FY2025/26	FY2024/25
Salaries (Rs.'000)	488,952	406,271
EPF (Rs.'000)	60,296	50,303
ETF (Rs.'000)	14,654	12,187
Commission (Rs.'000)	151,988	47,186

with the skills and knowledge required to perform effectively in a highly competitive and evolving industry. A key component of this approach is the blended learning model which prioritises on-the-job training to enable employees gain practical, hands-on experience

within real work environments, under the guidance and mentorship of supervisors and senior colleagues.

As part of the blended learning approach, the Group also invests in structured training programmes tailored to role-specific technical

needs and delivered through a combination of internal expertise and external training providers. In addition, the Group actively encourages employees to participate in seminars, workshops, conferences, and professional certification programmes to stay

Human Capital

abreast of emerging industry trends, evolving market dynamics, and global best practices.

To complement these efforts, the Group has invested heavily in digital learning tools to foster a culture of continuous learning. To that end, the iLearn platform enables employees to engage in self-paced learning by accessing modules anytime and from anywhere. The Learning and Development team curates and uploads three new

modules each month, designed as concise sessions that allow employees to upskill without disrupting their work schedules. As a result, iLearn now hosts a growing library of 96 courses. To further enhance engagement, the platform incorporates gamification elements such as a leaderboard to recognise employees who consistently complete monthly learning challenges over a sustained period

In addition to the local training budget, a foreign training budget amounting to Rs. 100 million has been allocated exclusively to facilitate overseas training. The budget for the current was utilised to support two senior staff members to attend the INSEAD and Harvard management development programmes and enable several others to participate in training programmes in Dubai, Germany and Malaysia.

NURTURING TALENT

In a dynamic and competitive operating environment, the ability to systematically develop internal talent ensures a strong leadership pipeline, reduces dependency on external hires, and supports the consistent execution of the FCH Group's strategic priorities. By investing in the growth and progression of its people, the Group also strengthens institutional knowledge, enhances employee engagement, and fosters a culture of performance and accountability.

The Group's approach nurturing talent is centered on three core pillars: technical expertise, leadership development and soft skill development.



TECHNICAL EXPERTISE ^{LA}

Technical training ensures that employees possess the specialised knowledge and functional expertise required to excel in their respective roles and adapt to evolving industry demands

Programmes for FY 2025/26

- Awareness Training on Phishing Threats
- Special Program on Valuation of Treasury Bonds
- Analysis of Fixed Income Investments
- Program on Operations of Treasury Back Office
- Professional Diploma in Practical Taxation



LEADERSHIP DEVELOPMENT ^{LA}

Leadership development initiatives are designed to cultivate future leaders by strengthening decision-making, strategic thinking, and people management capabilities

Programmes for FY 2025/26

- Holistic Leadership summit
- Refine your Leadership Programme



SOFT SKILL DEVELOPMENT ^{LA}

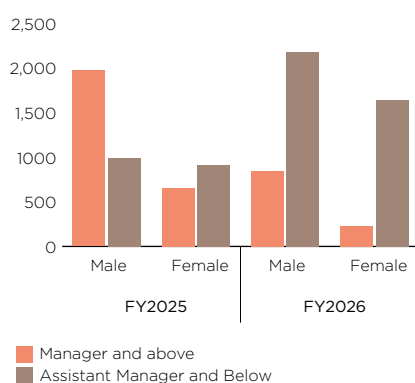
Soft skills development focuses on enhancing communication, collaboration, and interpersonal effectiveness, enabling employees to work cohesively and build strong stakeholder relationships

Programmes for FY 2025/26

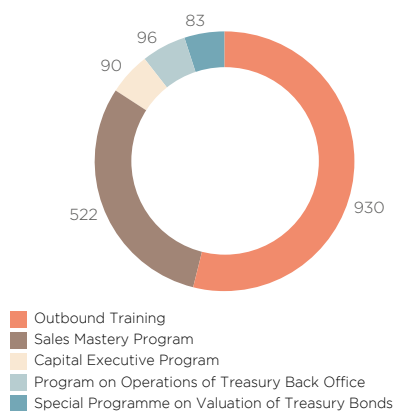
- Outbound Training
- Training Program on Business Etiquette

Average Training Hours ^{LA}		FY 2025/26
Average hours of training that the organisation's employees have undertaken during the reporting period, by:	Per employee	27.13
	Male	29.48
	Female	23.47
Average hours of training that the organisation's employees have undertaken during the reporting period, by:	Senior Leadership	57.85
	Middle Managers	34.15
	Line Managers	21.18
	Executive	21.84
	Non-executive	11.13

Training Hours



Training Hours (Top 5)



LIST OF FOREIGN TRAINING

Name	Cost (Rs.Mn)
Advanced Management Program - INSEAD	20.33
Strategy - Building and Sustaining Competitive Advantage - Harvard Business School	18.67
Engage Asia conference 2025, Empowering finance leaders in a transforming world	0.56
Know your customer optimisation by Asian Bankers Association	0.86
Executive Program in Global Impact Leadership in the Financial Industry	2.17
Executive Program in Global Impact Leadership in the Financial Industry	1.60

Training Cost	FY2025/26	FY2024/25
Total Training Cost (Rs. Mn)	15.20	14.92
Local Training Cost (Rs. Mn)	8.82	14.92
Foreign Training Cost (Rs. Mn)	6.37	-
Average Training and development cost per headcount (Rs.)	92,676.84	102,866.84



CAREER MOBILITY AND TRANSITION ASSISTANCE PROGRAMS ^{LA}

The FCH Group is strongly committed to supporting the career mobility of its employees underscored by merit-based practices where advancement is driven by performance, capability, and potential. Understanding that individual growth is integral to organisational success and long-term sustainability, the Group has established clear pathways for progression to empower employees to realise their full potential by contributing meaningfully to business objectives. The annual

performance appraisal serves as the primary platform for evaluating employee performance as well as identifying potential and readiness for greater responsibilities.

Career mobility is further supported by access to a wide range of training opportunities, spanning technical, leadership, and behavioural competencies to ensure employees are equipped with the skills required for progression, while continuous professional development relating to the employee's field of expertise is also highly encouraged as part of the

overall approach to career growth. Likewise special assignments and projects that allow employees to explore opportunities across different functions and business units within the Group also remains a key component of the overall approach to career mobility.

Leadership development programs and the foreign training were given to the staff who have been identified to make them suitable to the new roles with relevant knowledge and skills to make the role transitions are smooth and efficient.

MEASURING EMPLOYEE SATISFACTION

The FCH Group participates annually in the Great Place to Work (GPTW) survey, which serves as a key tool for measuring employee satisfaction and capturing workplace sentiment. By consistently engaging with this process, the FCH Group is able to track progress over time, benchmark its performance against industry peers, and reinforce a culture that prioritises employee voice, engagement, and organisational excellence. The results are systematically analysed to identify strengths, address gaps, and inform targeted action plans aimed at enhancing the workplace environment.

Great Place To Work® Trust Index Employee Survey- sub indices	How we scored	
	FY2025	FY2024
Credibility	91%	88%
Respect	89%	86%
Fairness	87%	84%
Pride	91%	87%
Camaraderie	90%	87%

EMPLOYEE RELATIONS

The FCH Group works on the premise that regular two-way communication is vital to building a motivated workforce that is fully invested in organisational success. As such, managers at all levels are encouraged to maintain continuous dialogue with their

teams through regular briefings, departmental meetings, and structured discussions. This is further reinforced by the Group's open-door policy, which empowers employees to approach their supervisors to discuss work-related matters, seek guidance, or share feedback in a transparent

and supportive environment. Employees are kept informed of key organisational developments via email, with sufficient notice given prior to implementation.

In addition, a formal Grievance Handling Procedure is in place for employees to raise concerns in a

confidential manner. All grievances are treated with due seriousness, investigated promptly, and addressed in a fair and transparent manner in line with established protocols. Backed by these multi-pronged efforts to cultivate direct relationships with its workforce has minimised the need for formal union representation.

Meanwhile, the whistleblowing framework facilitates reporting of serious concerns with designated authorities assigned to ensure independent review and action. The Group also conducts exit interviews to gain insights from employees resigning from the organisation.

case-by-case basis. In addition, the Group in partnership with Durdan's hospital offers all employees a free comprehensive annual health check up. More than 95% of staff made use of this facility in the current year. Considering the physiological wellbeing of employees, the Group retained the services of a trained psychologist to enable employees to access confidential guidance and support in managing personal and work-related challenges. Regular wellbeing and mindfulness programmes are also conducted to help employees manage work-related stress and maintain overall mental wellness.

Discrimination & Grievances	FY2025/26	FY2024/25
<i>Number of grievances filed</i>	0	0
<i>Number of grievances addressed</i>	0	0

SAFETY AND WELLBEING

While FCH Group's operations do not expose employees to significant occupational hazards, the Group remains firmly committed to ensuring a safe, secure, and healthy working environment for all employees, customers and any third parties present on any of the Group's premises. In this regard, mandatory safety equipment has been commissioned at all premises operated by the Group. Fire wardens have also been appointed across all locations to act as first responders and coordinate evacuation procedures in the event of an emergency. Regular fire drills are conducted to assess emergency preparedness measures. In addition, designated teams carry out periodic safety inspections and risk assessments to identify and mitigate potential workplace

hazards, while employees are provided with basic first aid training to enhance on-site response capabilities.

Employee health and wellbeing is further supported through comprehensive medical and hospitalisation insurance coverage, alongside annual health check-ups. Beyond physical safety, the FCH Group places strong emphasis on psychological wellbeing of employees and to that end has implemented a range of initiatives. Acknowledging the demands of the Group's PERFORMANCE FIRST, flexible and hybrid working arrangements are offered to support work-life balance and enhance employee productivity, while customised work arrangements including remote working options are extended on a

Equally importantly, the FCH Group places strong emphasis on fostering a respectful and inclusive workplace, free from harassment and discrimination. The Group's zero-tolerance approach to workplace harassment is upheld through the code of conduct, which outline acceptable behaviour and the consequences of non-compliance. Employees are encouraged to report any concerns through established grievance handling mechanisms, which ensure confidentiality, impartial investigation, and timely resolution. Regular awareness and training programmes are conducted to reinforce expected workplace behaviours and encourage reporting of misconduct.

Safety Related Data	FY2025/26
Safety Training Hours	Nil
No. of staff covered by health insurance	164
No. of medical insurance claims	21
No. of employees participating in the annual health check up	136
Value of insurance claims (Rs.)	2,051,252
Injuries in the workplace	Nil
No. of lost workdays due to workplace related injuries	Nil
Total number of grievances filed through formal grievance mechanisms during the reporting period	Nil



EMPLOYEE ENGAGEMENT

Guided by the belief that engaged employees are more invested in the Group's success, the FCH Group has established a robust calendar of events for employees to interact beyond their immediate teams, strengthening cross-functional relationships and enhancing overall workplace cohesion. These events are designed especially to foster connection, collaboration, and foster a strong sense of pride and belonging across the organisation. These initiatives provide opportunities .

In parallel, the Group places significant emphasis on recognising and celebrating employee achievements and milestones. Through various recognition initiatives and celebratory events, the FCH Group acknowledges individual and team accomplishments, reinforcing a culture of appreciation and motivating employees to sustain high levels of performance.



FUTURE PLANS

FOCUS AREAS



TIMELINE

Short Term

Medium Term



Robust career progression method specially with new generation is in the workforce



Strengthen the succession planning framework through systematic identification of critical roles



Introduce roundtable discussions with the Managing Director covering employees across the Group



Monitor developments in employee relations both locally and globally and adopt best practices specially focusing on new generation staff



Continue with employee driven engagement activities supported by HR



Introduction of a peer-to-peer recognition programme to enable informal recognition across the Group



Social and Relationship Capital

KEY COMPONENTS

- Product Stewardship
- Access and Reach
- Marketing and Product Communications
- Customer Awareness and Capacity Building
- Feedback and Complaints
- Data Privacy
- Supply Chain Dynamics
- Procurement Best Practices
- Community Relations
- Community Support

MANAGEMENT APPROACHES

- Proactively engage with key stakeholders, guided by clearly defined policies and strong Board oversight
- Build trust and cultivate long term relationships with stakeholders based on ethical conduct, compliance, and the demonstrable commitment to meet stakeholder deliverables

MATERIAL MATTERS

- Balanced earnings
- Brand image
- Client centricity
- ESG Matters
- Regulatory developments
- Data protection
Cybersecurity
- Digital transformation
- Financial inclusion
- Ethical service standards
- Heightened importance of risk management





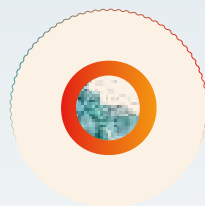
STRENGTHS

- Long-standing stakeholder trust across stakeholders
- Expanding digital and community engagement platforms
- Active social impact through financial literacy and sustainability initiatives



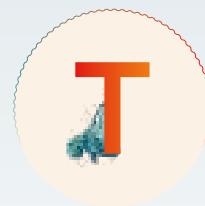
WEAKNESSES

- Limited visibility among mass-affluent markets nationwide
- ESG strategy in early stages with governance and prioritisation improvements underway



OPPORTUNITIES

- Drive financial inclusion via digital access and investor education
- Enhance ESG transparency and reporting assurance
- Build deeper social legitimacy through structured community partnerships



THREATS

- Competitive pressure from banks and NBFIs in investment solutions
- Rising popularity of digital currency-based investments and green investment channels (e.g., sustainable agriculture and plantation projects), which may detract investor attention from capital market solutions
- Risk of greenwashing by peers undermining authentic ESG initiatives
- Rising regulatory expectations on ESG and stakeholder engagement

KEY ACTIONS FOR FY2025/26

- Launch of the WhatsApp-enabled investment service
- Implemented the Data Protection Policy in line with the Personal Data Protection Act No. 09 of 2022 ("PDPA")
- CSAT and NPS surveys were conducted covering 5% of the Group customer base

OUTPUTS FOR FCH

- 49.5% year on year growth in customer base - CSAT and NPS surveys were conducted covering a total sample of 176 customers, with an overall response coverage of approximately 75%, comprising 66.9% coverage for the e-onboarding segment and 83.0% coverage for the call centre segment.
- Customer satisfaction - Digital (E-onboarding): Strong performance → 83.66%
- CSAT and Call Centre: Moderate performance → 67.07% CSAT
- Customer NPS - E-Onboarding 26 & Call Centre 23
- Community Goodwill

STAKEHOLDER OUTCOMES



CUSTOMERS

Assurance of best in-class customer experience supported by a diverse product portfolio, convenient digital access and transparent product information



EMPLOYEES

Opportunities for shared growth



COMMUNITIES

Enhanced financial literacy and inclusion



CUSTOMERS

GRI: 2 - 6, 416 -1, 416 -2

Product Stewardship

Being at the forefront of financial instruments and capital market activity in Sri Lanka, the FCH Group strives to lead by example through a holistic approach to product stewardship led by a very clear understanding of the potential impact of financial products on investors, markets, and the broader economy. In this regard, the Group's fundamental commitment to product responsibility focuses on offerings that are developed in strict adherence to regulatory requirements and in alignment with industry best practices for investor protection and long-term value creation.

These principles are formally embedded through the Group's Policy on New Products, which establishes standard operating procedures governing the introduction of new products across First Capital Holdings PLC and its subsidiaries to ensure products are not only commercially viable but also safeguard stakeholder interests and support growth of the Country's capital market ecosystem. Accordingly, the policy mandates that all new offerings undergo a stringent evaluation process, incorporating regulatory compliance checks, evaluation of strategic alignment with the Group's objectives, and comprehensive risk assessments prior to approval. As part of the ongoing commitment to product responsibility, internal controls are in place to ensure risks are appropriately identified, assessed, and mitigated throughout the product lifecycle as well.

There were no incidents of non-compliance concerning the health

Through a combination of targeted engagement initiatives to enhance financial literacy, thought leadership platforms, and digital outreach, the Group strives to continuously build customer capacity across diverse investor segments, from first-time retail investors to high-net-worth and institutional clients.



and safety impacts of products and services, reported in FY2025/26.

Access and Reach

The Group's commitment to product responsibility extends to delivering products and services conveniently and securely. To that end, the Group has prioritised the integration of digital platforms to create a more inclusive and efficient investment ecosystem that allows both existing and potential investors to engage with financial markets in a simplified and user-friendly manner.

In line with this approach, First Capital pioneering digital onboarding platform and account opening platform enables investors to seamlessly initiate and manage their investment journey from

anywhere, at any time. Likewise the First Capital Invest App and online portal provide users with real-time visibility into their investment portfolios, including access to information on government securities, equities, debentures, and research insights, alongside customisable tracking features. In addition, investors in selected funds benefit from enhanced liquidity through debit card access, enabling seamless withdrawals and payments, thereby bridging the gap between investment and day-to-day financial needs. Meanwhile, the latest addition to the Group digital channel catalogue - the WhatsApp-enabled investment service allows customers to conveniently transact, access fund information, and manage their investments.

	2025/26	2024/25
Digital onboarding platform	9,997	5,864

Marketing and Product Communications

GRI: 417 -1, 417 -2, 417 -3

Recognising the responsibility that comes with offering financial products and advisory services, the principle of transparency underpins the FCH Group marketing and product communications. Marketing activities are governed by internal protocols that prohibit misleading claims, ensure factual clarity, and require appropriate compliance approvals prior to dissemination.

Equally stringent protocols are in place for product communication. Client mandate agreements clearly define the scope of services and responsibilities. Investment products are presented with

transparent risk-return profiles, supported by documented conflict of interest policies and clearly articulated disclosures on compliant business practices throughout the investment lifecycle.

As part of its broader approach to product communication, the Group places strong emphasis on investor education. Clients are provided with clear explanations on product structures, associated risks, and expected outcomes, particularly across trading, advisory, and asset management services, while comprehensive service brochures provide detailed insights into product features and offerings that provide customers with the knowledge to navigate market complexities with confidence.

At the operational level, business teams managing both B2B and B2C segments are trained to promote products based on relevance, and suitability to client needs. For retail investors, especially those identified as more vulnerable, advisors conduct product suitability assessments, provide comprehensive risk disclosures, and explain key market dynamics, thereby supporting responsible investing and informed decision-making.

There were no reported incidents of non-compliance related to product or service information, marketing materials, or investment in FY2025/26.

Disclosure on Compliant Business Practices

/25Conduct metric	FY2025/26	FY2024/25
Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Nil	Nil
Total amount of monetary losses as a result of legal proceedings associated with:	Rs. 2.8Mn	Nil
- Marketing and communication of financial product-related information to new and returning customers; - Fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations; and - Professional integrity, including duty of care		
Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Nil	Nil
Description of approach to ensuring professional integrity, including duty of care	Nil	Nil

Zero legal actions pending or completed during the reporting period regarding anti- competitive behaviour and violations of anti-trust and monopoly legislations. ^{LA}

Customer Awareness and Capacity Building

Given the dynamic nature of capital markets, customer awareness is central to empowering investors with the knowledge and confidence

required to derive optimal value from the Group's products and services. Through a combination of targeted engagement initiatives to enhance financial literacy, thought leadership platforms, and

digital outreach, the Group strives to continuously build customer capacity across diverse investor segments, from first-time retail investors to high-net-worth and institutional clients.

Social and Relationship Capital

Key Awareness and Engagement Initiatives – FY2025/26

- First Capital Colombo Investor Symposium -11th Edition (January 2025): Targeting both existing and potential investors, including high-net-worth individuals and retail investors exploring capital market products.
- First Capital Mid-Year Outlook Investor Forum 2025: Engaging both retail and institutional investors by providing market insights and strategic investment guidance within the Sri Lankan context.
- Social Media and Digital Marketing Campaigns for Unit Trusts and Equities: Including the new marketing campaign using an animated character made out of cash, aimed at younger, digitally savvy individuals and retail investors seeking simple, accessible investment solutions through online channels.
- “Ask Them First” campaign was launched during World Investor week featuring customer testimonials and social media influencers to create interest and awareness for investing in capital markets, especially unit trust and equities.
- Extended efforts to empower women with financial knowledge the Group’s flagship “FinPowerHer” initiative to coincide with International Women’s Day in March 2026. This initiative saw a large gathering of young women who visited First Capital Head Office premises for a day full of knowledge sharing, and fun activities.
- Strengthening Sri Lanka Startup Eco System as the title sponsor of Sri Lanka’s largest Startup building initiative “First Capital Startup Nation” organised by Hatch. The programme ran for over 6 months and attracted over 100 startups applications to compete for funding.

Feedback and Complaints

GRI: 2 - 25

The FCH Group views feedback and complaints as valuable opportunities to continuously improve its offerings to enhance the overall customer experience. A Complaint Handling Policy sets out the process for the end-to-end management of complaints.

During the 2025/26 period, one major complaint was received. The complaint and corrective actions were reviewed at the subsequent Board Integrated Risk Management Committee (BIRMC) meetings. Internal procedures were updated to prevent recurrence, including strengthening internal controls and enhancing staff knowledge of products and processes.

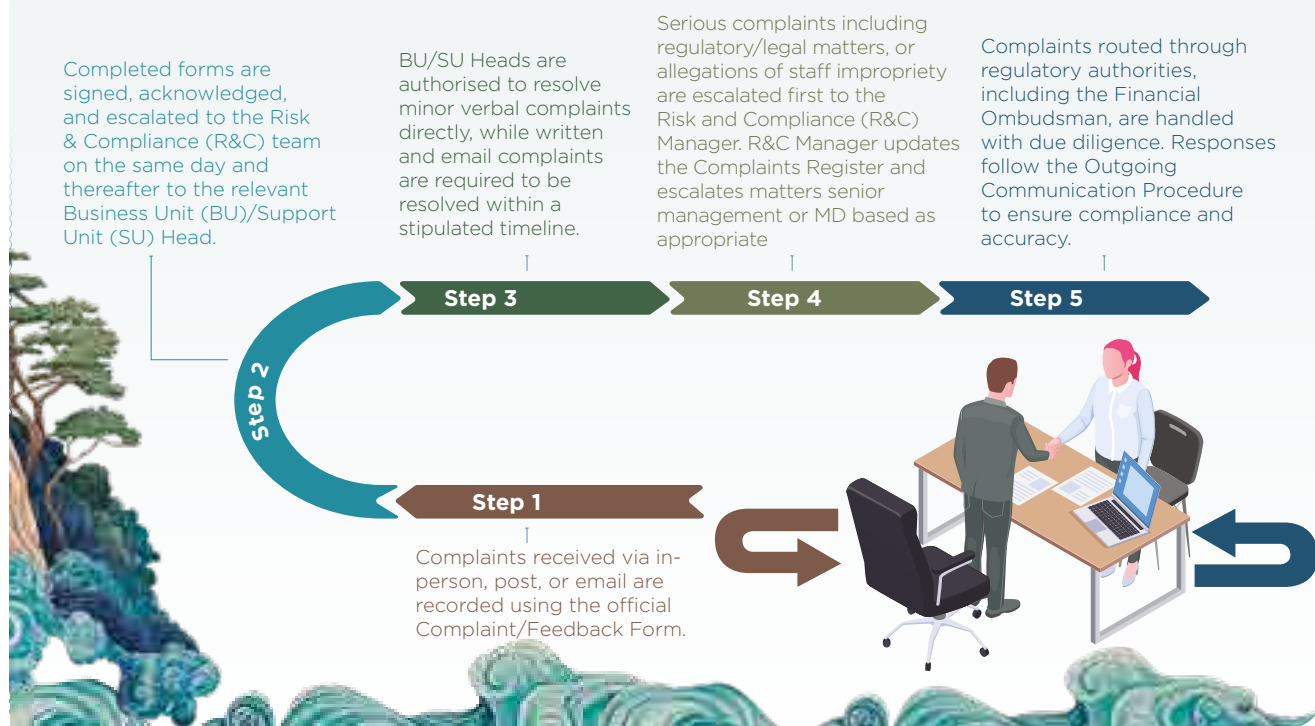


MEASURING CUSTOMER SATISFACTION

- CSAT and NPS surveys were conducted through an independent external agency to evaluate customer experience at the Group's contact centre and digital e-onboarding journey. The study was carried out during October to November 2025 using a telephone-based methodology, covering a total sample of 176 customers, with 88 customers assigned to each service stream. From these, 59 successful responses were recorded for e-onboarding and 73 for call centre interactions.
- The e-onboarding journey demonstrated strong performance, achieving an overall CSAT score of 83.66, with 71.7% of customers rating the experience as "very satisfied" and a further 18.8% as "satisfied", resulting in nearly 90% overall satisfaction. Key service attributes also recorded consistently high scores, including ease of completing onboarding steps (83.05), clarity of instructions (84.41), first impression of the digital interface (88.81), and trust in handling personal data (84.75). From a customer advocacy perspective, the e-onboarding NPS stood at 26, with 42% promoters, 40.7% passives, and 15.3% detractors, indicating a strong base of satisfied customers, albeit with a notable proportion who remain neutral in their likelihood to recommend.
- In comparison, the contact centre recorded an overall CSAT score of 67.07. While satisfaction levels remain generally positive across service areas, performance varied by process. For example, deposit confirmation recorded 81% satisfaction (38.54% very satisfied; 42.12% satisfied), while online portal support achieved 73% satisfaction, albeit with a relatively high 23.49% neutral response rate, suggesting usability challenges.
- The contact centre NPS was recorded at 23, comprising 33.8% promoters, a significant 55.4% passives, and 10.8% detractors. The high proportion of passive customers across both service channels indicates that while customers are generally satisfied, the experience is not yet sufficiently differentiated to drive strong advocacy.
- Overall, the survey findings highlight a solid foundation of customer satisfaction, particularly within the digital onboarding journey, supported by high usability, clarity, and trust. At the same time, they underscore key opportunities to enhance the contact centre experience through improved process efficiency, stronger product knowledge, and more proactive customer engagement. Addressing these areas will be critical in converting passive customers into promoters and strengthening long-term customer loyalty.

Social and Relationship Capital

FCH GROUP COMPLAINT HANDLING PROCESS



DATA PRIVACY

GRI: 418 -1

As a financial services Group managing large volumes of confidential customer data, data privacy is a top priority for the FCH as it serves as a fundamental pillar in maintaining customer trust. Working to formalise the internal data protection architecture, a Data Protection Policy was developed and approved by the Board in December 2025. The policy outlines how the FCH Group collects, uses, discloses, and safeguards personal data in accordance with the Personal Data Protection (Amendment) Act No. 22 (PDPA) enacted by the Data Protection Authority of Sri Lanka

which functions as the regulator responsible for enforcing data protection obligations, monitoring compliance, and safeguarding individuals' privacy rights.

In conjunction with the policy implementation, the FCH Group Privacy Policy was published on the corporate website to inform users on the data collection, usage, and protection practices. In parallel, a Group-wide Data Protection Impact Assessment (DPIA) was also commissioned to identify and evaluate potential privacy risks. As mandated by the PDPA, a Data Protection Officer was also appointed to oversee effective implementation of policy matters. Contact details of the Data Protection Officer were

made publicly available via the Privacy Notice and the Information Memorandum on the company website.

No incidents relating to data breaches were reported in FY2025/26. ^{LA}

SUPPLIER

GRI: 2- 6, 204 -1

Supply Chain Dynamics ^{LA}

Suppliers play an important supporting role to assist in the continuity of the FCH Group's day to day operations. The Group maintains a predominantly local supplier base, with the majority (approximately 85%) comprising Sri Lankan entities. Suppliers are

broadly categorised as critical and non-critical, with critical suppliers identified as those providing core business support through IT software related services, hardware, specialised consulting services and, print and media services. Non-critical and general business services include building maintenance services, security services, cleaning services, interior office furnishings and supplies.

Procurement Best Practices

The Group's procurement practices aim to build a network of optimal partners who not only demonstrate financial viability but also embrace the FCH's commitment to ethical and sustainable business practices. In keeping with procurement best practices, the Group promotes a level playing field with supplier selection based strictly on pre-defined criteria including proven technical capabilities, service record as well as compliance with local labour, tax, and regulatory requirements. Suppliers that meet these standards are formally engaged, making them eligible to provide goods and services across the Group. All procurement activities are managed centrally under the purview of the Group's Administration Department.

COMMUNITY

GRI: 203 -2, 413 -1

Community Relations

The first step in building strong community ties is understanding the impacts of business operations on the wider community and responding proactively to earn the trust of the community. In this regard, the FCH Group's financial literacy initiatives aim to provide individuals with the knowledge and skills to participate actively in financial markets, thereby empowering communities to achieve greater financial independence and long-term wealth creation.

Ongoing initiatives such as the "Stock Talk" Bi-Weekly Series: A curated educational programme designed to update investors on current and upcoming trends in the stock market. Each session is recorded and made available on YouTube, providing accessible, on-demand learning content for a wide audience. At the same time, ongoing posts and campaigns on social media aim to demystify financial concepts and encourage responsible investing across a wider audience of retail investors.

The Company continued to strengthen its commitment to financial literacy and ecosystem development through targeted outreach initiatives. The "InvestED" University Outreach Programme is designed to equip students with essential knowledge of investing and macroeconomic fundamentals. During the year under review, the programme successfully engaged over 1,500 students across more than 15 universities, fostering greater awareness and informed participation in capital markets.

In parallel, First Capital Startup Nation continued to serve as a leading platform dedicated to empowering and developing Sri Lanka's startup ecosystem.

Through this initiative, the Company supports emerging entrepreneurs by facilitating access to knowledge, networks, and opportunities, thereby contributing to innovation and sustainable economic growth.

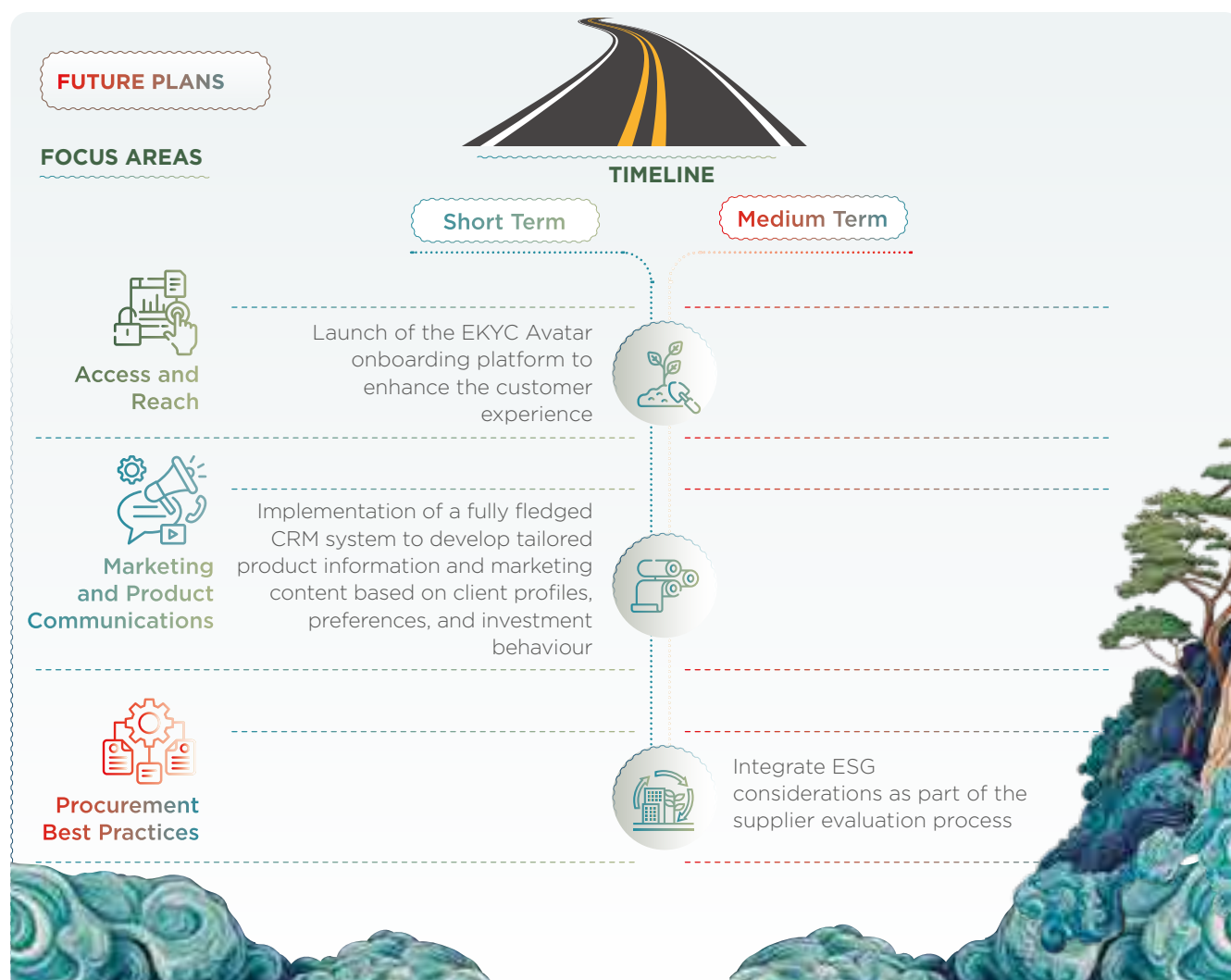
Community Support

GRI: 203 -1, 413 - 2

A systematic approach underpins the FCH Group's effort to community support initiatives, with projects undertaken to maximise social value. To support this, Community feedback is actively sought through multiple channels, including social media, direct engagement, and other communication platforms, allowing the Group to identify genuine needs in tandem with the evolving social challenges. Funding for community initiatives is managed through the marketing and sustainability budgets. In cases where initiatives fall outside the approved budget, prior approval is sought from the Board. Project execution is strictly monitored to ensure activities are delivered on schedule, within budget, and aligned with the defined objectives.



Social and Relationship Capital







Natural Capital

KEY COMPONENTS

- Governance and Oversight
- Resource Efficiency
- Emission Inventory Calculation
- Nature-positive Projects

MANAGEMENT APPROACHES

- Promoting resource efficiency through targeted initiatives across energy, paper, and waste
- Supporting the preservation of natural ecosystems through the investment in Nature-positive initiatives

MATERIAL MATTERS

- Climate Change, Emissions & Environmental Risk
- Digitalisation, Data & Cyber Security
- Industry Partnerships & Collaborations



S

STRENGTHS

- External assurance and baseline diagnostic framework deeply directional
- Focused operational footprint

W

WEAKNESSES

- Data availability gaps
- Emerging KPI framework supported by operational baseline; full metrics integration in process

O

OPPORTUNITIES

- Attracting green conscious investors and clients across core businesses providing investment and advisory solutions
- Forming sustainability partnerships

T

THREATS

- Reporting complexity can stretch limited strategic bandwidth
- Escalating stakeholder expectations- investors, regulators, rating agencies demanding increasingly granular and comparable disclosures
- Implementation cost could be high relative to scale

KEY ACTIONS FOR FY2025/26

- Increased digital adoption to drive paperless operations
- Rs. 2.5Mn invested in nature positive initiatives

OUTPUTS FOR FCH

- 80 Kg paper recycled
- 193.32 Tonnes CO₂e Carbon footprint

STAKEHOLDER OUTCOMES**CUSTOMERS**

Increased confidence in a responsibly managed organisation with transparent carbon footprint measurement and disclosure

**EMPLOYEES**

Enhanced awareness and participation in resource efficiency practices and sustainability culture

**COMMUNITIES**

Preservation of ecosystems through nature-positive initiatives such as tree planting and habitat restoration



GOVERNANCE AND OVERSIGHT

The Group's sustainability commitments, including environmental considerations, are guided by a comprehensive Sustainability Policy, while governance and oversight is based on a multi-layered structure that demonstrates a top down approach to integrating policy mandates into strategic decision-making and day-to-day operations.

With overall responsibility for Environmental Governance vested with the FCH Group Board, a dedicated Board Sustainability Champion has been appointed to formulate the procedures and protocols to ensure environmental stewardship is fully embedded within the Group's sustainability framework.

At an operational level, the Group Sustainability Management Committee, a cross functional team consisting of departmental representatives, responsible for translating mandates into actionable

initiatives. Execution is further supported by the Annual Report and Sustainability Working Group, which drives implementation, monitoring, and reporting of sustainability initiatives across the Group.

RESOURCE EFFICIENCY

Despite the relatively low direct environmental impact of its operations, the FCH Group maintains clear guidelines to drive resource efficiency, including the responsible use of energy and paper as well as waste generation in the day-to-day activities across the Group.

In this regard, energy and water management is centred on optimising consumption across office premises through the use of efficient equipment and ongoing monitoring to identify opportunities for reduction, accompanied with awareness programmes to encourage employees to prevent wastage.

Waste management in general is guided by the principles of reduction, reuse, and responsible disposal. The Group promotes waste segregation at source and ensures that waste is managed in accordance with regulatory requirements and best practices. Meanwhile, given its service-oriented business model, paper and paper waste account for a significant component of the Group's environmental footprint, which has prompted the Group to leverage digital technology to accelerate the transition to paperless processes.

FCH GROUP ONGOING COMMITMENT TO RESOURCE EFFICIENCY

- Paperless Board documentation via fully digitised BoardPAC
- Adoption of digital workflows, including e-signatures, e-onboarding, and electronic confirmations to minimise paper usage
- Implementation of electronic document management systems to reduce reliance on physical records
- Promotion of responsible consumption practices, including reuse of paper and envelopes
- Transition to digital communication tools, such as e-letterheads and electronic business cards
- Reduction of single-use plastics, including replacement of plastic bottles with glass alternatives and installation of water dispenser
- Integration of energy-efficient infrastructure, including the use of LED lighting across office premises
- Preference for energy-efficient devices, with laptops used in place of desktops to reduce overall energy consumption
- February designated as Sustainability Month, and flyers are sent to educate the staff of sustainability concepts, climate change, recycling and on food waste.
- Installation of the solar panel system

EXISTING WASTE MANAGEMENT PRACTICES

- Types of waste
- Current mode of disposal

E- waste (Charges/ Cables/ Monitors/Scanners/ laptops/Headset/ Key Board/Mouse)
Tender/ CSR/Electric wastage/ Technical Collages

Toner
Collect by Admin

Paper waste
Recycle

Confidential Paper waste
Shredder

Paper Waste (Pantry)
Collected by Colombo Municipal Council

Tissue Waste (Sanitary)
Collected by Colombo Municipal Council

Sanitary Napkins
Collected by Rentokil

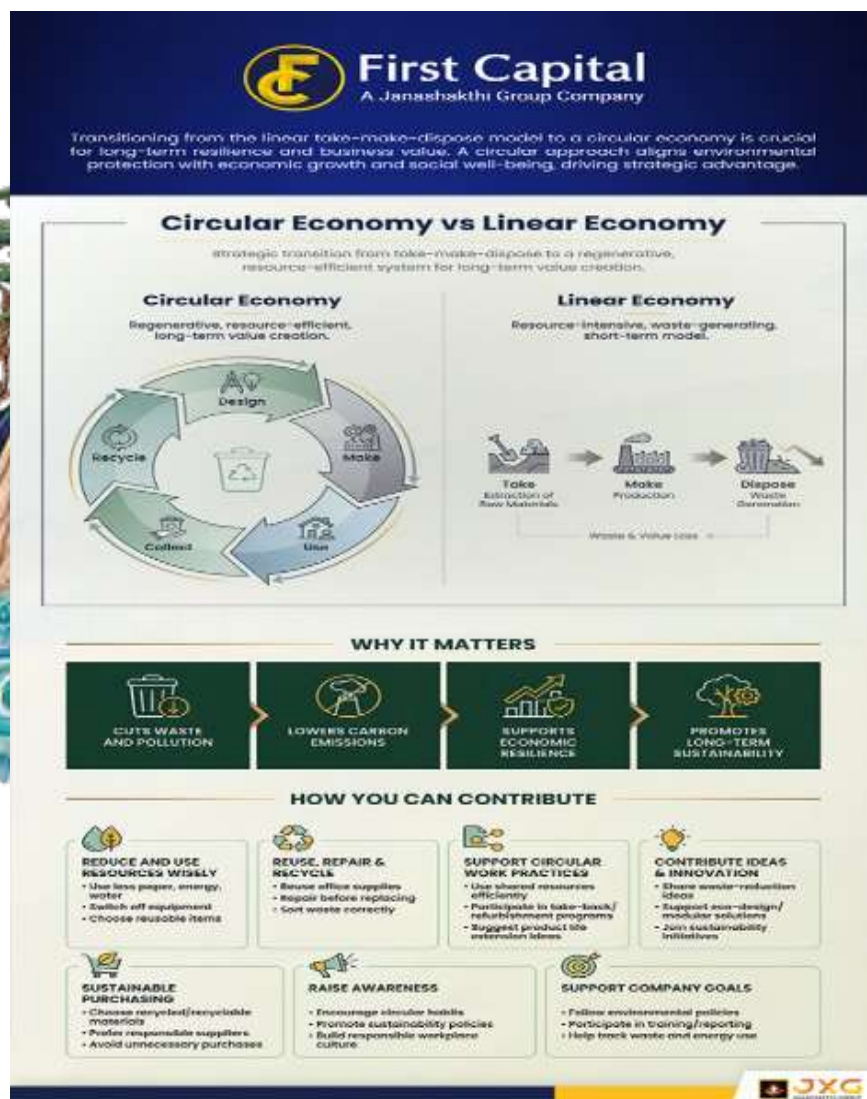
Plastic waste
Collected by Colombo Municipal Council

Polythene waste
Collected by Colombo Municipal Council

Food waste
Collected by Colombo Municipal Council

Glass Waste
Collected by Colombo Municipal Council

Cleaning Chemicals bottles
Collected by Colombo Municipal Council



EMISSION INVENTORY CALCULATION

The Group's emission inventory is compiled in line with recognised global methodologies, capturing key emission categories including Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity), and, where relevant, selected Scope 3 emissions such as employee commuting and paper usage. Data is collected from internal systems and operational records, and appropriate emission factors are applied to quantify greenhouse gas emissions in a consistent and comparable manner.

This process enables the Group to identify emission hotspots, monitor performance over time, and implement targeted initiatives to improve efficiency and reduce environmental impact. It also supports transparent reporting and aligns with the Group's broader commitment to sustainability best practices.



Global Framework Alignment

GHG EMISSION INVENTORY



Empowering Communities for Ocean Conservation

- Empowers more diverse and true impact teams
- Designed and implemented community-based sustainability projects
- Focused on reducing carbon footprint
- Worked towards reducing plastic pollution along the coast



GRI: 302 -1, 302 - 4, 305 -1, 305 -2, 305 -3, 305 -4, 305 -5

Indicator	Unit	Status FY2025/26
Total GHG Emissions (Scope 1+2+3 excluding financed emissions)	Tonnes CO ₂ e	193.32
Electricity usage ^{LA}	kWh	172,921
Water consumption	m ³	1,046
Electricity Intensity ^{LA} (Consumption within the organisation)	kWh/FTE	1,054.4

Electricity intensity is expressed per Full-Time Equivalent (FTE) employee to provide a consistent measure of energy efficiency relative to organisational activity.

	Category	GHG Emission (t CO ₂ e)	% Emission
1	Scope 1	0.90	0.50
2	Scope 2	72.16	37.30
3	Scope 3	120.26	62.20
	Total GHG emission	193.32	100.00



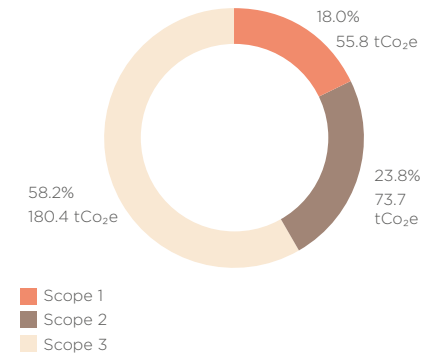
NATURE POSITIVE PROJECTS

Restoration of 15 acres of forest in partnership with WNPS-PLANT

In early November 2025 FCH Group signed a Memorandum of Understanding (MoU) with the Wildlife and Nature Protection Society (WNPS) to support the WNPS PLANT initiative (Preserving Land and Nature (Guarantee) Limited) - a large-scale forest restoration initiative in the central highlands of Sri Lanka.

In line with the MoU, the Group has undertaken to fund the restoration of approximately 4 kilometres of riverbank area (around 13-15 acres) along the Nanu Oya within the Great Western Estate in Thalawakele. The project is among many that forms part of PLANT's ongoing Emerald Trails programme, which aims to create interconnected forest ecosystems in Sri Lanka's

Total GHG Emission



highly biodiverse southwestern region, home to most of the island's endemic species.

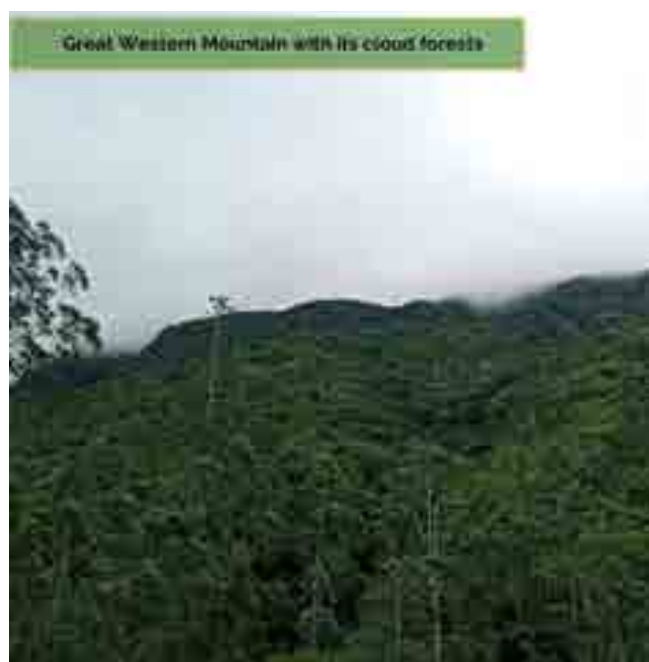
Adopting a science-based approach to tree planting, the project was immediately established along the Great Western boundary following the MoU signing. However, certain pre-identified planting areas were affected by sand deposition due to the impact of Cyclone Ditwah, necessitating a reassessment of suitable locations. Where required, sand removal was undertaken, and replanting activities were carried out in consultation with field experts, using species better suited to sandy and resilient conditions. As a result, the current phase of planting has incorporated mainly native species, along with a targeted selection of additional sand-tolerant species identified for enhanced survival and ecological suitability.

Replanting native species and rehabilitating degraded land is expected to significantly reduce greenhouse gas concentrations while protecting vital water sources and soil health in the area. Over time, the newly restored forest corridor along the Nanu Oya will not only become a biodiversity haven but also serve as a natural carbon sink strengthening Sri Lanka's strength to increasingly erratic rainfall, rising temperatures and ecosystem degradation.

	Family	Scientific Name	Common Name
1	Lauraceae	Neolitsea fuscata	Kudu dawula
2	Myrtaceae	Syzygium Nervosum	Bata domba
3	Symplocaceae	Symplocos acuminata	Alu bombu
4	Dilleniaceae	Mallotus tetracoccus	Boo-kenda
5	Rutaceae	Acronychia pedunculata	Ankenda
6	Cyatheaceae	Alsophila walkerae	Gini hota



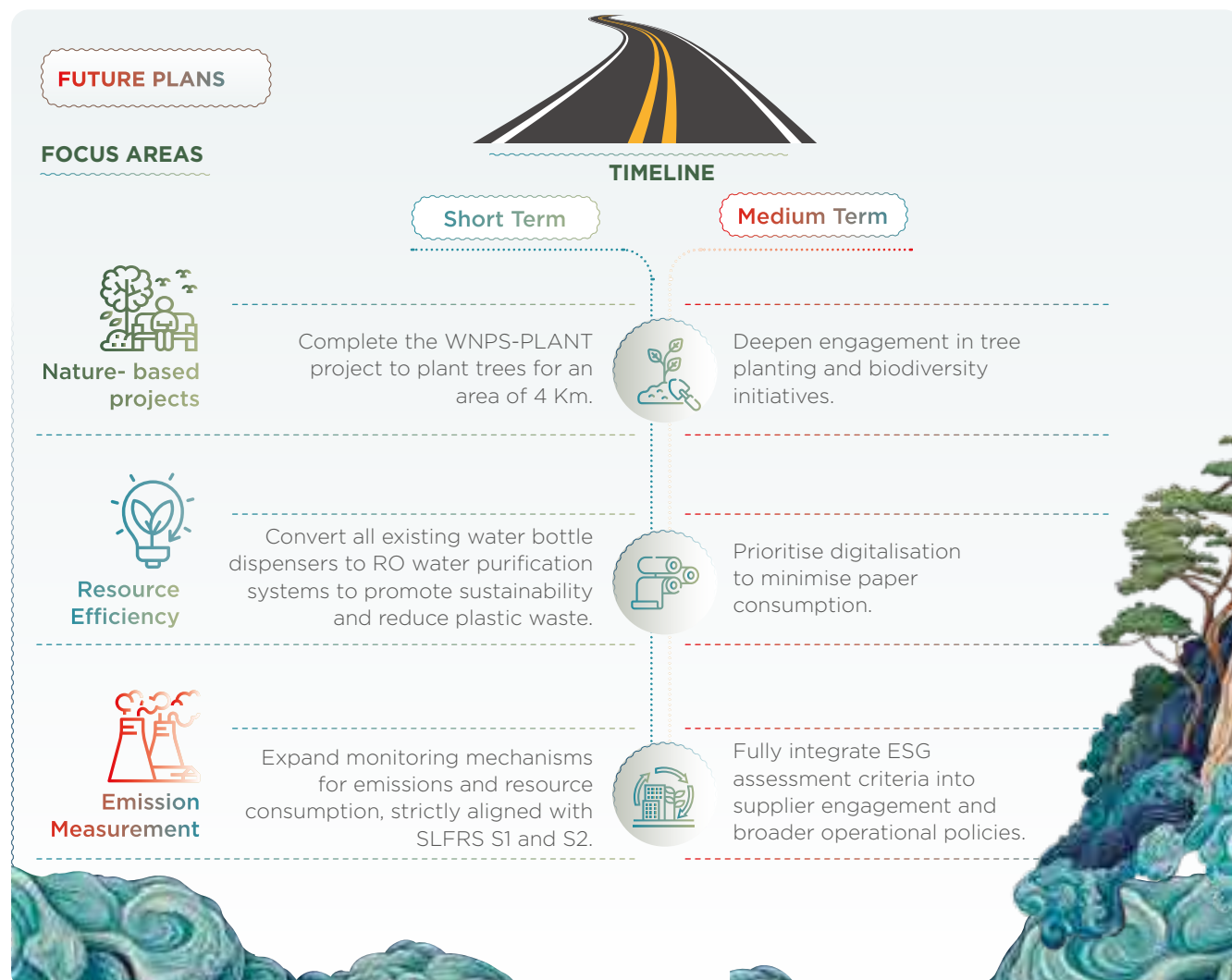
Continuous planting is ongoing, and shade nets are being added to protect the young plants.

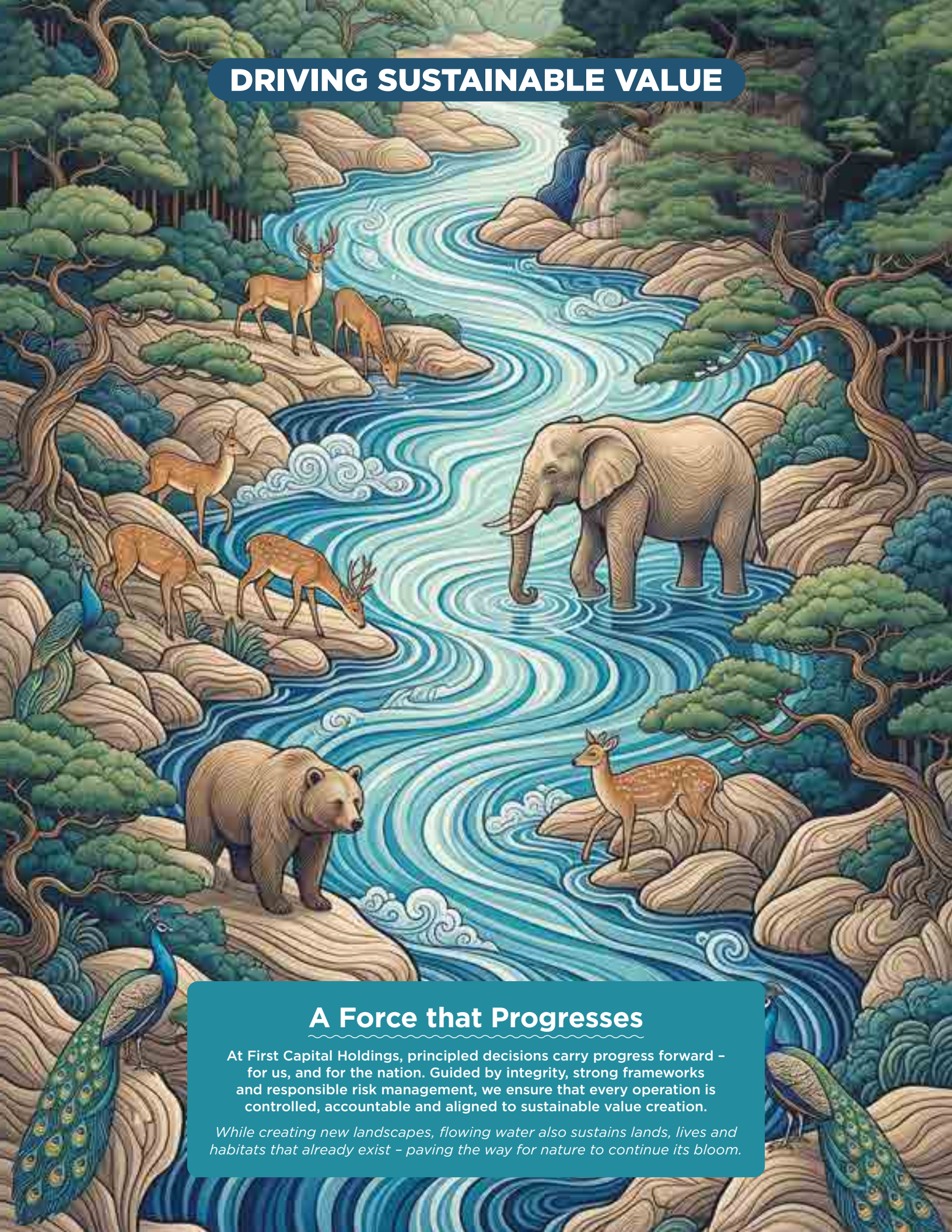


COMMUNITY-BASED WATER STEWARDSHIP PROJECT

Beyond our internal operational footprint, we extend our natural capital commitment to the communities in which we operate. A primary example is the “Clean Water, Safe Sanitation, Healthy Future” initiative at Kelaniya Gurukula College, completed in March 2026. This project, which aligns with SDG 6 (Clean Water and Sanitation), reflects our dual approach to resource management.

- Infrastructure Investment: Enhancing washroom facilities to ensure modern, water-efficient sanitation for younger students.
- Advocacy and Education: Fostering a “conservation-first” mindset by educating over three grade levels on the vital importance of water hygiene and resource preservation.





DRIVING SUSTAINABLE VALUE

A Force that Progresses

At First Capital Holdings, principled decisions carry progress forward – for us, and for the nation. Guided by integrity, strong frameworks and responsible risk management, we ensure that every operation is controlled, accountable and aligned to sustainable value creation.

While creating new landscapes, flowing water also sustains lands, lives and habitats that already exist – paving the way for nature to continue its bloom.

Our Sustainability Journey

FUTURE ROADMAP Advancing the Agenda

Advancing SLFRS S1 & S2 adoption, expanding financed emissions measurement and deepening stakeholder engagement under the PCAF framework.

First Integrated Report

Launched the first full Integrated Annual Report aligned with GRI & IR Framework.

2021/22

External Assurance

Sustainability reporting is independently assured by an external auditor, reinforcing the credibility and accuracy of disclosures.

2022/23

ESG Debut

Published sustainability disclosures, establishing baseline frameworks and SDG linkages.

2023/24

GHG Baseline Established

Verified GHG emissions baseline set for Scope 1, 2 & selected Scope 3 categories.

2024/25

2025/26

PCAF Signatory & SLFRS S1 & S2

First in Sri Lanka's capital markets to sign PCAF, advancing financed emission calculations. Initiated climate disclosure alignment with SLFRS S1 & S2.

Landmark Global Milestones

- First Capital Asset Management Ltd became the 1st company in Sri Lanka to be a signatory to the UN Principles for Responsible Investment (UN PRI).
- Joined as a Participant of the United Nations Global Compact (UNGC).
- Endorsed the United Nations Women's Empowerment Principles (WEPIs) as a signatory.
- First capital markets institution in the world accepted for Certification on the Sustainability Standards Initiative (SSCI) by the European Organisation for Sustainable Development, Germany.

Our Approach to Sustainability

At First Capital Holdings PLC (FCH), sustainability is not an obligation we report against. It is a value we build into our business. Our approach is anchored in the United Nations Sustainable Development Goals (SDGs) and the UN Global Compact (UNGC) Ten Principles, which together define our understanding of sustainable development as an integrated balance between economic progress, social inclusion, and environmental stewardship. These frameworks also reinforce our commitment to transparency, ethical conduct, and strong governance across all areas of operation.

We recognise, however, that the credibility of any sustainability disclosure rests less on the language of commitment than on the evidence of action. FCH's sustainability agenda is at an early but deliberate stage. During FY 2025/26 we established Board-level accountability through a designated ESG Champion. We also became a signatory or participant in four international frameworks: the UN Global Compact, the UN Principles for Responsible Investment, the UN Women's Empowerment Principles, and the Partnership for Carbon Accounting Financials. In parallel, we set a verified greenhouse gas baseline covering Scope 1, 2, and selected Scope 3 categories. The disclosures that follow describe both what we have built and what we have not yet built. We believe credible sustainability reporting depends on being equally clear about both, and we have written this section in that spirit.

SUSTAINABILITY STRATEGY: FROM COMMITMENT TO ACTION

FCH's sustainability strategy is built to translate high-level commitments into tangible, measurable outcomes. While guided by the overarching sustainability policy of the First Capital Group, the strategy is

tailored to reflect FCH's role as a leading investment and capital market institution in Sri Lanka.

Performance in FY 2025/26

During FY 2025/26, FCH made significant strides in formalising its sustainability framework. Our primary achievement was the formal activation of the Governance Pillar and the approval of our seven strategic priorities. By vesting ultimate accountability in the Board and defining a clear roadmap from GHG baseline establishment to global disclosure alignment, we have moved sustainability from a peripheral reporting activity into a core strategic mandate.

GHG Baseline: FCH established a verified greenhouse gas emissions baseline for FY 2025/26, covering Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased electricity), and the following selected Scope 3 categories: (business travel, employee commuting, waste management and product use). Total baseline emissions: Scope 1 — [0.90 tCO₂e]; Scope 2 — [72.16 tCO₂e]; selected Scope 3 — [120.26 tCO₂e].

The SSCI (Sustainability Standards and Certification Initiative)

assessment: According to the standard, FCH is required to evaluate on eight principles known as the Octagon Value Creation Model, covering: Governance, Management, Technology, Business Models, Operations, Products, Stakeholder Relations, and Human Capital. The SSCI is described as the first initiative worldwide enabling financial institutions to embrace sustainability holistically across their organisations delivering a robust, evolving, and locally sensitive set of standards to make value-driven financial institutions resilient and profitable. A Certificate of

Acceptance (which FCH received) is entry-level recognition before progressing to full certification. Based on the requirements of the standard, the purpose statement of the FCH and High Impact Goals have been established and received required approvals.

Resource Allocation: A dedicated member of the Board of Directors was appointed as the Sustainability Champion to provide strategic oversight and leadership for the organisation's Environmental, Social, and Governance (ESG) journey. This role is responsible for guiding the integration of sustainability principles into the company's overall business strategy, promoting accountability across functions, and ensuring alignment with corporate sustainability objectives and stakeholder expectations. The Sustainability Champion also supports the monitoring of ESG initiatives, encourages continuous improvement in sustainability performance, and facilitates Board-level engagement on key environmental, social, and governance matters.

During the period, a dedicated Head of Sustainability and Corporate Reporting was appointed to lead and coordinate the organisation's ESG and sustainability initiatives, strengthening the overall sustainability governance framework and reporting processes. To support the effective implementation of sustainability-related activities and strategic objectives, a budget allocation of Rs. 12 Mn was approved for the function.

Our Approach to Sustainability

As FCH is among the top 100 listed companies by market capitalisation as of 31 December 2024, it faces the rigorous challenge of early adoption of emerging compliance mandates. Meeting the intensive reporting requirements of a top-tier listed entity requires significant technical readiness and resource allocation, particularly as we transition toward full SLFRS S1 and S2 alignment.

PREPARING FOR THE FUTURE: SLFRS S1 AND S2 ALIGNMENT

As the global shift towards sustainability reporting accelerates, FCH continues to strengthen its alignment to adopt SLFRS S1 and S2 standards. These standards — adapted to the local context of the IFRS Sustainability Disclosure Framework — are designed to promote transparency and risk resilience. FCH's progress on SLFRS S1 and S2 disclosures is detailed on pages 342 to 373 of this Report.

STRATEGIC SUSTAINABILITY ROADMAP

FCH has adopted Seven strategic pillars, approved by the Board, to guide its sustainability agenda over the coming years. This roadmap is designed to propel the Company from foundational practices to structured, measurable outcomes.

01	 STRENGTHEN ESG GOVERNANCE - Assign ultimate sustainability responsibility to the Board of Directors. - Appointment of Sustainability Champion at Board level. - Strengthen the Sustainability Management Committee for strategic oversight and climate-related risk identification. - Enhance cross-functional coordination through the Sustainability Working Group.
02	 ACHIEVE KEY ESG CERTIFICATIONS AND MEMBERSHIPS - Pursue recognised ESG certifications that validate the Company's sustainability practices. - Secure strategic memberships in sustainability-focused bodies and initiatives to strengthen market credibility. - Leverage certifications and memberships to benchmark performance against industry peers.
03	 ALIGN DISCLOSURES WITH GLOBAL SUSTAINABILITY REPORTING STANDARDS - Align with GRI, SASB, and SLFRS S1 & S2 frameworks to ensure transparency and comparability. - Map key initiatives directly to the United Nations SDGs to address global development priorities.
04	 BUILD A VERIFIED GHG EMISSIONS INVENTORY - Develop a comprehensive greenhouse gas (GHG) emissions inventory. - Pursue independent verification for Scope 1, 2, and 3 emissions to establish a credible and auditable baseline.
05	 DRIVE EMISSION AND WASTE REDUCTION INITIATIVES - Introduce targeted programmes for energy efficiency and operational cost reduction. - Accelerate paperless transformation and digitisation to minimise the Company's environmental footprint.
06	 PROMOTE AN ESG-FOCUSED CULTURE AND ENHANCE COMMUNICATION - Strengthen internal capacity through employee training on climate-related risks and ESG principles. - Integrate sustainability considerations into core decision-making and risk assessment processes. - Enhance internal and external sustainability communications to build awareness and stakeholder trust.
07	 PURSUE RECOGNITION AND AWARDS FOR SUSTAINABILITY PERFORMANCE - Actively participate in sustainability-related rankings, indices, and award programmes. - Use external recognition to benchmark progress, strengthen accountability, and signal commitment to stakeholders.



SUSTAINABILITY MEMBERSHIPS AND COMMITMENTS

During FY 2025/26, FCH and its subsidiaries voluntarily joined five

international frameworks. Each carries specific public obligations that shape how we operate and report.

- **UN Global Compact (Participant):** Commits FCH to align operations and strategy with the Ten Principles on human rights, labour, environment, and anti-corruption, and to submit an annual communication on Progress. Our first communication on Progress appears later in this report.
- **UN Principles for Responsible Investment (Signatory, First Capital Asset Management Ltd):** Commits the asset management business to incorporating ESG considerations into investment analysis and decision-making, and to annual public reporting against the six PRI Principles.
- **UN Women's Empowerment Principles (Signatory):** Commits FCH to advancing gender equality through workplace, marketplace, and community practices, including measurable progress on female leadership representation.
- **Partnership for Carbon Accounting Financials (Signatory):** Commits FCH to measuring and disclosing the greenhouse gas emissions associated with its loans and investments using a harmonised global methodology.
- **Sustainability Standards and Certification Initiative (Certificate of Acceptance):** An independent third-party assessment of FCH's sustainability management framework against the SSCI standard, with periodic re-assessment

ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

Guided by the SDGs, the FCH Group aligns its strategic priorities with broader global development outcomes — ensuring that its contribution to capital market development is economically meaningful, socially inclusive, and environmentally responsible.

SDG	FCH Group Core Commitment	Sustainable Development Focus
1 NO POVERTY 	Enhancing Financial Resilience and Wealth Creation	Access to capital markets through equity broking, unit trusts, and government securities enables long-term savings. Investor education initiatives including 'Make Your Money Work Harder' and digital platforms empower informed financial participation. Fair employment, market-competitive remuneration, and performance-linked rewards support sustainable income growth for employees.
3 GOOD HEALTH AND WELL-BEING 	Promoting Employee Wellbeing	Free annual health check-ups, medical insurance, hybrid work arrangements, access to a trained psychologist, on-site fire safety systems, and continuous risk assessments. Clear product disclosures and suitability assessments improve client decision-making confidence.
4 QUALITY EDUCATION 	Financial Literacy and Lifelong Learning	Investor education through digital platforms, webinars, and university engagement. Programmes include Investor Symposiums, Mid-Year Outlook Forums, Stock Talk series, and FinPowerHer. Employees benefit from a gamified iLearn platform with 96 digital modules and a Rs. 100 Mn foreign training budget.
5 GENDER EQUALITY 	Advancing Gender Inclusion	DEI Policy institutionalised across recruitment and development. FinPowerHer programme driving female leadership growth. Gender-neutral job designations and equal opportunity recruitment processes.

Our Approach to Sustainability

SDG	FCH Group Core Commitment	Sustainable Development Focus
	Watershed Protection	Forest restoration and native species planting to rehabilitate riverbank ecosystems along the Nanu Oya, improving water retention, reducing erosion, and protecting natural water sources.
	Energy Efficiency	LED lighting, energy-efficient laptops, and low-energy infrastructure across offices. Continuous monitoring of energy consumption and employee awareness initiatives to reduce unnecessary energy use and installation of the solar power unit.
	Strengthening Capital Markets and Employment	Facilitating government borrowing via primary dealer operations, supporting corporate financing, and driving market liquidity. Merit-based recruitment, structured KPIs, equal pay, and performance-linked incentives.
	Digital Infrastructure and Market Resilience	Digital-first transformation including the Invest App, WhatsApp investing, and automated onboarding. RPA automation, KYC digitisation, and end-to-end workflow automation improving operational efficiency.
	Equal Opportunity and Inclusion	DEI framework covering gender, ethnicity, age, disability, and socio-economic background. Broad-based investor access through digital platforms and multi-channel engagement. Unbiased selection processes with Career Committee oversight.
	Responsible Product Governance and Resource Use	Product Stewardship Policy and New Product Approval Framework. Implementation of 3R principles, waste segregation, digital document management, paperless workflows, and reduced single-use plastics.
	Climate Action and Sustainability Awareness	GHG emissions inventory covering Scope 1, 2, and selected Scope 3. Sustainability Month awareness programmes promoting climate literacy and environmental responsibility.
	Biodiversity Conservation	Partnership with WNPS-PLANT to restore 15 acres along Nanu Oya (Great Western Estate). Reforestation using native and climate-resilient species creating long-term biodiversity corridors and carbon sinks.
	Ethical and Accountable Governance	Regulatory compliance with CBSL, SEC, and CSE. AML/KYC/CTF compliance, responsible selling practices, Code of Conduct, grievance mechanisms, and ISO 27001:2022 Certification.
	Ecosystem Collaboration	Active engagement with regulators to promote capital markets participation. Cross-sector collaboration for advisory services and partnerships with universities, INSEAD, and Harvard for talent development.



LOOKING AHEAD: PRIORITIES FOR FY 2025/26 AND BEYOND

As FCH enters the next phase of its sustainability journey, our focus shifts from establishing foundations to delivering measurable results. Our roadmap aims to transform sustainability reporting from a compliance requirement into a fundamental pillar of institutional strength and a catalyst for leadership in Sri Lanka's capital markets.

SHORT-TERM PRIORITIES

- Transition sustainability practices toward a data-driven model — ensuring performance is quantifiable, auditable, and results-oriented.
- Refine reporting suites to ensure full compliance with emerging local and global mandates, with a specific focus on SLFRS S1 and S2 requirements.
- Achieve deeper synergy with the First Capital Group sustainability framework, ensuring FCH's initiatives are seamlessly aligned with the broader Group's strategic vision.

LONG-TERM STRATEGIC PRIORITIES

- Embed sustainability into the fabric of daily operations, moving beyond disclosure to integrate sustainability into decision-making, risk assessments, and internal performance reporting.
- Build specialised capabilities in climate-related risk analysis in line with Group-wide PCAF commitments, including developing methodologies for assessing financed emissions.
- Invest in internal literacy programmes to equip teams to navigate low-carbon finance and climate-resilient portfolio management.

By building resilience into our core operations, FCH continues to serve as a responsible participant in Sri Lanka's capital markets, ensuring long-term competitiveness and sustaining stakeholder trust.

ALIGNMENT WITH THE UN GLOBAL COMPACT TEN PRINCIPLES

First Capital Holdings PLC is a signatory to the UN Global Compact. FCH integrates the UNGC Ten Principles into its strategy, governance, risk management, and daily operations across the four domains of Human Rights, Labour, Environment, and Anti-Corruption.

HUMAN RIGHTS

Principle 1 — Support and respect the protection of internationally proclaimed human rights.

Principle 2 — Ensure the business is not complicit in human rights abuses.

FCH's Code of Conduct requires all employees, officers, and management to respect the rights and cultural differences of every individual within the Organisation. FCH is an equal opportunity employer and prohibits discrimination on the basis of race, age, sex, religion, caste, marital status, or disability.

- **Policy framework:** The Diversity, Equity, and Inclusion (DEI) Policy is in place.
- **Training:** Awareness training on anti-bribery, whistleblowing, and market misconduct was conducted during the period.
- **Risk integration:** Human rights risks are monitored through FCH's enterprise Risk Management Framework.
- **Supply chain:** FCH maintains vigilance that no child labour is engaged within its supply chain.

- **Community development:** FCH supports community development initiatives aligned with the UN SDGs, contributing to access to education, healthcare, and social infrastructure.

LABOUR

Principle 3 — Uphold freedom of association and the right to collective bargaining.

Principle 4 — Uphold the elimination of all forms of forced and compulsory labour.

Principle 5 — Uphold the effective abolition of child labour.

Principle 6 — Uphold the elimination of discrimination in employment and occupation.

FCH's strong, trust-based relationships with employees have created an environment where formal collective bargaining mechanisms have not been required. No incidents of forced or compulsory labour or child labour were reported. FCH's equal opportunity policies apply to all terms and conditions of employment — including hiring, promotion, compensation, and training. Discrimination is explicitly identified as unacceptable conduct within Company premises.

ENVIRONMENT

Principle 7 — Support a precautionary approach to environmental challenges.

Principle 8 — Undertake initiatives to promote greater environmental responsibility.

Principle 9 — Encourage the development and diffusion of environmentally friendly technologies.

Our Approach to Sustainability

Environmental considerations are formally incorporated into FCH's Sustainability Policy and Strategy. During the year, FCH advanced several significant environmental initiatives:

- **Renewable energy:** A solar panel project was completed, reducing dependence on grid electricity.
- **Biodiversity:** Trees planted across 15 acres to create a forest corridor, contributing to ecosystem restoration.
- **Resource efficiency:** Active programmes to recycle paper and reduce food waste.
- **Digital transformation:** Adoption of SignNow and Enadoc document management system has significantly reduced paper consumption, reflecting FCH's commitment to environmentally friendly technologies.
- **Stakeholder partnerships:** FCH engages with PLANT and other partners in support of community-level environmental stewardship.

ANTI-CORRUPTION

Principle 10 — Work against corruption in all its forms, including extortion and bribery.

FCH maintains a zero-tolerance stance against corruption, bribery, and unethical conduct. Its Anti-Bribery and Corruption Policy and Whistleblowing Policy apply to all employees, directors, suppliers, and third parties. The Enterprise Risk Management Committee provides Board-level oversight, while a dedicated Compliance Officer ensures consistent operational compliance. Anti-bribery training and whistleblowing awareness programmes were conducted during the year. Confidential

grievance and whistleblowing channels are available to all employees and third parties.

FCH's alignment with the UNGC Ten Principles reflects its conviction that sustainable business performance and responsible conduct are inseparable. Across human rights, labour standards, environmental stewardship, and anti-corruption, FCH is building the policies, governance structures, training programmes, and community partnerships necessary to make these principles a living reality. As the Company continues to grow, it remains committed to deepening its UNGC alignment and communicating its progress transparently to all stakeholders.

Interview with Board Champion for Sustainability



Inoshini Perera
Board Champion for Sustainability

“Our accreditation under the Sustainability Standards and Certification Initiative by the European Organisation for Sustainable Development was particularly meaningful, as we were the third company in Sri Lanka, and at the time the only investment institution in the world, to receive it. Alongside the SSCI, we have signed on to the Partnership for Carbon Accounting Financials, the UN Women Empowerment Principles, and aligned with the Global Reporting Initiative.”

Q1. *Aside from compliance, do you feel the SLFRS S1 and S2 standards truly add value to your organisation, its stakeholders and the capital market ecosystem?*

Yes. Compliance matters, but the more meaningful shift is that these standards have brought sustainability into the same conversation as financial reporting. We've long applied a particular discipline to our financial statements: testing what's material, ensuring comparability, tying everything back to performance. S1 and S2 now ask us to approach sustainability with that same seriousness. The change shows up internally well before it shows up in any report. It's in how the Board engages with the topic, how management plans around it, and how we think about the long-term economics of the business.

For First Capital, the standards have sharpened our thinking in several ways. They have brought sustainability firmly onto the Board agenda, and given our clients and counterparties, from fund managers and unit-holders through to corporate clients and rating agencies, information they can meaningfully benchmark against regional and global peers. That is the comparability gap voluntary reporting could never fully close. They have also pushed us to connect sustainability topics directly to cash flows, to cost of capital, and to access to finance, rather than allowing them to sit as a parallel narrative. We are at the early stages of that work, and the standards give us both the framework and the discipline to take it forward

For our stakeholders, the value is trust through verifiability. Disclosures made within a recognised reporting framework carry more weight than broad narrative statements that are not subject to the same discipline. Investors are better placed to make informed decisions, and the market can move on a common

yardstick rather than a patchwork of voluntary commitments. This is what turns a sustainability report from a communication exercise into a piece of institutional infrastructure.

Q2. *How equipped was your Board to lead the transition to SLFRS S1 and S2? What in your opinion, are the essential skill sets required of Board Directors?*

Stewarding this transition has been a journey for our Board, and one we approached cultural-first rather than technical-first. Credit is due to our Chairman for setting the tone and approach from the top. Sustainability was already a prevalent conversation at Board level well before it became a regulatory requirement, which meant that when SLFRS S1 and S2 arrived, the standards felt like a continuation of a conversation the Board was already having, rather than a new agenda item being imposed on us.

Interview with Board Champion for Sustainability

As the Board carries overall accountability for this transition, we approached SLFRS S1 and S2 with an openness to learn and a recognition that the Board had to build its own understanding. Directors attended multiple training sessions and panel discussions, and invested meaningful personal time in broadening their knowledge, which is the clearest signal of Board conviction on any subject. We continue to learn and grow into the standards, and that posture of engaged learning is itself part of how the Board is choosing to discharge its stewardship of this agenda.

When it comes to the skill sets directors need, I think the single most important thing is financial materiality judgement, the ability to see sustainability as a question of enterprise value rather than a separate domain. Closely related is the capacity to treat sustainability risks as part of the enterprise risk register rather than parallel to it. Beyond that, directors increasingly need enough fluency in climate and sustainability topics to ask sharp questions of management and engage credibly with investors, regulators, and rating agencies. None of this requires directors to become specialists. It does require them to stay curious and keep learning, which in my experience is the more important quality anyway.

Going forward, boards will increasingly differentiate themselves by the depth of sustainability expertise they bring, whether through targeted recruitment, continuing professional development, or both. What matters is that the Board owns the agenda with conviction, and at First Capital, that conviction has been our foundation from the start.

Q3. *In what ways has the SLFRS S1 and S2 implementation process served as a catalyst for change within your organisation?*

Before I answer, I must acknowledge our Managing Director, Dilshan Wirasekara, our Head of Sustainability and Corporate Reporting, Diluni Danushika, and the wider management team. The Board holds accountability for this agenda, but the real work of transformation happens at the management level, and we have been fortunate to have a team that has embraced it with energy and ownership.

The biggest impact of the process has been the discipline it brought to how we assess and manage these issues. To report credibly, you must first identify, assess, and quantify sustainability risks, and the real value lies in the work that happens before the disclosure is written. For First Capital, this has meant bringing sustainability into the same conversation as capital allocation and business strategy, rather than treating it as a parallel narrative.

External validation has both catalysed and confirmed this journey. Our accreditation under the Sustainability Standards and Certification Initiative by the European Organisation for Sustainable Development was particularly meaningful, as we were the third company in Sri Lanka, and at the time the only investment bank in the world, to receive it. Alongside the SSCI, we have signed on to the Partnership for Carbon Accounting Financials, the UN Women Empowerment Principles, and aligned with the

Global Reporting Initiative. Each commitment has brought external rigour that has, in turn, shaped how we operate internally.

Perhaps most importantly, the implementation journey has created cross-functional ways of working that did not exist before. Finance, risk, sustainability, and the business units now engage on these questions together, and that integration is, in my view, the most valuable change of all.

Q4. *What were the critical hurdles your organisation encountered on the path to SLFRS S1 and S2 compliance, and what did overcoming them reveal about your institution's readiness and adaptability?*

I would describe our path less as a series of hurdles and more as a step-by-step journey, one that requires patience and sequencing. Sustainability reporting is not a project with a completion date. It is a discipline that deepens with each reporting cycle.

Among the things we have had to work through, and in many ways continue to work through, bringing stakeholders along has been central. Sustainability reporting cannot sit with one team or one function. It requires buy-in and active engagement from management across the organisation, and that buy-in is itself a process that has to be approached patiently, through education, dialogue, and the gradual demonstration that sustainability is integral to business strategy rather than separate from it.

Equally important has been embedding sustainability into decision-making, so that material sustainability considerations inform how we allocate capital, price risk, and evaluate opportunities, rather than sitting alongside these processes as a reporting overlay. This is the work that transforms disclosure from a reporting exercise into a management discipline.

And alongside both of these, we continue to work on data. Given the breadth of our business, which spans equities trading, fixed income, capital markets advisory, wealth management, and unit trust management, much of the relevant data sits with the issuers, investee companies, and counterparties we engage with, many of whom are themselves only beginning their own disclosure journeys. Getting our data architecture right is work that does not finish with one reporting cycle. It evolves as the standards evolve and as disclosure quality across the market matures.

What it has shown is that the organisation is willing to adapt, strengthen its systems, and engage seriously with a more demanding reporting framework. We are clear-eyed that the journey continues, and we take each step with confidence.

Q5. *What advice and insights can you offer to other organisations similar to yours, embarking on the SLFRS journey?*

Every organisation's journey will look different, but a few things have stood out for us that may be useful to peers embarking on theirs.

Start with governance, not with disclosure. The instinct is to rush into data collection and template design. Resist it. Begin by asking who on the Board owns sustainability, how often the Board sees sustainability risk, who in management is accountable, and how the two connect. Governance is the first pillar of the standards for a reason, and it is where credibility is earned or lost.

Treat materiality as a discipline, not a checklist. SLFRS S1 materiality is demanding. It asks what could reasonably be expected to affect the entity's cash flows, access to finance, or cost of capital. For a capital markets institution, material sustainability issues are as much about the companies we trade, hold in unit trusts, advise, or manage wealth on behalf of, as they are about our own operations. That is a finance question as much as a sustainability question, and it deserves the same rigour as a financial materiality assessment.

Build the data architecture early. The single biggest source of implementation pain is discovering, twelve months into the exercise, that the data you need is scattered, inconsistent, or non-existent. Invest in systems, in ownership, and in definitions up front. For businesses whose data depends on issuers, investee companies, and counterparties, this also means starting early conversations with those stakeholders, because they are on their own journeys too.

Invest in people, and build internal capability. You will need a dedicated sustainability function, not a single individual but a capability, supported by finance, risk, and the business units. Partner with CA Sri Lanka's training

programmes, qualified external advisors, and your own peers in the market. Build internal expertise rather than becoming permanently dependent on consultants.

Let the disclosures evolve honestly, and think beyond reporting.

Your first disclosure will not be perfect, and it should not try to be. What matters is that it is honest, that it identifies your direction of travel, and that each subsequent year builds on the last. But more fundamentally, do not think of SLFRS S1 and S2 as a reporting project. Think of it as an opportunity to understand how sustainability risks and opportunities shape the long-term economics of your business, and to communicate that understanding credibly to the clients whose capital you are stewarding. If the process is only generating a report, you are probably missing the point. If it is also changing how you run the business, then the standards are earning their keep.

SLFRS S1 & S2 Sustainability Related Financial Disclosures



A. BASIS OF PREPARATION SLFRS S1 1-25

Reporting Entity, Organisational Boundary and Reporting Period | SLFRS S1 20, 64-69

The sustainability-related financial disclosures in this section pertain to First Capital Holdings PLC ('the Company / FCH / the Group') and its subsidiaries, collectively referred to as the 'Group'. These disclosures cover all entities within the financial reporting boundary, consistent

with the Company's general-purpose financial statements. Unless otherwise specified, information is presented on a consolidated basis.

The report covers the financial year from 1 April 2025 to 31 March 2026, which aligns with the Group's

financial reporting period. These disclosures have been prepared under the authority of the Board of Directors and approved for issuance on 05 June 2026.

FINANCIAL REPORTING AND CLIMATE RELATED FINANCIAL REPORTING BOUNDARY

FIRST CAPITAL HOLDINGS PLC

PARENT COMPANY

Subsidiaries

100%

First Capital Limited

Engages in investments and management of subsidiaries

First Capital
Treasuries
PIC

First Capital
Asset
Management
Limited

First Capital
Equities
(Private)
Limited

First Capital
Advisory
Services
(Private)
Limited

First Capital
Trustee
Services
(Private)
Limited

First Capital
Markets
Limited

Application of SLFRS Sustainability Disclosure Standards | *SLFRS S1* 5-9, *SLFRS S2* 1-4

This section has been prepared in accordance with SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures, issued by CA Sri Lanka, which are based on IFRS S1 and IFRS S2 developed by the ISSB. These disclosures are designed to assist primary users of general-purpose financial reports in understanding the climate-related risks and opportunities (CRROs) that may reasonably be expected to impact on the Group's:

- Cash flows,
- Access to finance, and
- Cost of capital,

over the short, medium, and long term.

Value Chain | *SLFRS S1* -B5

Across its value chain, the Group relies on multiple forms of capital — financial, manufactured, intellectual, human, social and relationship, and natural — to generate value. At the same time, the Group's activities influence these capitals through value creation, preservation, or, in some cases, erosion.

In assessing climate-related risks and opportunities (CRROs), both the upstream and downstream segments of the value chain were considered, with the assessment based on all reasonable and supportable information available without undue cost or effort, to ensure a comprehensive understanding of the Group's exposure to CRROs.

Upstream Value Chain

The Group's upstream value chain comprises its interactions with external stakeholders that enable access to essential financial and non-financial resources required for operations, as outlined in the **Value Creation Model** (pages 46 and 47). These inputs consist of six categories of capital, financial, manufactured, intellectual, human, social and relationship, and natural which collectively form the basis for the Company's value creation process.

Climate-related risks and opportunities (CRROs) may influence upstream activities by affecting both the availability and stability of these capitals. This includes potential impacts on

SLFRS S1 & S2 Sustainability Related Financial Disclosures

internally managed resources as well as the Group's ability to secure ongoing support and input from external stakeholders.

Core Business Operations

Internal operations encompass the Group's core activities, systems, and human capital that convert input resources into services, and strategic outcomes. These include key functions such as Finance, Treasury Services, Information Technology and Digital, Risk and Compliance, Operations and Human Resource Management.

These operations are fundamental to sustaining performance in the short term while supporting long-

term resilience. Climate-related risks and opportunities can affect the efficiency and effectiveness of these processes, thereby influencing the Group's ability to translate inputs into sustainable value.

Downstream Value Chain

The downstream value chain relates to the Group's external engagements and service delivery, through which value is transferred to customers and other stakeholders. This includes activities such as the provision of financial products, client relationship management, monitoring of financed activities, and contributions to broader economic, environmental, and social outcomes.

Through these activities, the Group contributes to the development and reinforcement of various forms of capital. At the same time, downstream interactions expose the Group to climate-related risks and opportunities through its lending portfolio, sectoral exposures, and market dynamics. Climate risks may influence borrower performance and asset quality, while opportunities may arise from financing low-carbon solutions, enabling climate transition pathways, and delivering positive environmental and societal outcomes.

Value Chain Overview

Climate-related risks & opportunities (CRROs) interact across all stages

Upstream

Financial & manufactured capital availability & stability

Intellectual & human skills, IP, workforce capacity

Digital & social data, networks, trust

Natural capital ecosystems, resources, climate

CRRO Impact

Affects availability and stability of these resource inputs

Business Operations

Finance & treasury capital allocation & liquidity

IT & digital infrastructure systems, data & technology

Risk & compliance governance & regulatory adherence

Operations core processes & delivery

Human resources talent, culture & workforce

CRRO Impact

Affects efficiency and translation of inputs into sustainable value

Downstream

Financial products credit risk & market risk

Client relationships CRM & portfolio stewardship

Financed activities emission & exposure monitoring

CRRO Impact

Exposures: credit risk, market risk & financed emission risk

Climate-related Risks & Opportunities (CRROs)

Influence resource availability, operational efficiency, and downstream exposure across the entire value chain

Materiality | SLFRS S1 Para 17-19

The SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information establishes the requirement to disclose information on Sustainability-related risks and opportunities (SRROs) and SLFRS S2 Climate-related Disclosures that could reasonably be expected to influence an entity's future prospects.

Within this context, information is considered material if its omission, misstatement, or lack of clarity could affect the decisions of primary users of general-purpose financial reports.

Hence the Group has applied the principle of Materiality to ensure that its sustainability-related financial disclosures and climate-related disclosures are focused on matters that are most relevant to its future performance and position. Accordingly, the materiality assessment prioritises SRROs and CRROs that may have direct or indirect financial implications for the Group, taking into account both current conditions and expected future developments.

While the SLFRS Sustainability Disclosure Standards emphasise disclosures based on financial materiality, the Group has also integrated impact materiality alongside financial considerations. The Group's value chain was thoroughly examined to identify the relevant sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) across upstream, internal, and downstream activities. A qualitative assessment was then conducted to determine which risks and opportunities are most material to the Group. In selecting the CRROs, key factors considered included potential effects on the Group's going concern, possible reputational and regulatory risks, and their strategic significance to the Group's long-term objectives.

CRROs not meeting these criteria, were classified as non-material for the reporting period. However, such CRRO's will continue to be monitored for changes in magnitude, likelihood or stakeholder relevance.

Functional Currency | SLFRS S1 -24

These SLFRS Climate-related financial disclosures are presented in Sri Lankan Rupees (Rs.), the Group's functional and presentation currency.

Sources of Guidance | SLFRS S1- 54-58

SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information

SLFRS S2 – Climate-related Disclosure Standard

The Preparers' Guide to SLFRS S1 & S2 by The Institute of Chartered Accountants of Sri Lanka

Time Horizons SLFRS S2 Para 10(c)-(d)

The effects of climate-related risks and opportunities (CRROs) can be substantial and extend over multiple periods, potentially influencing the Group's portfolio, financial position, and performance in the short, medium, and long term. Due to the uncertainty surrounding the timing and magnitude of climate-related impacts, the Group has established the following timeframes for assessing CRROs:

Short Term (S)
0-1 Year

Medium Term (M)
2-5 Years

Long Term (L)
>5 Years

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Connected Information | SLFRS S1 -21-24

Section	SLFRS S1/S2 Requirement	Connected Report Section
Governance	SLFRS S1 26-27 SLFRS S2 5-7	Corporate Governance – Pages 84-183
Strategy	SLFRS S2 8-23	Our Strategy – Pages 48-52
Risk Management	SLFRS S2 24-26	Risk Management Report – Pages 230-244
Metrics & Targets	SLFRS S2 27-37	Natural Capital / ESG Report – Pages 322-330

Transitional Reliefs Applied | SLFRS S1 Appendix E SLFRS S2 Appendix C

The Group has applied the following transitional reliefs available under SLFRS S1 and SLFRS S2 in preparation for these disclosures for the year ended 31 March 2026:

	Relief	Standard Reference	Description
(a)	Climate-related disclosures only	SLFRS S1	During the first year of adoption, the Group limits disclosures to climate-related risks and opportunities in line with SLFRS S2. SLFRS S1 applied only to the extent it relates to climate disclosures.
(b)	No comparative information	SLFRS S1	The Group is exempt from presenting comparative information relating to CRROs in the initial year of application.
(c)	Scope 3 greenhouse gas emissions (incl. financed emissions)	SLFRS S2	Only Scope 1, Scope 2 and Scope 3 (excluding financed emissions) are disclosed in this period. The SLFRS S2 Appendix C relief permits deferral of all Scope 3 categories in year one; the Group is voluntarily disclosing six of fifteen Scope 3 categories and is applying the relief solely to Category 15 (financed emissions). Full Category 15 disclosure becomes mandatory for the period commencing 1 January 2027 – two years after the CA Sri Lanka mandatory application date of 1 January 2025 for top 100 CSE entities. Accordingly, the first mandatory Scope 3 Category 15 disclosure year is FY 2027/28.
(d)	Qualitative information on anticipated financial effects	SLFRS S2	Disclosure of qualitative information relating to anticipated financial effects of CRROs is deferred for up to two years from the effective date.

Professional Judgements and Key Uncertainties | SLFRS S1 77-82

Area of Judgement	Description
Materiality Threshold	Determining whether specific CRROs could reasonably be expected to affect cash flows, access to finance or cost of capital. Judgements applied where financial effects were uncertain or indirect.
GHG Emissions	Professional Judgement exercised in selecting appropriate emission factors and proxy activity data for Scope 3 categories where actual data was unavailable.
Time Horizons	Judgement applied in defining time horizons used in the assessment of CRROs, linked to strategic planning cycles.
Value Chain Scope	All upstream and downstream activities prone to CRROs mapped over the value chain based on operational control and material impact.
Identification of CRROs	Risks identified through value chain analysis based on SASB standards and peer comparison, using readily available quantitative and qualitative information.

Key Areas of Measurement Uncertainty

- GHG Emission Quantification – Direct measurement not practicable across all categories; estimates applied and refined as benchmarks improve.
- GHG Emission Factors – Estimates based on third-party factors from the most recent publicly available sources.
- Likelihood of CRROs – Probability assessed using professional judgement, considering uncertainty and dependency on future conditions.
- Impact of CRROs – Potential impact evaluated using professional judgement on financial performance, position and long-term prospects.

Statement of Compliance | SLFRS S1 -72-73

The Group's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards, issued by the Institute of Chartered Accountants of Sri Lanka, incorporating the transitional reliefs disclosed under SLFRS S1 & S2 Standards.

This report presents climate-related financial disclosures for First Capital Holdings PLC and its subsidiaries for the financial year ended 31 March 2026.

Approved by the Board of Directors on 05 June 2026

B. GOVERNANCE SLFRS S1 26-27 | SLFRS S2 5-7

This section outlines governance disclosures in accordance with SLFRS S1 and S2. It should be read alongside the detailed Corporate Governance Report on pages 84-183.

Board Oversight Role

The Board of Directors holds ultimate responsibility for identifying, managing, and monitoring Sustainability and Climate-related Risks and Opportunities (SRROs and CRROs), formulating related strategies, materiality assessments, and facilitating stakeholder engagement.



SLFRS S1 & S2 Sustainability Related Financial Disclosures

At the same time, when evaluating strategic initiatives and significant investments, the Board assesses both the potential risks, such as regulatory changes, climate transition impacts, and resource constraints and the opportunities, including innovation, operational efficiencies, and market positioning arising from sustainability trends. The Board also actively evaluates trade-offs associated with sustainability-related risks and opportunities. This includes balancing short-term financial performance with long-term environmental and social outcomes, assessing capital allocation decisions, and considering stakeholder expectations.

Designated Board-Level Sustainability Champion (Appointed on 14 February 2025)

Ms. Inoshini Perera – Brief profile on page 76

Responsible for channelling climate and sustainability matters between the SMC and the full Board.

Skills and Competencies

Recognising ESG as an emerging competency, the Board of Directors conducted an assessment through skill mapping aligned with SLFRS S1 and S2, drawing on their experience and exposure to sustainability-related practices. Based on the responses received through the assessment questionnaire, a training programme titled “Role of the Board and Management in the Implementation of SLFRS S1 and S2 Standards” was organised. This programme was also extended to the Sustainability Management Committee, given its delegated responsibilities in driving the Company’s sustainability initiatives.

In addition, several Directors participated in external training programmes on the same subject to enhance their understanding of the requirements of these standards. Moreover, as part of ongoing efforts to identify knowledge gaps, relevant questions were incorporated into the annual performance evaluation of Directors to assess their level of skills and competencies in this area and determine the need for capacity building to ensure Group leadership and workforce remain aligned with global standards and emerging sustainability best practices.

Furthermore, the Board underwent the following training programmes to ensure they remain up to date with the necessary knowledge and skills.

Training Programme	Date of the Programme	Facilitator	Number of Attendees
ESG Awareness Session	2 Dec 2025	Mr. Romani De Silva	3
Board’s Role in Mandatory Sustainability Reporting	19 Sep 2025	Sri Lanka Institute of Directors	4
Global sustainable conference	3 Dec – 5 Dec 2025	European Organisation for Sustainable Development	2
Awareness Programme – Implementation of SLFRS S1 & S2: Role of the Board & Management	20 Feb 2025	Mr. Sampath Jayawardena	7

Please refer page 91 for the Board’s full skills and competencies matrix.

How the Board is Informed and Addresses CRROs

Under the oversight of the Board, the Board Integrated Risk Management Committee (BIRMC) undertakes the responsibility for the review and oversight of Climate-related Risks and Opportunities (CRROs) and Sustainability-related Risks and Opportunities (SRROs) on an annual basis. For this purpose, the BIRMC evaluates emerging trends, assesses potential impacts, and ensures that appropriate risk management and mitigation strategies are in place.

During the year under review, the BIRMC reviewed and approved the identification of both Climate-Related Risks (CRROs) and Sustainability-Related Risks (SRROs) and incorporated into the Company's risk register as appropriate to support systematic assessment, monitoring, and management within the broader enterprise risk management framework. Under the guidance of the BIRMC sustainability considerations were also embedded into strategic planning and decision-making processes across the organisation in line with the principles of SLFRS S1 and S2.

Role of the Management

Sustainability Management Committee (SMC)

The Board has appointed a Board-level Sustainability Champion and delegated detailed oversight to the Sustainability Management Committee (SMC). The SMC comprises key members of Management, including the CEO (Chair), Heads of all Business Units (Treasury, Dealing Securities & Corporate Advisory, Asset Management, Equities), and Heads of all Service Units. The Head of Sustainability and Corporate Reporting acts as Secretary. The SMC meets at least quarterly.

The Role of the SMC	Reporting Responsibilities
- Align ESG strategy and frameworks - Conduct horizon scanning - Oversee stakeholder engagement and materiality assessments - Monitor SRROs and CRROs - Oversee risk management processes - Implement Board-approved strategic responses to SRROs/CRROs - Set goals and monitor relevant metrics - Oversee sustainability reporting - Review and recommend policies - Allocate resources for ESG initiatives	- Provide recommendations to the Board via the Sustainability Champion on matters requiring action - Promptly inform the Board of any material ESG matters outside the formal cycle - Escalate matters exceeding the Committee's authority to the Board

Annual Report & Sustainability Reporting Working Group (ASWG)

The ASWG reports to the SMC and supports the preparation, review, and publication of the Annual Report including all sustainability and ESG disclosures. It serves as the coordination hub for sustainability initiative implementation. The ASWG comprises the Head of Sustainability and Corporate Reporting (Chair), with representatives from Finance, Risk & Compliance, HR, Administration, IT, Marketing, CRM, and Research. The ASWG meets at least bi-weekly.

Key Responsibilities of the Committee:

- Oversee the development and coordination of Annual Report content
- Manage and enhance sustainability and ESG-related disclosures
- Support the implementation of sustainability initiatives
- Monitor and manage carbon emissions measurement and reporting

- Ensure assurance processes and maintain quality standards
- Facilitate stakeholder engagement activities
- Ensure timely delivery of reporting outputs

Reporting Responsibilities:

- The Working Group shall provide recommendations to the SMC on any matters within its scope where action or improvement is required, ensuring sufficient time for discussion as needed.
- Outside the formal reporting cycle, the Working Group shall promptly inform the SMC of any material issues or concerns.
- Matters that exceed the Working Group's authority or require escalation shall be referred to the SMC.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Board and Committee Activities in FY 2025/26

BOARD	BIRMC	SMC	ASWG
Approved amendments to the Policy on Matters Relating to the Board of Directors	Approved identification of SRROs & CRROs to be Incorporated into Risk Register	Approved sustainability activities for FY 2025/26 Reviewed the charter of ASWG	Initiated sustainability-related activities for FY 2025/26 Co-ordinated GHG data collection
Approved Charter of SMC	Approved Climate Risk Assessment	Reviewed the Sustainability Strategy	
Approved Charter of ASWG			
Approved the Sustainability Strategy			

Remuneration Mechanism

Sustainability considerations are embedded into the Company's performance evaluation framework at both Board and employee levels, reinforcing accountability and alignment with long-term value creation.

In evaluating the performance of Directors, sustainability-related questionnaires have been incorporated into the annual Board evaluation process with the aim of assessing how effectively Directors integrate sustainability and climate-related considerations into strategic oversight, decision-making, and risk governance.

At the leadership level, sustainability-related Key Performance Indicators (KPIs) have been formally assigned to the Chairman, as well as to the Chairperson of the Sustainability Management Committee. These KPIs ensure that senior leadership is directly accountable for driving the Company's sustainability agenda, monitoring progress against defined targets, and fostering a culture of responsible business practices. The oversight of these targets is at the Board Level. Across the wider organisation, sustainability is further reinforced through the inclusion of a Corporate Social Responsibility (CSR) component within the performance evaluation of all employees. This encourages staff at all levels to actively contribute to sustainability initiatives, promoting environmental stewardship, social responsibility, and ethical conduct as integral elements of day-to-day operations.

Internal Controls and Procedures

The Company has established robust controls and procedures to support the effective oversight of sustainability-related risks and opportunities and climate-related risks and opportunities, ensuring they are systematically identified, assessed, and managed across the organisation. These controls and procedures are closely integrated with key internal functions, including

risk management, finance, compliance, internal audit, and operations. This cross-functional integration enables a coordinated approach to managing sustainability-related risks and opportunities, ensuring that relevant information flows effectively across the organisation. Internal audit functions may periodically review these processes to assess their effectiveness and identify areas for improvement, further strengthening governance and oversight.

Sustainability activities at First Capital Holdings PLC are systematically guided by the Board-approved Sustainability Strategy and Sustainability Policy, which together provide a comprehensive framework for embedding sustainability into the core of the organisation's operations, culture, and long-term strategic direction.

The Sustainability Strategy outlines the Group's key priorities, focus areas, and long-term objectives, enabling a structured approach to addressing environmental, social, and governance (ESG) matters. Complementing this, the Sustainability policy establishes the principles, standards, and governance mechanisms required to implement these strategic priorities effectively across all business functions.

Together, they provide clear direction for planning, executing, and monitoring sustainability initiatives, ensuring alignment with corporate goals, regulatory expectations, and stakeholder interests. This structured approach enables the organisation to consistently drive impactful initiatives, manage sustainability-related risks and opportunities, and deliver measurable outcomes that support long-term value creation.

Continuous Value Enhancement

First Capital is committed to driving continuous improvements across governance, risk management, and sustainability practices. Key initiatives include periodic skills assessments and targeted training for Directors and Executives to strengthen leadership capabilities and ensure alignment with evolving ESG and regulatory expectations.

As part of the overall approach to value enhancement, the Group is also enhancing its data architecture and internal controls to improve the accuracy, reliability, and timeliness of sustainability-related information.

In parallel, First Capital actively engages with stakeholders through transparent communication

channels, using their insights to inform strategy, decision-making, and sustainability disclosures. Collectively, these initiatives reflect the Group's commitment to continuous advancement and long-term value creation.

C. STRATEGY SLFRS S2 8-23

This section outlines how the Company embeds CRROs into organisation-wide decision-making processes. FCH's sustainability strategy is grounded in the recognition that climate-related and broader sustainability factors are increasingly shaping its operating landscape, stakeholder expectations, and long-term value creation. In alignment with the SLFRS Climate Related Disclosure Standards, FCH assesses climate-related considerations across key dimensions, including transition risks, physical risks, and strategic opportunities associated with the shift toward a low-carbon economy. These considerations are embedded within the Company's enterprise-wide risk management framework and are integrated into both strategic planning and day-to-day operational decision making.

During the reporting period, FCH identified and prioritised climate-related physical & transition risks (CRR) and climate-related opportunities (CRO) as having a material impact on its business outlook, value chain and long-term prospects.

WHY NOW – STRATEGIC DRIVERS

REGULATORY TRIGGER	INVESTOR DEMAND	LONG-TERM RESILIENCE
Top 100 CSE entity by market capitalisation — SLFRS S1/S2 mandatory from 1 January 2025.	Growing ESG-focused capital flows and access to green and sustainable bond markets globally.	Integrate climate risk into strategic decision-making, financial planning, and business continuity.

SEVEN STRATEGIC PILLARS

1	Strengthen ESG Governance Board accountability, Sustainability management committee, Cross-functional working group, Regular Board reporting.
2	Achieve Key ESG Certifications Obtain certification and industry memberships to benchmark performance and enhance credibility.
3	Align Global Disclosures Full alignment with SLFRS S1 & S2, GRI Standards, and SASB Standards for transparency and comparability.
4	Build Verified GHG Inventory Develop independently verified greenhouse gas inventory covering Scope 1, 2 & 3, including financed emissions.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

5	Drive Emission & Waste Reduction Energy efficiency, paper reduction, digitalisation, waste management and green procurement practices.
6	Promote ESG Culture Employee training, internal campaigns, stakeholder communication, and ESG integration into decision-making.
7	Pursue Recognition & Awards Actively participate in sustainability award programmes to benchmark achievements and enhance brand reputation.

ALIGNMENT WITH GLOBAL FRAMEWORKS



Expected Outcomes



CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFIED

First Capital Holdings PLC has identified the following climate-related risks and opportunities using the SASB Framework and peer comparison. A deep analysis was carried out across the five business operations (asset management, treasuries, equities, dealing securities & corporate advisory). Based on materiality, the following CRROs have warranted disclosure.

Climate Related Risks

CRR 1: Coastal Flooding & Extreme Weather

IMPACT ON PROSPECTS

Description	The Company's principal office (Deal Place) and Vallibel Building are situated in coastal Colombo, exposing them to storm surge, flooding and extreme weather events. Climate change is projected to increase the frequency and severity of such events in the Indian Ocean region.
Physical / Transition Risk	Physical - Acute
Time Horizon	Short- to Long-Term

BUSINESS MODEL AND VALUE CHAIN

Current Effects on Business Model and Value Chain	The Company currently has capability to operate a full work-from-home (WFH) capability, which substantially limits dependence on physical office infrastructure. No material disruption attributable to coastal flooding or extreme weather events have been recorded in the current reporting period.
Anticipated Effects on Business Model and Value Chain	In the medium-to-long term, increased frequency of extreme weather events could result in: (i) temporary disruption to office-based activities; (ii) higher building insurance premiums; (iii) increased maintenance and adaptation costs for physical premises; and (iv) potential impairment of the carrying value of the Deal Place building or impairment of the right-of-use asset recognised under SLFRS 16 in respect of the Vallibel leased premises.
Where Is It Concentrated	Physical assets: Deal Place (building) and Vallibel Building (rented), Colombo. Value chain: primarily the Company's internal operations; limited exposure through financed borrowers operating coastal or weather-exposed assets.

STRATEGY AND DECISION MAKING

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company has established a universal WFH capability and an inland disaster recovery (DR) site, which serve as the primary operational resilience measures against acute physical climate events. Business continuity plans are reviewed periodically and tested to ensure readiness.
How the Entity Is Resourcing and Plans to Resource Activities	Resources are currently allocated to: (i) maintenance and testing of WFH infrastructure; (ii) maintenance of the inland DR site; and (iii) monitoring of climate-related regulatory developments. No additional capital expenditure specific to coastal flood adaptation has been approved for the current period.
Progress (Qualitative and Quantitative)	The WFH infrastructure is fully operational and tested. The inland DR site is maintained and operational. No incidents requiring activation of the DR plan occurred during the reporting period.

FINANCIAL EFFECTS

Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	No material financial effects on the Profit & Loss account, Balance Sheet or Statement of Cash Flows attributable to this risk have been identified in the current reporting period.
Significant Risk of Material Adjustments to Carrying Value of Assets and Liabilities in the Next Financial Year	There is no current indication of material adjustments to the carrying value of assets and liabilities in the next financial year attributable to this risk.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet, Cash Flows & Cost of Capital (Disclosed commensurate with capabilities - SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company anticipates that the most significant potential financial effects over the medium-to-long term relate to increased insurance costs. Quantification is subject to future scenario analysis.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

CLIMATE RESILIENCE

Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company's primary resilience mechanism is the WFH capability and the inland DR site, which effectively decouple operational continuity from the physical premises. The resilience of financed borrowers with coastal asset exposure is assessed as part of credit risk management.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company intends to incorporate physical climate scenario analysis in future reporting periods.

JUDGEMENTS AND UNCERTAINTIES

Judgements	Judgement has been applied in determining that the WFH capability and inland DR site represent sufficient current mitigation for this risk, and in concluding that no material financial effect exists in the current period.
Uncertainties	Key uncertainties include: (i) the rate and severity of sea-level rise and storm surge frequency in the Colombo coastal area; (ii) the long-term availability and cost of commercial insurance; (iii) future government policy on coastal development and climate adaptation; and (iv) the resilience of national electricity and telecommunications infrastructure during extreme weather events.

CRR 2: Rising Temperatures & Chronic Climate Shifts

IMPACT ON PROSPECTS

Description	Gradual and sustained increases in ambient temperatures and chronic shifts in Sri Lanka's climate (including increased humidity, altered rainfall patterns and longer heat periods) may increase the Company's operational costs and affect staff productivity and wellbeing.
Physical / Transition Risk	Physical – Chronic
Time Horizon	Medium- to Long-Term

BUSINESS MODEL AND VALUE CHAIN

Current Effects on Business Model and Value Chain	No material increases in energy or cooling costs directly attributable to chronic climate shifts have been identified in the current reporting period. The WFH operating model substantially reduces the Company's exposure to office-specific energy cost inflation.
Anticipated Effects on Business Model and Value Chain	Over the medium-to-long term, rising temperatures may: (i) increase energy consumption and costs for cooling at any occupied office premises; (ii) affect staff productivity and wellbeing if home-working environments are not adequately cooled; (iii) increase capital investment requirements for energy-efficient infrastructure; and (iv) affect the operating performance and creditworthiness of borrowers in heat-sensitive sectors (agriculture, construction, tourism).
Where Is It Concentrated	Internal operations: office premises and home-working environments of staff. Value chain: borrowers and investees operating in sectors sensitive to temperature and rainfall changes.

STRATEGY AND DECISION MAKING

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company's WFH model is the primary strategic response, limiting exposure to office-specific climate cost pressures. The Company monitors the impact of climate shifts on borrower sectors through its credit risk assessment processes. Sustainable lending initiatives and PCAF-aligned measurement support climate-informed portfolio management over the medium term.
How the Entity Is Resourcing and Plans to Resource Activities	No specific capital allocation for temperature adaptation has been approved in the current period. Resources are embedded within existing credit risk and operational management functions.
Progress (Qualitative and Quantitative)	PCAF signatory status obtained. Financed emissions measurement framework under development. No specific temperature-adaptation projects were initiated in the current period.

FINANCIAL EFFECTS

Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	No material financial effects attributable to this risk have been identified in the current reporting period.
Significant Risk of Material Adjustments to Carrying Value of Assets and Liabilities in the Next Financial Year	No significant risk of material adjustments to asset or liability carrying values in the next financial year is identified for this risk at present.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet, Cash Flows & Cost of Capital (Disclosed commensurate with capabilities - SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Potential future financial effects include increased energy costs for any office operations and possible credit risk adjustments for heat-sensitive operations.

CLIMATE RESILIENCE

Resilience Assessment (Disclosed commensurate with capabilities - SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The WFH model provides inherent resilience against office-specific climate cost pressures. Portfolio resilience is being assessed through the PCAF financed emissions framework.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities - SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company intends to incorporate chronic physical risk scenario analysis (including temperature and rainfall trajectories under IPCC scenarios) in future reporting periods.

JUDGEMENTS AND UNCERTAINTIES

Judgements	Judgement has been applied in determining that the WFH operating model substantially mitigates current exposure to this risk and that no material financial effect exists in the current period.
Uncertainties	Key uncertainties include: (i) the pace and magnitude of temperature increase in Sri Lanka; (ii) the extent to which rising temperatures will affect home-based working environments; and (iii) government energy policy and electricity pricing.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

CRR 3: SLFRS S1/S2 Regulatory Compliance (Transition Risk)

IMPACT ON PROSPECTS

Description	Mandatory climate-related disclosure requirements under Sri Lanka Financial Reporting Standards SLFRS S1 (General Requirements) and SLFRS S2 (Climate-related Disclosures) apply to the Company. These standards are aligned with IFRS S1 and IFRS S2 issued by the ISSB. Mandatory application commences for annual reporting periods beginning on or after 1 January 2025 for entities within the top 100 companies by market capitalisation.
Physical / Transition Risk	Transition – Policy & Legal
Time Horizon	Short-Term
Definition of Time Horizon	Short-term: 0-1 year (mandatory compliance required from 1 January 2025)

BUSINESS MODEL AND VALUE CHAIN

Current Effects on Business Model and Value Chain	The Company is subject to mandatory SLFRS S1/S2 disclosure requirements from the annual period commencing 1 January 2025. Compliance activities including governance integration, risk identification and disclosure preparation have been initiated and are ongoing in the current reporting period. These activities represent a current operational cost.
Anticipated Effects on Business Model and Value Chain	As the disclosure regime matures, the Company anticipates: (i) increased demand on finance, risk and sustainability functions for data collection, analysis and verification; (ii) potential external assurance requirements on sustainability disclosures; (iii) reputational risk if disclosures are perceived as insufficient or inconsistent; and (iv) potential competitive disadvantage if the Company's climate risk profile compares unfavourably to peers.
Where Is It Concentrated	Internal: finance, risk management, governance and investor relations functions. External: stakeholder and regulatory expectations.

STRATEGY AND DECISION MAKING

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company has adopted a structured approach to SLFRS S1/S2 compliance, including: (i) identification and documentation of climate-related risks and opportunities (this disclosure); (ii) integration of climate risk into the Board's governance framework; (iii) adoption of PCAF for financed emissions measurement. The Company applies available transitional relief provisions in its first year of compliance.
How the Entity Is Resourcing and Plans to Resource Activities	Compliance activities are resourced through existing finance and risk management functions, supported by external advisers where required. The Company is investing in capacity building for climate-related data collection and reporting.
Progress (Qualitative and Quantitative)	SLFRS S1/S2 compliant disclosures are being prepared for the current reporting period. PCAF signatory status has been obtained. Risk registers are being updated to reflect climate risk oversight responsibilities. Transitional relief provisions are applied where permitted.

FINANCIAL EFFECTS

Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	Compliance costs are incurred as operating expenditure in the current period. These are not individually material to the financial statements.

Significant Risk of Material Adjustments to Carrying Value of Assets and Liabilities in the Next Financial Year	No significant risk of material adjustments to asset or liability carrying values in the next financial year is identified directly from regulatory compliance risk.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet, Cash Flows & Cost of Capital (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Future financial effects are primarily associated with ongoing compliance and reporting costs, and potential external assurance fees. Reputational and funding impacts of non-compliance or inadequate disclosure are qualitatively significant.

CLIMATE RESILIENCE

Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company's resilience to this transition risk is supported by early adoption of SLFRS S1/S2 frameworks and the application of PCAF methodology.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company will incorporate analysis of regulatory transition scenarios (including accelerated disclosure and assurance requirements) in future reporting periods.

JUDGEMENTS AND UNCERTAINTIES

Judgements	Judgement has been applied in determining the scope of disclosures, the application of transitional relief provisions, and the assessment of materiality of climate-related risks and opportunities.
Uncertainties	Key uncertainties include: (i) the pace of development of SLFRS S1/S2 implementation guidance; (ii) the timing and scope of mandatory external assurance requirements; (iii) evolving stakeholder and investor expectations regarding disclosure quality; and (iv) comparability of disclosures across the industry in the early years of mandatory application.

CRR 4: Financed Emissions – Portfolio Transition Risk

IMPACT ON PROSPECTS

Description	Borrowers and investees with higher carbon intensity face increasing policy, regulatory and market pressures as Sri Lanka and the global economy transition to a lower-carbon economy. This generates a market risk for the Company's investment portfolio.
Physical / Transition Risk	Transition – Market & Policy
Time Horizon	Medium- to Long-Term

BUSINESS MODEL AND VALUE CHAIN

Current Effects on Business Model and Value Chain	The Company is in the process of measuring financed emissions in accordance with the PCAF methodology, following its accession as a PCAF signatory. Quantified financed emissions data is not yet available for all portfolio segments in the current period. No material credit losses directly attributable to climate transition risk have been recorded in the current period.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Anticipated Effects on Business Model and Value Chain	Over the medium-to-long term, the company may face: (i) increased regulatory costs (carbon pricing, environmental levies); (ii) reduced market demand for carbon-intensive products and services; (iii) asset stranding risk; and (iv) reduced access to capital.
Where Is It Concentrated	Lending and investment portfolio: exposures to investees in carbon-intensive sectors including manufacturing, transportation, fossil fuel value chains and high-emission real estate.

STRATEGY AND DECISION MAKING

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company has become a signatory to PCAF and is implementing financed emissions measurement to identify and quantify portfolio exposure to transition risk. The Company intends to: (i) integrate climate risk into credit origination and portfolio management processes; (ii) develop sector-specific climate risk appetite statements; (iii) engage with high-emission sectors to support transition planning; and (iv) develop climate-informed lending products and green finance instruments.
How the Entity Is Resourcing and Plans to Resource Activities	Resources are being allocated to: (i) PCAF methodology implementation and data collection; (ii) credit risk function capacity building for climate risk assessment; and (iii) product development for green and sustainability-linked lending instruments.
Progress (Qualitative and Quantitative)	PCAF signatory status obtained. Financed emissions measurement framework under development.

FINANCIAL EFFECTS

Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	No material financial effects directly attributable to financed emissions transition risk are recorded in the current period. Provisions and impairments are assessed under existing credit risk frameworks, which do not explicitly incorporate quantified climate transition risk factors yet.
Significant Risk of Material Adjustments to Carrying Value of Assets and Liabilities in the Next Financial Year	The Company is monitoring for indicators that climate transition risk may require material adjustments to the carrying value of loans and advances or investment securities in the next financial year. No such adjustments are currently identified.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet, Cash Flows & Cost of Capital (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Over the medium-to-long term, material increases in expected credit losses (ECLs) are possible for high-emission exposures as transition pressures intensify. The Company will quantify these effects as financed emissions data and scenario analysis mature.

CLIMATE RESILIENCE

Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Portfolio resilience will be assessed using transition scenario analysis as data and methodologies develop. Current resilience measures include portfolio diversification and sector concentration limits.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The Company intends to conduct transition risk scenario analysis in future reporting periods. PCAF financed emissions data will form the primary input to this analysis.

JUDGEMENTS AND UNCERTAINTIES

Judgements	Judgement has been applied in determining that quantified financed emissions data are not yet sufficiently mature to require specific financial statement adjustments, and in assessing the current level of credit risk attributable to climate transition factors.
Uncertainties	Key uncertainties include: (i) the pace and ambition of Sri Lanka's climate policy and carbon pricing mechanisms; (ii) the availability and quality of supplier-level emissions data; (iii) the rate of technology transition in key sectors.

CLIMATE-RELATED OPPORTUNITIES

CRO 1: Green Bond Issuance

Description	Growing domestic and regional investor demand for climate-labelled debt instruments positions the Company to raise lower-cost of capital through green bonds or climate-transition bonds specifically linked to climate mitigation and adaptation use-of-proceeds, diversifying funding sources and reducing the cost of capital.
Time Horizon	Short- to Medium-Term (0-5 years)

Business Model and Value Chain

Current Effects on Business Model and Value Chain	No material financial effects from this opportunity have been realised in the current reporting period. The Company's PCAF financed emissions quantification programme and SLFRS S2 compliance roadmap provide the climate-specific disclosure foundation required for credible green bond issuance.
Anticipated Effects on Business Model and Value Chain	A successful climate-labelled bond programme would: (i) diversify the funding base toward climate-aligned capital markets; (ii) potentially reduce the weighted average cost of funds by attracting climate-focused institutional investors; (iii) enhance visibility among investors with net-zero mandates and climate-screened portfolios; and (iv) reinforce the Company's positioning as a climate-credible issuer within the Sri Lankan financial sector.
Where Is It Concentrated	The climate opportunity is concentrated in the ability to direct proceeds toward eligible climate mitigation and adaptation assets, with indirect benefit to the broader business through reduced funding costs.

Strategy and Decision Making

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company is monitoring the development of Sri Lanka's green bond guidelines and the evolution of international climate finance standards, including the Climate Bonds Standard. Feasibility of a climate-labelled issuance will be assessed in the short-to-medium term, informed by SLFRS S2 climate disclosure outputs and PCAF financed emissions data, both of which are prerequisites for credible use-of-proceeds reporting.
How the Entity Is Resourcing and Plans to Resource Activities	Assessment activities will be resourced through the existing climate risk and sustainability function, supported by external advisory on climate finance structuring and climate-focused investor relations. No material capital allocation has been approved for this initiative in the current period.
Progress (Qualitative and Quantitative)	The Company's SLFRS S2 compliance journey and PCAF financed emissions programme are progressing, providing the climate data infrastructure necessary to underpin use-of-proceeds reporting and climate KPIs required for a credible green bond framework. No formal climate bond programme has been launched in the current reporting period.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Financial Effects

Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	No financial effects attributable to this opportunity have been realised in the current reporting period.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet and Cash Flows and Cost of Capital (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	A successful green bond issuance could reduce the marginal cost of long-term funding by an estimated 15–30 basis points relative to conventional issuance, based on observed climate bond premia in Sri Lanka and comparable emerging markets. The actual effect will depend on the credibility of climate use-of-proceeds documentation, prevailing market conditions, and the depth of climate-focused investor demand at the time of issuance.

Climate Resilience

Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The opportunity strengthens the Company's long-term financial resilience by anchoring funding strategy to climate-aligned capital flows, reducing dependence on conventional capital markets that may face repricing as climate transition accelerates.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Climate scenario analysis specific to this opportunity has not yet been performed; this is intended for future reporting periods as SLFRS S2 implementation matures.

Judgements and Uncertainties

Judgements	The opportunity is assessed as viable given the Company's SLFRS S2 disclosure progress and PCAF emissions quantification programme, which together provide the climate data infrastructure required for credible use-of-proceeds reporting. Judgement has been applied in estimating the potential funding cost advantage based on regional climate bond market observations.
Uncertainties	Key uncertainties include: (i) market conditions and climate-focused investor demand at the time of any potential issuance; (ii) the pace of development of Sri Lanka's green bond taxonomy and eligible climate asset definitions; (iii) the availability of verified PCAF data to support climate use-of-proceeds reporting; and (iv) the actual green bond premium achievable given the Company's climate credentials relative to international issuer benchmarks.

CRO 2: Climate-Informed Lending & Investment

Description	Quantified financed emissions data from the PCAF programme will enable more informed lending and investment decisions, improving risk-adjusted returns by identifying and avoiding high-transition-risk exposures and directing capital towards lower-risk, climate-resilient projects.
Time Horizon	Medium-Term (2–5 years)
Business Model and Value Chain	
Current Effects on Business Model and Value Chain	No material financial effects attributable to this opportunity have been realised in the current reporting period. The PCAF implementation programme is ongoing and will generate the data required to support climate-informed portfolio management.
Anticipated Effects on Business Model and Value Chain	Climate-informed portfolio management will: (i) improve credit risk assessment by incorporating climate transition and physical risk factors; (ii) support differentiated pricing for high- and low-emission exposures; (iii) enable identification and growth of a green and climate-resilient lending portfolio; and (iv) reduce long-term credit loss exposure associated with stranded asset risk.
Where Is It Concentrated	Lending and investment portfolio. The opportunity is concentrated in credit origination, portfolio management and product development functions.
Strategy and Decision Making	
Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company intends to: (i) develop sector-specific climate risk appetite statements; (ii) integrate climate risk scores into credit origination systems; and (iii) develop green lending products targeting climate-positive projects, underpinned by the PCAF implementation programme.
How the Entity Is Resourcing and Plans to Resource Activities	Resources are being allocated to PCAF data collection and analysis. Capacity building in the credit risk function for climate risk integration is planned. Product development resources will be required for green lending product development.
Progress (Qualitative and Quantitative)	The PCAF implementation programme is underway. Climate risk integration into credit origination systems and green lending product development are planned for the medium term. No green lending products have been launched in the current reporting period.
Financial Effects	
Current Year Financial Effects to P&L, Balance Sheet, Cash Flows & Cost of Capital	No financial effects attributable to this opportunity have been realised in the current reporting period.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet and Cash Flows and Cost of Capital (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The financial effect is not yet quantified; quantification will be possible as PCAF data and climate risk modelling capabilities mature. Improved risk-adjusted returns and reduced credit loss exposure are the primary anticipated benefits.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Climate Resilience

Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Climate-informed lending will enhance the resilience of the Company's loan portfolio to transition and physical climate risks over the medium to long term.
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Portfolio-level climate scenario analysis is intended for future reporting periods as PCAF data and climate risk modelling capabilities develop.

Judgements and Uncertainties

Judgements	Judgement has been applied in assessing the opportunity as medium-term, contingent on the successful implementation of the PCAF financed emissions framework and the development of climate risk modelling capabilities.
Uncertainties	Key uncertainties include: (i) the timeline for full implementation of the PCAF framework; (ii) the availability and quality of borrower-level emissions data; (iii) the pace of development of climate risk modelling capabilities; and (iv) market demand for green lending products in the Sri Lankan context.

CRO 3: Cost Efficiency Through Low-Carbon Operations

Description	The Company's work-from-home (WFH) operating model simultaneously reduces facility and infrastructure costs and the Company's direct carbon footprint, supporting both financial performance and sustainability objectives and generating ongoing cost savings.
Time Horizon	Short- to Medium-Term (0–5 years)

Business Model and Value Chain

Current Effects on Business Model and Value Chain	The WFH operating model is currently delivering reduced facility lease and maintenance costs, lower energy consumption, and reduced Scope 1 and Scope 2 GHG emissions. These benefits are embedded in the Company's operating cost base in the current reporting period.
Anticipated Effects on Business Model and Value Chain	Continued optimisation of the WFH model is expected to deliver: (i) further reductions in facility and energy costs; (ii) continued reduction of Scope 1 and Scope 2 emissions; (iii) improved staff wellbeing and retention through flexible working; and (iv) enhanced resilience against physical climate risks affecting office premises.
Where Is It Concentrated	Internal operations. The opportunity is concentrated in the Company's facilities management, energy management and human resources functions.

Strategy and Decision Making

Plans to Respond in Strategy, Risk Management, Transition Plans and Climate-Related Targets	The Company will continue to optimise the WFH operating model, including monitoring energy consumption in office premises, evaluating renewable energy procurement options, and assessing the carbon footprint of IT infrastructure and digital operations.
How the Entity Is Resourcing and Plans to Resource Activities	Cost efficiency opportunities are realised through existing operational management. Incremental investment may be required for energy monitoring systems and renewable energy procurement, expected to be self-funding within a short payback period.

CRO 3: Cost Efficiency Through Low-Carbon Operations

Progress (Qualitative and Quantitative)	The WFH model is fully operational and delivering cost and emissions benefits embedded in the current period operating cost base. Incremental savings from further optimisation are not separately quantified but are assessed as a recurring benefit.
Financial Effects	
Current Year Financial Effects to P&L, Balance Sheet and Cash Flows	Facility and energy cost savings attributable to the WFH model are embedded in the Company's operating cost base. These are not separately quantified in the current reporting period.
Anticipated Financial Effect Over Short, Medium and Long Term to P&L, Balance Sheet and Cash Flows and Cost of Capital (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Cost savings are expected to be a recurring benefit over the short to medium term. Incremental savings from further optimisation are not separately quantified. The carbon footprint reduction supports SLFRS S2 Scope 1 and Scope 2 emissions disclosures.
Climate Resilience	
Resilience Assessment (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). The WFH model is assessed as a durable structural feature of the Company's operating model that enhances resilience against both physical climate risks (office disruption) and transition risks (carbon pricing, energy costs).
How and When Climate Scenario Analysis Was Performed (Inputs, Key Assumptions, Reporting Period) (Disclosed commensurate with capabilities – SLFRS S2 para 29(b))	Disclosed to the extent commensurate with the Company's current capabilities (SLFRS S2 para 29(b)). Climate scenario analysis in relation to this opportunity has not been performed; this is intended for future reporting periods.
Judgements and Uncertainties	
Judgements	Judgement has been applied in determining that the WFH model is a durable structural feature rather than a temporary measure, and that the associated cost savings are material and sustainable.
Uncertainties	Key uncertainties include: (i) future changes in the cost and availability of energy and telecommunications infrastructure; (ii) potential regulatory or client requirements necessitating greater in-person presence; (iii) the long-term impact of flexible working on staff productivity and culture; and (iv) the carbon intensity of the national electricity grid, which affects the emissions benefit of reduced office energy consumption.

SLFRS S1 & S2 Sustainability Related Financial Disclosures

C.2. Overall Climate Resilience Assessment

Resilience Dimension	Assessment
Operational Resilience	Universal WFH capability ensures 100% operational continuity even if physical office access is disrupted. Inland DR site tested twice annually. Resilience validated during COVID-19 pandemic, operations and profitability maintained throughout.
Regulatory Transition Resilience	Completed gap analysis and ongoing implementation assignment provide a clear pathway to full SLFRS S1/S2 compliance. Well ahead of most industry peers in disclosure readiness.
Portfolio Transition Resilience	Financed emissions quantification project will provide the data foundation for climate-informed portfolio management and proactive capital reallocation away from high-transition-risk exposures.
Financial Flexibility	Adequate financial resources and insurance coverage to respond to physical climate events. Operational cost savings from WFH model create budgetary flexibility to fund climate resilience investments.
Key Areas of Uncertainty	Rate of escalation of physical climate risks in coastal Colombo over the long term; pace and stringency of future climate policy changes in Sri Lanka; carbon intensity of specific borrowers and investees pending financed emissions quantification.

D. RISK MANAGEMENT SLFRS S2 24-26

Identification, Assessment, Prioritisation and Monitoring of Climate Risks

First Capital Holdings PLC has established a structured approach to identifying, assessing, prioritising, and monitoring climate-related risks, embedded within the Company's broader ERM framework and informed by the SASB standard and peer comparison of the industry.

data: Assessment of lending and investment portfolio for climate-sensitive sectors, informing identification of Scope 3 financed emission transition risks.

Risk Assessment

- External benchmarks: GRI Standards, SASB framework and IFRS S1/S2.
- Gap analysis findings: SLFRS S1/S2 gap analysis directly informed the scope and parameters of this risk identification process.

Climate Risk Assessment - Integration to Overall Enterprise Risk Management

Climate-related risks are assessed and managed within the Company's

overall Enterprise Risk Management (ERM) framework, using the same risk identification, evaluation and monitoring processes applied to all material risk categories. Climate risk factors, both physical and transition are mapped against the Company's existing risk universe and rated using the ERM risk scoring matrix, which classifies inherent and residual risk across two dimensions: likelihood and impact. Each dimension is rated on a three-point scale (Low, Medium, High), 1 being Low and 3 being High with residual risk reflecting the effect of existing controls and mitigations.

In assessing climate risks, the Company considers both qualitative factors (such as the nature of the Company's operating model, asset

Inputs and Parameters

Risk Identification

- Physical risk data: Geographic data for Deal Place and Vallibel Building (coastal Colombo) and the inland DR site.
- Regulatory and policy landscape: Monitoring of evolving SLFRS S1/S2 adoption timelines and CA Sri Lanka guidance.
- Financial sector exposure

base, and regulatory environment) and quantitative thresholds where data is available. The likelihood of a risk event is assessed against the short-, medium- and long-term time horizons defined in SLFRS S2, and the potential magnitude of effect is considered across financial, operational and reputational dimensions.

The overall residual climate risk rating for the Company is assessed as low. This reflects the effectiveness of existing mitigations principally the universal work-from-home (WFH) capability, the inland disaster recovery site, and the ongoing SLFRS S1/S2 and PCAF implementation programmes — and the nature of the Company's operating model, which limits dependence on physical assets and

reduces direct exposure to many acute and chronic physical climate risks. This LOW rating should not be read as an absence of future risk; rather, it reflects the current residual position given existing controls. The Company recognises that climate-related risks are dynamic, and that the residual risk profile may shift as physical climate hazards intensify, transition policy evolves and financed emissions data matures.

Risk Factor	Type	Inherent Likelihood	Residual Risk	Key Mitigation	Opportunities Arising from Mitigation
Coastal Flooding & Extreme Weather	Physical – Acute	MEDIUM	LOW	Universal WFH; inland DR site; tested BCP; waterproof safes	Operational resilience leadership WFH infrastructure positions the firm to attract talent and clients who value business continuity.
Rising Temperatures / Chronic Shifts	Physical – Chronic	LOW	LOW	WFH reduces office energy dependency	Reduced occupancy cost & lower carbon footprint Lower energy spend translates to measurable Scope 1/2 emission reductions reportable under SLFRS S2. Positions the firm favourably in ESG assessments by investors and rating agencies, supporting an improved issuer rating.
SLFRS S1/S2 Compliance	Transition – Policy	MEDIUM	LOW	Gap analysis complete; implementation roadmap established	First-mover credibility with investors & regulators Early compliance readiness signals governance maturity to institutional investors. Enhanced issuer rating prospects as ESG disclosure quality improves.
Financed Emissions – Portfolio Risk	Transition – Market	MEDIUM	LOW	2-yr quantification project underway; Engaged with a GHG Verification Partner	Green finance product pipeline Quantified emissions data unlocks eligibility for green bond structuring and climate-linked instrument mandates.

MEDIUM LOW

SLFRS S1 & S2 Sustainability Related Financial Disclosures

Use of Climate-related Scenario Analysis

Transitional Relief Applied

The Company has not yet conducted formal quantitative climate scenario analysis. SLFRS S2 permits deferral for up to two years from the mandatory application date. A qualitative judgement-based approach has been applied considering acute physical, chronic physical, and transition risk scenarios against the Company's existing resilience infrastructure.

Prioritisation of Climate Risks vs Other Risk Types

Climate-related risks are incorporated into the Company's enterprise risk register, reviewed by the BIRMC annually, and assessed alongside credit, market, liquidity and operational risk. Given the current LOW overall climate risk rating, climate risk is classified as a monitored risk with medium-term strategic priority. Prioritisation will be refined as quantitative financed emissions data becomes available.

Monitoring Mechanisms

- Annual climate risk assessment by the Risk Management Division in collaboration with the Sustainability Officer
- Bi-annual DR site testing to validate operational resilience against physical climate events
- Regulatory monitoring: tracking SLFRS S1/S2 updates and CA Sri Lanka guidance
- SMC review of project milestones (financed emissions quantification; emission certification)

Climate Risk Responsibility owners

CLIMATE RISK GOVERNANCE FRAMEWORK

Board of Directors

- Oversee climate risk strategy
- Review annual climate risk assessment
- Approve sustainability initiatives and disclosures

Risk Manager

- Annual climate risk assessment
- Coordinate with sustainability officer
- Monitor regulatory developments

Sustainability Officer

- Manage sustainability reporting (GRI, SLFRS S1/S2)
- Financed emissions project
- Climate Fund certification
- Stakeholder engagement

Operations Team

- Maintain business continuity infrastructure
- Execute DR testing
- Ensure WFH capabilities

Finance Team

- Manage insurance coverage
- Budget for climate initiatives
- Integrate climate into financial planning

SLFRS S1/S2 Climate Risk Governance | Roles effective FY 2025/26

Changes vs Prior Period

This is the Company's first reporting period of mandatory SLFRS S2 disclosure. Key enhancements made during the year:

- Formal SLFRS S1/S2 gap analysis commissioned and completed
- Strengthened Governance Framework and appointed a Board Sustainability Champion
- Implementation assignment initiated, providing a structured compliance roadmap
- Dedicated Sustainability Officer role formalised
- A sustainability Strategy is established
- 2-year financed emissions quantification project formally initiated
- Climate resources, training budget, and measurement partner engagement established

Integration of Climate Related Risks

Integration Area	Description
Enterprise Risk Register	Climate-related risks included in the Company's enterprise risk register, assessed using consistent likelihood and impact methodology alongside all other risk categories.
Annual Risk Review Cycle	Annual climate risk assessment will be conducted as part of the broader annual risk review cycle.
Business Continuity Planning	Physical climate risk mitigation embedded directly into the BCP, including WFH protocols and DR site activation, validated during COVID-19.
Financial Planning	Climate-related expenditure (SLFRS S1/S2 implementation Rs. 10-15Mn annually; financed emissions project) incorporated into annual financial planning.
Credit and Investment Processes	Financed emissions identified as a material Scope 3 transition risk — first step towards integrating climate criteria into credit assessment frameworks (to be developed during the 2-year emissions project).

External Partnerships and Verification - FY 2025/26

Partner	Role
Nurtureplanet Private Limited	Specialist measurement partner for emissions quantification project.
Sri Lanka Climate Fund	Third-party verification partner for the GHG inventory in accordance with ISO 14064-3:2019 (covering Scope 1, Scope 2 and the six reported Scope 3 categories).



E. METRICS & TARGETS

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The objective of these disclosures is to enable users of general-purpose financial reports to understand First Capital Holdings PLC's performance in relation to its climate-related risks and opportunities, including progress towards climate-related targets.

Greenhouse Gas (GHG) Emissions Overview

First Capital Holdings PLC measures and discloses its GHG emissions in accordance with both ISO 14064- 1 2018 and GHG Protocol: A Corporate Accounting and Reporting Standard (2004). Emissions are expressed in metric tonnes of CO₂ equivalent (tCO₂e), aggregated using 100-year GWP values from IPCC AR6 (2021). The GHG inventory has been verified in accordance with ISO 14064- 3 2019.

Scope 1 - Direct GHG Emissions

Emission Source	tCO ₂ e
Diesel Generator (stationary combustion)- CO ₂ , CH ₄ , N ₂ O	0.27
Fugitive emissions	0.01
Company Vehicles/ Fuel paid by the Company-	0.63
Total Scope 1	0.91

Scope 2 - Purchased Electricity

Emission Source	tCO ₂ e
Electricity consumption	72.16
Total Scope 2	72.16

Scope 3 - Value Chain Emissions

All 15 Scope 3 categories (GHG Protocol Corporate Value Chain Standard, 2011) were assessed. Six categories are disclosed. Category 15 (Financed Emissions) is subject to transitional relief.

Cat	Category	Included?	tCO ₂ e FY2025/26
1	Purchased Goods & Services	YES	0.59
2	Capital Goods	YES	3.77
3	Fuel & Energy Activities	YES	7.57
4	Upstream Transportation	NO	-
5	Waste in Operations	YES	3.12
6	Business Travel	YES	10.04
7	Employee Commuting	YES	95.16
8	Upstream Leased Assets	NO	-
9	Downstream Transportation	NO	-
10	Processing of Sold Products	NO	-
11	Use of Sold Products	NO	-
12	End-of-Life Treatment	NO	-
13	Downstream Leased Assets	NO	-
14	Franchises	NO	-
15	Investments (Financed Emissions)	RELIEF APPLIED	-
TOTAL SCOPE 3 REPORTED		6 Categories	120.25 tCO₂e

Transitional Relief – Financed Emissions (Category 15)

Transitional Relief Applied

First Capital Holdings PLC, as in the top 100 listed entities in terms of market Capitalisation on the CSE, has a mandatory SLFRS S2 application date of 1 January 2025. In accordance with Para C4(b), the Company is not required to disclose Scope 3 GHG emissions (including financed emissions) in the first annual reporting period. Full Scope 3 disclosure including financed emissions becomes mandatory for the reporting period commencing 1 January 2027.

Quantification Project Status:

Nurtureplanet Private Limited engaged as specialist measurement partner, Sri Lanka Climate Fund as third-party verification partner. Dedicated budget, team, and training allocated. Results to be disclosed progressively from FY 2027/28.

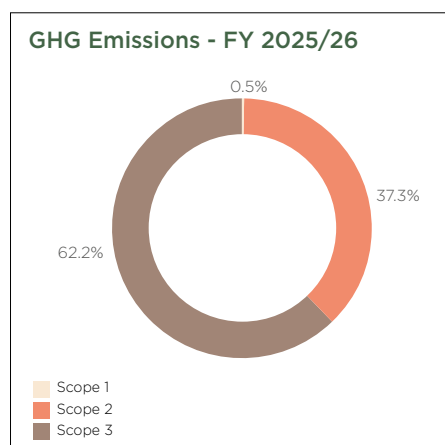
Qualitative Description:

Principal activities include primary dealership in government securities, fixed income investments and lending. These activities generate indirect emissions through counterparties and investees. Full quantification by FY 2027/28.

Consolidated GHG Emissions Summary

Emission Scope	FY 2025/26 (tCO ₂ e)	% of Total	Disclosure Status
Scope 1 – Direct Emissions	0.91	0.5%	FULL
Scope 2 – Electricity Consumption	72.16	37.3%	FULL
Scope 3 – Reported Categories (6 of 15)	120.25	62.2%	PARTIAL
Scope 3 – Financed Emissions (Cat 15)	Not yet quantified	–	RELIEF APPLIED
TOTAL DISCLOSED (Scope 1+2+3 reported)	193.32 tCO ₂ e	100%	GHG Protocol

Please note that the reported Scope 3 GHG emissions currently exclude financed emissions. However, financed emissions are expected to represent the most significant contributor to the Group's overall Scope 3 emissions profile. Accordingly, the reported Scope 3 emissions presented herein may not fully reflect the Group's total indirect emissions exposure.



SLFRS S1 & S2 Sustainability Related Financial Disclosures

Cross-Industry Metric Categories

Transition Risk Exposure

Asset / Activity	Exposure Basis	Residual
Lending to carbon-intensive sectors (manufacturing, construction, infrastructure)	Sector classification; preliminary review	Low
Fixed income portfolio – fossil-fuel adjacent issuers	Issuer-level screening	Low
Total Transition-Risk Exposed (preliminary)	Full assessment by FY 2027/28	Low

Physical Risk Exposure

Asset	Physical Risk Type	Residual	Mitigation
Deal Place, Colombo 03	Coastal flooding / extreme weather (acute)	Low	100% WFH; insurance
Vallibel Building, Colombo 03	Coastal flooding / extreme weather (acute)	Low	100% WFH; DR site backup
Branch Network	Localised flooding; chronic heat	Low	Geographically dispersed; WFH
DR Site (inland)	Minimal – non-coastal location	Very Low	Tested bi-annually

Climate-Related Opportunities Aligned

Opportunity	Activity	Current Value	Status
Rooftop Solar PV	On-site generation; Scope 2 reduction & cost saving	In development	In Progress
Climate-Informed Lending	ESG credit screening; portfolio quality improvement	In development	In Progress
Sustainable Bond Issuance	Green/sustainability-linked capital access	Under evaluation	Evaluation

Climate-related capital allocation (planned/committed)

Initiative	Purpose	Type
Rooftop Solar PV – Deal Place	24kW installation; Scope 2 reduction	CapEx
SLFRS S1 & S2/ SASB GAP Analysis	Compliance readiness; disclosure framework	OpEx
SLFRS S1/S2 Implementation	Compliance readiness; disclosure framework	OpEx
Financed Emissions Project	Scope 3 Cat 15 quantification & verification	OpEx
DR Site Infrastructure Upgrade	Physical climate resilience strengthening	CapEx
Climate Training & Resources	Staff capability; sustainability team	OpEx

Internal Carbon Price

Internal Carbon Price: Not yet formally applied

The Company has not yet formally adopted an internal carbon price.

Executive Remuneration and Climate

Remuneration Element	Climate Linkage
Sustainability KPI Component	At the leadership level, sustainability & climate -related Key Performance Indicators (KPIs) have been formally assigned to the Chairman of the SMC as well as to the Chairperson of the Sustainability Working Group. A formal climate KPI component for the broader senior executive population will be introduced from FY 2026/27.
SLFRS S2 Readiness	Achievement of SLFRS S1/S2 implementation milestones is a KPI for the Sustainability Officer.
Financed Emissions Project	Successful execution of financed emissions quantification project milestones included in the Sustainability Officer scorecard.
CSR Component	A CSR component is included in the performance evaluation of all employees, encouraging contribution to sustainability initiatives across the organisation.

Climate-Related Targets

First Capital Holdings has not yet established quantitative GHG-reduction targets. The near-term climate-related target is the quantification of financed emissions and first disclosure by FY 2027/28, as set out below.

Target: Financed Emissions Quantification and First Disclosure by FY 2027/28

Complete quantification and first disclosure of Scope 3 Category 15 (Financed Emissions) by FY 2027/28.

Metric (Para 33(a))	Absolute gross financed emissions (tCO ₂ e) disaggregated by Scope 1, 2, 3 of investees/borrowers per GHG Protocol Scope 3 Standard
Objective (Para 33(b))	Conformance – compliance with SLFRS S2 Para 29(a)(vi) and B58-B63; transition risk management
Period (Para 33(d))	FY 2025/26 – FY 2027/28 (mandatory disclosure by FY 2027/28)
Milestones (Para 33(f))	FY 2025/26: Methodology & partner engagement (Complete). FY 2026/27: Data collection & portfolio mapping. FY 2027/28: First full disclosure + verification.
Measurement Partner	Nurtureplanet Private Limited
Verification Partner	Sri Lanka Climate Fund (independent verification and certification)
Methodology (Para 34(a))	To be aligned with PCAF (Partnership for Carbon Accounting Financials) standard and GHG Protocol Scope 3 Category 15 guidance

Industry-Based Metrics

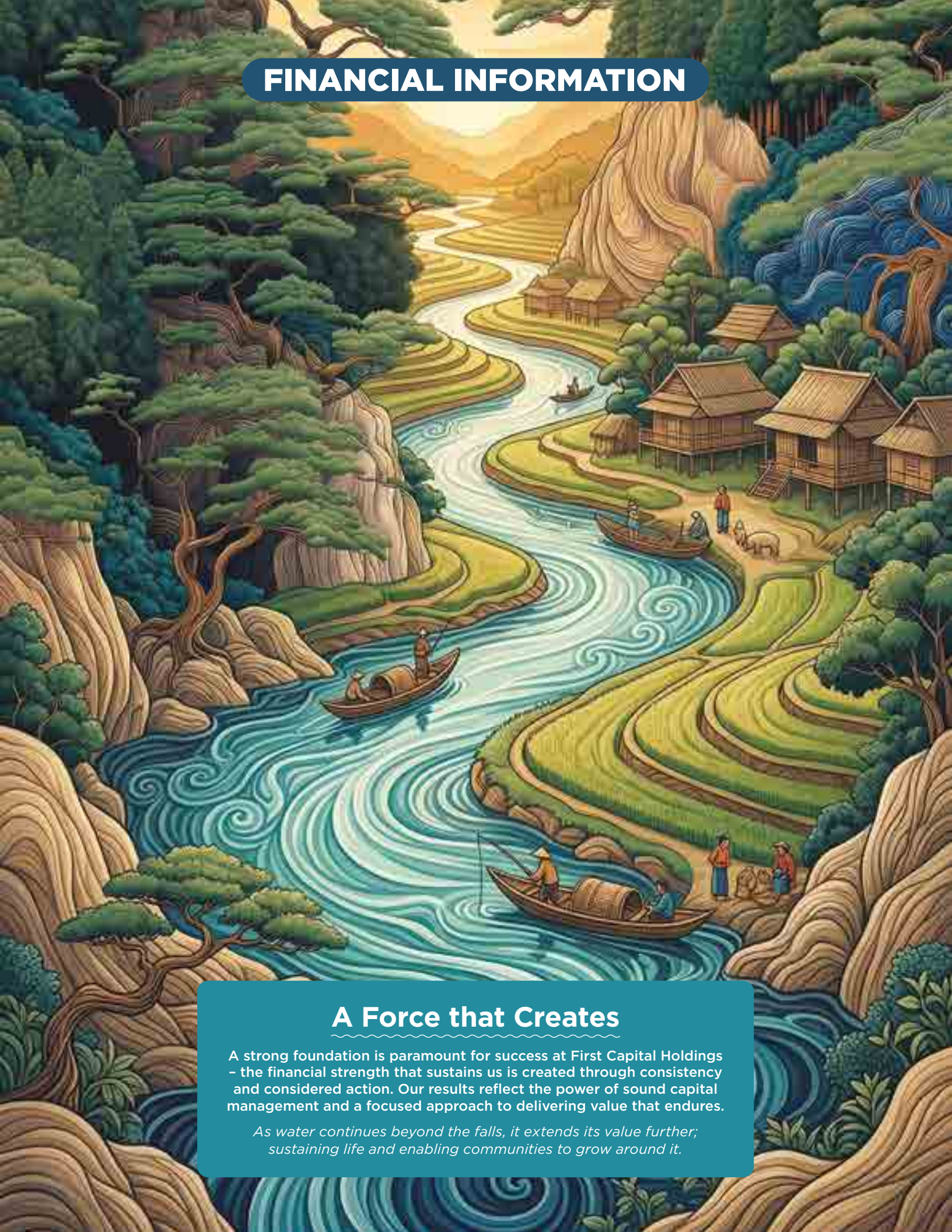
Industry-based metrics are determined with reference to SASB Investment Banking & Brokerage and Asset Management & Custody Activities standards.

Topic	Accounting Metric	Category	Unit	Code	Response / Reference
Employee Diversity & Inclusion	% of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Quantitative	Number, %	FN-AC-330a.1 FN-IB-330a.1	Refer pages 291 to 293.
ESG Factors in IB & Brokerage	Revenue from (1) underwriting, (2) advisory and (3) securitisation transactions incorporating ESG integration	Quantitative	Reporting Currency	FN-IB-410a.1	Nil
	Number of investments, loans and AUM incorporating ESG integration	Quantitative	Number	FN-IB-410a.2 FN-AC-410a.1	In progress. No ESG loans, investments or AUM yet.
	Description of approach to ESG factor incorporation in IB and brokerage activities	Qualitative	N/A	FN-IB-410a.3 FN-AC-410a.2	Please refer pages 333 to 338.
	Description of proxy voting and investee engagement policies and procedures	Qualitative	N/A	FN-AC-410a.3	Please refer page 109.
Business Ethics	Total monetary losses from legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other financial industry laws	Quantitative	Reporting Currency	FN-IB-510a.1	Please refer page 315.
	Description of whistleblower policies and procedures	Qualitative	N/A	FN-IB-510a.2	Please refer page 107.

Topic	Accounting Metric	Category	Unit	Code	Response / Reference
Professional Integrity	Number of licensed employees and decision-makers with records of investment investigations, complaints, civil litigation, arbitration cases; monetary losses; description of professional integrity approach and customer communication	Quant. / Qual.	Number, %	FN-IB-510b.1-4 FN-AC-270a.1-3	No licensed employees or decision-makers have records of investment-related investigations, complaints, civil litigation or arbitration. No monetary losses from such proceedings. Established policies govern complaint handling, codes of ethics, and regulatory compliance. Customers are informed through website, digital marketing, sales managers, webinars and workshops.
Systemic Risk Management	G-SIB score, by category	Quantitative	Number	FN-IB-550a.1	Not applicable
	Description of approach to integrate mandatory and voluntary stress test results into capital adequacy planning, long-term strategy, and other activities	Qualitative	N/A	FN-IB-550a.2	Please refer page 234

Activity Metrics — Asset Management & Custody Activities

Activity Metric	Unit	Code	Reference
Total assets under management (AUM)	Presentation currency	FN-AC-000.A	Please refer page 254
Total assets under custody and supervision	Presentation currency	FN-AC-000.B	Not Applicable



FINANCIAL INFORMATION

A Force that Creates

A strong foundation is paramount for success at First Capital Holdings – the financial strength that sustains us is created through consistency and considered action. Our results reflect the power of sound capital management and a focused approach to delivering value that endures.

As water continues beyond the falls, it extends its value further; sustaining life and enabling communities to grow around it.

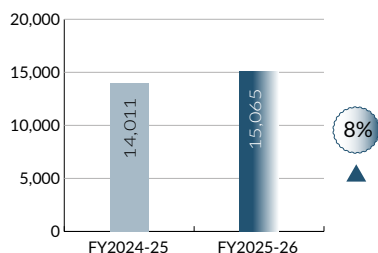
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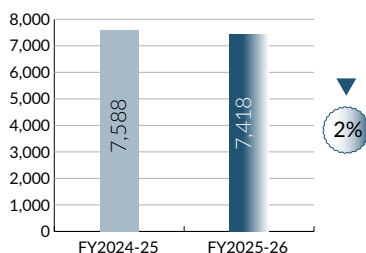
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Financial Performance

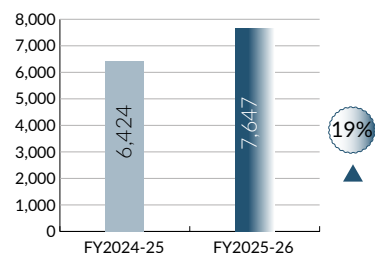
Direct income (Rs. Mn)



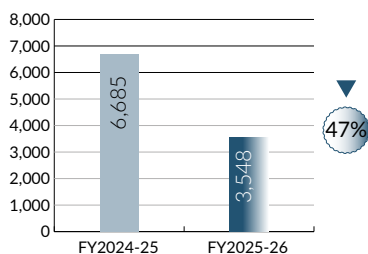
Direct expenses (Rs. Mn)



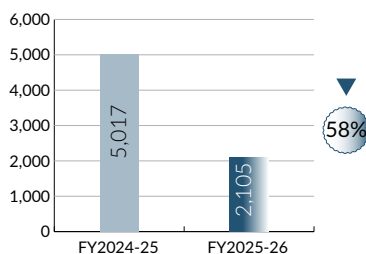
Net Trading Income (Rs. Mn)



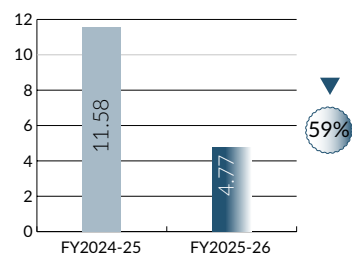
Profit before tax (Rs. Mn)



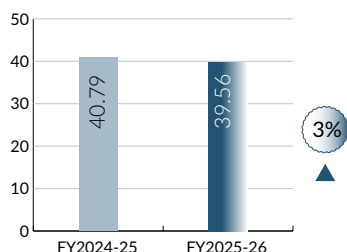
Profit for the year (Rs. Mn)



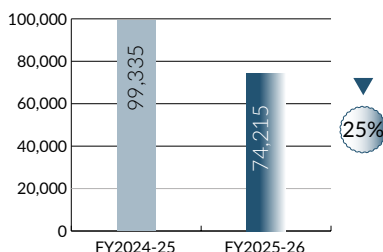
Basic earnings per share (Rs.)



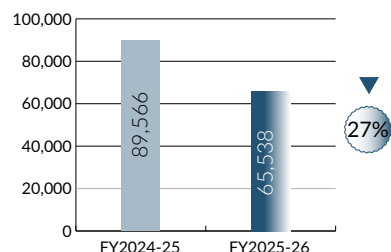
Cost to income ratio (%)



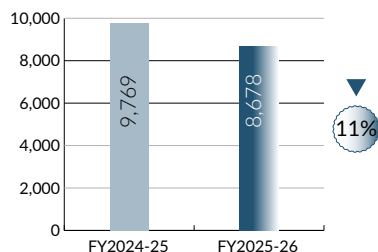
Total Assets (Rs. Mn)



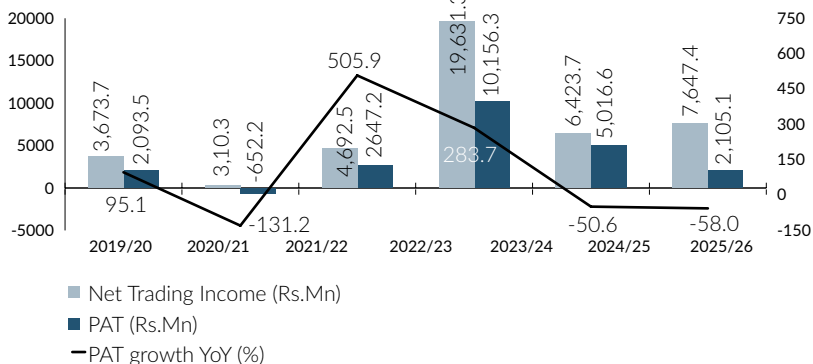
Total Liabilities (Rs. Mn)



Total Equity (Rs. Mn)



Profit Growth



Financial Calendar 2025/26

Annual General Meetings held/ to be held on

For the Year 2024/25

30 June 2025

For the Year 2025/26

30 June 2026

Annual Report and Accounts signed/to be signed

For the Year 2024/25

05 June 2025

For the Year 2025/26

05 June 2026

Interim Financial Statements Calendar

1st Quarter 2025/26 Interim Financial Report (Unaudited)

2nd Quarter 2025/26 Interim Financial Report (Unaudited)

3rd Quarter 2025/26 Interim Financial Report (Unaudited)

4th Quarter 2025/26 Interim Financial Report (Unaudited)

Submission to CSE

12 August 2025

11 November 2025

11 February 2026

29 May 2026

Annual Financial Statements Calendar

Annual Financial Statements for 2024/25 (Audited)

Annual Financial Statements for 2025/26 (Audited)

Submission to CSE

06 June 2025

08 June 2026

Dividend Calendar

XD date
21 October
2025

Date of
dividend paid
10 November
2025

Date of
dividend
announced
09 October
2025

1st Interim dividend
2025/26

Total Dividend
Paid (Gross)
Rs. 2.84 Bn

Dividends – 2025/26

1st Interim dividend

Dividend per share (Gross)

Rs. 7.00

SECTION

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Independent Auditor's Report



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TO THE SHAREHOLDERS OF FIRST CAPITAL HOLDINGS PLC

Report on the Audit of the Financial Statements

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

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31 March 2026, and of their financial performance and their 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 Group 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 Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Carrying amount of financial assets

Refer the material accounting policy in note 4.5 and explanatory notes 18 to the financial statements.

Risk Description	Our Response
As at 31 March 2026, the Group's and the Company's financial assets portfolio consists listed shares, government securities, debentures and unit trust measured at fair value amounted to Rs. 58,844 Mn and Rs. 9,453 Mn respectively. Further, these financial assets make up 79% and 43% of the Group's and Company's of total assets respectively.	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 valuation risk as well as evaluating the methodologies and input parameters used by the Group in determining the carrying amounts. - Comparing observable inputs against independent sources and externally available market data and reperforming independent valuations considering the macroeconomic environment factors.

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

Risk Description	Our Response
The carrying amounts of financial assets involve significant judgement and estimation uncertainty, including the application of complex valuation techniques, the use of unobservable inputs, and management assumptions. These factors increase the level of subjectivity in the measurement process, giving rise to a risk of material misstatement in the carrying amounts of financial assets as at the reporting date. Based on the above factors, we considered the carrying amount of financial assets as a key audit matter.	• Making inquiries of the management on the market conditions and reviewing the minutes of the enterprise risk management committee meetings. • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations for outstanding financial instruments. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

2. Recognition of direct income on financial assets

Refer to the material accounting policy in explanatory notes 6 and 7 to the financial statements.

Risk Description	Our Response
As described in notes 6 and 7, Group and Company has recognised a consolidated direct income of Rs. 15,065 Mn and Rs. 2,770 Mn during the year comprising of the gains/ losses on sales and interest income from financial assets amounted to Rs. 13,404 Mn and Rs. 2,393 Mn which constituted 89% (Group) and 86% (Company) of the total direct income. Based on the Group's / Company's business model, this arise from different types of financial instruments. Direct income from financial assets is a key element in the Group's / Company's budgeting process, is used as a basis for evaluating management performance, and is a key component of income reported by the Group / Company. These circumstances may create an incentive for management to recognise direct income in inappropriate accounting periods. Accordingly, we identified an inherent risk of material misstatement with regard to the timing of revenue recognition to meet specific performance targets or expectations. Based on the above factors, we considered recognition of direct income on financial assets as a key audit matter.	Our audit procedures included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over the gains/ losses on sales and interest income recognition and measurement. • Testing the operating effectiveness of key IT application controls over gains/ losses on sales and interest income, in addition to evaluating the integrity of the general IT control environment. • Making inquiries of the management on the market conditions and reviewing the minutes of the enterprise risk management committee meetings. • Evaluating the appropriateness of the Group's / Company's gains/ losses on sales and interest income recognition policies, including the recognition, measurement and classification criteria as well as disclosure requirements as per relevant accounting standards. • Performing test of details over gains/ losses on sales and interest income by inspecting a sample of transactions, recomputation of gains/ losses on sales and interest income and testing of cut off transactions in order to ensure such direct income is recognised and measured in accordance with the applicable financial reporting requirements and the Group's / Company's accounting policies

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 other information 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group'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 scepticism 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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 3544.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
05 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March,	Page No.	Note	Group		Company	
			2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Income	402	6	15,095,751	14,068,795	2,769,869	1,586,044
Direct income	404	7	15,065,019	14,011,457	2,769,652	1,586,047
Direct expenses	405	8	(7,417,609)	(7,587,743)	(1,273,315)	(1,220,898)
Net trading income			7,647,410	6,423,714	1,496,337	365,149
Other income/ (loss)	406	9	30,732	57,338	217	(3)
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	406	10	(1,088,798)	2,795,620	(326,078)	1,706,437
Net trading income before operating expenses			6,589,344	9,276,672	1,170,476	2,071,583
Operating expenses						
Personnel expenses	408	11.1	(1,064,761)	(1,647,987)	(166,379)	(453,777)
Premises, equipment and establishment expenses	409	11.2	(252,661)	(231,575)	(40,440)	(41,060)
Other operating expenses	409	11.3	(1,719,949)	(763,840)	(105,828)	(78,942)
(Provision)/ Reversal for impairment of financial assets at amortised cost	429	20.b	(4,009)	51,984	(1,213)	14,223
Total operating expenses			(3,041,380)	(2,591,418)	(313,860)	(559,556)
Operating profit			3,547,964	6,685,254	856,616	1,512,027
Share of profit from equity accounted investee (net of tax)	437	24	-	-	1,025,092	3,159,264
Profit before tax	411	12	3,547,964	6,685,254	1,881,708	4,671,291
Income tax (expense)/ reversal	413	13.1	(1,442,795)	(1,668,619)	51,448	20,233
Profit for the year			2,105,169	5,016,635	1,933,156	4,691,524

			Group		Company	
For the year ended 31 March,			2026	2025	2026	2025
	Page No.	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Actuarial gain/ (loss) on retirement benefit obligations	455	34	(946)	(4,232)	3,560	(5,537)
Loss on financial assets fair value through other comprehensive income	424 & 425	19.1.1 & 19.1.1a	(24,967)	(12,370)	-	-
Revaluation of motor vehicle	461	39	(7,000)	35,000	(7,000)	35,000
Tax effect on other comprehensive income	413	13.1	284	1,270	(1,067)	1,661
Share of other comprehensive loss from equity accounted investees (net of tax)	437	24	-	-	(28,091)	(11,457)
Other comprehensive income/ (loss)			(32,629)	19,668	(32,598)	19,667
Total comprehensive income for the year			2,072,540	5,036,303	1,900,558	4,711,191
Profit attributable to:						
Equity holders of the parent			1,933,156	4,691,524	1,933,156	4,691,524
Non - controlling interests	462	41	172,013	325,111	-	-
			2,105,169	5,016,635	1,933,156	4,691,524
Total comprehensive income attributable to:						
Equity holders of the parent			1,900,558	4,711,191	1,900,558	4,711,191
Non - controlling interests	462	41	171,982	325,112	-	-
			2,072,540	5,036,303	1,900,558	4,711,191
Basic earnings per share (Rs.)	416	14	4.77	11.58	4.77	11.58

Figures in brackets indicate deductions.

The notes disclosed on pages 390 to 518 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March,			Group		Company	
			31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Page No.	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Cash at banks and in hand	417	16	543,714	1,143,148	74,642	693,270
Derivative financial instruments	418	17	10,440	2,820	-	-
Financial assets recognised through profit or loss -measured at fair value	418	18	58,844,572	86,777,813	9,453,436	7,395,142
Financial assets - fair value through other comprehensive income	423	19	7,500	37,467	7,500	7,500
Financial assets at amortised cost	429	20.a	10,951,852	7,565,314	4,001,957	4,229,645
Amounts due from related companies	452	31	2,283	32	19,209	24,365
Trade and other receivables	434	21	2,339,875	2,063,649	384,056	214,056
Non - current assets held for sale	436	22	42,416	42,416	-	-
Taxes receivable	437	23	246,972	136,375	86,909	34,950
Investment in subsidiary	437	24	-	-	7,953,629	9,294,289
Deferred tax asset	439	25.1	313,544	515,896	123,836	86,435
Property, plant and equipment	444	26	624,062	762,683	27,106	63,708
Right of use assets	444	26	131,488	145,632	616	933
Intangible assets	448	27	156,490	141,800	27,575	12,061
TOTAL ASSETS			74,215,208	99,335,045	22,160,471	22,056,354
LIABILITIES						
Bank overdrafts	417	16	766,424	226,379	766,424	86,764
Derivative financial instruments	451	28	1,818	768	-	-
Securities sold under re-purchase agreements	451	29	44,069,015	73,109,134	-	-
Short term borrowings	451	30	8,368,336	8,009,985	8,125,309	8,509,733
Amounts due to related companies	452	31	6,372	34,004	8,084	10,203
Trade and other payables	452	32	3,723,163	3,929,792	515,205	1,394,987
Taxes payable	437	23	300,114	909,158	-	-
Long term borrowings	455	33	1,719,119	1,201,241	1,719,119	1,201,241
Retirement benefit obligations	455	34	141,383	116,289	36,304	33,390
Borrowings on listed debentures	458	35	6,441,937	2,029,328	3,131,778	2,027,346
TOTAL LIABILITIES			65,537,681	89,566,078	14,302,223	13,263,664

As at 31 March,			Group		Company	
			31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Page No.	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
EQUITY						
Stated capital	460	36	227,500	227,500	227,500	227,500
Risk reserve	460	37	2,908,304	2,764,757	2,908,304	2,764,757
Retained earnings			4,767,935	5,802,842	4,767,935	5,802,842
Fair valuation reserve	461	38	(45,491)	(37,409)	(45,491)	(37,409)
Revaluation reserve	461	39	-	35,000	-	35,000
Equity attributable to the equity holders of the parent			7,858,248	8,792,690	7,858,248	8,792,690
Non - controlling interests	462	41	819,279	976,277	-	-
TOTAL EQUITY			8,677,527	9,768,967	7,858,248	8,792,690
TOTAL EQUITY AND LIABILITIES			74,215,208	99,335,045	22,160,471	22,056,354
Net assets per share (Rs.)	476	47	19.40	21.71	19.40	21.71

Figures in brackets indicate deductions.

The notes disclosed on pages 390 to 518 form an integral part of these Consolidated Financial Statements.

I certify that these Consolidated Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007 and subsequent amendments thereto.



Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements.

Approved and signed for and on behalf of the Board,



Dilshan Wirasekara
Managing Director/ Chief Executive Officer



Rajendra Theagarajah
Chairman

05 June 2026
Colombo

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026			Attributable to equity holders of parent					Non-controlling Interests	Total Equity	
			Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Revaluation Reserve			Total
	Page No.	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Balance as at 1 April 2024			227,500	2,492,889	4,436,368	(37,759)	-	7,118,998	821,481	7,940,479
Total comprehensive income for the year										
Profit for the year			-	-	4,691,524	-	-	4,691,524	325,111	5,016,635
Other comprehensive income/ (loss) for the year			-	-	(2,962)	(12,370)	35,000	19,668	1	19,669
Total comprehensive income/ (loss) for the year			-	-	4,688,562	(12,370)	35,000	4,711,192	325,112	5,036,304
Transactions with equity holders										
Distribution to equity holders										
Dividend paid (Interim - 2024/25)			416	15	-	-	(3,037,500)	-	-	(3,037,500)
Dividend paid to shareholders with NCI* (2024/25)			462	41	-	-	-	-	(170,316)	(170,316)
Total distribution to equity holders			-	-	(3,037,500)	-	-	(3,037,500)	(170,316)	(3,207,816)
Loss on sale of FVTOCI Investments**			425	19.1.1.a	-	-	(12,720)	12,720	-	-
Transfers to risk reserve			460	37	-	271,868	(271,868)	-	-	-
Balance as at 31 March 2025			227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690	976,277	9,768,967
Balance as at 1 April 2025			227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690	976,277	9,768,967
Total comprehensive income for the year										
Profit for the year			-	-	1,933,156	-	-	1,933,156	172,013	2,105,169
Other comprehensive income/ (loss) for the year			-	-	(631)	(24,967)	(7,000)	(32,598)	(31)	(32,629)
Total comprehensive income/ (loss) for the year			-	-	1,932,525	(24,967)	(7,000)	1,900,558	171,982	2,072,540
Transactions with equity holders										
Distribution to equity holders										
Dividend paid (Interim - 2025/26)			416	15	-	-	(2,835,000)	-	-	(2,835,000)
Dividend paid to shareholders with NCI*			462	40	-	-	-	-	(328,980)	(328,980)
Total distribution to equity holders			-	-	(2,835,000)	-	-	(2,835,000)	(328,980)	(3,163,980)
Gain on Sale of PPE at revalued cost (realised)			-	-	28,000	-	(28,000)	-	-	-
Loss on sale of FVTOCI Investments**			425	19.1.1.a	-	-	(16,885)	16,885	-	-
Transfers to risk reserve			460	37	-	143,547	(143,547)	-	-	-
Balance as at 31 March 2026			227,500	2,908,304	4,767,935	(45,491)	-	7,858,248	819,279	8,677,527

* Non controlling interest

** Fair value through other comprehensive income

Figures in brackets indicate deductions.

The notes disclosed on pages 390 to 518 form an integral part of these consolidated financial statements.

Statement of Changes in Equity-Company

For the year ended 31 March 2026			Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Revaluation Reserve	Total
	Page No.	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2024			227,500	2,492,889	4,436,368	(37,759)	-	7,118,998
Total comprehensive income for the year								
Profit for the year			-	-	4,691,524	-	-	4,691,524
Other comprehensive income/ (loss) for the year			-	-	(2,962)	(12,370)	35,000	19,668
Total comprehensive income/ (loss)			-	-	4,688,562	(12,370)	35,000	4,711,192
Transactions with equity holders								
Distribution to equity holders								
Dividend paid (Interim - 2024/25)	416	15	-	-	(3,037,500)	-	-	(3,037,500)
Total distribution to equity holders			-	-	(3,037,500)	-	-	(3,037,500)
Loss on sale of FVTOCI Investments*	425	19.1.1.a	-	-	(12,720)	12,720	-	-
Transfers to risk reserve	460	37	-	271,868	(271,868)	-	-	-
Balance as at 31 March 2025			227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690
Balance as at 1 April 2025			227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690
Total comprehensive income for the year								
Profit for the year			-	-	1,933,156	-	-	1,933,156
Other comprehensive loss for the year			-	-	(631)	(24,967)	(7,000)	(32,598)
Total comprehensive income/ (loss)			-	-	1,932,525	(24,967)	(7,000)	1,900,558
Transactions with equity holders								
Distribution to equity holders								
Dividend paid (Interim - 2025/26)	416	15	-	-	(2,835,000)	-	-	(2,835,000)
Total distribution to equity holders			-	-	(2,835,000)	-	-	(2,835,000)
Gain on Sale of PPE at revalued cost (realised)			-	-	28,000	-	(28,000)	-
Loss on sale of FVTOCI Investments*	425	19.1.1.a	-	-	(16,885)	16,885	-	-
Transfers to risk reserve	460	37	-	143,547	(143,547)	-	-	-
Balance as at 31 March 2026			227,500	2,908,304	4,767,935	(45,491)	-	7,858,248

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The notes disclosed on pages 390 to 518 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Accounting Policy

The Statement of Cash Flow has been prepared using the "Direct Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard - (LKAS 7) "Statement of Cash Flows". Cash at banks and in hand comprise cash in hand, balances with banks as presented in the Statement of Financial Position, and are subject to an insignificant risk of changes in value.

For the year ended 31 March,			Group		Company			
			2026	2025	2026	2025		
	Page No.	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Cash flows from operating activities								
Interest receipts and gains realised			14,583,344	13,763,771	2,485,107	1,581,931		
Interest payments and other direct cost			(6,122,590)	(6,143,505)	(1,108,963)	(1,207,274)		
Other receipts			30,674	55,472	325	-		
Cash payments to employees and suppliers			(2,862,816)	(2,478,303)	(290,403)	(548,928)		
Operating profit before changes in operating assets and liabilities			5,628,612	5,197,435	1,086,066	(174,271)		
(Increase)/ Decrease in financial assets - fair value through profit or loss			26,837,873	(21,474,090)	(2,384,372)	(1,489,104)		
(Increase)/ Decrease in financial assets - at amortised cost			(3,380,307)	3,750,791	227,660	2,446,820		
(Increase)/ Decrease in trade and other receivables			(276,226)	1,392,924	(170,001)	1,830,988		
(Increase)/ Decrease in group balance receivables			(2,251)	(32)	5,156	25,531		
Increase/ (Decrease) in trade and other payables			(187,587)	(101,219)	(879,023)	1,007,486		
Increase/ (Decrease) in group balances payables			(27,632)	31,629	(2,119)	(3,376)		
Increase/ (Decrease) in short term borrowings			299,560	2,503,278	(443,219)	2,848,099		
Increase in securities sold under re-purchase agreements			(29,862,610)	21,612,656	-	-		
Cash generated from/ (used in) operations			(970,568)	12,913,372	(2,559,852)	6,492,173		
Tax paid			437	23	(1,523,047)	(3,962,337)	(38,979)	(44,246)
Gratuity paid			455	34	(2,694)	(1,653)	-	(1,653)
Net cash flows generated from/(used in) operating activities			(2,496,309)	8,949,382	(2,598,831)	6,446,274		

			Group		Company	
For the year ended 31 March,			2026	2025	2026	2025
	Page No.	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from investing activities						
Purchase of property, plant, equipment and intangible assets and right of use assets	444 & 448	26 & 27	(44,713)	(278,651)	(29,511)	(22,230)
Proceeds on sale of property, plant, equipment			28,189	1,950	28,037	63
Proceeds from disposal of financial assets - fair value through other comprehensive income	425	19.1.1.a	5,000	36,010	-	-
Investment in financial assets - fair value through other comprehensive income	425	19.2.1	-	(2,500)	-	(2,500)
Dividend receipts			471,379	154,470	2,621,021	852,345
Net cash flows generated from/ (used in) investing activities			459,855	(88,721)	2,619,547	827,678
Cash flows from financing activities						
Dividend paid			(2,835,000)	(5,062,500)	(2,835,000)	(5,062,500)
Dividend paid to shareholders with non-controlling interest	462	41	(328,980)	(170,316)	-	-
Payment of dividend tax attributable to parent	413	13.1	(436,753)	(214,537)	-	-
Borrowings on debentures			6,000,000	-	3,000,000	-
Lease payment	453	32.1	(19,042)	(13,748)	(754)	(686)
Proceeds from long term borrowings	455	33	1,000,000	-	1,000,000	-
Repayment of long term borrowings	455	33	(483,250)	(400,000)	(483,250)	(400,000)
Redemption of listed debentures	458	35	(2,000,000)	(727,530)	(2,000,000)	-
Net cash flows generated from/(used in) financing activities			896,975	(6,588,631)	(1,319,004)	(5,463,186)
Net increase / (decrease) in cash and cash equivalents for the year			(1,139,479)	2,272,030	(1,298,288)	1,810,766
Cash and cash equivalents at the beginning of the year			916,769	(1,355,261)	606,506	(1,204,260)
Cash and cash equivalents at the end of the year	417	16.3	(222,710)	916,769	(691,782)	606,506

Figures in brackets indicate deductions.

The notes disclosed on pages 390 to 518 form an integral part of these financial statements.

Notes to the Financial Statements

1. REPORTING ENTITY

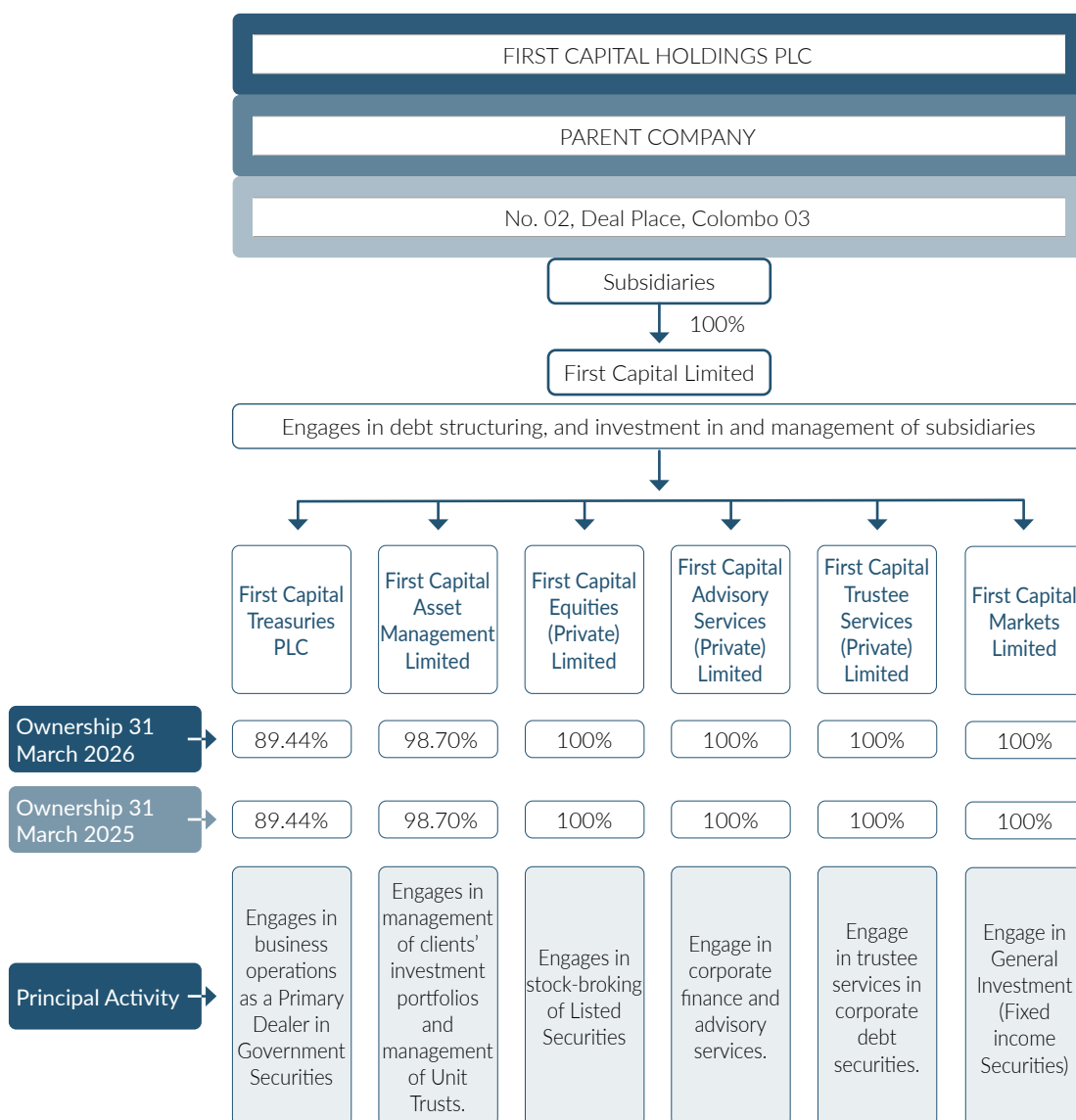
First Capital Holdings PLC ("the Company/ FCH") is a public limited liability Company incorporated and domiciled in Sri Lanka on 23 March 1992. The registered office and place of business of the Company is No. 2, Deal Place, Colombo 03. The shares of the Company have a primary listing on the Colombo Stock Exchange (CFVF.N0000). The staff strength of the Group is as follows.

As at 31 March,	2026	2025
Group	164	145

Corporate information is presented in the inner back cover of this Annual Report.

The Consolidated Financial Statements for the year 2025/26 comprise the Company and its Subsidiaries (together referred to as the "Group" and

individually as "Group entities"). The Financial Statements of all companies in the Group have a common financial year which ends on 31 March. The ultimate parent undertaking and controlling party (Parent Company) is Janashakthi Limited which is incorporated in Sri Lanka. The Company's ultimate controlling parties are Mr. Ramesh Schaffter and Mr. Prakash Schaffter (jointly).



2. BASIS OF PREPARATION

2.1. Statement of Compliance

The consolidated financial statements of the Group and the separate 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 (SLFRS)
- Sri Lanka Accounting Standards (LKAS)
- Statement of Recommended Practices (SoRPs)

Details of the Group's Material Accounting Policies followed during the year are given in Notes 4 to 52 on pages 394 to 518.

2.1.1 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 subsequent amendments thereto 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" (AROBOD) and "Statement of Director's Responsibility" (SODR) and the certification on the Statement of Financial Position on pages 384-385 (AROBOD) on 211 (SODR) on 215.

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company as at 31 March 2026 comprises of –

- The Statement of Profit or Loss and Statement of Comprehensive Income (SOPLOCI) providing information on the performance for the year under review (Refer pages 382).
- Statement of Financial Position (SOPF) providing the information on the financial position of the Company and the Group as at the year end (Refer page 384).
- Statement of Changes in Equity (SOCE) providing the movement in the shareholders' funds during the year under review for the Company and the Group (Refer pages 386-387).
- Statement of Cash Flows - which provides the information to the users,

on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows (Refer page 388).

- Notes to the Financial Statements, which comprise of the Accounting Policies and other explanatory notes and information (Refer pages 390-518).

2.2 Presentation of Financial Statements

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

2.3 Approval of Financial Statements by Directors

The Consolidated Financial Statements for the year ended 31 March 2026 (including the comparative figures) were authorised for issue by the Board of Directors in accordance with the resolution on 05 June 2026 (Financial Statements of the Group for the year ended 31 March 2025, were approved by the Board of Directors on 05 June 2025).

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following.

Notes to the Financial Statements

2. BASIS OF PREPARATION (Contd.)

Category	Basis of Measurement	Note	Page Number
Investment in subsidiaries	Equity method of accounting	Note 24	437
Derivative financial assets/ liabilities	Fair value	Note 17 & 28	418 & 451
Financial assets measured at fair value though profit or loss (FVTPL)	Fair value	Note 18	418
Financial assets measured at fair value though other comprehensive income	Fair value	Note 19	423
Financial assets at amortised cost	Amortised cost	Note 20	426
Motor Vehicle	Fair Value	Note 26	442
Right of use of assets	Discounted future lease rental payments	Note 26	442
Financial Liabilities	Amortised cost	Note 28-30	451
Retirement benefit obligations	Projected unit credit method	Note 34	455

2.5 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. Financial information presented in Sri Lankan Rupees (Rs.) has been rounded to the nearest thousand unless indicated otherwise.

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 based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimates are revised and in any future periods affected.

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

The following table includes the items that involve significant accounting judgements, estimates and assumptions in the preparations of the Financial Statements of the Group.

2.6 Use of Significant Judgments, Estimates and Assumptions

The preparation of Consolidated Financial Statements in conformity with SLFRSs/ LKASs requires management to make judgments, estimates and assumptions that affect the application

Critical Accounting Estimate/Judgment	Disclosure Note	Page Number
Classification of financial instruments	Note 4.5.2	396
Non-current assets held for sale	Note 22	436
Fair value of financial instruments	Note 2.6.6	393
Useful lives of intangible assets	Note 27	448
Useful lives of property, plant and equipment	Note 26	442
Retirement benefit obligation	Note 34	455
Deferred taxation	Note 25	438
Impairment losses on financial assets	Note 4.5.7 and 20	397 & 426
Provisions for liabilities, commitments and contingencies	Note 2.6.8	393

2.6.1 Determination of Fair Values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company has access at that date. The fair value of a liability reflects its non-performance risk. Several of the Group's and the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

2.6.2 Fair Value of Non-Financial Assets

The fair value used by the Group and the Company in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Group and the Company for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would act in their economic best interest when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.6.3 Useful Lives of Depreciable Assets

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment (refer Note 26).

2.6.4 Business Combination

Management applies its judgment to determine whether the control indicators set out in the SLFRS 3 "Business Combination". Management uses valuation techniques in determining the fair values of the various elements of a business combination. The fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

2.6.5 Defined Benefit Obligation

The cost of the defined benefit plans are determined using an actuarial valuation. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense (refer Note 34).

2.6.6 Fair Value of Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.6.7 Recognition of Deferred Tax Assets

Management applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions (refer Note 25).

2.6.8 Provisions for Liabilities, Commitments and Contingencies

The Group receives legal claims in the normal course of business. Management has made judgements as to the likelihood of any claim succeeding in making provisions the time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits.

Timing and cost ultimately depends on the due processes in respective legal jurisdictions" (refer Notes 32, 44 and 45).

2.7 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Consolidated 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 Consolidated Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8 Materiality, Presentation and aggregation

The Group presents its Financial Statements in accordance with Sri Lanka Accounting Standard LKAS 1 – Presentation of Financial Statements and related amendments.

Materiality

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users of the Financial Statements. Materiality is assessed based on the nature, size and circumstances of individual items or in combination with other items.

The Group applies entity-specific judgement in determining materiality, ensuring that disclosures are relevant and reflect the underlying business and economic substance of transactions.

Presentation 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.

2. BASIS OF PREPARATION (Contd.)

- Material items are not aggregated with items of a different nature or function where such aggregation would reduce transparency or obscure useful information.

The level of aggregation and disaggregation is determined to ensure that Financial Statements provide clear and meaningful information to users.

2.9 Rounding

The amounts in the Consolidated Financial Statements have been rounded off to the nearest Thousands, except where otherwise indicated as permitted by the LKAS 1.

2.10 Events after Reporting Date

In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary (Note 46).

3. GOING CONCERN

The Board of Directors of the Company and its Group companies have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the ability of the Group to continue as a going concern.

The Financial Statements of the Group/ Company continue to be prepared on a going concern basis.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in the Financial Statements of the Company, unless otherwise indicate.

4.1 Amended Standards and Interpretations

There were no amendments to the accounting standards during the period that had a material impact on the Group's financial statements.

4.2 Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently for all periods presented in the financial statements by the Group and the Company unless otherwise indicated.

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4.3 Basis of Consolidation

4.3.1 General

The Consolidated Financial Statements are the Financial Statements of the Group, prepared by consistent application of consolidation procedures which include amalgamation of the financial statements of the parent and subsidiaries.

The Consolidated Financial Statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (controlling interest) and attributable to minority shareholders with non-controlling interest

Intra-group balances, and income and expenses arising from intra- group transactions are eliminated in preparing the Consolidated Financial Statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee against the investment in the investee. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

4.3.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable

returns from its involvement with the entity and has the ability to affect those returns through its power over the entities.

A list of Subsidiaries within the Group is provided on page 20.

4.3.3 Unconsolidated Structured Entities

The Group manages and administers assets held in unit trusts on behalf of investors. These are entities which are not consolidated because the Group does not control them through voting rights, contract, funding agreements, or other means. The extent of the Group's interests to unconsolidated structured entities will vary depending on the type of structured entities.

The details relating to unconsolidated structured Entities are disclosed in Note 42 to the financial statements.

4.4 Foreign Currency

4.4.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currency (Sri Lankan Rupees - Rs.) 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 middle

rate of exchange prevailing at the reporting 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.

4.5 Financial Instruments

4.5.1 Initial Recognition, Classification and Subsequent Measurement

4.5.1.1 Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

4.5.1.2 Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on the purpose and the management's intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Contd.)

4.5.2 Classification and Subsequent Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI or FVTPL.

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI").

A debt instrument is measured at FVTOCI only if it meets both of the following condition and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group 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.

4.5.2.1 Business Model Assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (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 in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance

is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cashflows nor held both to collect contractual cash flows and to sell financial assets.

4.5.3 Financial Assets

Financial assets are classified appropriately as Financial assets recognised through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets at amortised cost. All the financial assets are recognised at fair value at its initial recognition.

Financial Assets - Assessment whether contractual cash flows are solely payments of principal and interest (SPPI test)

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole 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 paramount, a feature that permits or requires prepayment at

an amount that substantially 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 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 FVTOCI	These assets are subsequently measured at fair value. Dividend is 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.

4.5.4 Financial Liabilities

4.5.4.1 Recognition and Measurement of Financial Liabilities

The Group 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,

4.5.5. Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

4.5.6 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 Group'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.

4.5.7 Impairment of Financial Assets

The Group recognises allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Group does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

4.5.7.1 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 Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in "provision for impairment of financial assets at amortised cost" in the Statement of Profit

or Loss. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4.5.8 Derecognition of Financial Assets and Financial Liabilities

4.5.8.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4. MATERIAL ACCOUNTING POLICIES (Contd.)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4.5.8.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.5.9 Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

4.5.10 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

4.6 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.

4.7 Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Borrowings

Repo borrowings, borrowing on debentures, commercial papers, securitised papers and bank borrowing are the Group's sources of debt funding. When the Group 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 Group's financial statements. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The borrowing on debentures, commercial papers, securitised papers and bank borrowing are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

4.9 Value Added Tax on Financial Services (VAT on FS)

VAT on Financial Services is calculated in accordance with the amended VAT Act No. 7 of 2003 and subsequent amendments thereto. VAT on financial services is computed on the prescribed rate. The Company is required to pay VAT on Financial Services on the VAT liable turnover at the rate of 18%.

4.10 Advance Income Tax (AIT) on Dividends

The dividend distributed after 1 January 2023 shall be subject to 15% AIT where shareholders shall receive dividends net of AIT. AIT deducted on dividends shall be final tax and will attract no further tax in the hands of the shareholders. With the introduction of the Inland Revenue (Amendment) Acts No. 10 of 2021 and No. 45 of 2022, any dividends paid out of the dividends received, shall be exempted from income tax net of the cost of funds.

4.11 Social Security Contribution Levy (SSCL)

The Social Security Contribution Levy (SSCL) Act No. 25 of 2022, has been passed in the parliament imposing a new levy on the turnover of persons. The SSCL comes into operations with effect from 01 October 2022. Since SSCL is a turnover based direct tax, it has two tax bases.

1. Value Addition attributable to financial services.
2. Turnover liable for General VAT (Turnover not liable for financial services).

The Value Addition attributable for Financial Services shall be derived with the application of the turnover ratio distinguishing General VAT and VAT on Financial Services. Tax fraction 2.5/120.5 is applied in computing SSCL. In addition, turnover, liable for General VAT too shall be chargeable with SSCL. The Company is required to pay SSCL on the General VAT liable turnover at the rate of 2.5%.

4.12 Advance Income Tax (AIT) and Withholding Tax (WHT)

AIT shall be charged on the interest paid or credited from all interest bearing deposit accounts denominated in Sri Lankan Rupees at the rate of 5% on such interest payments, 10% rent payment which surpass or equal to the aggregate gross rent amount for the calendar month and for the service receipt, 5% on the total gross amount if such payment exceeds Rs. 100,000 per calendar month. WHT on interest payments has been revised to 10% with effect from 1 April 2025.

4. MATERIAL ACCOUNTING POLICIES (Contd.)



4.14 Financial Risk Management Framework

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's Risk Management Framework. The Risk Management Policy of the Company translates overall risk appetite on business activities in a holistic approach to provide the guidance required for convergence of strategic and risk perspectives of the Company. The Board Integrated Risk Management Committee (BIRMC) meets monthly to review and assess the Company's overall risks and to focus on policy recommendations and strategies in an integrated manner and the Board of Directors is duly updated of its activities.

The Company's board risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A detailed disclosure on how the financial risk management is carried out within the Group's Risk Management Framework with due consideration given to Market, Liquidity, Credit, and Operational risks are given in the Notes to the Financial Statements Section on "Risk Management disclosures" on pages 479 to 499.



4.13 SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate related Disclosures Effective on or after 01 January 2026 with early adoption permitted.

With SLFRS Sustainability Standards SLFRS S1 and SLFRS S2 in effect, Group have adopted the two standards on a voluntary and limited basis, as the Group gear up for full adoption of the two standards as they become mandatory for the financial year ending 31 March 2026. Group is currently in the process of carrying out a thorough review of its ESG framework to ensure alignment with SLFRS S1 and SLFRS S2 and the Group's long-term sustainability goals.

Group has conducted a comprehensive gap analysis to identify the requirement related to specific sustainability related risks and opportunities (SRROs), climate related risks and opportunities (CRROs), and their impact on Group's Governance, Business Strategy and value chain model, Risk Management and Setting up of Metrics and Targets (refer page 342 to 373 for more information).

5. NEW AMENDMENTS TO THE SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued following new amendments to the Sri Lanka Accounting Standards which will become applicable for financial periods beginning after on or after 01 April 2026. Accordingly, the Group has not applied the following new amendments to the standard in preparing these Financial Statements. The following new amendments to the standards are not expected to have a material impact on the Group's financial statements.

5.1 New accounting standards effective for annual reporting periods beginning on or after 1 January 2027

New SLFRS / amendment to the existing SLFRS	Summary of the requirements/ Objectives
SLFRS 18 Presentation and Disclosure in Financial Statement	SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 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 the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. 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 group information in the financial statements. - In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method
SLFRS 19 Subsidiaries without Public Accountability: Disclosures	SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles. The purpose of SLFRS 19 is to reduce the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

6 INCOME

Accounting Policy

Income represents the direct income and other income earned by the Group during the year. Direct income mainly comprise interest income, trading gains/ losses, dividend income and fee income.

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria, for each type of Income are given under the respective notes.

		Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
For the year ended 31 March,	Note				
Direct income	7	15,065,019	14,011,457	2,769,652	1,586,047
Other income/ (loss)	9	30,732	57,338	217	(3)
		15,095,751	14,068,795	2,769,869	1,586,044

Accounting Policy

Interest Income and Expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' (EIR) 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 EIR, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR 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. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the EIR of the instrument.

Interest income and expense presented in the SOPLOCI include the interest on financial assets and financial liabilities measured at amortised cost calculated on an EIR basis.

Interest income on all trading assets are considered to be incidental to the Group's trading operations and are presented together with all Gains from sale of financial assets measured at FVTPL in net trading income. Interest expense is recognised in the SOPLOCI as it accrues and is calculated by using the EIR method. Accrued interest is included within the carrying value of the interest-bearing financial liability. The Group's expense includes repo interest expense, interest expenses on short/ long-term borrowing and other interest expenses. As at the reporting date, the Company has classified all financial liabilities under the amortised cost category.

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 on disposal of government securities, quoted shares and debentures, are presented in direct income as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

Gain/ (Loss) on redemption of units

Gain/ (Loss) on redemption of units comprises realised trading gain/(loss) on redemption of investment in unit trust, is presented in direct income as sale of financial investments at fair value through profit or loss in the SOPLOCI.

Dividend Income

Dividend income from equity investments is recognised in profit or loss on an accrual basis when the Group's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities. Dividends are presented in net trading income or net gain/(loss) from financial investments based on the underlying classification of the equity investment.

Fee and commission income

Investment management fees and placement fees are recognised as the related services are performed. Fee and commission expenses are recognised on an accrual basis. Commission income on dealing/ brokering in listed shares is recognised as the related services are performed. Commission expenses are recognised on an accrual basis. Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

The fee and commission income are recognised by the Group within the scope of SLFRS 15 (Revenue from contracts with customers) only when all of the following criteria are met:

- (i) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) obligations; and are committed to perform their respective obligations;
- (ii) The entity can identify each party's rights regarding the services to be transferred;
- (iii) The entity can identify the payment terms for the services to be transferred;
- (iv) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- (v) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

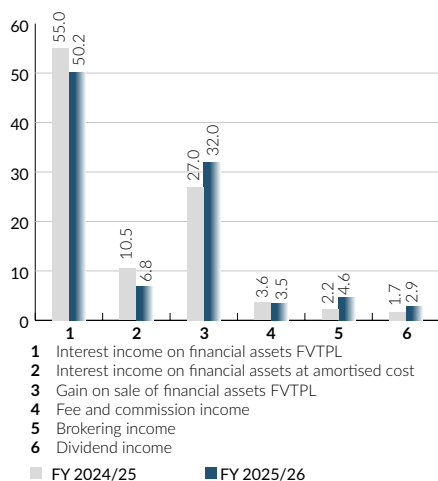
Notes to the Financial Statements Contd.

7 DIRECT INCOME

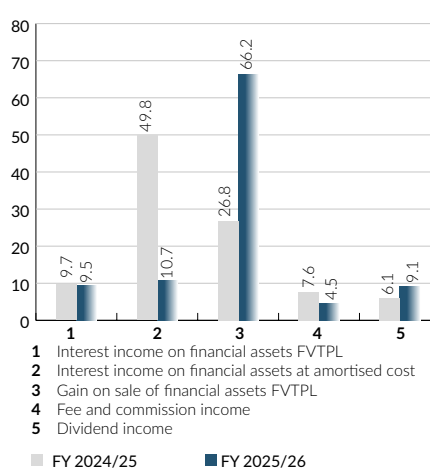
For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Interest income on financial assets recognised through profit or loss - measured at fair value	7,569,443	7,709,431	263,604	153,387
Interest income on financial assets at amortised cost	1,016,607	1,454,592	295,151	790,298
Gain on sale of financial assets recognised through profit or loss - measured at fair value	4,817,632	3,786,777	1,834,109	425,377
Fee and commission income	532,247	505,093	124,703	120,085
Brokering income	690,321	310,537	-	-
Dividend income	438,769	245,027	252,085	96,900
	15,065,019	14,011,457	2,769,652	1,586,047

7.1 Direct Income

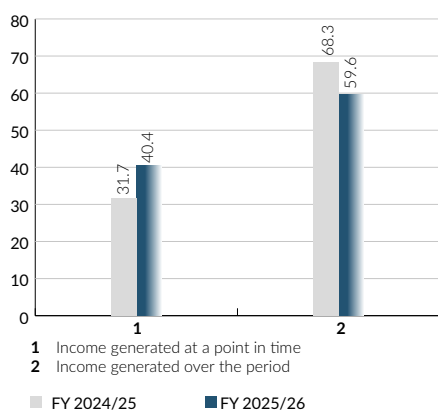
Direct Income - Group (%)



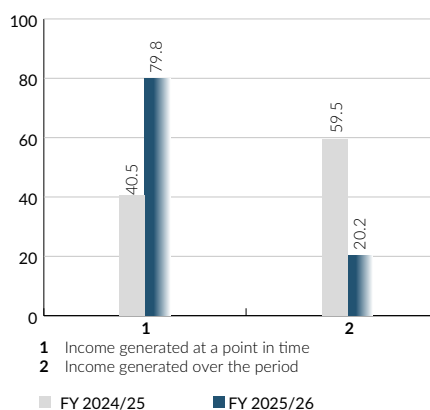
Direct Income - Company (%)



Timing of income recognition - Group (%)



Timing of income recognition - Company (%)



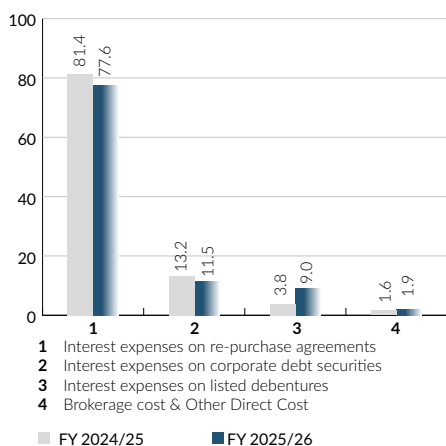
7.2 Timing of income recognition

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Income generated at a point in time	6,090,322	4,445,040	2,210,897	642,362
Income generated over the period	8,974,697	9,566,417	558,755	943,685
	15,065,019	14,011,457	2,769,652	1,586,047

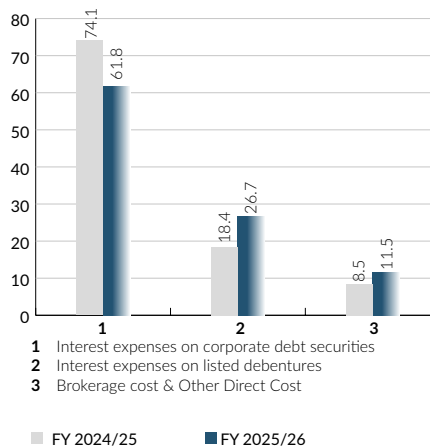
8 DIRECT EXPENSES

For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Interest expenses on re-purchase agreements	5,756,958	6,175,441	8	-
Interest expenses on corporate debt securities	850,302	998,599	786,796	905,263
Interest expenses on listed debentures	670,132	287,909	340,590	212,298
Brokerage cost	48,794	48,367	9,682	2,989
Other direct expenses	91,423	77,427	136,239	100,348
	7,417,609	7,587,743	1,273,315	1,220,898

Direct expenses - Group (%)



Direct expenses - Company (%)



Accounting Policy

Other Income

Other income is recognised on an accrual basis. Other income comprises disposal gains/losses on property, plant and equipment, exchange gain/ (losses) and miscellaneous income.

Gains or losses on disposal of an item of property, plant and equipment (PPE)

Any gain or loss on disposal of an item of PPE (calculated as the difference between net proceeds from disposal and carrying amount of the item at the time of disposal) is recognised as 'other income' in the SOPLOCI in the year in which the Company transfers control of the asset to the buyer. When revalued assets are sold, any related amount included in the revaluation reserves are transferred to retained earnings.

Exchange gains/ losses

The change in exchange rate differences arising from the valuation of the cash at bank in foreign currency is included under 'exchange gains/(losses)'.

9 OTHER INCOME/EXPENSE

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
For the year ended 31 March,				
Gain/ (Loss) on disposal of property, plant and equipment	58	1,866	(108)	(3)
Exchange loss	(4)	(2)	-	-
Miscellaneous income	30,678	55,474	325	-
	30,732	57,338	217	(3)

10 GAIN/ (LOSS) ON FAIR VALUATION OF FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE

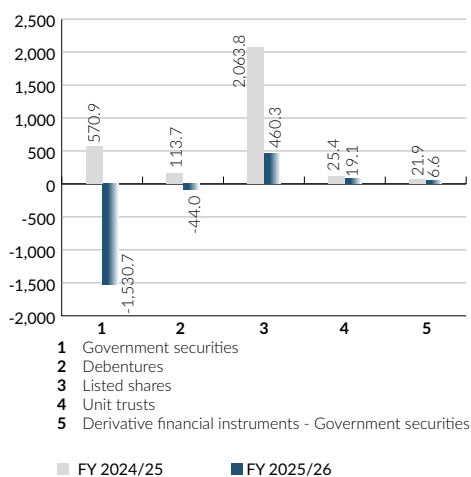
Accounting Policy

Gain/ (Loss) on Fair Valuation of Financial Investments is the unrealised gain/ (loss) on fair valuation (marked to market valuation) of government securities, quoted shares, investment in units and debentures. The fair valuation gain/ (loss) is presented in profit or loss in the SOPLOCI. Fair value changes on derivatives held for risk management purposes, and other financial assets carried at FVTPL, are presented as gain/ (loss) on fair valuation of other financial instruments at fair value through profit or loss in the SOPLOCI.

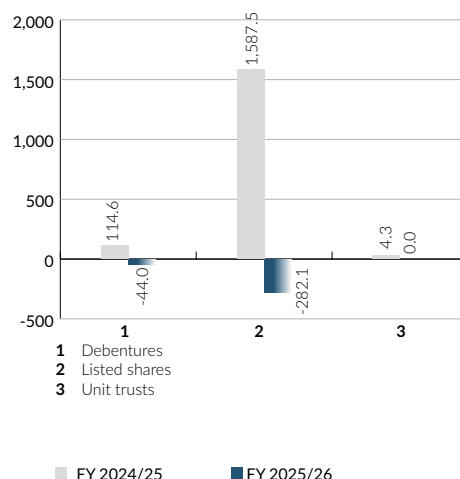
For the year ended 31 March,	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Government securities	(1,530,716)	570,851	-	-
Debentures	(43,994)	113,694	(43,994)	114,639
Listed shares	460,281	2,063,767	(282,084)	1,587,466
Unit trusts	19,062	25,446	-	4,332
Derivative financial instruments - Government securities	6,569	21,862	-	-
	(1,088,798)	2,795,620	(326,078)	1,706,437

Gain/ (Loss) on fair valuation of financial investments has been accounted for in accordance with the SLFRS 9.

Gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value - Group (Rs.Mn.)



Gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value - Company (Rs.Mn.)



11 OPERATING EXPENSES

Accounting Policy

Expenses Recognition

Expenses are recognised in the SOPLOCI 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 and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the SOPLOCI the directors are of the opinion that the nature of the expenses method present fairly the element of the Group's performance, and hence such presentation method is adopted.

Employee Provident Fund (EPF)

The Company and employee contribute 12% - 15% and 8% - 10% respectively on the salary of each employee to an approved Provident Fund.

Employees Trust Fund (ETF)

All employees of the Company are members of the Employees Trust Fund. The Company contributes 3% of the salary of each employee to ETF.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, the pension fund and staff gratuity were considered as defined benefit plans as per Sri Lanka Accounting Standard - LKAS 19, Employee Benefits. The contributions to the defined benefit plans are recognised in the Statement of Profit or Loss, based on an actuarial valuation carried out for the gratuity liability and the pension fund of the Group in accordance with LKAS 19.

The basis of measurement, assumptions used in actuarial valuations are given in detail in Note 34 to these Financial Statements.

11.1 Personnel expenses

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Salaries		488,952	406,271	73,094	59,754
Bonus		124,030	928,873	37,985	339,773
Employer's contribution to EPF and ETF		74,950	62,490	11,092	9,104
Retirement benefit cost	34	26,842	23,177	6,474	4,845
Commission		151,988	47,186	-	-
Other personnel expenses		197,999	179,990	37,734	40,301
		1,064,761	1,647,987	166,379	453,777

11.2 Premises, equipment and establishment expenses

	Group		Company	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
For the year ended 31 March,				
Building maintenance	60,154	57,926	6,899	6,243
Depreciation and amortisation	152,892	135,593	15,691	11,842
Electricity	7,495	8,628	840	989
Miscellaneous expenses	32,120	29,428	17,010	21,986
	252,661	231,575	40,440	41,060

11.3 Other operating expenses

	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
For the year ended 31 March,					
Professional services expenses		145,103	134,717	17,303	23,025
Sales promotion expenses		85,362	55,181	17,078	20,633
Value added taxation on financial services	11.3.1	1,222,742	271,245	25,552	-
Social security contribution levy on financial services		21,270	37,673	3,549	-
Communication and information technology expenses		155,881	121,748	20,378	11,275
Travelling expenses		3,026	13,873	743	3,266
Fund transfer charges/ bank charges		32,167	28,699	3,893	5,463
Specific allowance for impairment of trade and other receivables		61	161	-	93
Miscellaneous expenses		54,337	100,543	17,332	15,187
		1,719,949	763,840	105,828	78,942

11 OPERATING EXPENSES (Contd.)

Tax on Financial Services

Accounting Policy

Tax on Financial Services include Value Added Tax and Social Security Contribution Levy on financial services.

Value Added Tax (VAT) on Financial Services

Value Added Tax on financial services (VATFS) is calculated in accordance with Value Added Tax Act, No. 14 of 2002 and subsequent amendments thereto. The base for the computation of VATFS is the accounting profit before income tax and emoluments payable to employees, which is adjusted for the depreciation of property, plant and equipment computed at the prescribed rates. The emoluments payable include aggregate of both benefits in money and benefits not in money payable to the employees and any contribution or provision in relating to terminal benefits. The regulatory tax rate applicable for the current year was 18% (2024/25-18%).

Social Security Contribution Levy (SSCL) on Financial Services

SSCL on financial services is calculated with effect from 1 October 2022 in accordance with Social Security Contribution Levy Act, No. 25 of 2022 and subsequent amendments thereto. The base applicable for VATFS as explain above is applied for the computation of the SSCL on financial services and the regulatory tax rate applicable for the current year was 2.5% (2024/25-2.5%).

Subsequently, the Social Security Contribution Levy (Amendment) Act, No. 24 of 2025, certified on 17 December 2025, introduced an exemption for persons carrying on the business of providing financial services that are liable to VAT under Chapter IIIA of the Value Added Tax Act. Accordingly, financial services subject to VAT on financial services became exempt from SSCL with effect from 17 December 2025.

- 11.3.1 This represents a provision of Rs. 296Mn made by First Capital Limited (subsidiary) on account of voluntary settlement of all past assessments on VAT on Financial Services of the subsidiary up to 2020/21 and another provision of Rs. 751Mn on account of the subsequent years (up to 2025/26) based on the settlement terms adopted in the past assessments.

12 PROFIT BEFORE TAX

Profit before taxation is stated after charging all expenses including the following :

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Directors' emoluments		139,997	345,265	72,945	285,775
Auditors' remuneration - Audit services		3,735	3,335	840	750
Auditors' remuneration - Other services		9,198	7,263	5,684	3,696
Salaries		488,952	406,271	73,094	59,754
Depreciation of property, plant, equipment and right of use assets	26	139,593	128,348	11,073	8,499
Amortisation of intangible assets	27	10,857	7,502	4,697	2,719
Employer's contribution to EPF and ETF		74,950	62,490	11,092	9,104
Retirement benefit cost	34	26,842	23,177	6,474	4,845
Legal fees		17,500	16,712	2,295	454
Donations		10,000	15,030	10,000	15,003
Specific allowance for impairment of trade and other receivables		61	161	-	93
Penalties and surcharges		8,365	-	-	-
Reversal for impairment of financial assets at amortised cost	20.b	4,009	(51,984)	1,213	(14,223)

Director fee and Directors' emoluments represent the salaries and fees paid to both Executive and Non-Executive Directors of the Group and is presented in Note 11.1 on page 408.

13 INCOME TAX EXPENSE

Tax Exposures

In determining the amount of current tax and deferred tax, the Group considers the impact of tax exposure, including whether additional taxes and penalties are due. Finalisation of the tax liability with authorities may change the position already recorded in the Financial Statements and such changes to tax liabilities could impact the tax expense either as an over or under provision in the period in which such a determination is made.

Accounting Policy

Tax Expense

Tax expense comprises current and deferred tax. Income tax and deferred tax expense is recognised in statement of profit or loss except to the extent that it relates to items recognised in the statement of other comprehensive income or statement of changes in equity.

Current tax expense

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively 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.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and is measured using the tax rates enacted or substantively enacted as at the reporting date.

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 not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.
- Taxable temporary differences arising on subsidiaries, associates or joint ventures who have not distributed their entire profits to the parent or investor.

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.

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 Group accounts 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 Group expects to better predict the resolution of the uncertainty.

Tax rates

The Group computed the income tax liability for the year of assessment 2025/26 and 2024/25 by applying the income tax rate of 30% in line with the legalisation of the Inland Revenue (Amendment) Act, No. 45 of 2022.

Applicable Income Tax Rates

The applicable income tax rates of the Company and the subsidiary companies for the years 2025/26 and 2024/25 are as follows,

Name of the Company	2025/26	2024/25
First Capital Holdings PLC	30%	30%
First Capital Limited	30%	30%
First Capital Treasuries PLC	30%	30%
First Capital Asset Management Limited	30%	30%
First Capital Equities (Pvt) Ltd	30%	30%
First Capital Markets Limited	30%	30%
First Capital Trustee Services (Pvt) Ltd	30%	30%
First Capital Advisory Services (Pvt) Ltd	30%	30%

13.1 Income tax expenses

		Group		Company	
For the year ended 31 March,		2026	2025	2026	2025
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Recognised in Profit or Loss					
Current tax expenses	13.3	(886,185)	(1,545,572)	-	(12,980)
Over/ (Under) provision for taxes		82,779	(289,182)	12,980	(42,345)
Deferred tax recognised/ (expense)	25.1	(202,636)	380,672	38,468	75,558
Taxes on dividend (at 15%)		(436,753)	(214,537)	-	-
		(1,442,795)	(1,668,619)	51,448	20,233
Recognised in Other Comprehensive Income					
Deferred tax assets recognised during the year	25.1	284	1,270	(1,067)	1,661
		(1,442,511)	(1,667,349)	50,381	21,894

Notes to the Financial Statements Contd.

13 INCOME TAX EXPENSE (Contd.)

13.2 Effective tax rate

For the year ended 31 March,	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Effective tax rate	13.4	40.66%	24.94%	-2.68%	-0.47%
Effective tax rate (excluding deferred tax)	13.4	34.95%	30.65%	-0.69%	1.18%

13.3 Reconciliation of accounting profit to income tax

For the year ended 31 March,		Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit before taxation		3,547,964	6,685,254	1,881,708	4,671,291
Less : Exempted income		(2,762,721)	(2,821,082)	(2,809,350)	(5,246,998)
Add : Disallowable expenses		2,468,964	1,588,479	757,414	674,886
Less : Allowable expenses		(766,927)	(258,008)	(147,159)	(55,914)
Add : Assessable charge on depreciable assets		(9)	1,368	-	-
Adjusted profit for the year		2,487,271	5,196,011	(317,387)	43,265
Add: Other Income		48,818	30,914	-	-
Total statutory income		2,536,089	5,226,925	-	43,265
Tax loss claimed during the year		-	(89,900)	-	-
Taxable income		2,536,089	5,137,025	-	43,265
Income tax expense					
Tax at 30%		(886,185)	(1,545,572)	-	12,980
		(886,185)	(1,545,572)	-	(12,980)

13.4 Reconciliation of accounting profit/(loss) to income tax

Group

For the year ended 31 March,	2026		2025	
	%	Rs.'000	%	Rs.'000
Profit before tax		3,547,964		6,685,254
Tax using the Company's domestic tax rate	30.00	1,064,389	30.00	2,005,576
Tax impact on exempted income	(24.49)	(869,016)	(12.59)	(841,860)
Tax impact on disallowable expenses	20.88	740,689	7.13	476,544
Tax impact on allowable expenses	(6.48)	(230,078)	(1.17)	(77,402)
Tax impact on assessable charge on depreciable assets	(0.00)	(3)	0.01	410
Tax impact on other income	0.41	14,645	0.14	9,274
Tax impact on tax loss claimed during the year	(0.85)	(30,142)	(0.41)	(26,970)
Taxes on dividend	12.31	436,753	3.21	214,537
Over/ (Under) provision in respect of the previous year	2.33	82,779	4.33	289,182
Effective tax rate (excluding deferred tax)	34.95	1,240,159	30.65	2,049,291
Deferred tax asset recognised/ (reversed) during the year	5.70	202,352	(5.71)	(381,942)
Income tax expense recognised in the Income Statement at the average effective income tax rate	40.66	1,442,511	24.94	1,667,349

Company

For the year ended 31 March,	2026		2025	
	%	Rs.'000	%	Rs.'000
Profit before tax		1,881,708		4,671,291
Tax using the Company's domestic tax rate	30.00	564,512	30.00	1,401,387
Tax impact on exempted income	(41.11)	(773,549)	(33.70)	(1,574,099)
Tax impact on disallowable expenses	12.08	227,224	4.33	202,466
Tax impact on allowable expenses	(2.35)	(44,148)	(0.36)	(16,774)
Over/ (Under) provision in respect of the previous year	0.69	12,980	0.91	42,345
Effective tax rate (excluding deferred tax)	(0.69)	(12,980)	1.18	55,325
Deferred tax asset recognised during the year	(1.99)	(37,401)	(1.65)	(77,219)
Income tax expense recognised in the Income Statement at the average effective income tax rate	(2.68)	(50,381)	(0.47)	(21,894)

13 INCOME TAX EXPENSE (Contd.)

13.5 Accumulated tax losses

	Group		Company	
For the year ended 31 March,	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Balance at the beginning of the year	-	438,454	-	-
Loss incurred during the year	417,859	(89,900)	317,387	-
Loss utilised during the year	-	-	-	-
Adjustment with respect of previous year	55,260	(348,554)	-	-
Balance at the end of the year	473,119	-	317,387	-

14 EARNINGS PER SHARE

Accounting Policy

The Group presents Basic Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

	Group		Company	
For the year ended 31 March,	2026	2025	2026	2025
Profit attributable to equity holders of the parent (Rs. '000)	1,933,156	4,691,524	1,933,156	4,691,524
Weighted average number of ordinary shares in issue	405,000,000	405,000,000	405,000,000	405,000,000
Basic earnings per share (Rs.)	4.77	11.58	4.77	11.58

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.

15 DIVIDEND PER SHARE (DPS)

Dividend on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's Board of Directors in accordance with the Articles of Association of the Company.

Dividend declared from recorded profit

	Group		Company	
For the year ended 31 March,	2026	2025	2026	2025
Dividend declared per share (Rs.)	7.00	7.50	7.00	7.50
Number of ordinary shares	405,000,000	405,000,000	405,000,000	405,000,000
Total dividend for the year (Rs.)	2,835,000,000	3,037,500,000	2,835,000,000	3,037,500,000

Dividend declared from recorded profit

The Board of Directors declared an interim dividend of Rs. 7.00 per share for the financial year 2025/26 (2024/25 - total dividend of Rs.7.50 per share). Please refer Note 39.

Compliance with the Section 56 and 57 of the Companies Act No. 7 of 2007

As required by the Section 56 of the Companies Act, No. 7 of 2007, the Board of Directors of the Company need to satisfy the solvency test in accordance with the Section 57, prior to recommending the dividend. Statements of solvency duly completed and signed by the Directors have been reviewed by Messrs. KPMG.

16 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short- term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value. Bank overdrafts that are repayable on demand and form an integral part of the Group cash management are included as a component of cash and cash equivalents for the purpose of the SCF.

16.1 Favourable cash and cash equivalents balance

	Note	Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
As at,					
Cash in hand	49.3.1	295	293	-	-
Cash at banks	49.3.1	543,419	1,142,855	74,642	693,270
		543,714	1,143,148	74,642	693,270

16.2 Unfavourable cash and cash equivalent balances

		Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
As at,					
Bank overdraft		766,424	226,379	766,424	86,764
		766,424	226,379	766,424	86,764

16.3 Cash and cash equivalent balances

		Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
As at,					
Favourable cash and cash equivalents balance		543,714	1,143,148	74,642	693,270
Unfavourable cash and cash equivalent balances		766,424	226,379	766,424	86,764
Net cash and cash equivalent balances		(222,710)	916,769	(691,782)	606,506

17 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting Policy

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net income from other financial instruments at FVTPL.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative financial assets

As at,	Group		Company	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Forward sale contracts	8,138	2,814	-	-
Forward purchase contracts	2,302	6	-	-
	10,440	2,820	-	-

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL)

Accounting Policy

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognised in profit or loss as incurred.

(FVTPL) are initially measured at fair value, Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are recorded in gain/ (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value' in the SOPLOCI.

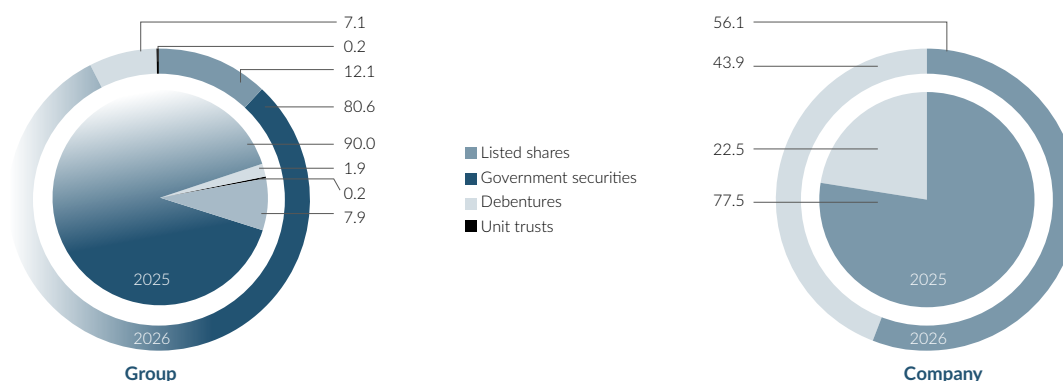
Following assets represent FVTPL,

- Investment in government securities
- Investment in debentures
- Investment in listed shares
- investment in unit trusts

The quoted equity securities are valued using the market prices published by the Colombo Stock Exchange (CSE). Sri Lanka Government Securities are valued based on the market rates published by the Central Bank of Sri Lanka (CBSL). Investment in debentures are measured at fair value based on the recent debt market debenture trade prices or in the absence debt market trade prices, comparable government securities' yield published by the Central Bank of Sri Lanka. The unit trust investments are valued at unit prices available in the market.

As at,	Note	Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Listed shares	18.1	7,116,728	6,824,915	5,303,675	5,728,621
Government securities	18.2	47,438,317	78,107,520	-	-
Debentures	18.3	4,149,761	1,666,521	4,149,761	1,666,521
Unit trusts	18.4	139,766	178,857	-	-
		58,844,572	86,777,813	9,453,436	7,395,142

Financial assets recognised through profit or loss -measured at fair value (FVTPL) (%)



18.1 Listed shares - Group

As at,	Security Code	No. of shares		Fair Value		Cost	
		31.03.2026	31.03.2025	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Janashakthi Insurance PLC	JINS.N0000	13,099,471	13,099,471	1,673,458	964,121	324,708	324,708
Janashakthi Finance PLC	BFN.N0000	2,138,299	2,138,299	85,104	41,055	32,671	32,671
Dipped Products PLC	DIPD.N0000	1,103,063	1,103,063	54,491	60,669	63,597	63,597
Hatton National Bank PLC	HNB.N0000	3,600,000	7,600,000	1,478,700	2,318,000	822,397	1,736,172
Commercial Bank of Ceylon PLC	COMB.N0000	7,502,302	14,829,629	1,532,345	2,187,370	720,879	1,416,326
Sampath Bank PLC	SAMP.N0000	4,325,723	9,985,725	628,311	1,223,251	428,277	988,657
John Keells Holdings PLC	JKH.N0000	61,000,000	-	1,122,400	-	1,468,133	-
National Development Bank PLC	NDB.N0000	-	284,565	-	30,449	-	25,606
Seylan Bank PLC	SEYB.N0000	4,044,795	-	425,715	-	429,495	-
Seylan Bank PLC	SEYB.X0000	1,645,946	-	116,204	-	129,112	-
Total				7,116,728	6,824,915	4,419,269	4,587,737

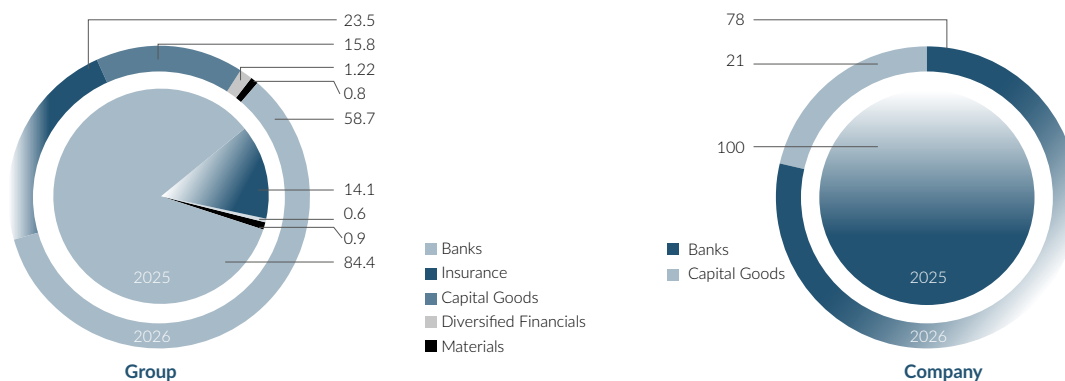
Notes to the Financial Statements Contd.

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL) (Contd.)

Listed shares - Company

As at,	Security Code	No. of shares		Fair Value		Cost	
		31.03.2026	31.03.2025	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Hatton National Bank PLC	HNB.N0000	3,600,000	7,600,000	1,478,700	2,318,000	822,397	1,736,172
Commercial Bank of Ceylon PLC	COMB.N0000	7,502,302	14,829,629	1,532,345	2,187,370	720,879	1,416,326
Sampath Bank PLC	SAMP.N0000	4,325,723	9,985,725	628,311	1,223,251	428,277	988,657
John Keells Holdings PLC	JKH.N0000	61,000,000	-	1,122,400	-	1,468,133	-
Seylan Bank PLC	SEYB.N0000	4,044,795	-	425,715	-	429,495	-
Seylan Bank PLC	SEYB.X0000	1,645,946	-	116,204	-	129,112	-
Total				5,303,675	5,728,621	3,998,293	4,141,155

Global Industry Classification Standard (GICS) Industry Composition (%)



18.2 Government securities - Group

As at,	Market Value		Face Value	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Treasury bills	58,825	729,308	60,147	758,525
Treasury bonds	47,379,492	77,378,212	46,165,621	74,367,333
	47,438,317	78,107,520	46,225,768	75,125,858

The company did not have Government Securities Portfolio as of 31 March 2026 and 31 March 2025.

18.2 a Securities pledged as collateral

Out of the government securities classified as FVTPL, the following amounts had been pledged as collateral for re-purchase agreements entered into by the Group.

As at,	Group			
	Market Value		Face Value	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Treasury bills	34,919	695,792	35,560	724,073
Treasury bonds	43,625,503	76,676,775	42,586,970	73,822,960
	43,660,422	77,372,567	42,622,530	74,547,033

The company did not have borrowings on re-purchase agreements as of 31 March 2026 and 31 March 2025.

18.3 Debentures

As at,	Note	Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Listed Debentures	18.3.1	4,149,761	1,666,521	4,149,761	1,666,521
		4,149,761	1,666,521	4,149,761	1,666,521

18.3.1 Listed Debentures

As at,		Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
		Note 18.3.1.a	Note 18.3.1.a	Note 18.3.1.a	Note 18.3.1.a
LOLC Holdings PLC		452,825	483,871	452,825	483,871
Asia Asset Finance PLC		304,400	307,901	304,400	307,901
Siyapatha Finance PLC		288,937	286,870	288,937	286,870
Vallibel Finance PLC		327,181	587,879	327,181	587,879
Seylan Bank PLC		375,722	-	375,722	-
Alliance Finance Company PLC		128,050	-	128,050	-
Lanka Orix Finance PLC		1,498,050	-	1,498,050	-
Union Bank of Colombo PLC		774,596	-	774,596	-
		4,149,761	1,666,521	4,149,761	1,666,521

Notes to the Financial Statements Contd.

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL) (Contd.)

18.3.1.a Listed Debentures as at 31 March 2026

	Number of Debentures	Invested Date	Maturity Date	Coupon Rate	Issuer Credit Rating	Rating Agency	Fair Value Rs.'000
Group/ Company							
LOLC Holdings PLC	4,783,000	24 February 2021	24 February 2031	12.00%	A	LRA	452,825
Asia Asset Finance PLC	2,826,500	20 August 2021	20 August 2026	14.18%	A+	Fitch	304,400
Siyapatha Finance PLC	2,500,000	6 June 2024	6 June 2029	13.20%	A	Fitch	288,937
Vallibel Finance PLC	3,014,100	22 November 2024	22 November 2029	13.37%	A-	LRA	327,181
Seylan Bank PLC	3,510,000	18 July 2025	18 July 2030	11.25%	A+	Fitch	375,722
Alliance Finance Company PLC	1,212,900	28 August 2025	28 August 2029	11.15%	BBB	LRA	128,050
LOLC Finance PLC	14,555,500	10 December 2025	10 December 2030	10.53%	A+	LRA	1,498,050
Union Bank of Colombo PLC	7,707,100	16 March 2026	16 March 2031	11.91%	BBB-	Fitch	774,596
							4,149,761

Listed Debentures as at 31 March 2025

	Number of Debentures	Invested Date	Maturity Date	Coupon Rate	Issuer Credit Rating	Rating Agency	Fair Value Rs.'000
Group/ Company							
LOLC Holdings PLC	4,783,000	24 February 2021	24 February 2031	12.00%	A	LRA	483,871
Asia Asset Finance PLC	2,826,500	20 August 2021	20 August 2026	14.18%	A+	Fitch	307,901
Siyapatha Finance PLC	2,500,000	6 June 2024	6 June 2029	13.20%	A	Fitch	286,870
Vallibel Finance PLC	5,424,100	22 November 2024	22 November 2029	13.37%	BBB	LRA	587,879
							1,666,521

18.4 Investment in unit trusts

As at,	Note	Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
First Capital Money Market Fund	18.4.1	90,598	140,882	-	-
First Capital Equity Fund	18.4.2	49,168	37,975	-	-
		139,766	178,857	-	-

18.4.1 Investment in First Capital Money Market Fund

As at,	31.03.2026			31.03.2025		
	No. of Units	Unit Price	Fair Value Rs. '000	No. of Units	Unit Price	Fair Value Rs. '000
Group						
First Capital Advisory Services (Private) Limited	4,903.70	3,635.48	17,828	-	-	-
First Capital Asset Management Limited	20,016.63	3,635.48	72,770	42,002.46	3,354.14	140,882
			90,598			140,882

18.4.2 Investment in First Capital Equity Fund

As at,	31.03.2026			31.03.2025		
	No. of Units	Unit Price	Fair Value Rs. '000	No. of Units	Unit Price	Fair Value Rs. '000
Group						
First Capital Asset Management Limited	11,796.71	4,167.94	49,168	11,796.71	3,219.12	37,975
			49,168			37,975

19 FINANCIAL ASSETS - FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Accounting Policy

Recognition

FVTOCI include equity instruments designated at FVTOCI.

Equity instruments designated at FVOCI

Upon initial recognition, the Company elects to classify irrevocably some of its equity investments held for strategic purpose, as equity instruments at FVTOCI when they meet the definition of Equity under LKAS 32 "Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Dividends are recognised in Income Statement as investment income when the right of the payment has been established. Equity instruments at FVTOCI are not subject to an impairment assessment.

19 FINANCIAL ASSETS - FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI) (Contd.)

Gain or loss on derecognition of equity instruments designated at FVTOCI

Gains and losses on these equity instruments are never recycled to Income Statement, instead directly transferred to retained earnings from fair value reserve at the time of derecognition.

Financial assets FVTOCI are non-derivative financial assets that are designated FVTOCI and that are not classified in any of the previous categories of financial assets. FVTOCI are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment in debt instrument is derecognised, the cumulative gain or loss in other comprehensive income is transferred to Profit or Loss. Financial assets at FVTOCI comprise investments in unquoted equities.

As at,	Note	Group		Company	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Equity investments of Nation Lanka Finance PLC	19.1	-	29,967	-	-
Equity investments of Lanka Rating Agency Limited	19.2	7,500	7,500	7,500	7,500
		7,500	37,467	7,500	7,500

19.1. Listed shares - Group

As at,	Note	Security Code	No. of shares		Fair Value		Cost	
			31.03.2026	31.03.2025	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Nation Lanka Finance PLC	19.1.1	CSF. N0000	99,836,063	149,836,063	-	29,967	43,698	65,583

19.1.1 Investment in Nation Lanka Finance PLC

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance at the beginning of the year		29,967	78,350	-	-
Investment sold during the year	19.1.1.a	(21,885)	(48,730)	-	-
Reversal of loss on sold fair valuation of financial assets FVTOCI		11,885	15,330	-	-
Loss on fair valuation of financial assets FVTOCI		(19,967)	(14,983)	-	-
Balance at the end of the year		-	29,967	-	-

The Group designated the investment shown above as equity securities at fair value through other comprehensive income since these equity securities represent investment that the Group intends to hold on medium term basis.

Trading Suspension of Nation Lanka Finance PLC Shares and Fair Value Assessment

Trading of the ordinary shares of Nation Lanka Finance PLC on the Colombo Stock Exchange was suspended by the Securities and Exchange Commission of Sri Lanka on 21 July 2025. As at the reporting date of 31 March 2026, the suspension remains in effect.

In view of the prolonged trading suspension and the absence of observable market inputs, the Group has assessed the fair value of its investment in Nation Lanka Finance PLC. Based on this assessment, the fair value of the investment has been determined to be nil as at 31 March 2026. The resulting fair value loss has been recognised in other comprehensive income, in line with the classification of the investment as equity instruments at fair value through other comprehensive income.

19.1.1.a Loss on sale of Shares of Nation Lanka Finance PLC

For the year ended 31 March,	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sales proceeds	5,000	36,010	-	-
Cost of the investment sold	(21,885)	(48,730)	-	-
Loss on sale	(16,885)	(12,720)	-	-

19.2 Unlisted shares - Group/ Company

As at,	Note	No. of shares		Fair Value		Cost	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
				Rs. '000	Rs. '000	Rs. '000	Rs. '000
Lanka Rating Agency Limited	19.2.1	7,500,000	7,500,000	7,500	7,500	7,500	7,500

19.2.1 Equity investments of Lanka Rating Agency Limited

During the financial year 2023/24, First Capital Holdings PLC (FCH) made an equity investment of Rs. 5 Mn in Lanka Rating Agency Limited (LRA). In the financial year 2024/25, FCH further increased its investment by Rs. 2.5 Mn. The total investment amounts to Rs. 7.5 Mn shares, representing an equity stake of 4.98%.

For the year ended 31 March,	Group		Company	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	7,500	5,000	7,500	5,000
Investment during the year	-	2,500	-	2,500
Balance at the end of the year	7,500	7,500	7,500	7,500

Equity investments of Lanka Rating Agency Limited's fair values are based on the price to book value approach (PBV 1 times).

20 FINANCIAL ASSETS AT AMORTISED COST

Accounting Policy

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost of the Group comprise of the followings,

- Lending
- Investment in corporate debt Securities
- Investment in government securities
- Investment in re-sale agreements
- Fixed deposits
- Staff loans

Initial measurement

Financial Instruments classified as amortised cost are initially measured at fair value plus transaction costs that are directly attributable to acquisition or issue of such instrument.

Subsequent measurement

After initial measurement, "Loans and receivables" are subsequently measured at amortised cost using the Effective Interest Rate (EIR), less impairment allowance, except when the Group designates loans and receivables at fair value through profit or loss. Amortised cost is calculated by considering any discount or premium on acquisition and fees and costs. The amortisation is included in "Interest Income" in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss as "Impairment charges for loans and receivables".

Loans and Receivables

* Group has not designated a loan or receivable as at FVTPL.

Recognition and Measurement of ECL

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which are measured as 12-month ECL: debt investment securities that are determined to have low credit risk at the reporting date; and other financial instruments on which credit risk has not increased significantly since their initial recognition. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the definition of "investment grade". The Group does not apply the low credit risk exemption to any other financial instruments. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group assesses financial assets under three stages in determining ECL.

• Stage 1 :

A financial asset that is not originally credit impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of life time ECL that result from default events possible within the next 12 months (12mECL)

- **Stage 2 :**

Financial instruments that have experienced a significant increase in credit risk since initial recognition but for which the exposure is not yet defaulted. For these assets, lifetime ECLs are recognised, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.

- **Stage 3 :**

Financial instruments which are deemed to be credit impaired. This is where a credit loss has already been suffered on the assets. For these assets, lifetime ECLs are recognised, representing the expected credit losses that result from all possible default events over the expected life of the financial asset.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover

The mechanics of the ECL calculations are outlined below and the key elements, Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) under collective impairment assessment are as follows:

Probability of Default (PD)

The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Loss Given Default (LGD)

The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. They are calculated on a discounted cashflow basis using EIR as the discounting factor.

Credit-Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group 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.

20 FINANCIAL ASSETS AT AMORTISED COST (Contd.)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

As all staff loans granted at below market interest rates are recognised at fair value, the difference between the fair value and the amount disbursed was treated as a Day 1 difference. The Day 1 difference is classified as 'unamortised staff cost' and is amortised over the loan period by using the Effective Interest Rate (EIR). The staff loans are subsequently measured at amortised costs.

Significant Accounting Judgements, Estimates and Assumptions on Impairment Allowance on financial assets

The measurement of impairment allowance under SLFRS 9 across all categories of financial assets requires judgement in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of impairment allowances. Accounting judgements, estimates and assumptions are reviewed regularly and revisions to the same are recognised prospectively.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include;

- * The Group's criteria for assessing if there has been a significant increase in credit risk and hence allowances for financial assets should be measured on a Life time ECL basis and the qualitative assessment.
- * Development of ECL models, including the various formulas and the choice of inputs.
- * Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models.

A sensitivity analysis of impairment allowance to feasible changes in various factors used has been disclosed in note 49.3.4.

Management overlays on impairment allowances

The Group considered the following management overlay to the model in computing expected credit loss provisions at the end of the period to mitigate any unforeseen increased credit risk in addition to the expected credit loss resulted from the modelled computation.

- * The economic assumptions applied in respect of forward-looking information were adjusted significantly by increasing the weightage given to worst case scenario and adjusting the other factors as required.
- * The credit rating of the counterparties were regularly reviewed and applied to the model to identify the significant increase in credit risks.

Debt and other instruments

In line with the requirements of SLFRS 9, the Group applies the amortised cost method to measure financial instruments for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

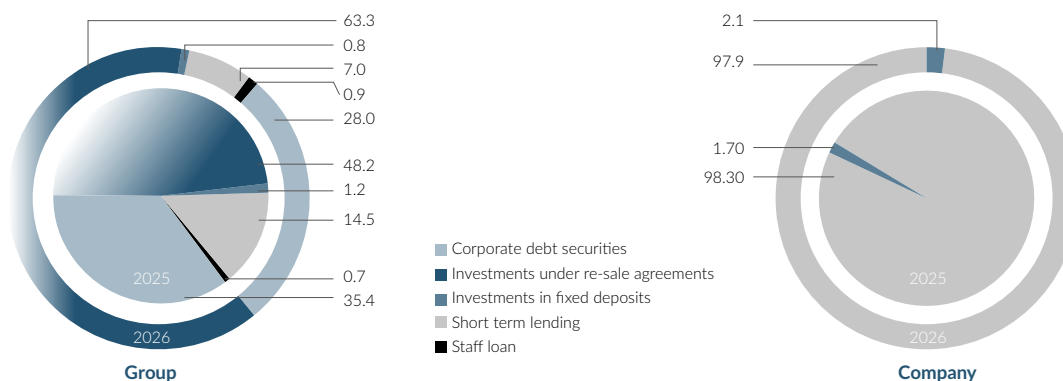
- * Principle is the fair value of the instrument at initial recognition.
- * Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk as well as a profit margin.

The Group determines its business model at the level that best reflect how it manages the financial assets to achieve its business objective.

20.a Financial assets at amortised cost

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Corporate debt securities	20.1	3,070,460	2,679,793	-	-
Investments under re-sale agreements	20.2	6,936,269	3,647,847	-	-
Investments in fixed deposits	20.3	87,007	83,559	84,852	72,003
Short term lending	20.4	763,627	1,100,159	3,917,105	4,157,642
Staff loan		94,489	53,956	-	-
		10,951,852	7,565,314	4,001,957	4,229,645

Financial assets at amortised cost (%)



20.b (Provision)/ reversal for impairment of financial assets at amortised cost

For the year ended 31 March,	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Corporate debt securities	20.1.1	(1,366)	(71)	-	-
Investments in fixed deposits	20.3.2	(1)	4	(1)	2
Short term lending	20.4.1	(2,642)	52,051	(1,212)	14,221
		(4,009)	51,984	(1,213)	14,223

Notes to the Financial Statements Contd.

20 FINANCIAL ASSETS AT AMORTISED COST (Contd.)

20.1 Corporate debt securities

For the year ended 31 March,	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Investment in commercial papers		708,084	1,821,348	-	-
Investment in securitised papers		755,983	-	-	-
Investment in trust certificates		1,322,705	858,752	-	-
Investment in unlisted debenture		285,361	-	-	-
Provision for impairment	20.1.1	(1,673)	(307)	-	-
		3,070,460	2,679,793	-	-

20.1.a Securities pledged as Collateral

No investments in commercial papers classified as financial assets at amortised cost have been pledged as collateral for repurchase agreements and margin facilities entered into by the Group as at 31 March 2026 (31 March 2025 - Rs. 228 Mn).

Investment in trust certificates classified as financial assets at amortised cost amounting to Rs. 520Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as at 31 March 2026 (31 March 2025 - 810Mn).

Investment in securitised papers classified as financial assets at amortised cost amounting to Rs. 168Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as of 31 March 2026 (31 March 2025 - 199Mn).

The Company did not have borrowings on re-purchase agreements as of 31 March 2026 and 31 March 2025.

20.1.1 Movement in provision for expected credit loss on corporate debt securities

		Group		Company	
As at,		31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Stage 1					
Balance as at the beginning of the year		(307)	(236)	-	-
Provision for the year		(1,366)	(71)	-	-
Balance as at the end of the year		20.1.1.a	(1,673)	(307)	-

20.1.1.a Group

This represents expected loss on corporate debt securities classified as "Stage 1" amounting to Rs. 1,673,109 (2025 - "Stage 1" - Rs. 307,018) in accordance with SLFRS 9.

Accounting Policy

Securities purchased under resale agreements (Reverse Repo)

When the Company purchases a financial asset and simultaneously enters into an agreement to resale the asset (or a similar asset) at a fixed price on a future date (reverse repo), the arrangement is accounted for as a financial asset in the SFP reflecting the transaction's economic substance as a loan granted by the Company. Subsequent to initial recognition, these securities issued are measured at amortised cost using the EIR with the corresponding interest income/ receivable being recognised as interest income in the income statement.

20.2 Investments under re-sale agreements

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Government securities	20.2.a & 20.2.b	6,159,730	3,304,664	-	-
Corporate debt securities		776,539	343,183	-	-
		6,936,269	3,647,847	-	-

20.2.a Securities received as collateral by the Group

As at,	Group			
	Market Value		Face Value	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Treasury bills	97,837	747,337	104,300	756,000
Treasury bonds	6,872,310	3,012,781	6,380,810	2,571,073
	6,970,147	3,760,118	6,485,110	3,327,073

The Company did not have Investments under re-sale agreements as of 31 March 2026 and 31 March 2025.

20 FINANCIAL ASSETS AT AMORTISED COST (Contd.)

20.2.c The Group is entitled to repledge the same for borrowings (repos). Fair value of collateral amounting to Rs. 4,859 Mn has been repledged for the borrowings (repos) as at 31 March 2026 and the Group is required to return the said collateral to the respective counterparties with the settlement of outstanding (reverse repos). (31 March 2025 - Rs. 3,314 Mn)

20.3 Investments in fixed deposits

		Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,	Note				
Fixed deposits	20.3.1	92,008	88,559	89,853	77,003
Provision for impairment	20.3.2	(5,001)	(5,000)	(5,001)	(5,000)
		87,007	83,559	84,852	72,003

20.3.1 Group investments in fixed deposits amounting to Rs. 75 Mn (Company - Rs. 75 Mn) have been pledged as collateral for banking facilities (As at 31 March 2025 - Group Rs. 74 Mn, Company - Rs. 72 Mn).

20.3.2 Movement in provision for expected credit loss on fixed deposits

		Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,	Note				
Balance as at the beginning of the year		(5,000)	(5,004)	(5,000)	(5,002)
(Charge) /reversal for the year	20.3.2.b	(1)	4	(1)	2
Balance as at the end of the year	20.3.2.a	(5,001)	(5,000)	(5,001)	(5,000)

20.3.2.a Group

This represents expected loss on investment in fixed deposits classified as "Stage 1" and "Stage 3" amounting to Rs. 1,247 and Rs. 5,000,000 (2025 - "Stage 1" - Rs. 77 and "Stage 3" - Rs. 5,000,000) respectively in accordance with SLFRS 9.

Company

This represents expected loss on investment in fixed deposits classified as "Stage 1" and "Stage 3" amounting to Rs.1,245 and Rs. 5,000,000 (2025 - "Stage 1" - Rs. 64 and "Stage 3" - Rs. 5,000,000) respectively in accordance with SLFRS 9.

20.3.2.b Movement in Impairment during the year

For the year ended 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Stage 1				
Balance as at 1 April	-	(4)	-	(2)
Net impairment reversal for the year	(1)	4	(1)	2
Balance as at 31 March	(1)	-	(1)	-
Stage 3				
Balance as at 1 April	(5,000)	(5,000)	(5,000)	(5,000)
Net impairment reversal for the year	-	-	-	-
Balance as at 31 March	(5,000)	(5,000)	(5,000)	(5,000)

20.4 Short term lending

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Short term lending (Gross)		874,664	1,208,554	3,918,601	4,157,926
Provision for impairment	20.4.1	(111,037)	(108,395)	(1,496)	(284)
		763,627	1,100,159	3,917,105	4,157,642

20.4.1 Movement in provision for expected credit loss on short term lending

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance as at the beginning of the year		(108,395)	(160,446)	(284)	(14,505)
(Charge) /reversal for the year		(2,642)	52,051	(1,212)	14,221
Balance as at the end of the year	20.4.1.a	(111,037)	(108,395)	(1,496)	(284)

20.4.1.a Group

This represents expected loss on short term lending classified as "Stage 1", and Stage 3" amounting to Rs. 7,916,835, and Rs. 103,119,677 respectively (2025 - "Stage 1" - Rs. 5,274,642 and "Stage 3" - Rs. 103,119,677) in accordance with SLFRS 9.

Company

This represents expected loss on short term lending classified as "Stage 1" amounting to Rs. 1,496,179 (2025 - "Stage 1" - Rs. 283,914) in accordance with SLFRS 9.

Notes to the Financial Statements Contd.

20 FINANCIAL ASSETS AT AMORTISED COST (Contd.)

20.4.1.b Movement in Impairment during the year

For the year ended 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Stage 1				
Balance as at 1 April	(5,275)	(26,077)	(284)	(6,024)
Net impairment (charge)/ reversal for the year	(2,642)	20,802	(1,212)	5,740
Balance as at 31 March	(7,917)	(5,275)	(1,496)	(284)
Stage 2				
Balance as at 1 April	-	(16,250)	-	(8,481)
Net impairment (charge)/ reversal for the year	-	16,250	-	8,481
Balance as at 31 March	-	-	-	-
Stage 3				
Balance as at 1 April	(103,120)	(118,119)	-	-
Net impairment reversal for the year	-	14,999	-	-
Balance as at 31 March	(103,120)	(103,120)	-	-

21 TRADE AND OTHER RECEIVABLES

For the year ended 31 March,	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Trade receivables	21.1	837,014	616,821	-	-
Other receivables	21.2	1,502,861	1,446,828	384,056	214,056
		2,339,875	2,063,649	384,056	214,056

21.1 Trade receivables

For the year ended 31 March,	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Margin trading debtors	21.1.a	-	-	-	-
Stock broking debtors	21.1.b	837,014	616,821	-	-
		837,014	616,821	-	-

21.1.a Margin trading debtors

	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
For the year ended 31 March,					
Margin trading debtors		63,508	63,508	-	-
Less : provision for impairment		(63,508)	(63,508)	-	-
		-	-	-	-

21.1.b Stock broking debtors

	Note	Group		Company	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
For the year ended 31 March,					
Stock broking debtors		837,014	616,821	-	-
Less : provision for impairment		-	-	-	-
		837,014	616,821	-	-

21.2 Other receivables

	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,					
Receivable from deferred bonus fund		889,595	827,333	189,520	-
Rent deposit		20,360	20,360	429	429
Dividend receivable		37,872	96,900	37,872	96,900
Deposit with CSE and CSE Clear / CDS		21,555	11,000	-	-
Advance paid for land and premises	45	77,300	77,300	-	-
Fee receivable		56,599	52,279	-	-
Prepayment		74,923	52,040	25,789	9,079
Advance paid for software development		124,778	110,385	20,539	9,724
Guarantee claims receivables		181,528	170,937	97,611	87,020
Miscellaneous		18,351	28,294	12,296	10,904
		1,502,861	1,446,828	384,056	214,056

Notes to the Financial Statements Contd.

22 NON-CURRENT ASSETS HELD FOR SALE

Accounting Policy

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as "Held for Sale" once identified that the carrying amount will be recovered principally through a sale transaction rather than through continuing use. These are assets which are available for immediate sale in their present condition, subject to only the terms that are usual and customary for sale of such assets and their sale is highly probable.

Non-Current Assets held for Sale are presented separately on the face of the SOFP at the lower of its carrying amount and fair value less costs to sell.

Assets classified as Non-Current Assets held for Sale are neither amortised nor depreciated. Impairment loss on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

22.1

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Investments in equities	22.1.a	42,416	42,416	-	-
		42,416	42,416	-	-

22.1.a Investments in equities - Group

As at,	No. of shares	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Ceyspence (Private) Limited	2,861,856	71,432	71,432
Ceyaki Shipping (Private) Limited	3,116,600	29,928	29,928
		101,360	101,360
Less : provision for impairment		(58,944)	(58,944)
		42,416	42,416

This represents equity investments in shipping business made by First Capital Limited. All these businesses are in the process of liquidation and stated at their realisable values as at the reporting date. A provision of Rs. 58.94 Mn has been accounted for the estimated liability on income tax, settlement of creditors and the impairment of investment to reflect the recoverable amount.

23 TAXES RECEIVABLE/ PAYABLE

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Tax receivable	23.1	246,972	136,375	86,909	34,950
Tax payable	23.2	300,114	909,158	-	-

23.1 Taxes receivables

Balance at the beginning of the year	136,375	133,206	34,950	46,029
Over /(Under) provision with respect to previous year	45,033	(51,737)	12,980	(42,345)
Payment made during the year	69,147	121,889	38,979	44,246
(Provision)/ Reversal for income tax	(3,583)	(66,983)	-	(12,980)
Balance at the end of the year	246,972	136,375	86,909	34,950

23.2 Taxes payables

Balance as at 1 April	909,158	3,033,571	-	-
(Over)/ under provision for the previous year	(37,745)	237,446	-	-
Provision for the year	882,601	1,478,379	-	-
Payment made during the year	(1,453,900)	(3,840,238)	-	-
Balance at the end of the year	300,114	909,158	-	-

24 INVESTMENT IN SUBSIDIARY - COMPANY

Accounting Policy

Investment in subsidiary are accounted using equity method. The investment is initially recognised at cost. Subsequently to initial recognition share of profit or loss and other comprehensive income of the subsidiaries as capitalised to the investment. The Dividends received from subsidiaries are treated as reduction of investment. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases. The Consolidated Financial Statements are prepared to a common financial year which ends of 31 March.

Where Subsidiaries have been sold or acquired during the year, their operating results have been included to the date of disposal or from the date of acquisition. Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary.

The Company's share of profits/(losses) of an investment in an subsidiary company which is recognised as per the equity method, is shown on the face of the SOPLOCI outside operating profits.

24 INVESTMENT IN SUBSIDIARY - COMPANY (Contd.)

As at,	No. of shares		Value of shares	
	31.03.2026	31.03.2025	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Investment in subsidiary - Company				
First Capital Limited				
Balance at the beginning of the year	11,700,005	11,700,005	9,294,289	6,998,827
Share of profit during the year	-	-	1,025,092	3,159,264
Share of other comprehensive loss during the year	-	-	(28,091)	(11,457)
Dividend received	-	-	(2,337,661)	(852,345)
Balance at the end of the year	11,700,005	11,700,005	7,953,629	9,294,289
Holding percentage	100%	100%	100%	100%

25 DEFERRED TAXATION

Accounting Policy

Deferred Taxation

Deferred tax is recognised by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is not recognised for;

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary difference arising on the initial recognition of goodwill.

Deferred Tax Assets

Management applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilised except:

- * Where the deferred tax asset relating to the deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- * In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax laws of the relevant jurisdiction. Details of deferred tax liabilities/(assets) are given in Note 25.1 and 25.2 to the Financial Statements.

Offsetting

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

25.1 Deferred tax asset

	Note	Group		Company	
		2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Balance at 1 April		515,896	151,457	86,435	9,216
Transferred from deferred tax liabilities	25.2	-	(17,503)	-	-
Recognised in other comprehensive income	13.1	284	1,270	(1,067)	1,661
Recognised/ (expense) in statement of profit and loss	13.1	(202,636)	380,672	38,468	75,558
Balance as at 31 March	25.3	313,544	515,896	123,836	86,435

Deferred tax asset is also be recognised for the current tax losses of which, the amount in the opinion of the Directors, will be available to allow the benefit of the loss to be realised in accordance with LKAS 12 and provisions of Inland Revenue (Amendment) Act, No. 45 of 2022. The deferred tax asset has been computed on the basis of 30%.

25 DEFERRED TAXATION (Contd.)

25.2 Deferred tax liability

Accounting Policy

Deferred Tax Liability

Deferred tax liabilities are recognised for all taxable temporary differences, except: Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
For the year ended 31 March,				
Balance at 1 April	-	17,503	-	-
Transferred to deferred tax assets	-	(17,503)	-	-
Balance as at 31 March	-	-	-	-

25.3 The provision for deferred tax is attributable to the following:

As at,		31.03.2026		31.03.2025	
		(Taxable)/ Deductible temporary difference	Tax effect	(Taxable)/ Deductible temporary difference	Tax effect
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Group - Deferred tax asset					
On property, plant and equipment	25.3.1	(83,249)	(24,975)	(117,466)	(35,240)
On leasehold assets		24,812	7,444	6,028	1,808
On provision for impairment of financial assets		68,860	20,658	65,426	19,628
On deferred bonus		420,224	126,067	1,649,378	494,813
On retirement benefit obligations		141,383	42,415	116,289	34,887
On accumulated tax losses		473,119	141,935	-	-
		1,045,149	313,544	1,719,655	515,896
Company - Deferred tax asset					
On property, plant and equipment		(8,874)	(2,662)	(46,073)	(13,822)
On leasehold assets	25.3.2	150	45	340	102
On provision for impairment of financial assets		1,497	449	283	85
Deferred staff bonus		66,320	19,896	300,177	90,053
On retirement benefit obligations		36,304	10,891	33,390	10,017
On accumulated tax losses		317,387	95,217	-	-
		412,784	123,836	288,117	86,435

The deferred tax asset on unutilised tax losses is recognised in accordance with LKAS 12 – Income Taxes, which requires that such assets are recognised only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised.

Management has assessed the recoverability of the deferred tax asset based on expected future taxable profits and concluded that sufficient taxable income will be available within the allowable period.

Notes to the Financial Statements Contd.

25 DEFERRED TAXATION (Contd.)

25.3.1 Deferred tax on leasehold assets (Group)

As at,	31.03.2026		31.03.2025	
	Net balance	Tax effect	Net balance	Tax effect
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Right of use asset				
- First Capital Holdings PLC	230	69	689	207
- First Capital Equities (Pvt) Ltd	127,442	38,233	143,324	42,997
	127,672	38,302	144,013	43,204
Lease liability				
- First Capital Holdings PLC	380	114	1,029	309
- First Capital Equities (Pvt) Ltd	152,104	45,631	149,009	44,703
	152,484	45,745	150,038	45,012
Net deferred tax asset/ (liability) on leasehold assets	24,812	7,443	6,025	1,808

25.3.2 Deferred tax on leasehold assets (Company)

As at,	31.03.2026		31.03.2025	
	Net balance	Tax effect	Net balance	Tax effect
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Right of use asset	230	69	689	207
Lease liability	380	114	1,029	309
Net deferred tax asset on leasehold assets	150	45	340	102

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

Accounting Policy

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in profit or loss.

Subsequent Cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

	Life time (Years)	Per annum
Type of asset		
Building	30	3.33%
Computer equipment	5	20%
Fixtures and fittings	5	20%
Furniture	5	20%
Office equipment	5	20%
Motor vehicle	5	20%

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

Right of Use Assets

Recognition

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

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

ROU assets

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 on 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 Company applies the cost model for subsequent measurement of the ROU asset and accordingly, the right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor 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.

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (Contd.)

Depreciation expenses

Depreciation expenses has been charged to income statement under other operating and administration expenses.

Revaluation of Motor Vehicle

The Group applies the revaluation model for motor vehicles class, in accordance with LKAS 16 with effect from financial year 2024/25. Under this model, assets are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent depreciation and impairment losses.

Fully depreciated motor vehicles that are still in use are subject to revaluation if their fair value differs materially from the carrying amount. Revaluations are performed by an independent external valuer using market-based evidence of fair value.

The frequency of revaluations is determined by the volatility of changes in the fair value of the assets. When the fair value of a revalued asset differs materially from its carrying amount, a revaluation is required. For assets that experience significant and volatile changes in fair value, revaluations are performed annually. For other assets with relatively stable fair values, revaluations are carried out at intervals of three to five years

Increases in the carrying amount as a result of revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Decreases are recognised in profit or loss unless they relate to a previous revaluation surplus for the same asset, in which case they are charged against that surplus in equity.

Derecognition and Disposal

Motor vehicles are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising on disposal of a motor vehicle, being the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal, is recognised in other comprehensive income. Upon disposal of a revalued motor vehicle, any related balance remaining in the revaluation reserve is transferred directly to retained earnings.

Property, plant and equipment and right of use assets - Group

2025/26	Land	Building	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Total	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revalued									
As at 1 April 2025	177,200	92,800	391,977	4,695	273,402	35,215	975,289	174,719	1,150,008
Additions during the year	-	-	16,403	1,251	780	732	19,166	2,999	22,165
Disposals during the year	-	-	(13,023)	(2,845)	(5,646)	(35,206)	(56,720)	-	(56,720)
As at 31 March 2026	177,200	92,800	395,357	3,101	268,536	741	937,735	177,718	1,115,453
Accumulated depreciation									
As at 1 April 2025	-	3,093	133,917	3,990	71,391	215	212,606	29,087	241,693
Charge for the year	-	3,077	67,455	325	51,514	79	122,450	17,143	139,593
Disposals during the year	-	-	(12,874)	(2,845)	(5,458)	(206)	(21,383)	-	(21,383)
As at 31 March 2026	-	6,170	188,498	1,470	117,447	88	313,673	46,230	359,903
Carrying values									
As at 31 March 2026	177,200	86,630	206,859	1,631	151,089	653	624,062	131,488	755,550

2024/25	Land	Building	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Total	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revalued									
As at 1 April 2024	-	-	261,481	11,222	193,942	22,115	488,760	174,719	663,479
Additions during the year	177,200	92,800	131,052	-	81,738	-	482,790	-	482,790
Adjustment on revaluation	-	-	-	-	-	(21,900)	(21,900)	-	(21,900)
Disposals during the year	-	-	(556)	(6,527)	(2,278)	-	(9,361)	-	(9,361)
Increase from Revaluation	-	-	-	-	-	35,000	35,000	-	35,000
As at 31 March 2025	177,200	92,800	391,977	4,695	273,402	35,215	975,289	174,719	1,150,008

Accumulated depreciation

As at 1 April 2024	-	-	78,315	10,254	24,401	22,115	135,085	9,437	144,522
Charge for the year	-	3,093	56,092	244	49,269	-	108,698	19,650	128,348
Adjustment on revaluation	-	-	-	-	-	(21,900)	(21,900)	-	(21,900)
Disposals during the year	-	-	(490)	(6,508)	(2,279)	-	(9,277)	-	(9,277)
As at 31 March 2025	-	3,093	133,917	3,990	71,391	215	212,606	29,087	241,693

Carrying values

As at 31 March 2025	177,200	89,707	258,060	705	202,011	35,000	762,683	145,632	908,315

Based on the assessment of potential impairment carried out by the Group as at 31 March 2026, no provision was required to be made in the Financial Statements (Provision for impairment losses as at 31 March 2025 - Nil).

Group's Property, Plant and Equipment included fully-depreciated assets having a gross amount of Rs. 61.1 Mn as at 31 March 2026 (2025 Rs. 82.9 Mn).

There were no capitalised borrowing costs relating 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 (2025 - Nil).

There were no items of Property, Plant and Equipment pledged as security as at 31 March 2026 (2025 - Nil).

There were no temporary idle items of Property, Plant and Equipment as at 31 March 2026 (2025 - Nil).

The motor vehicle previously owned by First Capital Holdings PLC, which had been carried under the fair value model based on an independent valuation performed by De Silva Motor Engineers (Pvt) Ltd. as at 28 March 2025, was disposed of during the current financial year. Accordingly, the asset has been derecognised in accordance with Sri Lanka Accounting Standard LKAS 16.

Notes to the Financial Statements Contd.

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (Contd.)

Property, plant and equipment and right of use assets - Company

2025/26	Office Equipment	Fixtures and Fittings	Motor Vehicles	Total	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revalued						
As at 1 April 2025	48,417	3,977	35,000	87,394	2,945	90,339
Additions during the year	8,126	-	732	8,858	441	9,299
Disposals during the year	(1,456)	(646)	(35,000)	(37,102)	-	(37,102)
Revaluation surplus	-	-	-	-	-	-
As at 31 March 2026	55,087	3,331	732	59,150	3,386	62,536
Accumulated depreciation						
As at 1 April 2025	22,094	1,592	-	23,686	2,012	25,698
Charge for the year	9,660	576	79	10,315	758	11,073
Disposals during the year	(1,311)	(646)	-	(1,957)	-	(1,957)
As at 31 March 2026	30,443	1,522	79	32,044	2,770	34,814
Carrying values						
As at 31 March 2026	24,644	1,809	653	27,106	616	27,722

2024/25	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Total	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revalued							
As at 1 April 2024	38,740	153	2,114	21,900	62,907	2,945	65,852
Additions during the year	9,816	-	1,863	-	11,679	-	11,679
Adjustment on revaluation	-	-	-	(21,900)	(21,900)	-	(21,900)
Disposals during the year	(139)	(153)	-	-	(292)	-	(292)
Revaluation surplus	-	-	-	35,000	35,000	-	35,000
As at 31 March 2025	48,417	-	3,977	35,000	87,394	2,945	90,339
Accumulated depreciation/ Impairment losses							
As at 1 April 2024	14,280	153	1,139	21,900	37,472	1,853	39,325
Charge for the year	7,887	-	453	-	8,340	159	8,499
Adjustment on revaluation	-	-	-	(21,900)	(21,900)	-	(21,900)
Disposals during the year	(73)	(153)	-	-	(226)	-	(226)
As at 31 March 2025	22,094	-	1,592	-	23,686	2,012	25,698
Carrying values							
As at 31 March 2025	26,323	-	2,385	35,000	63,708	933	64,641

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 (2025 - Nil).

Company's Property, Plant and Equipment included fully-depreciated assets having a gross amount of Rs. 4.3 Mn as at 31 March 2026 (2025 - Rs. 5.6 Mn).

There were no capitalised borrowing costs relating 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 (2025- Nil).

There were no items of Property, Plant and Equipment pledged as security as at 31 March 2026 (2025 - Nil).

There were no temporary idle items of Property, Plant and Equipment as at 31 March 2026 (2025 - Nil).

The motor vehicle previously owned by First Capital Holdings PLC, which had been carried under the fair value model based on an independent valuation performed by De Silva Motor Engineers (Pvt) Ltd. as at 28 March 2025, was disposed of during the current financial year. Accordingly, the asset has been derecognised in accordance with Sri Lanka Accounting Standard LKAS 16.

27 INTANGIBLE ASSETS

Accounting Policy

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition see Note 27.2. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Software

Software acquired by the Group is measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Business License

Business License that arose upon the acquisition of subsidiaries is included in intangible assets. An intangible asset with an indefinite useful life is not amortised. In accordance with LKAS 36, the Group tests the intangible assets with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount

- annually, and
- whenever there is an indication that the intangible asset may be impaired.

Business License is measured at cost.

Group	Software	Business License (Note 27.1)	Goodwill (Note 27.2)	Total 2026	Total 2025
2025/26	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross value					
Balance as at 1 April	94,318	28,800	80,872	203,990	178,129
Additions during the year	25,547	-	-	25,547	25,861
Disposals during the year	(353)	-	-	(353)	-
Balance as at 31 March	119,512	28,800	80,872	229,184	203,990
Amortisation/ Impairment losses					
Balance as at 1 April	62,190	-	-	62,190	54,688
Amortisation during the year	10,857	-	-	10,857	7,502
Disposals during the year	(353)	-	-	(353)	-
Balance as at 31 March	72,694	-	-	72,694	62,190
Carrying values as at 31 March 2026	46,818	28,800	80,872	156,490	
Carrying values as at 31 March 2025	32,128	28,800	80,872		141,800

27.1 The Business License represents stock broking license which derived through acquisition of First Capital Equities (Private) Limited during year 2013/14.

27.2 For the purpose of impairment testing Goodwill has been allocated to following cash generating units (subsidiaries).

As at,	Gross Goodwill 31.03.2026 Rs. '000	Impairment provision 31.03.2026 Rs. '000	Carrying value 31.03.2026 Rs. '000	Carrying value 31.03.2025 Rs. '000
Subsidiary				
First Capital Limited	54,535	-	54,535	54,535
First Capital Equities (Private) Limited	26,337	-	26,337	26,337
	80,872	-	80,872	80,872

As required by LKAS 36 - "Impairment of Assets", goodwill is tested for impairment annually and assessed for any indications of impairment at each reporting date to ensure that the carrying amount does not exceed the recoverable amount. Accordingly, the management of the company conducted an assessment and concluded that there are no indications of impairment of the goodwill as at 31 March 2026.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used are given below;

- **Gross margins** - The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.
- **Inflation** - The basis used to determine the value assigned to the budgeted cost. inflation rate is based on projected economic conditions.
- **Discount rates** - The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. The discount rate is considered at 13.5% (2024/25 - 15%) with the perspective of long term basis.
- **Volume growth** - Volume growth has been budgeted on a reasonable and realistic basis by taking into account the industry position.

Notes to the Financial Statements Contd.

27 INTANGIBLE ASSETS (Contd.)

Company	Software	Total	Total
2025/26		2026	2025
	Rs. '000	Rs. '000	Rs. '000
Gross value			
Balance as at 1 April	26,480	26,480	15,929
Additions during the year	20,212	20,212	10,551
Balance as at 1 April	46,692	46,692	26,480
Amortisation/ Impairment losses			
Balance as at 1 April	14,420	14,420	11,701
Amortisation during the year	4,697	4,697	2,719
Balance as at 1 April	19,117	19,117	14,420
Carrying Values as at 31 March 2026	27,575	27,575	
Carrying Values as at 31 March 2025	12,060		12,060

Financial Liabilities

Accounting Policy

The Group initially recognises debt securities and borrowings on the date that they are originated. All other financial liabilities are recognised at initially on the trade date, which is the date that the Group becomes party to the contractual provisions of the instruments. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method. Financial liabilities comprise;

- Bank overdrafts
- Securities sold under re-purchase agreements
- Short term borrowings
- Long term borrowings
- Borrowing on listed debentures

A financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. Subsequent measurement of financial liability is at amortised cost. The amortised cost of a financial liability is the amount at which the 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 the initial amount and the maturity amount.

Financial Liabilities at amortised cost

Financial liabilities issued by the Group 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 Effective Interest Rate. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Effective interest rate amortisation is included in "Interest expense" in the statement of profit or loss. Gains and losses too are recognised in the income statement when the liabilities are derecognised as well as through the Effective interest rate amortisation process.

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes. Group has not designated a financial liability as at FVTPL in accordance with SLFRS 9, accordingly no changes were presented in the financial statements in fair value including the effects of changes in the credit risk of the liability in SOPLOCI.

28 DERIVATIVE FINANCIAL LIABILITIES

	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,				
Forward purchase contracts	-	768	-	-
Forward sale contracts	1,818	-	-	-
	1,818	768	-	-

29 SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,				
Against government securities	43,213,054	71,475,370	-	-
Against corporate debt instruments	855,961	1,633,764	-	-
	44,069,015	73,109,134	-	-

30 SHORT TERM BORROWINGS

	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
As at,				
Borrowings on corporate debt securities	2,367,065	4,506,779	2,574,121	5,707,480
Other short term borrowings	6,001,271	3,503,206	5,551,188	2,802,253
	8,368,336	8,009,985	8,125,309	8,509,733

Notes to the Financial Statements Contd.

31 AMOUNTS DUE FROM / TO RELATED COMPANIES

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Amounts due from related companies	31.1	2,283	32	19,209	24,365
Amounts due to related companies	31.2	6,372	34,004	8,084	10,203

31.1 Amounts due from related companies

As at,		Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Janashakthi Insurance PLC		2,276	-	2,276	-
Janashakthi Limited		7	32	-	-
First Capital Equities (Private) Limited		-	-	3,611	9,502
First Capital Treasuries PLC		-	-	8,701	7,097
First Capital Asset Management Limited		-	-	2,793	7,766
First Capital Advisory Services (Private) Limited		-	-	828	-
First Capital Markets Limited		-	-	1,000	-
		2,283	32	19,209	24,365

31.2 Amounts due to related companies

As at,		Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Janashakthi Limited		4,907	32,539	164	4,731
Janashakthi Insurance PLC		1,465	1,465	-	-
First Capital Limited		-	-	7,920	5,472
		6,372	34,004	8,084	10,203

32 TRADE AND OTHER PAYABLES

Accounting Policy

Provisions

A provision is recognised if, as a result of a past event, the Group 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.

Dividends Payable

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors.

Other Liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

As at,	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Trade payables	578,346	401,203	-	-
Accrued expenses	1,273,764	2,757,479	266,830	889,227
Advance against non-current assets held for sale	80,218	80,218	-	-
VAT on financial services	1,015,940	(28,350)	(14,176)	(39,728)
Dividend payable	190,800	212,714	187,045	208,979
WHT payable on dividend payment	-	327,773	-	327,773
Lease liabilities	152,484	150,038	380	1,029
Receipt of funds on account of settlement of deferred bonus	281,737	-	63,783	-
Other liabilities	149,874	28,717	11,343	7,707
	3,723,163	3,929,792	515,205	1,394,987

32.1 Lease Liabilities

Accounting Policy

SLFRS 16 – Leases

At the inception of a contract, the Group assess 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 a consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group use the definition of a lease in SLFRS 16. This is applicable for leases entered after 1 April 2019.

Group acting as a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate plus remaining value of lease rentals paid in advance if any.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the lease asset. Lease payments included in the measurement of lease liability includes

- Fixed payments
- Variable lease payments that depend on an index or rate
- Amount expected to be payable under residual value guarantee
- The exercise price under a purchase option that the Company is reasonably certain to exercise

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 Group's estimate of the amount expected to be payable or if there is a fixed in substance lease payment.

Notes to the Financial Statements Contd.

32 TRADE AND OTHER PAYABLES (Contd.)

32.1 Lease Liabilities (Contd.)

When the lease liability is remeasured as such, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents the right-of-use asset and the lease liability in Note 26 and Note 32.1 respectively.

	Note	Group		Company	
		2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Balance at the beginning of the year		150,038	143,223	1,029	1,530
Interest charged	32.2	21,488	20,563	105	185
Lease liability recognised during the year		-	-	-	-
Lease payments during the year	32.3	(19,042)	(13,748)	(754)	(686)
Balance at the end of the year		152,484	150,038	380	1,029

32.2 Amounts Recognised in Profit or Loss

	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Leases under SLFRS 16				
Interest on lease liabilities	(21,488)	(20,563)	(105)	(185)
Depreciation on right of use assets	(17,143)	(19,650)	(758)	(159)

32.3 Amounts Recognised in Statement of Cash Flows

	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Total cash outflow for leases	(19,042)	(13,748)	(754)	(686)

33 LONG TERM BORROWINGS - GROUP/ COMPANY

Bank	As at 31.03.2025	Facility obtained	Repayment		Accrued interest	As at 31.03.2026	Tenure of the Loan	Security offered
	Rs. '000	Rs. '000	Capital Rs. '000	Interest Rs. '000	Rs. '000	Rs. '000		
Hatton National Bank PLC	500,385	-	(200,000)	(34,431)	255	300,255	5 Years	- Corporate guarantee of Janashakthi Limited
Seylan Bank PLC	700,856	-	(200,000)	(66,537)	630	500,630	5 Years	- Corporate guarantee of First Capital Limited
Sampath Bank PLC	-	1,000,000	(83,250)	(22,480)	1,484	918,234	3 Years	- Corporate guarantee of First Capital Limited
Total	1,201,241	1,000,000	(483,250)	(123,448)	2,369	1,719,119		

34 RETIREMENT BENEFIT OBLIGATIONS

Accounting Policy

Defined Contribution Plan

A defined contribution plan is a post employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as expense in the profit or loss as and when they are due.

Employees' Provident Fund

The Company and employee contribute 12% - 15% and 8% - 10% respectively on the salary of each employee to an approved Provident Fund.

Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund maintained by the Employees Trust Fund Board.

Defined Benefit Plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

Gratuity

Gratuity is a Defined Benefit Plan. The Group measures the present value of the promised retirement benefits for gratuity, which is a Defined Benefit Plan. The cost of providing benefits under the defined benefits plans is determined using the projected unit credit method. Gain or loss arising as a result of changes in assumption is recognised in other comprehensive income (OCI) in the period in which it arises.

The Gratuity liability is not externally funded. These items are grouped under Defined Benefit Liability in the Statement of Financial Position.

According to the payment of Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

34 RETIREMENT BENEFIT OBLIGATIONS (Contd.)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Balance at the beginning of the year	116,289	84,466	33,390	19,365
Amount recognised in profit or loss for the year				
Gratuity charge for the year	13,623	13,683	2,634	2,775
Interest charge for the year	13,219	9,494	3,840	2,070
Amount recognised in other comprehensive income for the year				
Actuarial loss for the year	946	4,232	(3,560)	5,537
Transfers made during the year	-	6,067	-	5,296
Benefits paid during the year	(2,694)	(1,653)	-	(1,653)
Balance at the end of the year	141,383	116,289	36,304	33,390

The actuarial valuations of the retirement gratuity liability were carried out by a professional Actuary, Units Actuaries & Consultants (Pvt) Ltd as at 31 March 2026.

As required by Sri Lanka Accounting Standard - LKAS 19 - "Employee Benefits", gratuity liabilities are provided for based on the Projected Unit Credit Method.

34.1 The principal assumptions used are as follows:

	2025/26	2024/25
Expected annual average salary increment:	9.00%	8.00%
Discount rate / interest Rate:	10.50%	11.50%
Staff turnover factor:	12.00%	12.00%
Retirement age of employees :	60 Years	60 Years

As per the LKAS 19 issued by the Institute of Chartered Accountants of Sri Lanka, A Long-term treasury bond rate of 10.50% p.a. (2025 - 11.50% p.a.) was used to discount future liabilities taking into consideration the remaining working life of eligible employees for the purpose of valuing Employee benefit obligations. Further, the salary increment rate of 9% 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.

34.2 The expected Benefit Payout in the future years for Retirement Gratuity

For the year ended 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Up to 1 year	15,941	35	4,074	35
1 - 5 years	58,842	3,257	14,408	1,538
6 - 10 years	41,341	16,742	8,718	4,177
Over 10 years	25,259	96,255	9,104	27,640
Total	141,383	116,289	36,304	33,390

The expected benefits are estimated, based on the same assumptions used to measure the retirement benefit obligation of the Group at the end of the year and include benefits attributable to estimated future employee service.

34.3 The average duration of the defined benefit obligation is 6.6 years.

34.4 Sensitivity of the Assumptions used

Reasonable 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.

Sensitivity of the Assumptions used

As at,	31.03.2026 Sensitivity Rs. '000	31.03.2026 Approx. RBO Rs. '000	31.03.2025 Sensitivity Rs. '000	31.03.2025 Approx. RBO Rs. '000
Group				
Decrease in discount rate by 1%	8,920	150,303	6,956	123,245
Increase in discount rate by 1%	(8,027)	133,356	(6,478)	109,811
Increase in salary increment by 1%	9,656	151,039	7,122	123,411
Decrease in salary increment by 1%	(8,821)	132,562	(6,740)	109,549

Notes to the Financial Statements Contd.

34 RETIREMENT BENEFIT OBLIGATIONS (Contd.)

34.4 Sensitivity of the Assumptions used (Contd.)

As at,	31.03.2026 Sensitivity	31.03.2026 Approx. RBO	31.03.2025 Sensitivity	31.03.2025 Approx. RBO
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Decrease in discount rate by 1%	2,310	38,614	1,744	35,134
Increase in discount rate by 1%	(2,082)	34,222	(1,625)	31,765
Increase in salary increment by 1%	2,477	38,781	1,785	35,175
Decrease in salary increment by 1%	(2,268)	34,036	(1,691)	31,699

RBO - Retirement Benefit Obligation

35 BORROWING ON LISTED DEBENTURES

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance at the beginning of the year		2,029,328	2,775,148	2,027,346	2,028,553
Add: Issued during the year		6,000,000	-	3,000,000	-
Less: Transaction cost		(15,430)	-	(26,139)	-
Accrual of interest		670,132	287,909	340,590	212,298
		8,684,030	3,063,057	5,341,797	2,240,851
Less: Settlement of interest (Coupon)		(242,093)	(306,199)	(210,019)	(213,505)
Less: Redemption		(2,000,000)	(727,530)	(2,000,000)	-
Balance at the end of the year	35.1	6,441,937	2,029,328	3,131,778	2,027,346

35.1 Debentures issued

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
First Capital Holdings PLC	35.1.1	3,131,778	2,029,328	3,131,778	2,027,346
First Capital Treasuries PLC	35.1.2	3,310,159	-	-	-
		6,441,937	2,029,328	3,131,778	2,027,346

35.1.1 Debentures issued by First Capital Holdings PLC (Company)

Total debentures comprise 30,000,000 listed rated, senior, unsecured, redeemable five-year (2025–2030) debentures with a face value of Rs. 100 each, with interest payable in accordance with the terms of each tranche. These consist of 28,272,000 debentures bearing interest at 11% per annum, 1,727,900 debentures at 10.71% per annum (payable semi-annually), and 100 debentures at a rate equal to the 364-day Treasury Bill rate plus 2% per annum.

The debentures are quoted on the CSE.

Tenure	No. of Debentures	Face value 31.03.2026 Rs. '000	Carrying value 31.03.2026 Rs. '000	Allotment Date	Maturity Date	Rate of Interest	Frequency on interest
5 years	28,272,000	2,827,200	2,960,112	29-Sep-25	29-Sep-30	11.00% p.a. payable annually (AER11.00%)	Annually
5 years	1,727,900	172,790	171,656	29-Sep-25	29-Sep-30	10.71% p.a. payable semi-annually (AER11.00%)	Semi Annually
5 years	100	10	10	29-Sep-25	29-Sep-30	364 Days Treasury Bill +2.00% p.a. payable and repriced annually	Annually
	30,000,000	3,000,000	3,131,778				

35.1.2 Debentures issued by First Capital Treasuries PLC (Subsidiary)

Total debentures comprise 30,000,000 listed rated, senior, unsecured, redeemable five-year (2025–2030) debentures with a face value of Rs. 100 each, with interest payable in accordance with the terms of each tranche. These consist of 24,503,100 debentures bearing interest at 12% per annum, 5,456,700 debentures at 11.66% per annum (payable semi-annually), and 40,200 debentures at a rate equal to the 364-day Treasury Bill rate plus 2% per annum.

The debentures are quoted on the Colombo Stock Exchange.

Tenure	No. of Debentures	Face value 31.03.2026 Rs. '000	Carrying value 31.03.2026 Rs. '000	Allotment Date	Maturity Date	Rate of Interest	Frequency on interest
5 years	24,503,100	2,450,310	2,731,106	25-Apr-25	24-Apr-30	12% (AER - 12.00%)	Annually
5 years	5,456,700	545,670	574,478	25-Apr-25	24-Apr-30	11.66% (AER - 12.00%)	Semi Annually
5 years	40,200	4,020	4,575	25-Apr-25	24-Apr-30	364 Days Treasury Bill + 2.25%	Annually
	30,000,000	3,000,000	3,310,159				

Notes to the Financial Statements Contd.

36 STATED CAPITAL

As at,	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Ordinary shares of 405,000,000	227,500	227,500	227,500	227,500

Ordinary shares in the Company are recognised at the amount paid per ordinary share net of directly attributable issue costs. The shares of the Company are quoted on the CSE. The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at General Meetings of the Company.

Rights of ordinary shareholders

The shares of First Capital Holdings PLC are quoted on the CSE's Diri Savi Board. All issued shares are fully paid. There is one class of ordinary shares. All shares issued carry equal voting rights. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company

Refer share information section on pages 522 to 523 for more information on the composition of shares in issue as at 31 March 2026.

37 RISK RESERVE

As at,	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance at the beginning of the year	2,764,757	2,492,889	2,764,757	2,492,889
Transfers made during the year	143,547	271,868	143,547	271,868
Balance at the end of the year	2,908,304	2,764,757	2,908,304	2,764,757

A sum equivalent to 10% of the profit after tax of First Capital Treasuries PLC (subsidiary) has been transferred to the risk reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

38 FAIR VALUATION RESERVE

As at,	Note	Group		Company	
		31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance at the beginning of the year		(37,409)	(37,759)	(37,409)	(37,759)
Loss on financial assets fair value through other comprehensive income		(24,967)	(12,370)	(24,967)	(12,370)
Loss of sale of financial assets FVTOCI	19.1.2	16,885	12,720	16,885	12,720
Balance at the end of the year		(45,491)	(37,409)	(45,491)	(37,409)

The above reserve is relating to the First Capital Treasuries PLC's (subsidiary) equity investment in Lanka Financial Services Bureau Limited amounting to Rs. 2 Mn (at cost) and First Capital Limited's (subsidiary) equity investment in Nation Lanka Finance PLC amounting Rs. 44 Mn (at cost) which is accounted for "Financial Assets - fair value through other comprehensive income." Carrying value of the said investments as at 31 March 2026 is Nil (31 March 2025 - 29.97 Mn) and investment in Lanka Rating Agency (Pvt) Ltd is Rs. 7.5 Mn (cost).

39 REVALUATION RESERVE

Accounting Policy

The Group applies the revaluation model for motor vehicles class, in accordance with LKAS 16 with effect from financial year 2024/25. Under this model, assets are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent depreciation and impairment losses.

Revaluations are performed by an independent external valuer using market-based evidence of fair value.

The frequency of revaluations is determined by the volatility of changes in the fair value of the assets. When the fair value of a revalued asset differs materially from its carrying amount, a revaluation is required. For assets that experience significant and volatile changes in fair value, revaluations are performed annually. For other assets with relatively stable fair values, revaluations are carried out at intervals of three to five years.

Increases in the carrying amount as a result of revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Decreases are recognised in profit or loss unless they relate to a previous revaluation surplus for the same asset, in which case they are charged against that surplus in equity through other comprehensive income.

As at,	Group		Company	
	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2026 Rs. '000	31.03.2025 Rs. '000
Balance at the beginning of the year	35,000	-	35,000	-
Surplus on revaluation of property plant and equipment	-	35,000	-	35,000
Adjustment on disposal of revalued property plant and equipment	(35,000)		(35,000)	
Balance at the end of the year	-	35,000	-	35,000

During the financial year 2024/25, the Company revalued a fully depreciated motor vehicle to its market value of Rs. 35 Mn. The revaluation was carried out by an external independent valuer.

The resulting revaluation surplus of Rs. 35 Mn has been recognised in other comprehensive income and accumulated under the revaluation reserve in equity, in accordance with the requirements of LKAS 16.

During the financial year 2025/26, the revalued motor vehicle was disposed at a consideration of Rs. 28 Mn. Upon disposal, the related revaluation reserve was transferred from the revaluation reserve to retained earnings in accordance with LKAS 16.

40 DIVIDEND DECLARED AND PAID

Accounting Policy

Dividend on ordinary shares is recognised as a liability and deducted from equity when it is recommended and declared by the Board of Directors in accordance with the Companies Act No. 7 of 2007 and subsequent amendments thereto.

The Board of Directors has declared interim dividend of Rs. 7 per share for the financial year 2025/26 (2024/25 - Rs. 7.50 per share).

41 NON-CONTROLLING INTERESTS (NCI) IN SUBSIDIARIES

Accounting Policy

Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

For each business combination, the Group elects to measure any NCI in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to NCI are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Material Non-Controlling Interests

The Group has assessed each subsidiary that has NCI based on contributions made to the Group revenue, profit, total assets, net assets and cashflows. As per SLFRS 12, following table summarises the information relating to the subsidiary which has a material non-controlling interests.

	Total		First Capital Treasuries PLC		First Capital Asset Management Limited	
As at 31 March,	2026	2025	2026	2025	2026	2025
NCI percentage	11.93%	11.93%	10.64%	10.64%	1.29%	1.29%
As at 31 March,	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total assets	55,025,366	83,466,613	54,794,137	83,144,761	231,229	321,852
Total liabilities	47,207,315	74,148,195	47,144,780	74,023,433	62,535	124,762
Net assets	7,818,051	9,318,418	7,649,357	9,121,328	168,694	197,090
Net assets attributable to NCI	819,279	976,277	817,108	973,741	2,171	2,537
For the year ended 31 March,	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	11,107,069	11,250,674	10,690,723	10,837,803	416,346	412,871
Profit/ (Loss) after tax	1,689,922	3,148,525	1,606,412	3,042,430	83,510	106,095
Other comprehensive income/ (loss)	377	(564)	(383)	90	760	(654)
Total comprehensive income/ (loss)	1,690,299	3,147,961	1,606,029	3,042,520	84,270	105,441
Profit/ (Loss) attributable to NCI	172,013	325,111	170,938	323,745	1,075	1,366
Total comprehensive income/ (loss) attributable to NCI	171,982	325,112	170,898	323,755	1,084	1,357
Dividend paid/ declared to NCI	328,980	170,316	328,980	170,316	-	-
Net cash flows generated from/ (used in) operating activities	1,522	5,717,789	(117,052)	5,701,420	118,574	16,369
Net cash flows used in investing activities	(9,451)	(389,833)	(5,335)	(373,717)	(4,116)	(16,116)
Net cash flows used in financing activities (including dividend paid to NCI)	(190,665)	(5,120,760)	(78,000)	(5,120,760)	(112,665)	-
Net increase/(decrease) in cash and cash equivalents	(198,594)	207,196	(200,387)	206,943	1,793	253

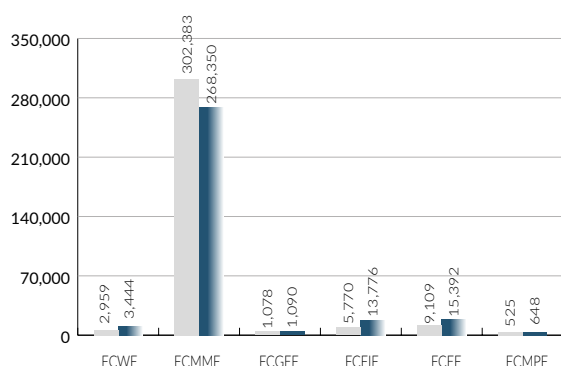
Notes to the Financial Statements Contd.

42 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

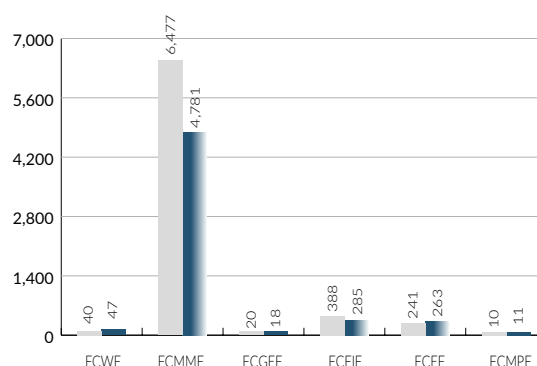
The table below describes the type of structured entities that the Group does not consolidate but in which it holds an interest.

Name of the Fund	Nature of Business	Date of Incorporation	Managing Company	Investment made by FCAS and FCAM (Rs' 000)	Management/ Performance fee received and receivable by FCAM (Rs' 000)
First Capital Wealth Fund (FCWF)	The Unit Trust engages in investment in medium term fixed income securities (i.e. Government Securities and Corporate Debt Securities) on behalf of its clients.	18 August 2010	First Capital Asset Management Limited	-	3,444
First Capital Money Market Fund (FCMMF)	The Unit Trust engages in investment in Short Term Fixed Income Securities on behalf of its clients.	16 September 2014	First Capital Asset Management Limited	90,598	268,350
First Capital Gilt -Edged Fund (FCGEF)	The Unit Trust engages in investment in Government securities on behalf of its clients.	16 September 2014	First Capital Asset Management Limited	-	1,090
First Capital Fixed Income Fund (FCFIF)	The Unit Trust engages in investment in fixed income securities (i.e. Government Securities and Corporate Debt Securities) on behalf of its clients.	25 April 2014	First Capital Asset Management Limited	-	13,776
First Capital Equity Fund (FCEF)	The Unit Trust engages in investment in equity shares and fixed income securities on behalf of its clients.	30 July 2015	First Capital Asset Management Limited	49,168	15,392
First Capital Money Plus Fund (FCMPF)	The Unit Trust engages in investment in corporate debt and government securities with maturities of less than one year, while offering customers the flexibility to access their funds through ATMs.	12 January 2024	First Capital Asset Management Limited	-	648

YoY Management fee income from Unit Trust Funds (Rs.'000)



YoY Unit Trust Funds' Performance (Income) (Rs. Mn)



The carrying amounts of assets and liabilities held in unconsolidated structured entities by the Group and the Company are as follows.

As at 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Assets				
Financial assets recognised through profit or loss - measured at fair value	139,766	178,857	-	-
Financial assets at amortised cost	-	-	-	-
Trade and other receivables	27,244	51,496	-	-
	167,010	230,353	-	-
Liabilities				
Securities sold under re-purchase agreements	5,755,455	18,048,080	-	-
	5,755,455	18,048,080	-	-

Summarised financial performance of the above unit trusts for the year ended 31 March 2026 are as follows.

Name of the Fund	Income Rs. '000	Profit after tax for the year Rs. '000	Total Equity (Net Asset Value) Rs. '000	Net Asset per Unit
First Capital Wealth Fund	47,294	19,992	245,287	2,255
First Capital Money Market Fund	4,781,184	4,123,100	44,272,181	3,635
First Capital Gilt-Edged Fund	17,670	15,355	204,594	2,706
First Capital Fixed Income Fund	284,805	236,297	4,494,867	4,384
First Capital Equity Fund	263,241	226,788	1,814,328	4,230
First Capital Money Plus Fund	10,715	8,998	98,921	1,164

The Group had not provided financial or other support to an unconsolidated structured entity.

Unit Trust Funds (unconsolidated structured entities) managed by First Capital Asset Management Limited (subsidiary) have not been considered in the consolidation of financial statements since all Funds are treated "open-ended" as per the Explanatory Memorandum of the respective funds. There is no assurance on a static equity stake held by Group companies in said funds.

43 RELATED PARTY DISCLOSURES

Accounting Policy

The Company carried out transactions in the ordinary course of business on arm's length basis with parties who are defined as related parties as per the Sri Lanka Accounting Standard – LKAS 24 'Related Party Disclosures'.

43.1 Directorships in other companies

The Directors of First Capital Holdings PLC are also Directors of the following group companies (as of 31 March 2026).

Name of the company	Relationship	Mr. Rajendra Theagarajah	Ms. Manjula Mathews	Mr. Dilshan Wirasekara	Mr. Ramesh Schaffter	Mr. Kuda Banda Herath	Ms. Rachini Rajapaksa	Ms. Inoshini Perera	Mr. Dilendra Wimalasekera
Janashakthi Limited*	Parent	-	Director	-	Managing Director/ Group CEO	-	-	-	-
Janashakthi Insurance PLC	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Janashakthi Corporate Services Limited	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Janashakthi Finance PLC	Subsidiary of the Parent	Chairman	-	-	-	-	-	-	-
Sarodaya Development Finance PLC	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
First Capital Limited	Subsidiary	Chairman	Deputy Chairperson	Managing Director/ CEO	Director	Director	Director	Director	Director
First Capital Asset Management limited	Subsidiary	-	-	Director	-	Director	-	-	-
First Capital Treasuries PLC	Subsidiary	-	Chairperson	Director	Director	-	-	-	-
First Capital Markets Limited	Subsidiary	-	Director	Managing Director/ CEO	-	-	-	-	-
First Capital Equities (Private) Limited	Subsidiary	-	-	Director	-	-	-	-	Director
First Capital Trustee Services (Private) Limited	Subsidiary	-	Deputy Chairperson	Managing Director/ CEO	-	-	-	-	-
First Capital Advisory Services (Private) Limited	Subsidiary	-	-	Director	-	-	-	Director	-

* The Company was listed on the main board of the Colombo Stock Exchange subsequently to the reporting period.

Details regarding the new appointments and resignations of directors during the year are as follows:

First Capital Asset Management Limited

Appointments			
Name of Director	Nature of the directorship	Designation	Date of appointment
Mr. Kavin Karunamoorthy	Non-Independent Executive Director	Director/ CEO	9 December 2025
Resignation			
Name of Director	Nature of the directorship	Designation	Date of resignation
Ms. Minette Perera	Independent Non-Executive Director	Director	25 October 2025

First Capital Asset Management Limited manages licensed Unit Trusts namely First Capital Wealth Fund, First Capital Fixed Income Fund, First Capital Gilt-Edged Fund, First Capital Money Market Fund, First Capital Equity Fund and First Capital Money Plus Fund which are also treated as Related Parties of the Company.

The Company carries out transactions with parties who are defined as related parties as per 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 made on terms equivalent to those that prevail in arm's length transactions.

Notes to the Financial Statements Contd.

43 RELATED PARTY DISCLOSURES (Contd.)

43.2 Transactions with Parent Company

Nature of transaction	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	573	419,769	-	-
Fee income	10,555	14,317	-	-
Interest expense	226	29	-	-
Administrative expenses	56,844	3,991	7,125	587
Corporate guarantee facility commission expenses	9,109	10,632	9,109	10,632
Corporate guarantee facility commission income	1,151	-	1,151	-
Statement of Changes in Equity				
Dividend paid and declared	1,645,190	1,762,704	1,645,190	1,762,704
Statement of Financial Position				
Securities sold under re-purchase agreements against government securities	50,815	-	-	-
Current account payable	4,907	32,539	164	4,731
Investment in unit trust	792,157	203,360	-	-
Benefit accrued/ earned in unit trust	3,612	36,949	-	-
Transactions relating to corporate guarantees				
Corporate guarantee provided	2,000,000	-	2,000,000	-
Corporate guarantee received	600,000	1,250,000	600,000	1,250,000

43.3 Transactions with Subsidiaries

Nature of transaction	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	-	-	283,272	783,636
Fee income	-	-	683	25
Interest expense	-	-	16,174	15,663
Brokerage expense (stock broking)	-	-	29,875	22,282
Dividend receipts	-	-	2,337,661	852,345
Corporate guarantee facility commission income	-	-	19,370	16,575
Corporate guarantee facility commission charges	-	-	59,815	43,161
Commitment fee	-	-	7,500	7,485
Management fee	-	-	96,000	96,000
Administration expenses	-	-	25,435	22,909
Administration income	-	-	17,285	9,790
Statement of Financial Position				
Short term lending	-	-	3,918,601	4,157,926
Current account payable	-	-	7,920	5,472
Current account receivable	-	-	16,933	24,365
Borrowing on commercial papers	-	-	207,056	195,126
Transactions relating to Corporate Guarantees				
Corporate guarantee provided	-	-	2,050,000	1,800,000

Notes to the Financial Statements Contd.

43 RELATED PARTY DISCLOSURES (Contd.)

43.4 Transactions with other related companies

Nature of transaction	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	24,636	143,449	-	-
Fee income	12,611	7,596	-	-
Brokerage income (Stock broking)	12,180	13,114	-	-
Benefit accrued from investment in unit trust	122,975	25,446	-	4,332
Gain on redemption on units	199,536	22,012	-	19,250
Gain realised on sale of government securities	11,244	6,262	-	-
Allocation of personnel expenses	-	31,529	-	3,783
Dividend income	184,401	148,040	-	-
Interest expense	1,622,920	2,013,636	347	65,246
Administrative charges	4,555	7,402	344	647
Secretarial fees	5,875	2,563	2,868	586
Retirement benefit obligation transfers	-	5,295	-	5,295
Performance fee (Portfolio management and unit trust)	30,000	30,830	-	-
Management fee (Portfolio management and unit trust)	321,953	340,942	-	-
Statement of Changes in Equity				
Dividend paid	708,413	759,013	708,413	759,013
Statement of Financial Position				
Securities purchased under re-sale agreements (against government securities)	252,818	47,711	-	-
Securities purchased under re-sale agreements (against corporate debt securities)	-	1,973	-	-
Securities sold under re-purchase agreements (against government securities)	6,888,778	18,054,428	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	15,094	47,579	-	-
Borrowing on listed debentures	-	10,119	-	10,119
Borrowing on commercial papers	-	633,105	-	633,105
Management fee receivable (Portfolio management)	1,957	3,749	-	-
Management fee receivable (Unit trust)	27,171	40,868	-	-
Current account receivable	2,283	32	2,276	-
Current account payable	1,465	1,465	-	-
Investment in unit trust	6,274,476	4,003,584	-	-
Benefit accrued/ earned in unit trust	122,975	336,445	-	-
Funds under management (Portfolio management)	26,387,156	26,827,563	-	-
Retirement benefit obligation transfers	-	5,295	-	5,295

Outstanding trading investments/ borrowings other than investment under resale agreements/ borrowings on repurchase agreements with related parties including current account balances at year end are not secured. There are no guarantees involved in investments under resale agreements/ borrowings on repurchase agreements. The said transactions have been collateralised through trading securities. The settlement of all transactions occurs in cash. No expenses have been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

43.5 Transactions with Key Management Personnel (KMP) and their Close Family Members (CFM)

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, directly or indirectly, including any director (whether executive or otherwise) of that entity. Accordingly, the Board of directors and Chief Executive Officer have been classified as key management personnel of the entity.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a. that person's children and spouse or domestic partner;
- b. children of that person's spouse or domestic partner; and
- c. dependents of that person or that person's spouse or domestic partner.

Close Family Members are related parties to the Entity.

43 RELATED PARTY DISCLOSURES (Contd.)

43.5 Transactions with Key Management Personnel (KMP) and their Close Family Members (CFM) (Contd.)

Transaction with Key Management Personnel and their close family members are disclosed below.

Nature of transaction	Group		Company	
	2025/26 Rs. '000	2024/25 Rs. '000	2025/26 Rs. '000	2024/25 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	24,330	138,859	-	-
Gain/ (Loss) on sale of government securities	(5)	(24,494)	-	-
Brokerage income (Stock brokering)	17,592	1,385	-	-
Management fee income (Portfolio management)	16,733	3,825	-	-
Interest expense	6,713	4,207	-	-
Emoluments paid	139,997	345,265	72,945	285,775
Benefit accrued from investment in unit trust	60,244	16,993	-	-
Statement of Changes in Equity				
Dividend paid/ declared	3,327	15	3,327	15
Statement of Financial Position				
Management fee receivable (Portfolio management)	2,204	508	-	-
Lendings	10,819	7,822	-	-
Trade debtor (Stock brokering)	18,441	3,023	-	-
Trade creditor (Stock brokering)	7	-	-	-
Securities sold under re-purchase agreements (against government securities)	6,432	25,723	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	24,890	2,775	-	-
Securities purchased under re-sale agreements (against government securities)	192,522	136,272	-	-
Borrowing on listed debenture at cost	10,000	-	-	-
Investments in unit trust	365,150	352,154	-	-
Funds under management (Portfolio management)	2,588,907	1,083,144	-	-

43.6 Disclosures in relation to related party transactions in accordance with the Continuing Listing Requirements of the Colombo Stock Exchange.

Recurrent transactions - Group

Name of the related party	Relationship	Nature of the transaction	Aggregate Value of Related Party transaction entered during the financial year Rs '000	Aggregate value of Related Party Transactions as a % of Gross Revenue/ Income	Terms and conditions of the Related Transactions
First Capital Holdings PLC / Janashakthi Limited	Company/ Parent	Corporate Guarantee Facility Given to Janashakthi Limited to secure the Bank Borrowing Facilities	2,000,000	13%	Corporate Guarantee facilities given based on standard terms.
First Capital Treasuries PLC / First Capital Money Market Fund	Subsidiary/ Fund managed by a Subsidiary	Borrowing via Re-purchase agreements	5,755,455	38%	Investment made at commercial terms.
First Capital Asset Management Limited / Janashakthi Insurance PLC - (Funds)	Subsidiary/ Subsidiary of Parent	Funds accepted under Portfolio Management by First Capital Asset Management Limited	26,109,543	173%	Funds accepted by the subsidiary at commercial terms.
First Capital Asset Management Limited / Janashakthi Insurance PLC - Shareholders Fund	Subsidiary/ Subsidiary of Parent	Funds accepted under Unit Trust Fund by First Capital Asset Management Limited	3,755,189	25%	Funds accepted by the subsidiary at commercial terms.

43 RELATED PARTY DISCLOSURES (Contd.)

43.6 Disclosures in relation to related party transactions in accordance with the Continuing Listing Requirements of the Colombo Stock Exchange. (Contd.)

Recurrent transactions - Company

Name of the related party	Relationship	Nature of the transaction	Aggregate Value of Related Party transaction entered during the financial year Rs '000	Aggregate value of Related Party Transactions as a % of Gross Revenue/ Income	Terms and conditions of the Related Transactions
First Capital Holdings PLC / First Capital Limited	Company/ Subsidiary	Short term lending granted by First Capital Holdings PLC to First Capital Limited	3,918,601	26%	Short term lending made at commercial terms.
First Capital Holdings PLC / First Capital Treasuries PLC	Company/ Subsidiary	Intra-day Liquidity/ Standby Liquidity Facility Given to First Capital Treasuries PLC to manage the Liquidity of the company	1,500,000	10%	Intra-day Liquidity/ Standby Liquidity Facility given based on standard terms.
First Capital Holdings PLC / Janashakthi Limited	Company/ Parent	Corporate Guarantee Facility Given to Janashakthi Limited to secure the Bank Borrowing Facilities	2,000,000	13%	Corporate Guarantee facilities given based on standard terms.

CONTINGENT LIABILITIES

Accounting Policy

Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The Group's share of any contingencies and capital commitments of a Subsidiary or Associate for which the Group is also liable severally or otherwise are also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured as defined in the Sri Lanka Accounting Standard – LKAS 37 on “Provisions, Contingent Liabilities and Contingent Assets.” Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

44 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date, which requires disclosure in the financial statements, other than those disclosed below.

- (a) First Capital Holdings PLC (the Company) has provided corporate guarantees on account of banking facilities obtained by the subsidiaries (First Capital Treasuries PLC, First Capital Limited and First Capital Equities (Pvt) Limited) and the parent company (Janashakthi Limited) amounting to Rs. 2.05 Bn and Rs. 2 Bn respectively.
- (b) The Company's appeals against the assessments on VAT on financial services for 2026/17 and 2020/21 amounting to Rs. 21 Mn and Rs. 250 Mn respectively are heard at the Tax Appeals Commission. The appeal against the assessment on VAT on financial services of Rs. 233 Mn related to 2017/18 is contested at the Court of Appeal. Further, the Department of Inland Revenue (IRD) raised an assessment on VAT on financial services for 2019/20 amounting to Rs. 181 Mn.

The Appeals against the above assessments have been duly submitted. Based on the tax consultant's opinion, the Board of Directors of the Company is of the view that no material liability would arise on the above stated tax matters as they are outside the scope of chargeability of taxes.

There were no material litigations or claims with respect to employee compensation. Further, the Company did not have any other material litigations or claims that could have an impact on the financial position of the Company/Group, or which would lead to a disclosure in the financial statements for the year ended 31 March 2026.

45 COMMITMENTS

There were no material commitments as at the reporting date which require disclosure in the financial statements other than the following:

Capital Commitments

First Capital Treasuries PLC entered into a sale and purchase agreement to acquire a property (land and premises) for a consideration of Rs. 382 Mn and an advance of Rs. 77.3 Mn was paid. However, as a consequence of the seller failing to honour the terms of the agreement, legal proceedings were initiated against the seller and the District Court granted an interim order in favour of the Company, against the seller disposing and alienating the property to any third party. Further, respective appeals against the interim order are pending before the higher courts. The criminal proceedings have also been initiated against the defendant. The legal proceedings are in progress.

Other Commitments

There value of forward purchase contracts (Government Securities) entered by First Capital Treasuries PLC as at 31 March 2026 is Rs. 747 Mn (31 March 2025 is Rs.1,340 Mn). The value of forward sales contracts (Government Securities) entered by the subsidiary as at 31 March 2026 is Rs.1,619 Mn (31 March 2025 is Rs.11 Mn).

46 SUBSEQUENT EVENTS

Accounting Policy

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the Financial Statements are authorised for issue.

There have been no material events subsequent to the reporting date which require disclosures/ adjustments in these financial statements.

47 NET ASSETS VALUE PER ORDINARY SHARE

	Group		Company	
As at 31 March,	2026	2025	2026	2025
Amount used as the Numerator:				-
Total equity attributable to equity holders of the parent (Rs. '000)	7,858,248	8,792,690	7,858,248	8,792,690
Number of Ordinary Shares used as the Denominator:				
Total number of shares	405,000,000	405,000,000	405,000,000	405,000,000
Net assets value per share (Rs.)	19.40	21.71	19.40	21.71

48 CAPITAL MANAGEMENT

Objectives, policies and processes for capital management

The Group's policy / objective is to maintain a strong capital base:

- to safeguard the ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders;
- to appropriately allocate capital to meet strategic objectives.
- to enable the Group to face any economic downturn/ crisis situation.
- to maintain investor, creditor and market confidence and to sustain the future development of the business;
- to maintain required and optimal capital levels of the Group to reduce the cost of capital and comply with regulatory requirements;

The Group's policy is to maintain a strong capital base to ensure investor, creditor and market confidence in order to sustain future development of the business while complying with regulatory requirements (i.e. externally imposed capital requirements). The impact of the shareholders' return is also recognised, and the Group recognises the need to maintain a balance between higher returns that might be possible with greater gearing and the benefits and security provided by a sound capital position. The Company manages its capital structure and adjusts it accordingly in line with changes in economic, market and regulatory conditions and its overall risk appetite. Summary of the capital structure of the Group and the Company is as follows:

	Group		Company	
As at 31 March,	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Bank overdrafts	766	226	766	87
Securities sold under re-purchase agreements	44,069	73,109	-	-
Short term borrowings	8,368	8,010	8,125	8,510
Long term borrowings	1,719	1,201	1,719	1,201
Borrowing on listed debentures	6,442	2,029	3,132	2,027
Total equity	8,678	9,769	7,858	8,793
Total Capital Employed	70,042	94,344	21,600	20,618

Externally imposed capital requirements are presented below.

48.1 First Capital Treasuries PLC (subsidiary)

First Capital Treasuries PLC, licensed primary dealer regulated by the Central Bank of Sri Lanka (CBSL), is required to maintain statutory minimum core capital and risk weighted capital adequacy positions as prescribed by the CBSL periodically. Minimum core capital requirement for primary dealer companies as per the CBSL Direction No. 01 of 2021 is as follows;

Effective date	Minimum of Core Capital Requirement	Actual core capital
Prior to 1 January 2022	Rs. 1.0 Bn	Rs. 3.8 Bn
From 1 January 2022 onwards	Rs. 2.0 Bn	Rs. 5.5 Bn
From 1 January 2023 onwards	Rs. 2.5 Bn	Rs. 9.1 Bn
From 1 January 2026 onwards (prevailing requirement)	Rs. 4.0 Bn	Rs. 7.6 Bn
From 1 January 2027 onwards	Rs. 5.0 Bn	N/A

The Company's compliance status in relation to minimum core capital and risk weighted capital adequacy ratio is as follows;

Compliance requirement	Status as at 31 March 2026	Status as at 31 March 2025
Minimum core capital of Rs. 2.5 Bn	Rs. 7.6 Bn	Rs. 9.1 Bn
Risk weighted capital adequacy ratio of 10%	24.22%	15.55%

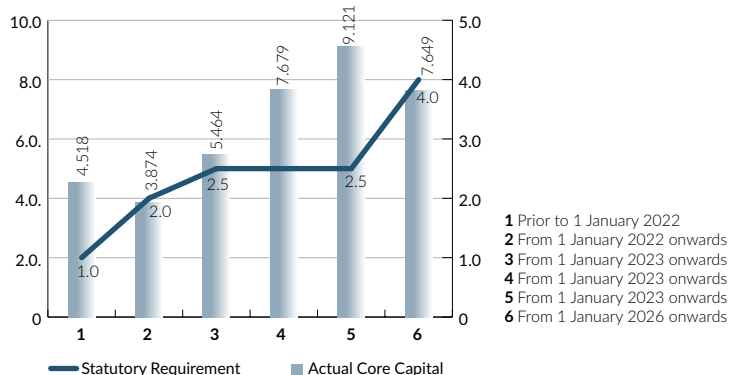
48.1.1 Sensitivity analysis of Risk Weighted Capital Adequacy Ratio (RWCAR)

The following table shows the estimated impact on RWCAR ratio due to various predicted scenario testing

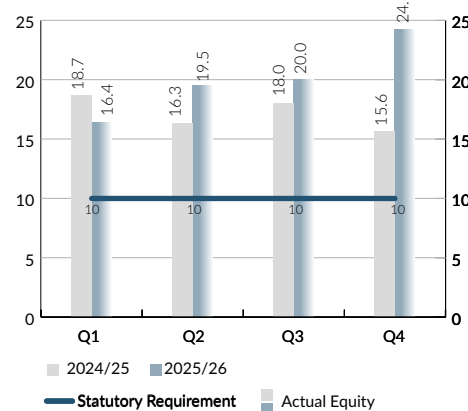
Variable	Change in assumptions	Estimated RWCAR Ratio
Interest rate	-100Bps	26.25%
	+100Bps	21.96%
Other Assets	+10%	24.16%
	-10%	24.28%

Quarterly movement of RWCAR and graphical analysis of minimum statutory core capital requirement with the Company total equity are as follows.

Minimum of Core Capital Requirement (Rs. Bn)



Quarterly RWCAR (%)



48 CAPITAL MANAGEMENT (Contd.)

48.1.2 First Capital Asset Management Limited (subsidiary)

First Capital Asset Management Limited, licensed investment manager and managing company of unit trust is required to maintain statutory minimum equity capital as prescribed by the Securities and Exchange Commission of Sri Lanka (SEC). Minimum equity capital requirements are as follows.

Managing company of unit trust	Rs. 25 Mn or 50% of Stated Capital, whichever is higher
Investment manager	Rs. 7.5 Mn or 50% of Stated Capital, whichever is higher

The Company is complied with the minimum equity capital requirement and the status of equity capital is as follows;

As at 31 March,	2026 Rs. Mn	2025 Rs. Mn
Total equity	169	197

48.1.3 First Capital Equities (Pvt) Limited (subsidiary)

First Capital Equities (Pvt) Limited, licensed stockbroker is required to maintain a statutory minimum equity capital of Rs. 100Mn as prescribed by the Securities and Exchange Commission of Sri Lanka (SEC).

The Company is complied with the minimum equity capital requirement and the status of equity capital is as follows;

As at 31 March,	2026 Rs. Mn	2025 Rs. Mn
Total equity	531	358
Capital adequacy ratio of 1.2%	3.10%	2.73%

48.1.3.1 Sensitivity analysis of Capital Adequacy Ratio (CAR)

The following table shows the estimated impact on CAR ratio due to various predicted scenario testing

Variable	Change in assumptions	Estimated CAR
Operational Risk	5%	2.95%
	-5%	3.26%
Counterparty Risk	0.5%	3.10%
	-0.5%	3.10%

48.1.4 First Capital Advisory Services (Private) Limited - (subsidiary)

First Capital Advisory Services (Private) Limited, licensed Corporate Finance Advisor is required maintain statutory minimum capital as prescribed by the Securities and Exchange Commission of Sri Lanka (SEC). Minimum equity capital requirements are as follows.

Corporate Finance Advisory	Rs. 7.5 Mn or 50% of Stated Capital, whichever is higher

The Company is complied with the minimum equity capital requirement and the status of equity capital is as follows;

As at 31 March,	2026 Rs. Mn	2025 Rs. Mn
Total equity	68	25

48.2 Measurement of gearing of the Group/ Company

The Company's policy is to maintain a strong capital base in order to maintain investor, policyholder and market confidence and also to sustain future business development. Management continuously monitors the return on capital, as well as the level of dividends to the shareholders.

Accordingly, the Company monitors capital on the basis of the following gearing ratio:

Debt to equity ratio

As at 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Debt	61,364,831	84,576,067	13,742,630	11,825,084
Equity	8,677,527	9,768,967	7,858,248	8,792,690
Debt to Equity Ratio (times)	7.07	8.66	1.75	1.34

49 FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risk via financial instruments as per the SLFRS 7 and SLFRS 9.

- Liquidity risk
- Credit risk
- Operational risk
- Market risk

49.1 Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has established Board Integrated Risk Management Committee (BIRMC) which is tasked with reviewing wide-ranging risk categories that includes market, liquidity, credit and operational risk. Functionally, BIRMC identifies, measures, monitors and controls risk while keeping the Board of Directors informed.

The Group's risk management policies are established to identify and analyse the risk confronted by the Group, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products and services offered.

Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

49.2 Liquidity Risk

Liquidity risk is the risk that the Group will not have adequate financial resources to meet Group's obligations as when they fall due. This risk arises from mismatches in the timing of cash flows.

Management of liquidity risk includes the following elements:

- Taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

49.2.1 Maturity Analysis of the Financial Assets and Financial Liabilities

Group - As at 31 March 2026	Carrying Amount Rs.'000	On Demand Rs.'000	Up to 3 Months Rs.'000	3 Months to 1 Year Rs.'000	1-3 Years Rs.'000	3-5 Years Rs.'000	Over 5 Years Rs.'000	Total Rs.'000
Assets								
Cash at banks and in hand	543,714	543,714	-	-	-	-	-	543,714
Derivative financial instruments	10,440	1,406	9,034	-	-	-	-	10,440
Financial assets recognised through profit or loss - measured at fair value	58,844,572	7,256,494	130,048	339,386	2,419,632	27,580,918	21,118,094	58,844,572
Financial assets - fair value through other comprehensive income	7,500	-	-	-	7,500	-	-	7,500
Financial assets at amortised cost	10,951,852	693,123	7,281,271	1,121,219	447,805	1,351,365	57,069	10,951,852
Other financial assets (Trade receivables - Net)	837,014	837,014	-	-	-	-	-	837,014
Group balances receivable	2,283	2,283	-	-	-	-	-	2,283
Total	71,197,375	9,334,034	7,420,353	1,460,605	2,874,937	28,932,283	21,175,163	71,197,375
Liabilities								
Bank overdrafts	766,424	766,424	-	-	-	-	-	766,424
Derivative financial instruments	1,818	687	1,131	-	-	-	-	1,818
Securities sold under repurchase agreements	44,069,015	44,419	30,789,607	13,188,348	32,511	14,130	-	44,069,015
Short term borrowings	8,368,336	-	8,138,794	229,542	-	-	-	8,368,336
Amounts due to related companies	6,372	6,372	-	-	-	-	-	6,372
Lease Liabilities	152,484	-	7,371	21,752	61,307	67,437	99,682	257,549
Other financial liabilities (Trade payables - Net)	2,554,739	2,554,739	-	-	-	-	-	2,554,739
Long term borrowings	1,719,119	-	285,619	449,750	983,750	-	-	1,719,119
Borrowings on debentures	6,441,937	-	-	329,499	658,998	8,409,277	-	9,397,774
Total	64,080,244	3,372,641	39,222,522	14,218,891	1,736,566	8,490,844	99,682	67,141,146

49.2.1 Maturity Analysis of the Financial Assets and Financial Liabilities (Contd.)

Group - As at 31 March 2025	Carrying Amount Rs.'000	On Demand Rs.'000	Up to 3 Months Rs.'000	3 Months to 1 Year Rs.'000	1-3 Years Rs.'000	3-5 Years Rs.'000	Over 5 Years Rs.'000	Total Rs.'000
Assets								
Cash at banks and in hand	1,143,148	1,143,148	-	-	-	-	-	1,143,148
Derivative financial instruments	2,820	329	2,491	-	-	-	-	2,820
Financial assets recognised through profit or loss - measured at fair value	86,777,813	7,003,772	222,606	506,706	33,502,207	44,748,810	793,712	86,777,813
Financial assets - fair value through other comprehensive income	37,467	-	-	-	37,467	-	-	37,467
Financial assets at amortised cost	7,565,314	1,984,763	3,487,058	1,175,842	5,247	858,448	53,956	7,565,314
Other financial assets (Trade receivables - Net)	616,821	147,076	449,598	10,520	9,595	31	1	616,821
Amounts due from related companies	32	32	-	-	-	-	-	32
Total	96,143,415	10,279,120	4,161,753	1,693,068	33,554,516	45,607,289	847,669	96,143,415
Liabilities								
Bank overdrafts	226,379	226,379	-	-	-	-	-	226,379
Derivative financial instruments	768	768	-	-	-	-	-	768
Securities sold under repurchase agreements	73,109,134	8,320,734	18,157,261	46,537,530	93,609	-	-	73,109,134
Short term borrowings	8,009,985	-	7,622,987	386,998	-	-	-	8,009,985
Amounts due to related companies	34,004	34,004	-	-	-	-	-	34,004
Lease Liabilities	150,038	-	3,445	15,597	58,829	64,277	134,454	276,602
Other financial liabilities (Trade payables - Net)	3,451,986	3,228,752	195,911	17,839	9,079	133	272	3,451,986
Long term borrowings	1,201,241	-	222,767	252,200	806,200	105,580	-	1,386,747
Borrowings on debentures	2,029,328	-	-	2,203,984	-	-	-	2,203,984
Total	88,212,863	11,810,637	26,202,371	49,414,148	967,717	169,990	134,726	88,699,589

Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

Company - As at 31 March 2026	Carrying Amount Rs.'000	On Demand Rs.'000	Up to 3 Months Rs.'000	3 Months to 1 Year Rs.'000	1-3 Years Rs.'000	3-5 Years Rs.'000	Over 5 Years Rs.'000	Total Rs.'000
Assets								
Cash at banks and in hand	74,642	74,642	-	-	-	-	-	74,642
Financial assets recognised through profit or loss - measured at fair value	9,453,436	5,303,675	-	304,400	3,845,361	-	-	9,453,436
Financial assets - fair value through other comprehensive income	7,500	-	-	-	7,500	-	-	7,500
Financial assets at amortised cost	4,001,957	3,917,105	79,107	5,745	-	-	-	4,001,957
Amounts due from related companies	19,209	19,209	-	-	-	-	-	19,209
Total	13,556,744	9,314,631	79,107	310,145	3,852,861	-	-	13,556,744
Liabilities								
Bank overdrafts	766,424	766,424	-	-	-	-	-	766,424
Lease Liabilities	380	-	197	197	-	-	-	394
Trade and other payables	529,001	529,001	-	-	-	-	-	529,001
Short term borrowings	8,125,309	-	7,895,767	229,542	-	-	-	8,125,309
Long term borrowings	1,719,119	-	285,619	449,750	983,750	-	-	1,719,119
Borrowings on debentures	3,131,778	-	-	329,499	658,998	3,649,745	-	4,638,242
Amounts due to related companies	8,084	8,084	-	-	-	-	-	8,084
Total	14,280,095	1,303,509	8,181,583	1,008,988	1,642,748	3,649,745	-	15,786,573

Company - As at 31 March 2025	Carrying Amount Rs.'000	On Demand Rs.'000	Up to 3 Months Rs.'000	3 Months to 1 Year Rs.'000	1-3 Years Rs.'000	3-5 Years Rs.'000	Over 5 Years Rs.'000	Total Rs.'000
Assets								
Cash at banks and in hand	693,270	693,270	-	-	-	-	-	693,270
Financial assets recognised through profit or loss - measured at fair value	7,395,142	5,728,621	-	-	307,901	874,749	483,871	7,395,142
Financial assets - fair value through other comprehensive income	7,500	-	-	-	7,500	-	-	7,500
Financial assets at amortised cost	4,229,645	4,157,642	66,542	5,461	-	-	-	4,229,645
Amounts due from related companies	24,365	24,365	-	-	-	-	-	24,365
Total	12,349,922	10,603,898	66,542	5,461	315,401	874,749	483,871	12,349,922
Liabilities								
Bank overdrafts	86,764	86,764	-	-	-	-	-	86,764
Derivative financial instruments	-	-	-	-	-	-	-	-
Lease Liabilities	1,029	-	180	575	395	-	-	1,150
Trade and other payables	1,107,881	1,107,881	-	-	-	-	-	1,107,881
Short term borrowings	8,509,733	-	8,272,735	236,998	-	-	-	8,509,733
Long term borrowings	1,201,241	-	222,767	252,200	806,200	105,580	-	1,386,747
Borrowings on debentures	2,027,346	-	-	2,203,984	-	-	-	2,203,984
Amounts due to related companies	10,203	10,203	-	-	-	-	-	10,203
Total	12,944,197	1,204,848	8,495,682	2,693,757	806,595	105,580	-	13,306,462

49.3 Credit Risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's advances to clients, investment in corporate debt securities, investment in reverse repo agreements and forward transactions.

Management of credit risk includes the following components:

- Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counter parties.
- Reviewing compliance through regular audits by internal audit.

49 FINANCIAL RISK MANAGEMENT (Contd.)

49.3.1 Credit risk exposure - Cash at bank and in hand

Credit risk exposure of cash at bank and cash in hand is depicted in the below table using carrying values as at the Statement of Financial Position date.

31 March,	Rating	Rating Agency	Group		Company	
			2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Bank of Ceylon PLC	AA-	Fitch	4,123	3,215	333	336
Commercial Bank of Ceylon PLC	AA-	Fitch	85,286	575,698	66,954	573,221
DFCC Bank PLC	A	Fitch	108	15	3	5
Hatton National Bank PLC	AA-	Fitch	32,597	138,113	5,195	116,946
National Development Bank PLC	A	Fitch	516	2,045	505	2,027
Nations Trust Bank PLC	A	Fitch	18,292	741	6	6
Pan Asia Bank Corporation PLC	BBB	Fitch	48	154	-	-
People's Bank PLC	AA-	Fitch	1,604	407	1,512	315
Sampath Bank PLC	AA-	Fitch	44,597	182,999	-	-
Seylan Bank PLC	A+	Fitch	349,627	230,715	134	414
Union Bank of Colombo PLC	BBB-	Fitch	456	-	-	-
Cargills Bank PLC	A	Fitch	3	-	-	-
Total Exposure to credit Risk			537,257	1,134,102	74,642	693,270
Central Bank of Sri Lanka			6,162	8,753	-	-
Cash in hand			295	293	-	-
Cash and Cash Equivalents			543,714	1,143,148	74,642	693,270

49 FINANCIAL RISK MANAGEMENT (Contd.)

49.3.2 Credit Quality by Class of Financial Assets

Group - As at 31 March 2026	12 Month Expected Credit losses Rs.'000	Life Time Expected Credit losses Not Credit Impaired Rs.'000	Life Time Expected Credit losses Credit Impaired Rs.'000	Total Rs.'000
Assets				
Financial assets at amortised cost	10,961,443	-	108,120	11,069,563
Other financial assets (Trade receivables)	837,014	-	63,508	900,522
Total financial assets	11,798,457	-	171,628	11,970,085
Group - As at 31 March 2025	12 Month Expected Credit losses Rs.'000	Life Time Expected Credit losses Not Credit Impaired Rs.'000	Life Time Expected Credit losses Credit Impaired Rs.'000	Total Rs.'000
Assets				
Financial assets at amortised cost	7,570,896	-	108,120	7,679,016
Other financial assets (Trade receivables)	616,821	-	63,508	680,329
Total financial assets	8,187,717	-	171,628	8,359,345
Company - As at 31 March 2026	12 Month Expected Credit losses Rs.'000	Life Time Expected Credit losses Not Credit Impaired Rs.'000	Life Time Expected Credit losses Credit Impaired Rs.'000	Total Rs.'000
Assets				
Financial assets at amortised cost	4,003,454	-	5,000	4,008,454
Total financial assets	4,003,454	-	5,000	4,008,454

Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

Company - As at 31 March 2025	12 Month Expected Credit losses	Life Time Expected Credit losses Not Credit Impaired	Life Time Expected Credit losses Credit Impaired	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets				
Financial assets at amortised cost	4,229,929	-	5,000	4,234,929
Total financial assets	4,229,929	-	5,000	4,234,929

49.3.3 Credit quality analysis of financial investments

As at 31 March 2026		Group				Company			
		Amortised Cost	FVTPL	FVTOCI	Total	Amortised Cost	FVTPL	FVTOCI	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Government securities*	Risk free	6,159,730	47,438,317	-	53,598,047	-	-	-	-
Debt instruments having credit ratings**									
AA+ to A+	Low risk	-	2,178,172	-	2,178,172	-	2,178,172	-	2,178,172
A to BBB-	Medium risk	1,170,924	1,644,408	-	2,815,332	-	1,644,408	-	1,644,408
Below BBB-	High risk	2,676,075	-	-	2,676,075	-	-	-	-
Fixed deposits									
AA+ to A+	Low risk	7,899	-	-	7,899	5,744	-	-	5,744
A to BBB-	Medium risk	84,108	-	-	84,108	79,108	-	-	79,108
Below BBB-	High risk	-	-	-	-	-	-	-	-
Unit Trust**									
Government securities*	Risk free	-	58,739	-	58,739	-	-	-	-
AA+ to A+	Low risk	-	11,480	-	11,480	-	-	-	-
A to BBB-	Medium risk	-	69,547	-	69,547	-	-	-	-
Below BBB-	High risk	-	-	-	-	-	-	-	-
		10,098,736	51,400,663	-	61,499,399	84,852	3,822,580	-	3,907,432

49 FINANCIAL RISK MANAGEMENT (Contd.)

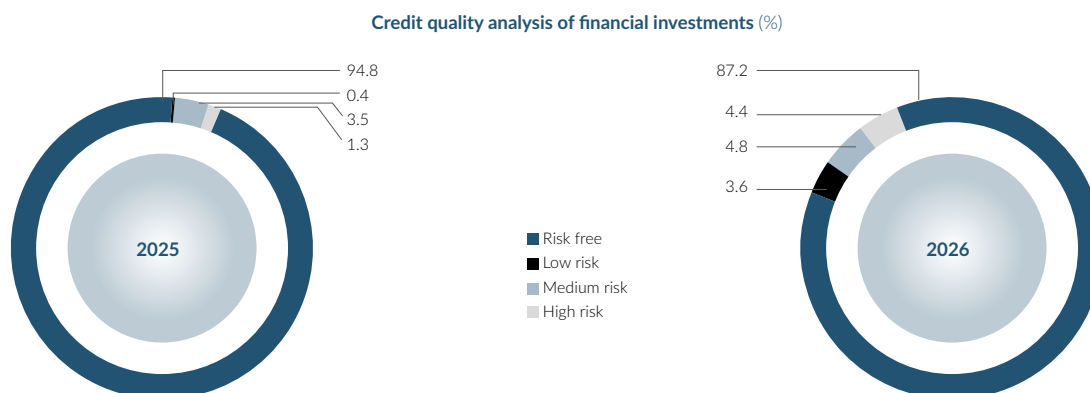
49.3.3 Credit quality analysis of financial investments (Contd.)

As at 31 March 2025		Group				Company			
		Amortised Cost	FVTPL	FVTOCI	Total	Amortised Cost	FVTPL	FVTOCI	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Government securities*	Risk free	3,304,664	78,107,520	-	81,412,184	-	-	-	-
Debt instruments having credit ratings**									
AA+ to A+	Low risk	-	307,901	-	307,901	-	307,901	-	307,901
A to BBB-	Medium risk	1,525,997	1,358,620	-	2,884,617	-	1,358,620	-	1,358,620
Below BBB-	High risk	1,153,796	-	-	1,153,796	-	-	-	-
Fixed deposits									
AA+ to A+	Low risk	11,915	-	-	11,915	5,460	-	-	5,460
A to BBB-	Medium risk	71,644	-	-	71,644	66,543	-	-	66,543
Below BBB-	High risk	-	-	-	-	-	-	-	-
Unit Trust**									
Government securities*	Risk free	-	137,173	-	137,173	-	-	-	-
AA+ to A+	Low risk	-	1,916	-	1,916	-	-	-	-
A to BBB-	Medium risk	-	39,768	-	39,768	-	-	-	-
Below BBB-	High risk	-	-	-	-	-	-	-	-
		6,068,016	79,952,898	-	86,020,914	72,003	1,666,521	-	1,738,524

* This includes government securities' investments and repo investments under government securities

** This includes only investment in Debentures, Commercial Papers, Trust Certificates and Securitised Papers which are having credit rating and does not include equity investments.

*** Credit ratings of unit trust investments are based on the ratings on underline instruments of the respective unit funds.



Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

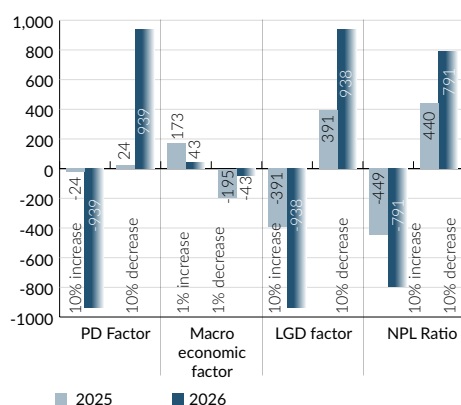
49.3.4 Sensitivity of ECL to future economic conditions

The Group has estimated the impairment provision on financial investments as at 31 March 2026, subject to various assumptions. The following table demonstrates the sensitivity of the impairment provision of the Group as at 31 March 2026 and 2025 to a feasible change in the following variables assuming all other variables remain constant.

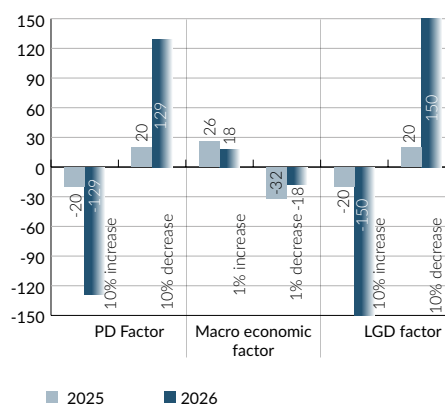
Sensitivity of ECL

As at 31 March,	Group				Company			
	2026		2025		2026		2025	
	Effect on total assets Rs. '000	Effect on PBT Rs. '000	Effect on total assets Rs. '000	Effect on PBT Rs. '000	Effect on total assets Rs. '000	Effect on PBT Rs. '000	Effect on total assets Rs. '000	Effect on PBT Rs. '000
Increase/ decrease in PD :								
10% increase	(939)	(1,341)	(24)	(34)	(129)	(184)	(20)	(29)
10% decrease	939	1,341	24	34	129	184	20	29
Change in macro economic variables:								
1% increase	43	61	173	247	18	26	26	37
1% decrease	(43)	(61)	(195)	(279)	(18)	(26)	(32)	(46)
Increase/ decrease in LGD :								
10% increase	(938)	(1,340)	(391)	(559)	(150)	(214)	(20)	(29)
10% decrease	938	1,340	391	559	150	214	20	29
Increase/ decrease in NPL Ratio :								
10% increase	(7 91)	(1,130)	(449)	(641)	Nil	Nil	Nil	Nil
10% decrease	791	1,130	440	629	Nil	Nil	Nil	Nil

Effect on total asset due to Sensitivity of ECL (Group) (Rs.'000)



Effect on total asset due to Sensitivity of ECL (Company) (Rs.'000)



49.4 Analysis of Concentration Risk

Investment concentration risk is arising due to concentration of a single counterparty, sector, one geographic area or one type of security. It also may be defined as less diversification of investment portfolio. The following table shows the risk concentration by sector for the components of the Statement of Financial Position.

Risk response

- Clearly defined single party limits are continuously monitored and periodically reviewed.
- Assets allocation limits are regularly reviewed by the Risk Officer.
- The Company ensures that an acceptable level of risk diversification is maintained on an ongoing basis.

Group - As at 31 March 2026	Cash at Banks and in Hand	Derivative Financial Instruments	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Other Financial Assets (Trade Receivables-Net)	Amounts due from related companies	Total Financial Assets
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sector Wise Breakdown								
Government	11,889	10,440	47,438,317	6,159,730	-	-	-	53,620,376
Corporate	531,530	-	11,406,255	3,866,903	7,500	-	2,283	15,814,471
Others	295	-	-	925,219	-	837,014	-	1,762,528
Total	543,714	10,440	58,844,572	10,951,852	7,500	837,014	2,283	71,197,375
Group - As at 31 March 2025	Cash at Banks and in Hand	Derivative Financial Instruments	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Other Financial Assets (Trade Receivables-Net)	Amounts due from related companies	Total Financial Assets
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sector Wise Breakdown								
Government	12,375	2,820	78,107,520	3,304,664	-	-	-	81,427,379
Corporate	1,130,480	-	8,670,293	4,196,542	37,467	459,637	32	14,494,451
Others	293	-	-	64,108	-	157,184	-	221,585
Total	1,143,148	2,820	86,777,813	7,565,314	37,467	616,821	32	96,143,415

Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

Company - As at 31 March 2026	Cash at Banks and in Hand	Derivative Financial Instruments	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Other Financial Assets (Trade Receivables- Net)	Amounts due from related companies	Total Financial Assets
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sector Wise Breakdown								
Government	1,845	-	-	-	-	-	-	1,845
Corporate	72,797	-	9,453,436	4,001,957	7,500	-	19,209	13,554,899
Others	-	-	-	-	-	-	-	-
Total	74,642	-	9,453,436	4,001,957	7,500	-	19,209	13,556,744
Company - As at 31 March 2025	Cash at Banks and in Hand	Derivative Financial Instruments	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Other Financial Assets (Trade Receivables- Net)	Amounts due from related companies	Total Financial Assets
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Sector Wise Breakdown								
Government	651	-	-	-	-	-	-	651
Corporate	692,619	-	7,395,142	4,229,645	7,500	-	24,365	12,349,271
Others	-	-	-	-	-	-	-	-
Total	693,270	-	7,395,142	4,229,645	7,500	-	24,365	12,349,922

49.4.1 Exposure to investment concentration risk and diversification of investment portfolio

Maximum exposure to investment concentration risk and diversification of investment portfolio is summarised in the below table.

Investment exposure

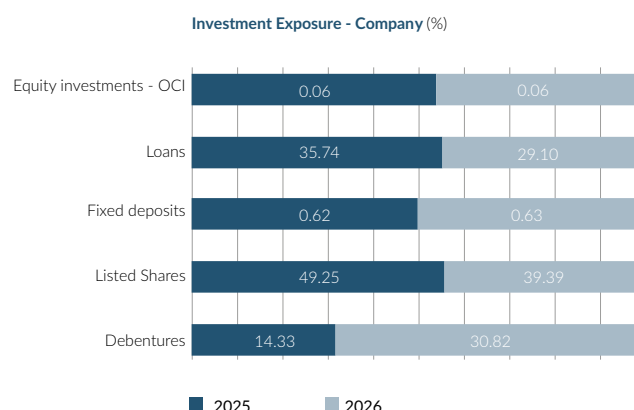
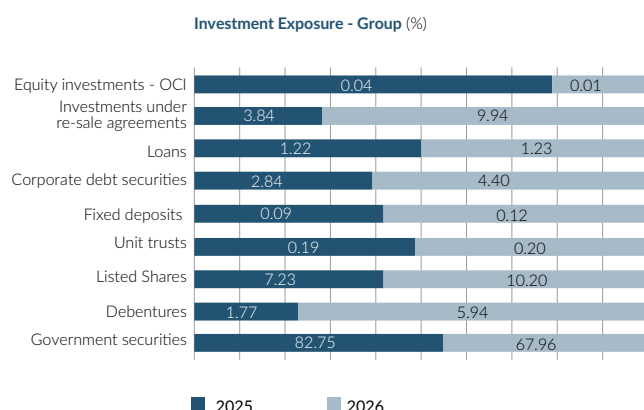
As at 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Government securities				
Treasury bonds	47,379,492	77,378,212	-	-
Treasury bills	58,825	729,308	-	-
	47,438,317	78,107,520	-	-
Debentures				
Diversified financials	2,710,506	1,379,651	2,710,506	1,379,651
Non bank financials and insurance	288,937	286,870	288,937	286,870
Banks	1,150,318	-	1,150,318	-
	4,149,761	1,666,521	4,149,761	1,666,521
Listed Shares				
Insurance	1,673,458	964,121	-	-
Banks	4,181,275	5,759,070	4,181,275	5,728,621
Capital goods	1,122,400	-	1,122,400	-
Diversified financials	85,104	41,055	-	-
Materials	54,491	60,669	-	-
	7,116,728	6,824,915	5,303,675	5,728,621
Unit trusts				
Licensed Unit Trusts	139,766	178,857	-	-
	139,766	178,857	-	-
Total financial assets at FVTPL	58,844,572	86,777,813	9,453,436	7,395,142
Fixed deposits				
Licensed commercial banks	87,007	83,559	84,852	72,003
	87,007	83,559	84,852	72,003
Corporate debt securities				
Diversified financials	2,514,757	2,113,629	-	-
Insurance	90,610	566,164	-	-
Others	465,093	-	-	-
	3,070,460	2,679,793	-	-
Loans				
Others	858,116	1,154,115	3,917,105	4,157,642

Notes to the Financial Statements Contd.

49 FINANCIAL RISK MANAGEMENT (Contd.)

As at 31 March,	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
	858,116	1,154,115	3,917,105	4,157,642
Investments under re-sale agreements				
Banks	-	228,301	-	-
Others	6,936,269	3,419,546	-	-
	6,936,269	3,647,847	-	-
Total financial assets at amortised cost	10,951,852	7,565,314	4,001,957	4,229,645
Equity investments				
Diversified Financials	-	29,967	-	-
Others	7,500	7,500	7,500	7,500
	7,500	37,467	7,500	7,500
Total exposure	10,959,352	7,602,781	4,009,457	4,237,145

49.4.1.a Exposure to investment concentration risk and diversification of investment portfolio contd.



49.4.2 Portfolio diversification of listed equity investments which were recognised at FVTPL (Sector analysis)

Group

Listed Shares	GICS - Industry Group	2026		2025	
		Amount	%	Amount	%
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Janashakthi Insurance PLC	Insurance	1,673,458	23.51	964,121	14.13
National Development Bank PLC	Banks	-	-	30,449	0.45
Janashakthi Finance PLC	Diversified Financials	85,104	1.20	41,055	0.60
Dipped Products PLC	Materials	54,491	0.77	60,669	0.89
Hatton National Bank PLC	Banks	1,478,700	20.78	2,318,000	33.96
Commercial Bank of Ceylon PLC	Banks	1,532,345	21.53	2,187,370	32.05
Sampath Bank PLC	Banks	628,311	8.83	1,223,251	17.92
John Keells Holdings PLC	Capital Goods	1,122,400	15.77	-	-
Seylan Bank PLC	Banks	541,919	7.61	-	-
Total		7,116,728	100.00	6,824,915	100.00

Company

Listed Shares	GICS - Industry Group	2026		2025	
		Amount	%	Amount	%
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Hatton National Bank PLC	Banks	1,478,700	27.88	2,318,000	40.47
Commercial Bank of Ceylon PLC	Banks	1,532,345	28.89	2,187,370	38.18
Sampath Bank PLC	Banks	628,311	11.85	1,223,251	21.35
John Keells Holdings PLC	Capital Goods	1,122,400	21.16	-	-
Seylan Bank PLC	Banks	541,919	10.22	-	-
Total		5,303,675	100.00	5,728,621	100.00

49 FINANCIAL RISK MANAGEMENT (Contd.)

49.5 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group'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
- Documentation of controls and procedures.
- Development of business contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Group'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 business units with summaries submitted to the Audit Committee.

49.6 Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk includes the following elements:

- The operational authority for managing market risk is vested with the The Investment, Asset and Liability Committee (IALCO).
- Interest rate risk is managed within the approved limits by the IALCO.

49.6.1 Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments are as follows:

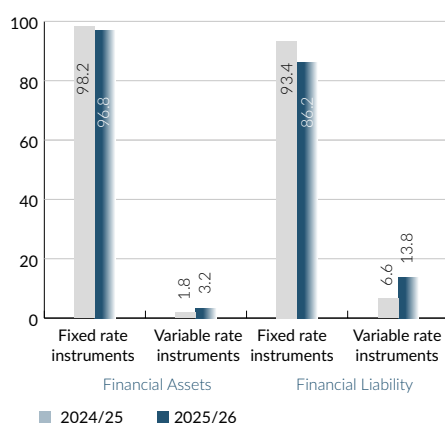
	Group		Company	
	Carrying Amount		Carrying Amount	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
As at 31 March,				
Fixed rate instruments				
Financial assets recognised through profit or loss -measured at fair value				
Investment in government securities	47,438,317	78,107,520	-	-
Investment in debentures	3,070,765	1,358,620	3,070,765	1,358,620
	50,509,082	79,466,140	3,070,765	1,358,620
Financial assets at amortised cost				
Investment in commercial papers	707,957	1,821,344	-	-
Investment in securitised papers	754,437	-	-	-
Investment in trust certificates	1,322,705	858,449	-	-
Investment in fixed deposits	87,007	83,559	84,852	72,003
Investment in unlisted debenture	285,361	-	-	-
Securities purchase under re-sale agreements	6,936,269	3,647,847	-	-
Staff loan	94,489	53,956	-	-
	10,188,225	6,465,155	84,852	72,003
Total fixed rate financial assets	60,697,307	85,931,295	3,155,617	1,430,623
Financial liabilities				
Securities sold under re-purchase agreements	44,069,015	73,109,134	-	-
Borrowings on corporate debt securities	2,367,065	4,506,779	2,574,121	5,707,480
Borrowings on debentures	6,437,393	1,341,235	3,127,234	1,339,253
	52,873,473	78,957,148	5,701,355	7,046,733
Total fixed rate financial liabilities	52,873,473	78,957,148	5,701,355	7,046,733

Notes to the Financial Statements Contd.

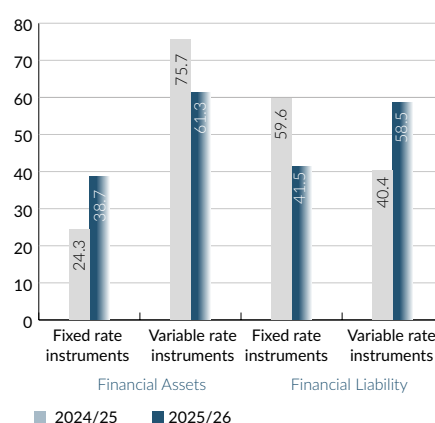
49 FINANCIAL RISK MANAGEMENT (Contd.)

As at 31 March,	Group		Company	
	Carrying Amount		Carrying Amount	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Variable rate instruments				
Financial assets recognised through profit or loss -measured at fair value				
Derivative assets	10,440	2,820	-	-
Investment in debentures	1,078,996	307,901	1,078,996	307,901
Investment in unit trust	139,766	178,857	-	-
	1,229,202	489,578	1,078,996	307,901
Financial assets at amortised cost				
Short term lending	763,627	1,100,159	3,917,105	4,157,642
	763,627	1,100,159	3,917,105	4,157,642
Total variable rate financial assets	1,992,829	1,589,737	4,996,101	4,465,543
Financial liabilities				
Derivative liabilities	1,818	768	-	-
Bank overdrafts	766,424	226,379	766,424	86,764
Short term borrowings	6,001,271	3,503,206	5,551,188	2,802,253
Long term borrowings	1,719,119	1,201,241	1,719,119	1,201,241
Borrowings on debentures	4,544	688,093	4,544	688,093
	8,493,176	5,619,687	8,041,275	4,778,351
Total variable rate financial liabilities	8,493,176	5,619,687	8,041,275	4,778,351

Fixed rate and variable rate composition - Group (%)



Fixed rate and variable rate composition - Company (%)



49.6.1.1 Fair value sensitivity analysis for fixed rate instruments

The Group does account for fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would affect profit or loss of the Group.

A reasonably possible 1% change interest rates at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates remain constant.

Fixed rate instruments - Group

2025/26	Profit or loss		Equity, net of tax	
	1% Decrease	1% Increase	1% Decrease	1% Increase
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets recognised through profit or loss -measured at fair value				
- Derivative assets	11,185	(2,952)	7,830	(2,066)
- Government Securities	1,833,639	(1,737,032)	1,283,547	(1,215,922)
- Investment in debentures	56,302	(54,222)	39,411	(37,955)
	1,901,126	(1,794,206)	1,330,788	(1,255,943)
Financial liabilities				
Derivative financial liabilities	(62)	(7,764)	(43)	(5,435)
	(62)	(7,764)	(43)	(5,435)

Fixed rate instruments - Company

2025/26	Profit or loss		Equity, net of tax	
	1% Decrease	1% Increase	1% Decrease	1% Increase
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets recognised through profit or loss -measured at fair value				
- Investment in debentures	56,302	(54,222)	39,411	(37,955)
	56,302	(54,222)	39,411	(37,955)

49 FINANCIAL RISK MANAGEMENT (Contd.)

Interest rate risk (Contd.)

49.6.1.2 Cash flow sensitivity analysis for variable rate instruments

A reasonably possible 1% change interest rates at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables.

Variable rate instruments - Group

2025/26	Profit or loss		Equity, net of tax	
	1% Decrease	1% Increase	1% Decrease	1% Increase
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets recognised through profit or loss -measured at fair value				
- Investment in debenture	30,063	(28,725)	21,044	(20,108)
- Investment in unit trust	(1,398)	1,398	(979)	979
	28,665	(27,327)	20,065	(19,129)

Variable rate instruments - Company

2025/26	Profit or loss		Equity, net of tax	
	1% Decrease	1% Increase	1% Decrease	1% Increase
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets recognised through profit or loss -measured at fair value				
- Investment in debenture	30,063	(30,063)	21,044	(21,044)

49.6.2 Equity risk

The Group's exposure to equity risk stems from its investments in equity securities that primarily allocate funds to equities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices of equities.

The Group manages the equity risk through diversification and placing limits on individual and total equity portfolio investments to mitigate potential losses, and optimise risk-adjusted returns in line with the overall business objectives and risk appetite.

Sensitivity analysis of equity risk

The following table shows the estimated impact on profitability and equity by fluctuation of stock market prices by 10% at the reporting date, assuming that all the other variables remain constant.

Group

Listed Shares	GICS - Industry Group	Type of classification	2025/26 Impact on PBT		2024/25 Impact on PBT	
			+10%	-10%	+10%	-10%
Janashakthi Insurance PLC	Insurance	FVTPL	167,346	(167,346)	96,412	(96,412)
National Development Bank PLC	Banks	FVTPL	-	-	3,045	(3,045)
Janashakthi Finance PLC	Diversified Financials	FVTPL	8,510	(8,510)	4,106	(4,106)
Dipped Products PLC	Materials	FVTPL	5,449	(5,449)	6,067	(6,067)
Hatton National Bank PLC	Banks	FVTPL	147,870	(147,870)	231,800	(231,800)
Commercial Bank of Ceylon PLC	Banks	FVTPL	153,235	(153,235)	218,737	(218,737)
Sampath Bank PLC	Banks	FVTPL	62,831	(62,831)	122,325	(122,325)
John Keells Holdings PLC	Capital Goods	FVTPL	112,240	(112,240)	-	-
Seylan Bank PLC	Banks	FVTPL	54,192	(54,192)	-	-
			711,673	(711,673)	682,492	(682,492)

Company

Listed Shares	GICS - Industry Group	Type of classification	2025/26 Impact on PBT		2024/25 Impact on PBT	
			+10%	-10%	+10%	-10%
Hatton National Bank PLC	Banks	FVTPL	147,870	(147,870)	231,800	(231,800)
Commercial Bank of Ceylon PLC	Banks	FVTPL	153,235	(153,235)	218,737	(218,737)
Sampath Bank PLC	Banks	FVTPL	62,831	(62,831)	122,325	(122,325)
John Keells Holdings PLC	Capital Goods	FVTPL	112,240	(112,240)	-	-
Seylan Bank PLC	Banks	FVTPL	54,192	(54,192)	-	-
			530,368	(530,368)	572,862	(572,862)

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT

Accounting Policy

Fair value is the amount for which an asset could be exchanged, or a liability is settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of the principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level - 1 Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

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 Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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 Inputs that are unobservable

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.

Group has not transferred any financial assets during the year 2025/26.

Following table represents the fair value measurement of the Group according to fair value hierarchy

Financial instrument category	Fair value basis	Fair value hierarchy
Government securities		
Treasury Bills	Valued using the CBSL yield curve	Level 1*
Treasury Bonds	Valued using the CBSL yield curve	Level 1*
Investment in Listed Shares		
Listed shares - FVTPL	Closing market prices	Level 1
Listed shares - FVTOCI	Closing market prices	Level 1
Investment in units		
	Published net assets per unit	Level 2
Corporate debt		
Listed debentures	Published market prices/ Comparable market yield (Government Securities)	Level 1 & Level 2**
Unlisted debentures	Comparable market yield (Government Securities)	Level 2
Cash and cash equivalent	Amortised cost	Level 3
Fixed deposits	Amortised cost	Level 3
Commercial papers	Amortised cost	Level 3
Trust certificate	Amortised cost	Level 3
Securitised papers	Amortised cost	Level 3

CBSL - Central Bank of Sri Lanka

* Treasury bills and bonds denominated in local currency, issued by the Government of Sri Lanka, are classified under Stage 1 based on accounting by banking and finance industry guided by the Banking Act Direction No. 14 of 2021, issued by the Central Bank of Sri Lanka, applying a LGD of zero to these Government securities. Based on the continuous settlement of these securities by the Government and implications of the Domestic Debt Optimisation (which excluded these securities), the Company's overall Expected Credit Loss (ECL) on these instruments is also zero.

** Listed debentures have been classified under level 2 in the fair value hierarchy since there is no market trades and values based on comparable government securities' yields for these instruments even though such instruments are listed.

Notes to the Financial Statements Contd.

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (Contd.)

50.1 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 follow;

Group	As at 31.03.2026		As at 31.03.2025	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
Financial assets measured at fair value				
Derivative financial assets	10,440	10,440	2,820	2,820
Financial assets recognised through profit or loss - measured at fair value	58,844,572	58,844,572	86,777,813	86,777,813
Financial assets - fair value through other comprehensive income	7,500	7,500	37,467	37,467
	58,862,512	58,862,512	86,818,100	86,818,100
Financial assets not measured at fair value				
Cash at banks and in hand	543,714	543,714	1,143,148	1,143,148
Financial assets at amortised cost	10,951,852	10,951,852	7,565,314	7,565,314
Amounts due from related companies	2,283	2,283	32	32
Trade receivables	837,014	837,014	616,821	616,821
	12,334,863	12,334,863	9,325,315	9,325,315
Total financial assets	71,197,375	71,197,375	96,143,415	96,143,415
Financial liabilities measured at fair value				
Derivative financial liabilities	1,818	1,818	768	768
	1,818	1,818	768	768
Financial liabilities not measured at fair value				
Bank overdrafts	766,424	766,424	226,379	226,379
Amounts due to related companies	6,372	6,372	34,004	34,004
Trade and other payables	2,707,223	2,707,223	3,602,024	3,602,024
Securities sold under re-purchase agreements	44,069,015	44,047,302	73,109,134	73,307,931
Short term borrowings	8,368,336	8,368,336	8,009,985	8,009,985
Long term borrowings	1,719,119	1,719,119	1,201,241	1,201,241
Borrowings on debentures	6,441,937	6,521,207	2,029,328	1,997,624
	64,078,426	64,135,983	88,212,095	88,379,188
Total financial liabilities	64,080,244	64,137,801	88,212,863	88,379,956

50.1 Fair values versus the Carrying amounts (Contd.)

Company	As at 31.03.2026		As at 31.03.2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	9,453,436	9,453,436	7,395,142	7,395,142
Financial assets - fair value through other comprehensive income	7,500	7,500	7,500	7,500
	9,460,936	9,460,936	7,402,642	7,402,642
Financial assets not measured at fair value				
Cash at banks and in hand	74,642	74,642	693,270	693,270
Amounts due from related companies	19,209	19,209	24,365	24,365
Financial assets at amortised cost	4,001,957	4,001,957	4,229,645	4,229,645
	4,095,808	4,095,808	4,947,280	4,947,280
Total financial assets	13,556,744	13,556,744	12,349,922	12,349,922
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bank overdrafts	766,424	766,424	86,764	86,764
Amounts due to related companies	8,084	8,084	10,203	10,203
Trade and other payables	529,381	529,381	1,108,910	1,108,910
Short term borrowings	8,125,309	8,125,309	8,509,733	8,509,733
Long term borrowings	1,719,119	1,719,119	1,201,241	1,201,241
Borrowings on debentures	3,131,778	3,132,831	2,027,346	1,997,624
	14,280,095	14,281,148	12,944,197	12,914,475
Total financial liabilities	14,280,095	14,281,148	12,944,197	12,914,475

Notes to the Financial Statements Contd.

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (Contd.)

50.2 Financial instruments- Fair Value

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

Group - As at 31 March 2026	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Derivative financial assets					
Forward purchase contracts	2,302	2,302	-	-	2,302
Forward sale contracts	8,138	8,138	-	-	8,138
	10,440	10,440	-	-	10,440
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	47,438,317	47,438,317	-	-	47,438,317
Investment in debentures	4,149,761	774,596	3,375,165	-	4,149,761
Investment in unit trust	139,766	-	139,766	-	139,766
Investment in listed shares	7,116,728	7,116,728	-	-	7,116,728
	58,844,572	55,329,641	3,514,931	-	58,844,572
Financial assets - fair value through other comprehensive income	7,500	-	-	7,500	7,500
	58,852,072	55,329,641	3,514,931	7,500	58,852,072
Financial assets not measured at fair value					
Cash at banks and in hand	543,714	-	-	543,714	543,714
Financial assets at amortised cost	10,951,852	-	-	10,951,852	10,951,852
Amounts due from related companies	2,283	-	-	2,283	2,283
Trade receivables	837,014	-	-	837,014	837,014
	12,334,863	-	-	12,334,863	12,334,863
Total financial assets	71,197,375	55,340,081	3,514,931	12,342,363	71,197,375

Group - As at 31 March 2026	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial liabilities measured at fair value					
Derivative financial liabilities					
Forward sale contracts	1,818	1,818	-	-	1,818
	1,818	1,818	-	-	1,818
Financial liabilities not measured at fair value					
Bank overdrafts	766,424	-	-	766,424	766,424
Amounts due to related companies	6,372	-	-	6,372	6,372
Trade and other payables	2,707,223	-	-	2,707,223	2,707,223
Securities sold under re-purchase agreements	44,069,015	-	-	44,047,302	44,047,302
Short term borrowings	8,368,336	-	-	8,368,336	8,368,336
Long term borrowings	1,719,119	-	-	1,719,119	1,719,119
Borrowings on debentures	6,441,937	-	6,521,207	-	6,521,207
	64,078,426	-	6,521,207	57,614,776	64,135,983
Total financial liabilities	64,080,244	1,818	6,521,207	57,614,776	64,137,801

Notes to the Financial Statements Contd.

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (Contd.)

50.2 Financial instruments- Fair Value

Group - As at 31 March 2025	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Derivative financial assets					
Forward purchase contracts	6	6	-	-	6
Forward sale contracts	2,814	2,814	-	-	2,814
	2,820	2,820	-	-	2,820
Financial assets recognised through profit or loss -measured at fair value					
Investment in government securities	78,107,520	78,107,520	-	-	78,107,520
Investment in debentures	1,666,521	1,071,750	594,771	-	1,666,521
Investment in unit trust	178,857	-	178,857	-	178,857
Investment in listed shares	6,824,915	6,824,915	-	-	6,824,915
	86,777,813	86,004,185	773,628	-	86,777,813
Financial assets - fair value through other comprehensive income	37,467	29,967	-	7,500	37,467
	86,815,280	86,034,152	773,628	7,500	86,815,280
Financial assets not measured at fair value					
Cash at banks and in hand	1,143,148	-	-	1,143,148	1,143,148
Financial assets at amortised cost	7,565,314	-	-	7,565,314	7,565,314
Amounts due from related companies	32	-	-	32	32
Trade receivables	616,821	-	-	616,821	616,821
	9,325,315	-	-	9,325,315	9,325,315
Total financial assets	96,143,415	86,036,972	773,628	9,332,815	96,143,415

Group - As at 31 March 2026	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial liabilities measured at fair value					
Derivative financial liabilities					
Forward purchase contracts	768	768	-	-	768
Forward sale contracts	-	-	-	-	-
	768	768	-	-	768
Financial liabilities not measured at fair value					
Bank overdrafts	226,379	-	-	226,379	226,379
Amounts due to related companies	34,004	-	-	34,004	34,004
Trade and other payables	3,602,024	-	-	3,602,024	3,602,024
Securities sold under re-purchase agreements	73,109,134	-	-	73,307,931	73,307,931
Short term borrowings	8,009,985	-	-	8,009,985	8,009,985
Long term borrowings	1,201,241	-	-	1,201,241	1,201,241
Borrowings on debentures	2,029,328	-	1,997,624	-	1,997,624
	88,212,095	-	1,997,624	86,381,564	88,379,188
Total financial liabilities	88,212,863	768	1,997,624	86,381,564	88,379,956

Notes to the Financial Statements Contd.

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (Contd.)

50.2 Financial instruments- Fair Value

Company - As at 31 March 2026	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value					
Investment in listed shares	5,303,675	5,303,675	-	-	5,303,675
Investment in debentures	4,149,761	774,596	3,375,165	-	4,149,761
	9,453,436	6,078,271	3,375,165	-	9,453,436
Financial assets - fair value through other comprehensive income	7,500	-	-	7,500	7,500
	9,460,936	6,078,271	3,375,165	7,500	9,460,936
Financial assets not measured at fair value					
Cash at banks and in hand	74,642	-	-	74,642	74,642
Amounts due from related companies	19,209	-	-	19,209	19,209
Financial assets at amortised cost	4,001,957	-	-	4,001,957	4,001,957
	4,095,808	-	-	4,095,808	4,095,808
Total financial assets	13,556,744	6,078,271	3,375,165	4,103,308	13,556,744
Financial liabilities measured at fair value	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	766,424	-	-	766,424	766,424
Amounts due to related companies	8,084	-	-	8,084	8,084
Trade and other payables	529,381	-	-	529,381	529,381
Short term borrowings	8,125,309	-	-	8,125,309	8,125,309
Long term borrowings	1,719,119	-	-	1,719,119	1,719,119
Borrowings on debentures	3,131,778	-	3,132,831	-	3,132,831
	14,280,095	-	3,132,831	11,148,317	14,281,148
Total financial liabilities	14,280,095	-	3,132,831	11,148,317	14,281,148

Company - As at 31 March 2025	Total Carrying Amount	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets - fair value through other comprehensive income					
Investment in listed shares	5,728,621	5,728,621	-	-	5,728,621
Investment in debentures	1,666,521	1,071,750	594,771	-	1,666,521
	7,395,142	6,800,371	594,771	-	7,395,142
Financial assets - fair value through other comprehensive income	7,500	-	-	7,500	7,500
	7,402,642	6,800,371	594,771	7,500	7,402,642
Financial assets not measured at fair value					
Cash at banks and in hand	693,270	-	-	693,270	693,270
Amounts due from related companies	24,365	-	-	24,365	24,365
Financial assets at amortised cost	4,229,645	-	-	4,229,645	4,229,645
	4,947,280	-	-	4,947,280	4,947,280
Total financial assets	12,349,922	6,800,371	594,771	4,954,780	12,349,922
Financial liabilities measured at fair value					
	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	86,764	-	-	86,764	86,764
Amounts due to related companies	10,203	-	-	10,203	10,203
Trade and other payables	1,108,910	-	-	1,108,910	1,108,910
Short term borrowings	8,509,733	-	-	8,509,733	8,509,733
Long term borrowings	1,201,241	-	-	1,201,241	1,201,241
Borrowings on debentures	2,027,346	-	1,997,624	-	1,997,624
	12,944,197	-	1,997,624	10,916,851	12,914,475
Total financial liabilities	12,944,197	-	1,997,624	10,916,851	12,914,475

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (Contd.)

50.3 Measurement of fair values

50.3.(a) Valuation techniques and significant unobservable inputs

The following table show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant Unobservable Inputs	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Listed debentures	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the remaining maturities of the respective debentures is interpolated in the valuation considering the investee companies' risk premiums.	Risk premium of the investee companies (lies between 1.65% and 4.33%)	The estimated fair value would increase/decrease if risk premium of the investee company is lower or higher.
Unlisted Debentures	The valuation module is based on invested Value plus accrued interest.	Not applicable	Not applicable
Unit Trusts	The fair values are based on the Net Asset Values published by the respective unit trusts (Note 41).	Not applicable	Not applicable
Equity Securities (Financial assets - fair value through other comprehensive income)	The fair values are based on the price to book value approach (PBV 1 times).	Discounting factor used to arrive the unlisted price	The estimated fair value would increase/decrease if the discounting factor used by investor company is lower or higher.

50.3.(b) Fair Values - Level 2 and Level 3

50.3.(b).(i) Reconciliation of level 2 and level 3 fair values (Group)

The following table shows a reconciliation from the opening balance to the closing balances for Level 2 and Level 3 fair values.

	Debentures	Unit Trust	Equity Securities (Financial assets - FVTOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31 March 2025	594,771	178,857	7,500	781,128
Purchase	2,178,533	518,744	-	2,697,277
Sales/ Maturities/ Redemptions	(546,460)	(576,897)	-	(1,123,357)
Interest accrued (net of coupon receipt)	56,828	-	-	56,828
Gain on fair valuation of financial investments	19,743	19,062	-	38,805
Transferred to level 1	1,071,750	-	-	1,071,750
Balance as at 31 March 2026	3,375,165	139,766	7,500	3,522,431

50.3.(b).(ii) Reconciliation of level 2 and level 3 fair values (Company)

The following table shows a reconciliation from the opening balance to the closing balances for Level 2 and Level 3 fair values.

	Debentures	Unit Trust	Equity Securities (Financial assets - FVTOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31 March 2025	594,771	-	7,500	602,271
Purchase	2,178,533	-	-	2,178,533
Sales/ Maturities/ Redemptions	(546,460)	-	-	(546,460)
Interest accrued (net of coupon receipt)	56,828	-	-	56,828
Gain on fair valuation of financial investments	19,743	-	-	19,743
Transferred from level 1	1,071,750	-	-	1,071,750
Balance as at 31 March 2026	3,375,165	-	7,500	3,382,665

50.4. (a) Sensitivity analysis on Debentures (Group / Company)

Sensitivity of the market yield (effect on statement of profit or loss and other comprehensive income) is as follows.

	(-) 1% Decrease	(-) 2% Decrease	(+) 1% Increase	(+) 2% Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
LOLC Holdings PLC	15,898	32,582	(15,155)	(29,610)
Asia Asset Finance PLC	1,139	2,286	(1,130)	(2,252)
Siyapatha Finance PLC	6,749	13,746	(6,511)	(12,795)
Vallibel Finance PLC	8,953	18,268	(8,610)	(16,894)
Seylan Bank PLC	11,642	23,828	(11,134)	(21,788)
Alliance Finance Company PLC	3,328	6,785	(3,205)	(6,292)
LOLC Finance PLC	9,732	19,590	(9,607)	(19,091)
Union Bank of Colombo PLC	28,924	59,251	(27,595)	(53,927)
	86,365	176,336	(82,947)	(162,649)

50.4. (b) Sensitivity analysis on Unit Trust (Group)

Sensitivity of the unit price (effect on statement of profit or loss and other comprehensive income) Increase/ (Reduction) in results for the year

	(-) 1% Decrease	(-) 2% Decrease	(+) 1% Increase	(+) 2% Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Money Market Fund	(906)	(1,812)	906	1,812
First Capital Equity Fund	(492)	(984)	492	984
	(1,398)	(2,796)	1,398	2,796

Notes to the Financial Statements Contd.

51 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS

Analysis of Financial Instruments by Measurement Basis

Accounting Policy

Financial instruments in the Statement of Financial Position are measured on an ongoing basis either at fair value or at amortised cost. The Accounting Policies describe how each category of financial instrument is measured and how income and expenses, including fair value gains and losses are recognised. The following tables analyse the carrying amount of the financial instruments by category as defined in Sri Lanka Accounting Standard SLFRS 9 - 'Financial Instruments' under headings of the SOFP.

Group - As at 31 March 2026	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets - FVTPL	58,844,572	-	-	58,844,572	58,844,572
Derivative Financial assets	10,440	-	-	10,440	10,440
Financial assets - FVTOCI	-	-	7,500	7,500	7,500
	58,855,012	-	7,500	58,862,512	58,862,512
Financial assets not measured at fair value					
Cash at banks and in hand	-	543,714	-	543,714	543,714
Amounts due from related companies	-	2,283	-	2,283	2,283
Financial assets at amortised cost	-	10,951,852	-	10,951,852	10,951,852
Trade receivables	-	837,014	-	837,014	837,014
	-	12,334,863	-	12,334,863	12,334,863
Total financial assets	58,855,012	12,334,863	7,500	71,197,375	71,197,375
Financial liabilities measured at fair value					
Derivative financial liabilities	1,818	-	-	1,818	1,818
	1,818	-	-	1,818	1,818
Financial liabilities not measured at fair value					
Bank overdrafts	-	766,424	-	766,424	766,424
Amounts due to related companies	-	6,372	-	6,372	6,372
Trade and other payables	-	2,707,223	-	2,707,223	2,707,223
Securities sold under re-purchase agreements	-	44,069,015	-	44,069,015	44,047,302
Short term borrowings	-	8,368,336	-	8,368,336	8,368,336
Long term borrowings	-	1,719,119	-	1,719,119	1,719,119
Borrowings on debentures	-	6,441,937	-	6,441,937	6,521,207
	-	64,078,426	-	64,078,426	64,135,983
Total financial liabilities	1,818	64,078,426	-	64,080,244	64,137,801

Group - As at 31 March 2025	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets - FVTPL	86,777,813	-	-	86,777,813	86,777,813
Derivative financial assets	2,820	-	-	2,820	2,820
Financial assets - FVTOCI	-	-	37,467	37,467	37,467
	86,780,633	-	37,467	86,818,100	86,818,100
Financial assets not measured at fair value					
Cash at banks and in hand	-	1,143,148	-	1,143,148	1,143,148
Amounts due from related companies	-	32	-	32	32
Financial assets at amortised cost	-	7,565,314	-	7,565,314	7,565,314
Trade receivables	-	616,821	-	616,821	616,821
	-	9,325,315	-	9,325,315	9,325,315
Total financial assets	86,780,633	9,325,315	37,467	96,143,415	96,143,415
Financial liabilities measured at fair value					
Derivative financial liabilities	768	-	-	768	768
	768	-	-	768	768
Financial liabilities not measured at fair value					
Bank overdrafts	-	226,379	-	226,379	226,379
Amounts due to related companies	-	34,004	-	34,004	34,004
Trade and other payables	-	3,602,024	-	3,602,024	3,602,024
Securities sold under re-purchase agreements	-	73,109,134	-	73,109,134	73,307,931
Short term borrowings	-	8,009,985	-	8,009,985	8,009,985
Long term borrowings	-	1,201,241	-	1,201,241	1,201,241
Borrowings on debentures	-	2,029,328	-	2,029,328	1,997,624
	-	88,212,095	-	88,212,095	88,379,188
Total financial liabilities	768	88,212,095	-	88,212,863	88,379,956

Notes to the Financial Statements Contd.

51 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (Contd.)

Company - As at 31 March 2026	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets - FVTPL	9,453,436	-	-	9,453,436	9,453,436
Financial assets - FVTOCI	-	-	7,500	7,500	7,500
	9,453,436	-	7,500	9,460,936	9,460,936
Financial assets not measured at fair value					
Cash at banks and in hand	-	74,642	-	74,642	74,642
Amounts due from related companies	-	19,209	-	19,209	19,209
Financial assets at amortised cost	-	4,001,957	-	4,001,957	4,001,957
	-	4,095,808	-	4,095,808	4,095,808
Total financial assets	9,453,436	4,095,808	7,500	13,556,744	13,556,744
Financial liabilities not measured at fair value					
Bank overdrafts	-	766,424	-	766,424	766,424
Amounts due to related companies	-	8,084	-	8,084	8,084
Trade and other payables	-	529,381	-	529,381	529,381
Short term borrowings	-	8,125,309	-	8,125,309	8,125,309
Long term borrowing	-	1,719,119	-	1,719,119	1,719,119
Borrowings on debentures	-	3,131,778	-	3,131,778	3,132,831
	-	14,280,095	-	14,280,095	14,281,148
Total financial liabilities	-	14,280,095	-	14,280,095	14,281,148

Company - As at 31 March 2025	Financial assets/ liabilities - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Financial assets - FVTPL	7,395,142	-	-	7,395,142	7,395,142
Financial assets - FVTOCI	-	-	7,500	7,500	7,500
	7,395,142	-	7,500	7,402,642	7,402,642
Financial assets not measured at fair value					
Cash at banks and in hand	-	693,270	-	693,270	693,270
Amounts due from related companies	-	24,365	-	24,365	24,365
Financial assets at amortised cost	-	4,229,645	-	4,229,645	4,229,645
	-	4,947,280	-	4,947,280	4,947,280
Total financial assets	7,395,142	4,947,280	7,500	12,349,922	12,349,922
Financial liabilities not measured at fair value					
Bank overdrafts	-	86,764	-	86,764	86,764
Amounts due to related companies	-	10,203	-	10,203	10,203
Trade and other payables	-	1,108,910	-	1,108,910	1,108,910
Short term borrowings	-	8,509,733	-	8,509,733	8,509,733
Long term borrowing	-	1,201,241	-	1,201,241	1,201,241
Borrowings on debentures	-	2,027,346	-	2,027,346	1,997,624
	-	12,944,197	-	12,944,197	12,914,475
Total financial liabilities	-	12,944,197	-	12,944,197	12,914,475

52 SEGMENT REPORTING

Information about reportable segments

Group's activities have been segregated into four different segments (Primary Dealer, Corporate Finance, Asset Management, Stock Brokering) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as to make decisions about resource allocation.

Segment information is presented in respect of the Group's business segments as per SLFRS 8. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

	Primary Dealer		Corporate Finance	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net trading income	4,610,763	4,671,818	1,468,606	1,138,732
Other income/ (expense)	26,553	54,239	505,991	4,456
Gain/ (Loss) on financial assets FVTPL	(1,524,148)	626,919	418,156	2,147,443
Operating expenses	(743,205)	(880,910)	(1,279,330)	(1,170,432)
(Provision)/ Reversal for impairment	-	-	(5,109)	51,774
Operating profit/ (loss)	2,369,963	4,472,066	1,108,314	2,171,973
Taxation	(763,551)	(1,429,636)	(177,866)	55,886
Profit/ (Loss) for the year	1,606,412	3,042,430	930,448	2,227,859
Other comprehensive income/ (expense)	(383)	90	(7,306)	32,049
Total comprehensive income/ (loss)	1,606,029	3,042,520	923,142	2,259,908

	Primary Dealer		Corporate Finance	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total assets	54,794,137	83,144,761	29,723,641	24,264,170
Total liabilities	47,144,780	74,023,433	19,669,657	15,154,350
Net assets	7,649,357	9,121,328	10,053,984	9,109,820

	Primary Dealer		Corporate Finance	
	April ~ March		April ~ March	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net cash flows generated from/ (used) operating activities	(117,052)	5,701,420	54,195	7,017,017
Net cash flows generated from/ (used) investing activities	(5,335)	(373,717)	437,510	382,742
Net cash flows generated from/ (used) in financing activities	(78,000)	(5,120,760)	(1,318,250)	(5,476,248)
Net cash flow generated from/ (used) during the year	(200,387)	206,943	(826,545)	1,923,511

Primary Dealer - This represents primary dealer operations in Government Securities.

Corporate Finance - This denotes corporate finance advisory services and investments.

	Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	416,346	412,871	905,413	412,676	246,282	(212,383)	7,647,410	6,423,714
	1,048	-	-	295	(502,860)	(1,652)	30,732	57,338
	17,432	21,113	-	-	(238)	145	(1,088,798)	2,795,620
	(311,380)	(281,415)	(548,801)	(304,980)	(154,655)	(5,665)	(3,037,371)	(2,643,402)
	-	-	-	-	1,100	210	(4,009)	51,984
	123,446	152,569	356,612	107,991	(410,371)	(219,345)	3,547,964	6,685,254
	(39,936)	(46,474)	(114,136)	(37,726)	(347,306)	(210,669)	(1,442,795)	(1,668,619)
	83,510	106,095	242,476	70,265	(757,677)	(430,014)	2,105,169	5,016,635
	760	(654)	(734)	552	(24,966)	(12,369)	(32,629)	19,668
	84,270	105,441	241,742	70,817	(782,643)	(442,383)	2,072,540	5,036,303

	Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	231,229	321,852	1,897,141	1,342,364	(12,430,940)	(9,738,102)	74,215,208	99,335,045
	62,535	124,762	1,365,794	984,519	(2,705,085)	(720,986)	65,537,681	89,566,078
	168,694	197,090	531,347	357,845	(9,725,855)	(9,017,116)	8,677,527	9,768,967

	Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	April ~ March		April ~ March		April ~ March		April ~ March	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	118,574	16,369	227,652	250,085	(2,779,678)	(4,035,509)	(2,496,309)	8,949,382
	(4,116)	(16,116)	40,971	(81,630)	(9,175)	-	459,855	(88,721)
	(112,665)	-	81,712	(13,063)	2,324,178	4,021,440	896,975	(6,588,631)
	1,793	253	350,335	155,392	(464,675)	(14,069)	(1,139,479)	2,272,030

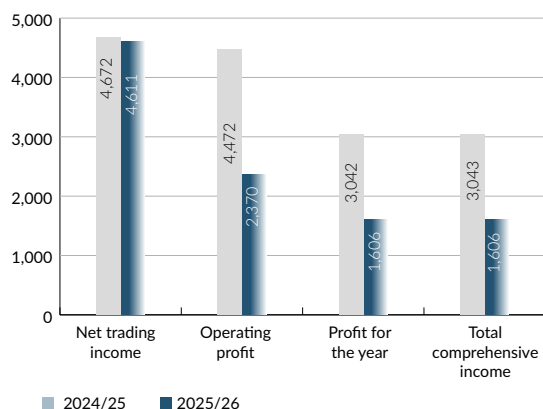
Asset Management - This denotes management of discretionary investment portfolios and management of unit trust.

Stock Brokering - This represents stock broking operations (listed equities and listed debts).

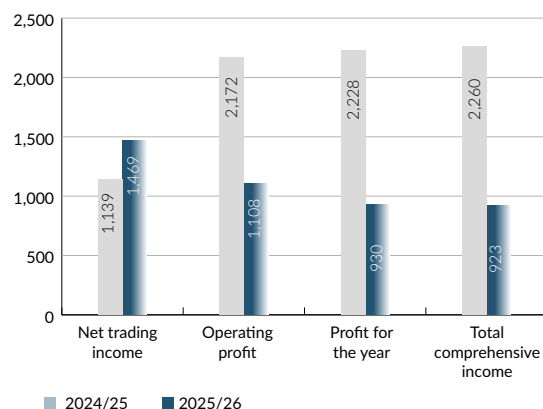
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52 SEGMENT REPORTING (Contd.)

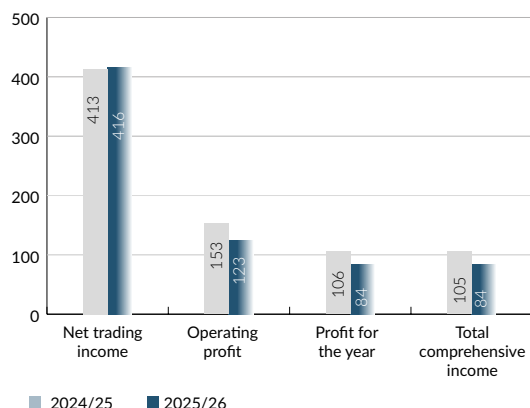
Primary Dealer (Rs. Mn)



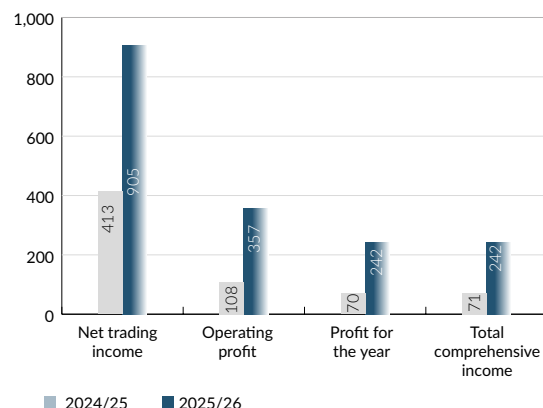
Corporate Finance (Rs. Mn)



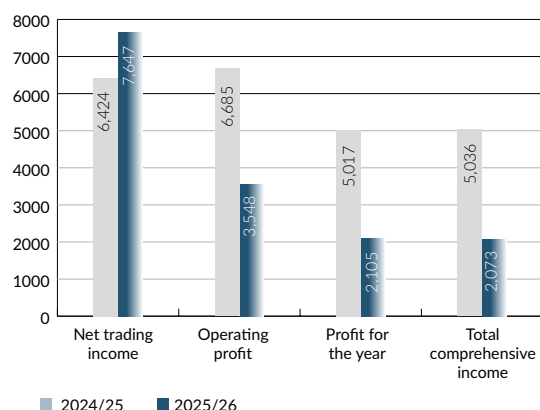
Asset Management (Rs. Mn)

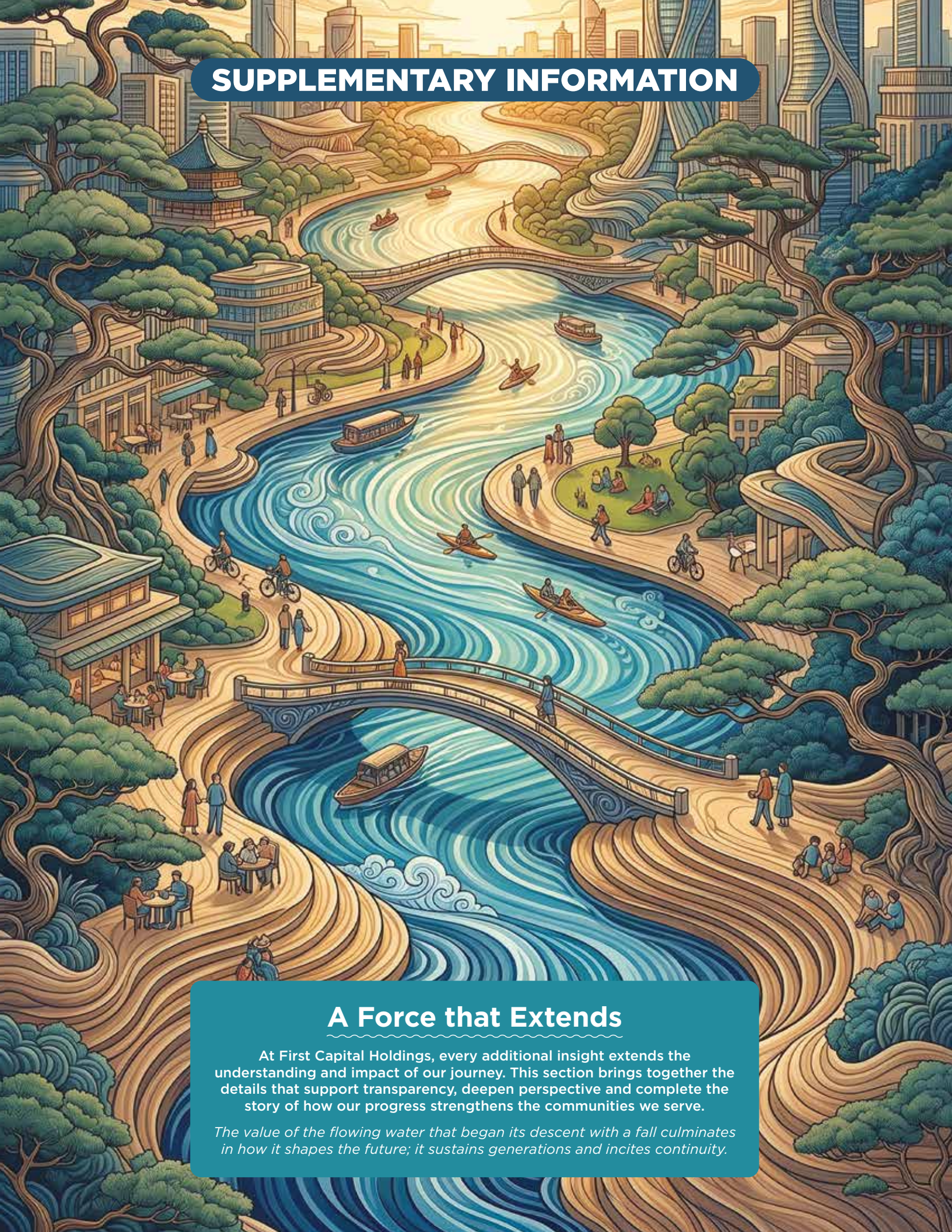


Stock Brokering (Rs. Mn)



Consolidated (Rs. Mn)





SUPPLEMENTARY INFORMATION

A Force that Extends

At First Capital Holdings, every additional insight extends the understanding and impact of our journey. This section brings together the details that support transparency, deepen perspective and complete the story of how our progress strengthens the communities we serve.

The value of the flowing water that began its descent with a fall culminates in how it shapes the future; it sustains generations and incites continuity.

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Investor Information

1. STOCK EXCHANGE LISTING

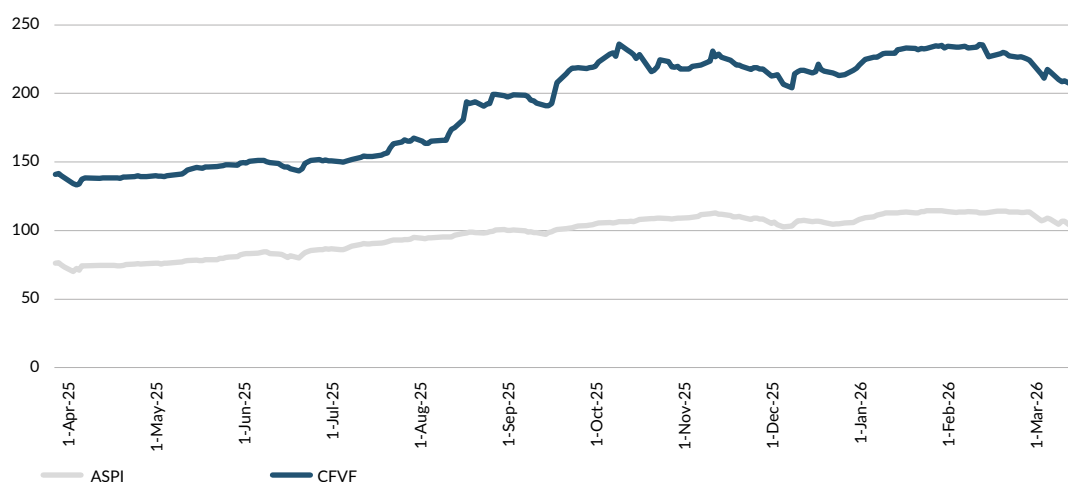
Security Type	Quoted Ordinary Shares
Listed Exchange	Colombo Stock Exchange (CSE) – Diri savi board
Featured stock indices	All Share Price Index (ASPI) Standard & Poor's Sri Lanka 20 (S&P SL20)
GICS Sector Classification	Diversified Financial Sector
CSE stock symbol	CFVF.N0000
ISIN	LK0222N00006

2. CSE PERFORMANCE

2.1. Performance of Top 5 Sectors Based on Index Value

SECTOR	INDEX VALUE		CHANGE %
	31/03/2026	31/03/2025	
Commercial and Professional Services	2,386.10	1,462.47	63.16%
Real Estate Management and Development	3,286.41	1,336.68	145.86%
Health Care Equipment and Services	1,700.28	1,151.14	47.70%
Telecommunication Services	2,490.83	1,273.33	95.62%
Insurance	2,572.30	2,059.76	24.88%

ASPI Vs CFV indexed to 100



3. ANALYSIS OF SHARE MARKET PERFORMANCE AND FIRST CAPITAL HOLDINGS PLC'S SHARE PERFORMANCE

3.1 Performance of Global Equity Markets

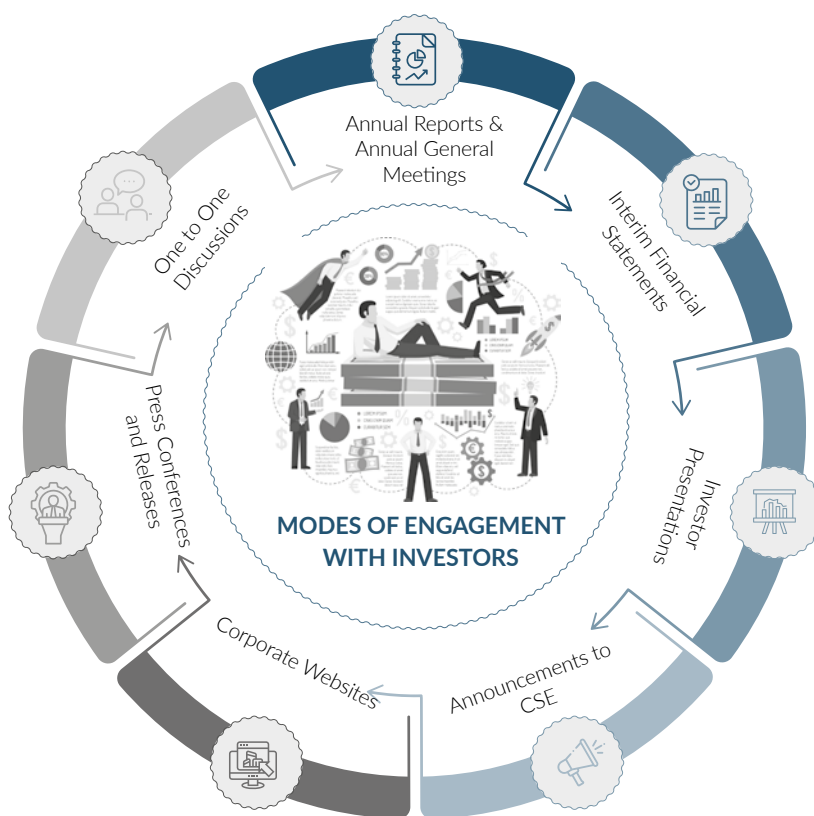
Global equity markets recorded a robust performance during the year under review, notwithstanding episodes of heightened volatility arising from tariff-related tensions and broader geopolitical developments. The S&P 500 advanced by approximately 26%, supported by resilient corporate earnings growth, particularly within the technology sector, alongside continued momentum in artificial intelligence-related investments. In Europe, the Euro Stoxx 50 gained 13%, underpinned by strength in key sectors and relative currency stability. Across Asia, Japan's Nikkei 225 outperformed significantly, rising by 58%, driven by ongoing corporate governance reforms, improved shareholder returns, and strong demand linked to AI-led growth themes. Meanwhile, Hong Kong's Hang Seng Index posted a 10% increase, supported by policy easing measures and renewed investor interest in technology-oriented sectors.

3.2 Performance of the Colombo Stock Exchange

The Colombo Stock Exchange recorded a strong upward trajectory during the early part of the year, achieving multiple record highs before moderating towards the latter part of the period amid rising geopolitical tensions in the Middle East and concerns over global crude oil price volatility. The All Share Price Index (ASPI) rose by 32%, reaching an all-time high of 23,992 points in January 2026, while the S&P SL20 Index gained 24%, peaking at 6,750 points in February 2026. Market performance was primarily driven by a broad-based recovery in corporate earnings, supported by a stable interest rate environment and easing inflationary pressures. Improved external sector stability, the relaxation of vehicle import restrictions, and a recovery in private sector credit growth further supported business activity, enhanced margins, and strengthened overall investor sentiment.

3.3 Performance of the FCH Share

The share price of First Capital Holdings experienced notable volatility during the period under review, ultimately closing the year with a gain of over 51.4%. Following the policy rate cut in May 2025, yields on government securities fell sharply, resulting in substantial trading gains in the first quarter of FY2025/26. However, as yields later stabilised and gradually increased, trading opportunities became more limited, leading to a softer performance in the subsequent quarters. The stock peaked at Rs. 70.0 per share in October 2025 and recorded a low of Rs. 33.3 per share in June 2025. More recently, share prices have declined amid escalating geopolitical tensions in the Middle East.



4. DISTRIBUTION OF SHAREHOLDING

No. of Shares held	31 March 2026				31 March 2025			
	Shareholders Number	%	Holding Number	%	Shareholders Number	%	Holding Number	%
1-1,000	4,877	42.58	1,420,596	0.35	2,936	32.78	875,051	0.22
1,001 - 10,000	5,578	48.69	14,805,867	3.66	4,980	55.58	13,087,729	3.23
10,001 - 100,000	909	7.94	24,622,486	6.08	952	10.62	27,137,372	6.70
100,001 - 1,000,000	79	0.69	21,165,781	5.23	81	0.90	19,917,741	4.92
Over 1,000,000	12	0.10	342,985,270	84.69	11	0.12	343,982,107	84.93
Total	11,455	100.00	405,000,000	100.00	8,960	100.00	405,000,000	100.00

5. ANALYSIS OF SHAREHOLDING

Category of Shareholders	31 March 2026				31 March 2025			
	Shareholders Number	%	Holding Number	%	Shareholders Number	%	Holding Number	%
Individual	11,231	98.04	59,898,371	14.79	8,711	97.22	60,086,436	14.84
Institution	224	1.96	345,101,629	85.21	249	2.78	344,913,564	85.16
Total	11,455	100.00	405,000,000	100.00	8,960	100.00	405,000,000	100.00
Resident	11,415	99.65	403,909,235	99.73	8,938	99.75	404,401,847	99.85
Non-resident	40	0.35	1,090,765	0.27	22	0.25	598,153	0.15
Total	11,455	100.00	405,000,000	100.00	8,960	100.00	405,000,000	100.00

6. PUBLIC SHAREHOLDING

	31/03/2026	31/03/2025
Number of shares held by the public	89,055,458	68,769,040
Percentage held by the public	16.98%	16.98%
Float adjusted market capitalisation	3,644,759,120	2,400,039,496

Number of public shareholders as at 31 March 2026 is 11,445.

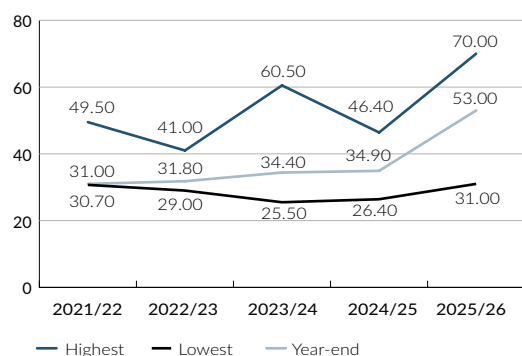
The Company is complied with the Minimum Public Holding requirement under option 1 of the Section 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

7. SHARE PRICE MOVEMENT IN LAST FIVE YEARS - CHARTS & GRAPHS

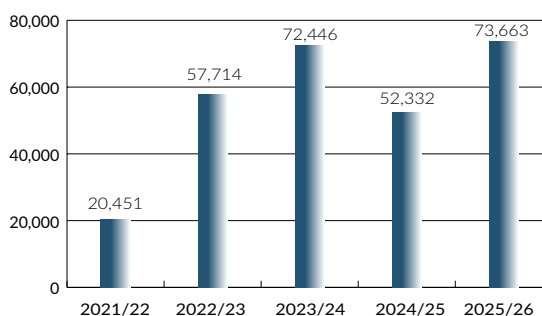
	2025/26 Rs.	2024/25 Rs.	2023/24 Rs.	2022/23 Rs.	2021/22 Rs.
Highest	70.00	46.40	60.50	41.00	49.50
Lowest	31.00	26.40	25.50	29.00	30.70
Year-end	53.00	34.90	34.40	31.80	31.00

Investor Information

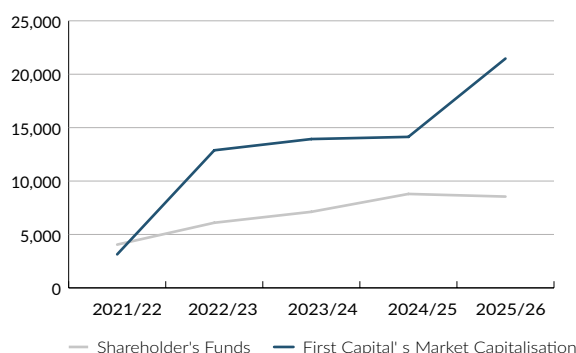
Share Price Movement (Rs.)



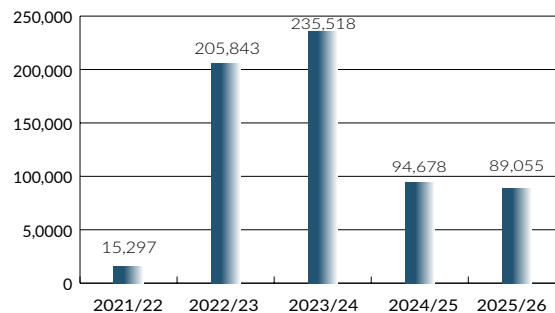
Number of transactions (Rs.)



Market Capitalisation Vs. Shareholder's Funds (Rs. Mn)



Number of shares traded



8. SHARE TRADING DETAILS

	2025/26	2024/25	2023/24	2022/23	2021/22
Number of transactions	73,663	52,332	72,446	57,714	20,451
Number of shares traded	89,055,458	94,677,972	235,518,075	205,843,267	15,296,586
Value of shares traded (Rs.)	4,829,439,961	3,453,609,663	9,432,656,661	5,065,789,919	727,084,953
Market capitalisation (Rs.)	21,465,000,000	14,134,500,000	13,932,000,000	12,879,000,000	3,138,750,000

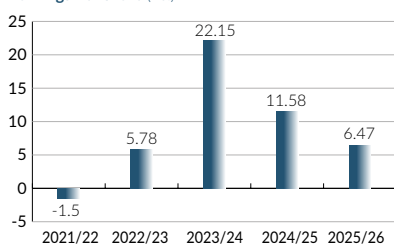
9. INFORMATION OF FIRST CAPITAL HOLDINGS PLC'S MARKET CAPITALISATION AND SHAREHOLDER'S FUNDS

	First Capital's Market Capitalisation	Shareholder's Funds
2026	21,465,000	8,545,953
2025	14,134,500	8,792,690
2024	13,932,000	7,118,998
2023	12,879,000	6,095,162
2022	3,138,750	4,050,675

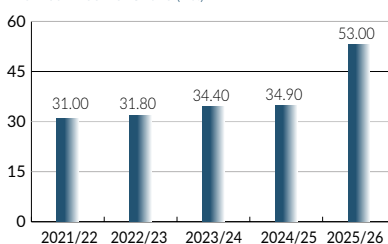
10. KEY SHAREHOLDERS RETURN INDICATORS

For the year ended 31 March,	2026	2025	2024	2023	2022
Earnings Per Share	6.47	11.58	22.15	5.78	(1.50)
Market Price Per Share	53.00	34.90	34.40	31.80	31.00
Net Assets Per Share	21.10	21.71	17.58	15.05	10.00
Return On Equity	30.24%	58.97%	135.77%	46.16%	-14.11%
Total Shareholder's Funds	8,545,953	8,792,690	7,118,998	6,095,162	4,050,675

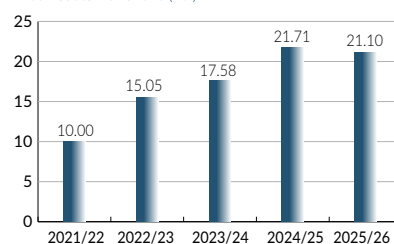
Earnings Per Share (Rs.)



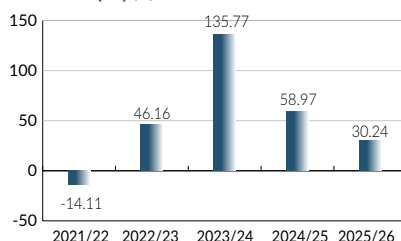
Market Price Per Share (Rs.)



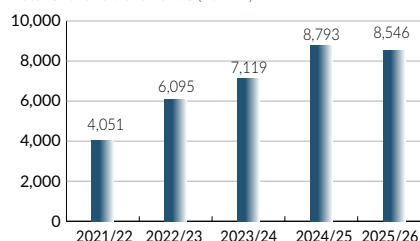
Net Assets Per Share (Rs.)



Return on Equity (%)



Total Shareholder's Funds (Rs. Mn)



11. DIRECTORS SHAREHOLDING INCLUDING CEO

As at,	No. of Shares 31.03.2026
Mr. Dilshan Wirasekara	Nil
Mr. Ramesh Schaffter	Nil
Ms. Manjula Mathews	Nil
Mr. Kuda Banda Herath	Nil
Mr. Rajendra Theagarajah	Nil
Ms. Rachini Rajapaksa	Nil
Ms. Inoshini Perera	Nil
Mr. Dilendra Wimalasekera	Nil

* Resigned with effect from 1 January 2024

** Appointed with effect from 29 April 2024

*** Resigned with effect from 8 January 2024

As at,	No. of Shares 31.03.2025
Mr. Nishan Fernando	N/A
Mr. Dilshan Wirasekara	Nil
Mr. Ramesh Schaffter	Nil
Ms. Manjula Mathews	Nil
Mr. Chandana de Silva	N/A
Mr. Kuda Banda Herath**	Nil
Ms. Minette Perera*	Nil
Dr. Nishan de Mel*	Nil
Mr. Prakash Schaffter (Alternate director to Mr. Ramesh Schaffter)***	Nil

12. TOP TWENTY SHAREHOLDERS

Name of the Shareholder		No. of Shares as at 31 March 2026	Holding (%)
1	1.1 Hatton National Bank PLC/Janashakthi Limited	120,000,000	29.63
	1.2 Seylan Bank PLC/Janashakthi Insurance PLC	101,201,799	24.99
	1.3 Commercial Bank of Ceylon PLC/Janashakthi Limited	34,735,000	8.58
	1.4 Janashakthi Ltd Account No. 1	34,397,240	8.49
	1.5 Pan Asia Banking Corporation PLC/Janashakthi Limited	20,900,000	5.16
	1.6 Union Bank of Colombo Limited/Janashakthi Limited	13,500,000	3.33
	1.7 Sanasa Development Bank PLC/ Janashakthi Limited	7,460,361	1.84
	1.8 Nations Trust Bank PLC/Janashakthi Limited	4,000,000	0.99
2	Mr. A. J. Tissera	3,271,820	0.81
3	Dr. S. N. Samarasinghe	1,400,050	0.35
4	Miss. D. R. Edussuriya	1,089,000	0.27
5	Mr. W. A. P. D. M. Wickramatunga	1,030,000	0.25
6	Mr. N. D. Kurukulasuriya	835,344	0.21
7	Hatton National Bank PLC/Weththinge Jinadasa	668,910	0.17
8	Seylan Bank PLC/Andaradeniya Estate (Pvt) Ltd	602,542	0.15
9	Mrs. P. M. Tissera	573,400	0.14
10	Bank of Ceylon A/C Ceybank Unit Trust	542,018	0.13
11	Ranavav Holdings (Pvt) Ltd	531,204	0.13
12	Dialog Finance PLC / Jayanetti Koralage Dilrukshi Jayatillake and Anura Jayatillake	517,562	0.13
13	Mr. R. V. D. Piyathilake	500,050	0.12
14	Assetline Finance PLC/J.A.S.Priyantha	500,000	0.12
14	Mr. S. Sivajeevan	500,000	0.12
16	Mrs. F. S. Sabry	497,612	0.12
17	Mr. S. A. Thalangama	481,686	0.12
18	Mr. C. L. De Silva	473,332	0.12
18	Mr. R.C. De Silva	473,332	0.12
18	Mrs. S.T. Wettimuny	473,332	0.12
		351,155,594	86.71
	Others	53,844,406	13.29
	Total	405,000,000	100.00

Name of the Shareholder		No. of Shares as at 31 March 2025	Holding (%)
1	1.1 Hatton National Bank PLC/ Janashakthi Limited	120,000,000	29.63
	1.2 Commercial Bank of Ceylon PLC/ Janashakthi Limited	46,235,000	11.42
	1.3 Seylan Bank PLC/ Janashakthi Limited (Collateral)	34,397,240	8.49
	1.4 Janashakthi Limited Account No. 1	27,360,361	6.76
	1.5 Pan Asia Banking Corporation PLC/ Janashakthi Limited	7,000,000	1.73
2	Seylan Bank PLC/ Janashakthi Insurance PLC	101,201,799	24.99
3	Mr. A. J. Tissera	2,791,825	0.69
4	Bank of Ceylon A/C Ceybank Unit Trust	1,596,737	0.39
5	Dr. S. N. Samarasinghe	1,300,000	0.32
6	Miss. D. R. Edussuriya	1,089,000	0.27
7	Mr. W. A. P. D. M. Wickramatunga	1,010,145	0.25
8	Mr. N. D. Kurukulasuriya	835,344	0.21
9	Mr. J. L. Wanduragala	565,173	0.14
10	Mr. D. S. R. Daranakumbura	533,621	0.13
11	Mr. M. S. Zarajudeen	525,521	0.13
12	Assetline Finance Limited / J. A. S. Priyantha	500,000	0.12
12	Mr. S. Sivajeevan	500,000	0.12
14	Mrs. P. M. Tissera	495,250	0.12
15	Mr. R. Kiriwaththuduwa Ravindra	476,005	0.12
16	Mr. C. L. De Silva	473,332	0.12
16	Mr. R. C. De Silva	473,332	0.12
16	Mrs. S. T. Wettimuny	473,332	0.12
19	DFCC Bank PLC/ Weththinge Jinadasa	448,800	0.11
20	Mr. G. N. R. De Silva	422,000	0.10
		350,703,817	86.60
	Others	54,296,183	13.40
	Total	405,000,000	100.00

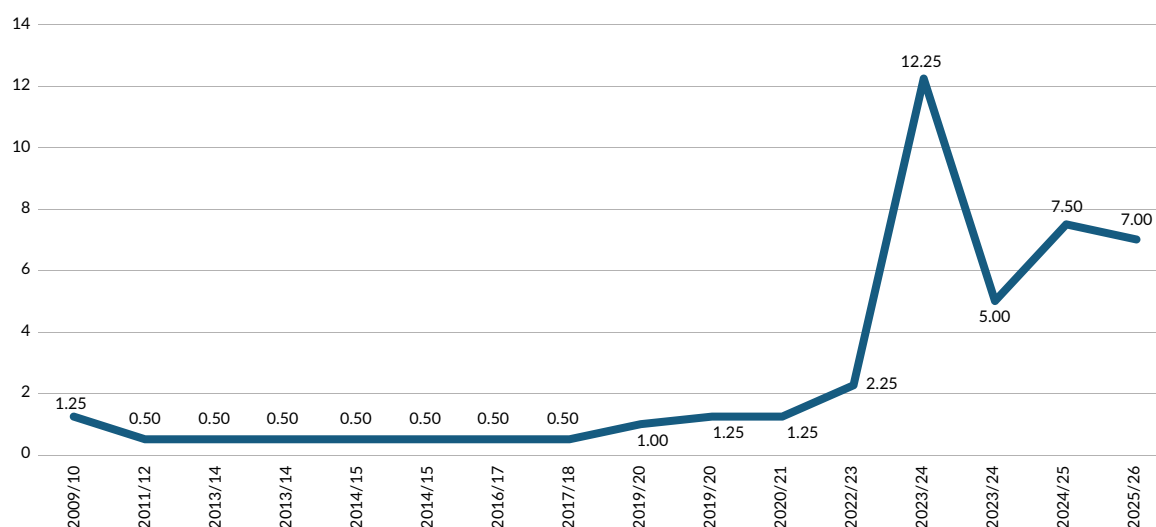
13. HISTORY OF DIVIDENDS

Information of the Company's historical dividend payments is presented below.

Payment made (Month/Year)	Dividend Type	Type of Declaration	Financial Year	Dividend per Share (Rs.)*	Number of Shares* ('000)	Total Dividend (Rs. '000)
October 2025	Cash dividend	Interim	2025/26	7.00	405,000	2,835,000
February 2025	Cash dividend	Interim	2024/25	7.50	405,000	3,037,500
April 2024	Cash dividend	2 nd Interim	2023/24	5.00	405,000	2,025,000
October 2023	Cash dividend	1 st Interim	2023/24	12.25	405,000	4,961,250
April 2023	Cash dividend	Interim	2022/23	2.25	405,000	911,250
April 2021*	Cash dividend	Interim	2020/21	1.25	405,000	506,250
June 2020	Cash dividend	2 nd Interim	2019/20	1.25	405,000	506,250
August 2019*	Cash dividend	Interim	2019/20	1.00	405,000	405,000
April 2018*	Cash dividend	Interim	2017/18	0.50	405,000	202,500
January 2017*	Cash dividend	Interim	2016/17	0.50	405,000	202,500
August 2015*	Cash dividend	Final	2014/15	0.50	405,000	202,500
February 2015*	Cash dividend	Interim	2014/15	0.50	405,000	202,500
September 2014*	Cash dividend	Final	2013/14	0.50	405,000	202,500
September 2013*	Cash dividend	Interim	2013/14	0.50	405,000	202,500
August 2011*	Cash dividend	Interim	2011/12	0.50	405,000	202,500
March 2010*	Cash dividend	Interim	2009/10	1.25	405,000	506,250

*Adjusted to standardise the effect on sub-division of shares executed in April 2022 (for comparison)

History of Dividends (Rs.)



Information on Listed Debentures

1. INFORMATION ON LISTED DEBENTURES

1.1 First Capital Holdings PLC

Date of Allotment	Debenture Type	Frequency on interest payment	No. of Debentures issued and allotted*	Face Value Rs. '000	Rate of Interest	Tenure	Date of Maturity
29 September 2025	Type A (Fixed Rate)	Annually	28,272,000	2,827,200	11.00% p.a. payable annually (AER -11.00%)	5 years	29 September 2030
29 September 2025	Type B (Fixed Rate)	Semi Annually	1,727,900	172,790	10.71% p.a. payable semi-annually (AER -11.00%)	5 years	29 September 2030
29 September 2025	Type C (Floating Rate)**	Annually	100	10	364 Days Treasury Bill + 2.00% p.a. payable and repriced annually	5 years	29 September 2030
Total			30,000,000	3,000,000			

* Listed, Rated, Senior, Unsecured, Redeemable Debentures.

** This reflects a Cap of 12% and Floor of 9%.

1.2 First Capital Treasuries PLC - Subsidiary

Allotment Date	Debenture Type	Frequency on Interest Payment	No. of Debentures issued and allotted*	Face Value Rs.000	Rate of Interest	Tenure	Date of Maturity
25 April 2025	B (Fixed Rate)	Semi annually	5,456,700	545,670	11.66% (AER - 12.00%)	5 Years	24 April 2030
25 April 2025	B (Fixed Rate)	Semi annually	5,456,700	545,670	11.66% (AER - 12.00%)	5 Years	24 April 2030
25 April 2025	C (Floating Rate)	Annually	40,200	4,020	364 Days Treasury Bill + 2.25%	5 Years	24 April 2030
Total			30,000,000	3,000,000			

* Listed, Rated, Subordinated, Unsecured, Redeemable Debentures.

2. OBJECTIVES OF THE DEBENTURE ISSUE

2.1. Objectives of the Listed Debentures Issue of First Capital Holdings PLC

To refinance short-term bank borrowing

Objectives as per Prospects	Amount allocated as per Prospectus in Rs. '000	Proposed date of utilisation as per prospectus	Amount allocated from proceeds in Rs. '000 (A)	% of Total proceeds	Amount Utilised in Rs. '000 (B)	% of Utilisation against allocation (B/A)	Clarification if not fully utilised including where the funds are invested
1. To refinance short-term bank borrowings	3,000,000	Within a period of 12 months from the date of allotment	3,000,000	100%	3,000,000	100%	-

Information on Listed Debentures

2. OBJECTIVES OF THE DEBENTURE ISSUE (Contd.)

2.2 Objectives of the Listed Debenture issue of First Capital Treasuries PLC

Objectives as per Prospects	Amount allocated as per Prospectus in Rs. '000	Proposed date of utilisation as per prospectus	Amount allocated from proceeds in Rs. '000 (A)	% of Total proceeds	Amount Utilised in Rs. '000 (B)	% of Utilisation against allocation (B/A)	Clarification if not fully utilised including where the funds are invested
1.To improve the tier II capital	Up to a maximum of LKR 3.0Bn	Upon the allotment of Debentures					
2.Invest in Government Securities		Within a period of 3 months from the date of allotment	3,000,000	100%	3,000,000	100%	-

3. MARKET VALUE

3.1 First Capital Holdings PLC

Debentures have not been traded during the period ended 31 March 2026. Hence, the par value has been recognised as respective market value.

2025/26	Type A - 5 year fixed rate (11 % p.a. payable annually)	Type B - 5 year fixed rate (10.71% p.a. payable semi-annually)	Type C - 5 year floating rate (364 Days Treasury Bill + 2.00% p.a. payable and repriced annually)
Highest market price	N/A	N/A	N/A
Lowest market price	N/A	N/A	N/A
Closing market price	N/A	N/A	N/A
Last trading price	N/A	N/A	N/A

3.2 First Capital Treasuries PLC

Debentures have not been traded during the period ended 31 March 2026. Hence, the par value has been recognised as respective market value.

2025/26	Type A - 5 year - Fixed rate (12.00 % p.a. payable annually)	Type B - 5 year - Fixed rate (11.66 % p.a. payable semi annually)	Type C - 5 year - Floating rate (364 Days treasury bill + 2.25% p.a. payable and repriced annually)
Highest market price	N/A	N/A	N/A
Lowest market price	N/A	N/A	N/A
Closing market price	N/A	N/A	N/A
Last trading price	N/A	N/A	N/A

3.2 Yield of comparable Government Securities (%)

	As at 31-03-2026	As at 31-03-2025
First Capital Holdings PLC		
Treasury Bond (maturity - 15 September 2030)	9.83%	N/A
First Capital Treasuries PLC		
5-year Treasury bond (maturity - 15 May 2030)	9.78%	N/A

4. DEBT RELATED RATIOS

4.1 (i) Debt Ratios - Group (Consolidated)

	As at 31-03-2026	As at 31-03-2025
Debt/equity ratio (times)	6.55	8.66
Quick asset ratio (times)	1.25	1.17
Interest cover (times)	1.38	1.90

4.1 (ii) Debt Ratios - Company (First Capital Holdings PLC)

	As at 31-03-2026	As at 31-03-2025
Debt/equity ratio (times)	1.61	1.34
Quick asset ratio (times)	1.44	1.41
Interest cover (times)	3.28	5.18

5. CREDIT RATING DESCRIPTION

5.1 First Capital Holdings PLC

Lanka Rating Agency Limited ("the Rating Agency") has reaffirmed the Entity Rating of "A+" with a "stable outlook" for First Capital Holdings PLC (the Company). The Rating agency has also reaffirmed the Issue Rating of "A+" with a "stable outlook" for the Company's. Senior Unsecured Redeemable Debentures and maintained "A1" (pronounced "single A one") for its Commercial Papers, with a "stable outlook".

5.2 First Capital Treasuries PLC

Lanka Rating Agency Limited has reaffirmed the Entity Rating of "A+" with a "stable outlook" for First Capital Treasuries PLC (listed subsidiary).

Quarterly Results

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR 2025/26 AND 2024/25

For the period	2025/26			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2025	30.09.2025	31.12.2025	31.03.2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income	4,131,981	3,884,936	3,922,928	3,155,906
Direct income	4,125,500	3,875,811	3,915,557	3,148,151
Direct expenses	(1,982,523)	(2,067,663)	(1,966,882)	(1,400,541)
Net trading income	2,142,977	1,808,148	1,948,675	1,747,610
Other income	6,481	9,126	7,371	7,754
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	1,279,718	302,980	(1,178,431)	(1,493,065)
	3,429,176	2,120,254	777,615	262,299
Operating expenses				
Administrative expenses	(437,652)	(593,200)	(393,822)	(196,757)
Sales and distribution expenses	(15,577)	(17,787)	(28,147)	(23,850)
Other operating expenses	(96,324)	(104,941)	(31,138)	(1,098,171)
(Provision)/Reversal impairment of financial assets at amortised cost	(2,117)	2,405	2,226	(6,528)
	(551,670)	(713,523)	(450,881)	(1,325,306)
Profit before tax	2,877,506	1,406,731	326,734	(1,063,007)
Income tax expense	(728,522)	(123,991)	(492,553)	(97,729)
Profit/(Loss) for the period	2,148,984	1,282,740	(165,819)	(1,160,736)
Other comprehensive income/ (loss)				
Items that will never be reclassified to profit or loss				
Actuarial (gain)/ loss on defined benefit plans	-	-	-	(946)
Gain/ (loss) on financial assets fair value through other comprehensive income	(14,984)	(9,983)	-	-
Gain on Revaluation of motor vehicle	-	-	-	-
Reversal of revaluation surplus on disposal	-	-	(7,000)	-
Tax effect on other comprehensive income	-	-	-	284
Other comprehensive income for the period	(14,984)	(9,983)	(7,000)	(662)
Total comprehensive income/ (loss) for the period	2,134,000	1,272,757	(172,819)	(1,161,398)
Profit/ (Loss) attributable to:				
Equity holders of the parent	1,983,343	1,280,503	(172,946)	(1,157,744)
Non - controlling interest	165,641	2,237	7,127	(2,992)
	2,148,984	1,282,740	(165,819)	(1,160,736)
Total comprehensive income/ (loss) attributable to:				
Equity holders of the parent	1,968,359	1,270,520	(179,946)	(1,158,375)
Non - controlling interest	165,641	2,237	7,127	(3,023)
	2,134,000	1,272,757	(172,819)	(1,161,398)

2024/25				
Quarter 1	Quarter2	Quarter 3	Quarter 4	
30.06.2024	30.09.2024	31.12.2024	31.03.2025	
Rs. '000	Rs. '000	Rs. '000	Rs. '000	
3,760,327	2,536,210	4,428,106	3,344,152	
3,752,139	2,529,976	4,422,005	3,307,337	
(1,835,149)	(1,905,968)	(2,165,266)	(1,681,360)	
1,916,990	624,008	2,256,739	1,625,977	
8,188	6,234	6,101	36,815	
(789,551)	130,775	3,529,196	(74,800)	
1,135,627	761,017	5,792,036	1,587,992	
(282,566)	(305,191)	(1,003,765)	(558,395)	
(1,204)	(1,242)	(10,726)	(42,010)	
(45,711)	(63,292)	(247,182)	(82,118)	
21,842	12,295	(64,395)	82,242	
(307,639)	(357,430)	(1,326,068)	(600,281)	
827,988	403,587	4,465,968	987,711	
(246,135)	(88,058)	(837,710)	(496,716)	
581,853	315,529	3,628,258	490,995	
-	-	-	(4,232)	
6,597	277	-	(19,244)	
-	-	-	35,000	
-	-	-	-	
-	-	-	1,270	
6,597	277	-	12,794	
588,450	315,806	3,628,258	503,789	
532,099	303,146	3,428,190	428,089	
49,754	12,383	200,068	62,906	
581,853	315,529	3,628,258	490,995	
538,696	303,423	3,428,190	440,882	
49,754	12,383	200,068	62,907	
588,450	315,806	3,628,258	503,789	

Quarterly Results

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR 2025/26 AND 2024/25 - COMPANY

For the period	2025/26			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2025 Rs. '000	30.09.2025 Rs. '000	31.12.2025 Rs. '000	31.03.2026 Rs. '000
Income	338,017	680,596	455,915	1,295,341
Direct income	338,017	680,596	455,784	1,295,255
Direct expenses	(244,936)	(298,784)	(358,445)	(371,150)
Net trading income/ (expense)	93,081	381,812	97,339	924,105
Other income/ (expense)	-	-	131	86
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	432,981	438,949	(157,231)	(1,040,777)
	526,062	820,761	(59,761)	(116,586)
Operating expenses				
Administrative expenses	(58,812)	(172,133)	(17,172)	2,876
Sales and distribution expenses	(2,813)	(4,933)	(5,000)	(4,332)
Other operating expenses	(1,613)	(29,778)	(5,020)	(13,917)
(Provision)/Reversal for impairment of financial assets at amortised cost	(108)	(92)	110	(1,123)
	(63,346)	(206,936)	(27,082)	(16,496)
Operating profit/(loss)	462,716	613,825	(86,843)	(133,082)
Share of profit/ (loss) from equity accounted investee (net of tax)	1,512,814	661,592	(110,981)	(1,038,333)
Profit/ (Loss) before tax	1,975,530	1,275,417	(197,824)	(1,171,415)
Income tax (expense)/ reversal	7,813	5,086	24,878	13,671
Profit/(Loss) for the period	1,983,343	1,280,503	(172,946)	(1,157,744)
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Reversal of revaluation surplus on disposal	-	-	-	3,560
Actuarial loss on defined benefit plans	-	-	-	-
Revaluation of motor vehicle	-	-	(7,000)	-
Tax effect on other comprehensive income	-	-	-	(1,067)
Share of other comprehensive income/(loss) from equity accounted investee (net of tax)	(14,984)	(9,983)	-	(3,124)
Other comprehensive income/(loss) for the period	(14,984)	(9,983)	(7,000)	(631)
Total comprehensive income/ (loss) for the period	1,968,359	1,270,520	(179,946)	(1,158,375)

2024/25				
Quarter 1	Quarter2	Quarter 3	Quarter 4	
30.06.2024	30.09.2024	31.12.2024	31.03.2025	
Rs. '000	Rs. '000	Rs. '000	Rs. '000	
279,371	282,012	307,791	716,870	
279,328	282,012	307,791	716,916	
(267,997)	(282,126)	(345,712)	(325,063)	
11,331	(114)	(37,921)	391,853	
43	-	-	(46)	
(5,503)	271,269	1,745,187	(304,516)	
5,871	271,155	1,707,266	87,291	
(41,932)	(59,356)	(127,535)	(224,954)	
5,796	6,451	(12,247)	(41,060)	
(1,085)	(2,491)	(2,129)	(73,237)	
8,302	(479)	470	5,930	
(28,919)	(55,875)	(141,441)	(333,321)	
(23,048)	215,280	1,565,825	(246,030)	
553,646	105,717	1,871,362	628,539	
530,598	320,997	3,437,187	382,509	
1,501	(17,851)	(8,997)	45,580	
532,099	303,146	3,428,190	428,089	
-	-	-	-	
-	-	-	(5,537)	
-	-	-	35,000	
-	-	-	1,661	
6,597	277	-	(18,331)	
6,597	277	-	12,793	
538,696	303,423	3,428,190	440,882	

Quarterly Results

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR 2025/26 AND 2024/25

As at	2025/26			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2025	30.09.2025	31.12.2025	31.03.2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Cash at banks and in hand	540,239	494,599	1,757,183	543,714
Derivative financial assets	66,231	19,997	11,534	10,440
Financial assets recognised through profit or loss - measured at fair value	93,090,241	96,724,204	66,880,097	58,844,572
Financial assets - fair value through other comprehensive income	22,484	7,500	7,500	7,500
Financial assets at amortised cost	11,086,257	18,279,758	15,841,842	10,951,852
Amounts due from related companies	42	40	1,152	2,283
Trade and other receivables	2,396,185	2,508,214	2,241,210	2,339,875
Non - current assets held for sale	42,416	42,416	42,416	42,416
Taxes receivable	139,267	211,016	221,813	246,972
Deferred tax asset	429,483	371,407	384,034	313,544
Property, plant and equipment and right of use assets	737,806	716,416	653,110	624,062
Right of use assets	140,720	135,808	130,895	131,488
Intangible assets	142,955	146,125	149,710	156,490
TOTAL ASSETS	108,834,326	119,657,500	88,322,496	74,215,208
LIABILITIES				
Bank overdrafts	1,499,989	1,333,060	372,907	766,424
Derivative financial liabilities	48,742	4,304	2,523	1,818
Securities sold under re-purchase agreements	79,208,258	86,338,417	56,021,028	44,069,015
Short term borrowings	6,224,071	6,231,609	8,648,010	8,368,336
Amounts due to related companies	7,131	8,962	13,359	6,372
Trade and other payables	2,676,573	2,620,339	2,567,260	3,723,163
Taxes payable	1,010,735	554,765	463,919	300,114
Deferred tax liability	-	-	-	-
Long term borrowings	1,000,750	1,000,739	1,801,381	1,719,119
Retirement benefit obligations	120,582	126,148	131,399	141,383
Borrowings on debentures	5,134,528	8,264,884	8,461,787	6,441,937
TOTAL LIABILITIES	96,931,359	106,483,227	78,483,573	65,537,681
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,903,566	2,905,218	2,910,875	2,908,304
Retained earnings	7,647,376	8,909,342	5,923,738	4,767,935
Fair valuation reserve	(52,393)	(45,491)	(45,491)	(45,491)
Revaluation reserve	35,000	35,000	-	-
Equity attributable to the equity holders of the parent	10,761,049	12,031,569	9,016,622	7,858,248
Non- controlling interest	1,141,918	1,142,704	822,301	819,279
TOTAL EQUITY	11,902,967	13,174,273	9,838,923	8,677,527
TOTAL EQUITY AND LIABILITIES	108,834,326	119,657,500	88,322,496	74,215,208

2024/25			
Quarter 1 30.06.2024 Rs. '000	Quarter2 30.09.2024 Rs. '000	Quarter 3 31.12.2024 Rs. '000	Quarter 4 31.03.2025 Rs. '000
132,789	107,553	432,395	1,143,148
111,718	84,659	4,750	2,820
70,496,014	82,886,394	74,807,156	86,777,813
65,233	65,233	65,233	37,467
18,867,897	19,283,532	15,836,547	7,565,314
15,057	15,503	15,672	32
1,007,616	1,095,289	1,542,847	2,063,649
42,416	42,416	42,416	42,416
161,203	172,535	75,105	136,375
133,847	143,291	608,656	515,896
351,576	433,159	440,677	762,682
160,370	155,458	150,545	145,633
123,769	125,367	131,536	141,800
91,669,505	104,610,388	94,153,536	99,335,045
1,124,755	1,051,690	1,432,575	226,379
25,167	40,011	155,375	768
69,881,622	79,628,044	63,246,801	73,109,134
4,962,603	9,368,870	9,276,772	8,009,985
20,110	22,567	24,945	34,004
1,015,688	910,577	2,092,662	3,929,792
1,756,724	356,607	1,194,999	909,158
13,723	14,063	-	-
1,401,206	1,401,094	1,201,310	1,201,241
88,917	91,444	95,855	116,289
2,850,061	2,880,687	2,959,249	2,029,328
83,140,576	95,765,654	81,680,543	89,566,078
227,500	227,500	227,500	227,500
2,534,358	2,544,540	2,712,104	2,764,757
4,924,407	5,217,370	8,477,997	5,802,842
(28,571)	(28,294)	(28,294)	(37,409)
-	-	-	35,000
7,657,694	7,961,116	11,389,307	8,792,690
871,235	883,618	1,083,686	976,277
8,528,929	8,844,734	12,472,993	9,768,967
91,669,505	104,610,388	94,153,536	99,335,045

STATEMENT OF FINANCIAL POSITION FOR 2025/26 AND 2024/25 - COMPANY

As at	2025/26			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2025 Rs. '000	30.09.2025 Rs. '000	31.12.2025 Rs. '000	31.03.2026 Rs. '000
Assets				
Cash at banks and in hand	46,606	49,340	1,538,777	74,642
Financial assets recognised through profit or loss - measured at fair value	7,870,933	9,168,992	10,825,604	9,453,436
Financial assets - fair value through other comprehensive income	7,500	7,500	7,500	7,500
Financial assets at amortised cost	1,871,678	4,730,873	3,428,887	4,001,957
Amounts due from related companies	47,958	17,421	43,775	19,209
Trade and other receivables	309,503	339,901	346,773	384,057
Taxes receivable	40,801	63,675	71,562	86,909
Investment in subsidiary	10,792,119	11,443,729	8,995,086	7,953,629
Deferred tax asset	94,249	86,355	111,233	123,835
Property, plant and equipment and right of use assets	63,506	65,023	29,598	27,106
Right of use assets	736	540	344	616
Intangible assets	14,155	17,388	20,142	27,575
TOTAL ASSETS	21,159,744	25,990,737	25,419,281	22,160,471
LIABILITIES				
Bank overdrafts	999,966	1,081,301	372,550	766,424
Derivative financial instruments	-	-	-	-
Securities sold under re-purchase agreements	-	-	-	-
Short term borrowings	5,838,967	6,146,463	8,408,317	8,125,309
Amounts due to related companies	4,765	8,821	7,931	8,084
Trade and other payables	443,008	582,528	535,177	515,205
Taxes payable	-	-	-	-
Long term borrowings	1,000,750	1,000,739	1,801,381	1,719,119
Retirement benefit obligations	34,050	34,895	35,667	36,304
Borrowings on debentures	2,077,189	5,104,421	5,241,636	3,131,778
TOTAL LIABILITIES	10,398,695	13,959,168	16,402,659	14,302,223
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,903,566	2,905,218	2,910,875	2,908,304
Retained earnings	7,647,376	8,909,342	5,923,738	4,767,935
Fair valuation reserve	(52,393)	(45,491)	(45,491)	(45,491)
Revaluation reserve	35,000	35,000	-	-
TOTAL EQUITY	10,761,049	12,031,569	9,016,622	7,858,248
TOTAL EQUITY AND LIABILITIES	21,159,744	25,990,737	25,419,281	22,160,471

2024/25			
Quarter 1 30.06.2024 Rs. '000	Quarter2 30.09.2024 Rs. '000	Quarter 3 31.12.2024 Rs. '000	Quarter 4 31.03.2025 Rs. '000
58,424	23,814	120,597	693,270
2,826,271	4,106,179	7,484,759	7,395,142
7,500	7,500	7,500	7,500
6,435,457	8,801,584	7,694,866	4,229,645
18,848	33,600	20,458	24,365
23,036	22,070	35,333	214,056
57,146	56,180	1,568	34,950
7,559,069	7,665,062	9,536,425	9,294,289
10,717	6,746	64,413	86,435
23,537	26,029	25,515	63,709
1,519	1,324	1,128	932
3,776	3,323	8,549	12,061
17,025,300	20,753,411	25,001,111	22,056,354
783,163	799,645	1,250,956	86,764
-	-	-	-
-	-	-	-
4,968,561	8,343,891	8,767,961	8,509,733
18,162	19,201	21,828	10,203
95,567	74,564	159,768	1,394,987
-	-	-	-
1,401,206	1,401,094	1,201,310	1,201,241
20,284	19,189	19,813	33,390
2,080,663	2,134,711	2,190,168	2,027,346
9,367,606	12,792,295	13,611,804	13,263,664
227,500	227,500	227,500	227,500
2,534,358	2,544,540	2,712,104	2,764,757
4,924,407	5,217,370	8,477,997	5,802,842
(28,571)	(28,294)	(28,294)	(37,409)
-	-	-	35,000
7,657,694	7,961,116	11,389,307	8,792,690
17,025,300	20,753,411	25,001,111	22,056,354

Ten Year Summary

Group Trading Results

Year ended 31 March,	2026	2025	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross income	15,095,751	14,068,795	29,563,657	14,296,944
Profit/(loss) before tax	3,547,964	6,685,254	16,309,294	3,825,776
Income tax expenses	(1,442,795)	(1,668,619)	(6,152,959)	(1,178,512)
Profit/(loss) after tax	2,105,169	5,016,635	10,156,335	2,647,264
Other comprehensive income/(loss)	(32,629)	19,668	(49,352)	71,394
Total comprehensive income/(loss)	2,072,540	5,036,303	10,106,983	2,718,658

Group Financial Position

Year ended 31 March	2026	2025	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS				
Cash at banks and in hand	543,714	1,143,148	178,382	110,372
Derivative financial assets	10,440	2,820	51,933	51,194
Financial assets recognised through profit or loss - measured at fair value	58,844,572	86,777,813	62,529,964	53,726,232
Financial assets - fair value through other comprehensive income	7,500	37,467	83,350	116,773
Financial assets at amortised cost	10,951,852	7,565,314	11,170,905	11,225,039
Financial investments - held for trading	-	-	-	-
Financial investments - available for sale	-	-	-	-
Financial investments - loans and receivables	-	-	-	-
Taxes receivable	246,972	136,375	133,206	36,415
Trade and other receivables	2,342,158	2,063,649	3,686,573	1,026,095
Deferred tax asset	313,544	515,896	151,457	125,182
Property, plant and equipment and right of use assets	755,550	908,315	518,957	43,860
Other assets	198,906	184,248	165,857	165,027
TOTAL ASSETS	74,215,208	99,335,045	78,670,584	66,626,189
LIABILITIES				
Bank overdrafts	766,424	226,379	1,533,643	448,194
Derivative financial instruments	1,818	768	71,742	153,586
Securities sold under re-purchase agreements	44,069,015	73,109,134	50,051,368	46,330,589
Short term borrowings	8,368,336	8,009,985	5,488,529	7,080,975
Tax payables	300,114	909,158	3,033,571	746,012
Retirement benefit obligations	141,383	116,289	84,466	53,063
Borrowings on debentures	6,441,937	2,029,328	2,775,148	2,775,692
Long term borrowings	1,719,119	1,201,241	1,602,001	902,217
Other liabilities	3,729,535	3,963,796	6,089,637	1,455,028
TOTAL LIABILITIES	65,537,681	89,566,078	70,730,105	59,945,356

2022	2021	2020	2019	2018	2017
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
2,273,088	6,033,353	5,220,425	4,171,474	4,186,064	3,587,574
(770,544)	2,908,076	1,708,325	88,383	1,152,108	245,511
118,272	(814,579)	(635,086)	(80,835)	813,615	(13,913)
(652,272)	2,093,497	1,073,239	7,548	1,965,723	231,598
12,700	(151,903)	(33,770)	(27,555)	(90,287)	6,836
(639,572)	1,941,594	1,039,469	(20,007)	1,875,436	238,434

2022	2021	2020	2019	2018	2017
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
526,987	242,053	61,354	55,317	319,663	55,340
5,190	2,315	2,734	3,454	47,868	24,075
30,066,729	28,047,361	38,540,849	31,985,437	-	-
34,635	40,273	184,623	217,920	-	-
9,059,275	7,035,641	5,361,512	7,557,832	-	-
-	-	-	26,519,838	23,799,894	
-	-	-	242,750	332,803	
-	-	-	6,069,028	6,625,115	
72,126	88,798	271,610	178,845	70,118	104,032
1,423,170	909,606	598,672	246,661	811,035	540,521
122,497	19,228	299,775	862,024	929,892	36,703
38,322	50,088	65,250	37,050	19,990	14,295
165,698	168,065	166,742	160,930	161,831	156,986
41,514,629	36,603,428	45,553,121	41,305,470	35,192,013	31,689,764

1,245,741	3,451	455,103	971,036	294,402	224,445
2,622	824	3,118	2,878	21,659	2,240
23,799,838	20,223,286	33,294,423	29,204,828	23,412,237	21,102,897
8,139,888	6,660,363	5,928,107	6,566,174	6,013,598	6,768,015
78,132	840,696	488,668	348	4,291	3,956
37,404	55,369	39,812	31,856	27,992	22,696
2,780,890	2,763,001	517,641	216,205	407,178	540,032
-	50,204	150,885	251,833	352,368	453,077
964,842	1,183,755	722,081	238,722	787,712	358,793
37,049,357	31,780,949	41,599,838	37,483,880	31,321,437	29,476,151

Ten Year Summary

Group Financial Position (Contd.)

Year ended 31 March,	2026	2025	2024	2023
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,908,304	2,764,757	2,492,889	1,497,150
Retained earnings	4,767,935	5,802,842	4,436,368	4,586,330
Revaluation reserve	-	35,000	-	-
Fair valuation reserve	(45,491)	(37,409)	(37,759)	(215,818)
Equity attributable to equityholders of the parent	7,858,248	8,792,690	7,118,998	6,095,162
Non-controlling interests	819,279	976,277	821,481	585,671
TOTAL EQUITY	8,677,527	9,768,967	7,940,479	6,680,833
TOTAL EQUITY AND LIABILITIES	74,215,208	99,335,045	78,670,584	66,626,189
OTHER FINANCIAL INFORMATION				
Earning/(Loss) per share - Rs.	4.77	11.58	22.15	5.78
Dividend per share - Rs.	7.00	7.50	17.25	2.25
Divident payout (%)	146.65	64.74	77.88	38.93
Return on equity (%)	23.22	58.97	135.77	46.16
Leverage (Times)	7.07	8.66	7.74	8.61
Net assets per share - Rs.	19.40	21.71	17.58	15.05
Market price per share - Rs.	53.00**	34.90**	34.40**	31.80**

* Market price per share - Before the subdivision of shares

** Market price per share - After the subdivision of shares

Financial instruments as at 31 March 2026, 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022, 31 March 2021, 31 March 2020 and 31 March 2019 have been presented in accordance with SLFRS 9 and Financial instruments as at 31 March 2018 and 31 March 2017 have been presented in accordance with LKAS 39.

2022	2021	2020	2019	2018	2017
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
227,500	227,500	227,500	227,500	227,500	227,500
1,239,478	1,308,818	1,135,297	1,021,248	1,012,200	854,456
2,881,654	3,326,168	2,529,183	2,506,870	2,545,342	1,036,415
-	-	-	-	-	-
(297,957)	(292,419)	(148,069)	(114,828)	(90,053)	-
4,050,675	4,570,067	3,743,911	3,640,790	3,694,989	2,118,371
414,597	252,412	209,372	180,800	175,587	95,242
4,465,272	4,822,479	3,953,283	3,821,590	3,870,576	2,213,613
41,514,629	36,603,428	45,553,121	41,305,470	35,192,013	31,689,764
(1.50)	4.91	2.49	0.01	4.62	0.52
-	1.25	2.25	-	0.50	0.50
-	25.46	90.36	-	10.82	96.15
(14.11)	47.88	27.25	0.06	64.40	10.05
8.05	6.16	10.21	9.74	7.87	13.14
10.00	11.29	9.25	8.99	9.12	5.23
31.00*	54.50*	22.80*	23.10*	31.80*	20.10*

Horizontal and Vertical Analysis of Income Statement Over Five Years

Horizontal analysis - Consolidated

For the year ended 31 March,	2026		2025	
	Rs.'000	%	Rs.'000	%
Income	15,095,751	7	14,068,795	(52)
Direct income	15,065,019	8	14,011,457	(53)
Direct expenses	(7,417,609)	(2)	(7,587,743)	(24)
Net trading income	7,647,410	19	6,423,714	(67)
Other income	30,732	(46)	57,338	957
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	(1,088,798)	(139)	2,795,620	392
	6,589,344	(29)	9,276,672	(54)
Operating expenses				
Personnel expenses	(1,064,761)	(35)	(1,647,987)	(46)
Premises, equipment and establishment expenses	(252,661)	9	(231,575)	97
Other operating expenses	(1,719,949)	125	(763,840)	(10)
(Provision)/ reversal for impairment of financial assets at amortised cost	(4,009)	(108)	51,984	(48)
	(3,041,380)	17	(2,591,418)	(33)
Profit/ (Loss) before tax	3,547,964	(47)	6,685,254	(59)
Income tax (expense)/ reversal	(1,442,795)	(14)	(1,668,619)	(73)
Profit/ (loss) for the year	2,105,169	(58)	5,016,635	(51)
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial (gain)/ loss on retirement benefit obligations	(946)	(78)	(4,232)	(78)
Loss on financial assets fair value through other comprehensive income	(24,967)	102	(12,370)	(66)
Revaluation of motor vehicle	(7,000)	(120)	35,000	100
Tax effect on other comprehensive income	284	78	1,270	77
Other comprehensive income/ (loss)	(32,629)	266	19,668	140
Total comprehensive income/ (loss) for the year	2,072,540	(59)	5,036,303	(50)

2024		2023		2022	
Rs.'000	%	Rs.'000	%	Rs.'000	%
29,563,657	107	14,296,944	529	2,273,088	(62)
29,558,233	107	14,279,729	546	2,209,954	(62)
(9,926,864)	4	(9,587,212)	405	(1,899,557)	(10)
19,631,369	318	4,692,517	1,412	310,397	(92)
5,424	(68)	17,215	(73)	63,134	(74)
568,548	(38)	921,234	584	(190,477)	(12)
20,205,341	259	5,630,966	2,976	183,054	(95)
(3,028,248)	253	(858,346)	107	(414,363)	(34)
(117,808)	109	(56,447)	(5)	(59,675)	54
(850,615)	10	(769,954)	85	(416,107)	240
100,624	(184)	(120,443)	90	(63,453)	547
(3,896,047)	116	(1,805,190)	89	(953,598)	20
16,309,294	326	3,825,776	(597)	(770,544)	(126)
(6,152,959)	422	(1,178,512)	1,096	118,272	(115)
10,156,335	284	2,647,264	506	(652,272)	(131)
(18,814)	23	(15,348)	167	22,939	(331)
(36,182)	144	82,138	(1,557)	(5,638)	(96)
-	-	-	-	-	-
5,644	23	4,604	(200)	(4,601)	294
(49,352)	(169)	71,394	462	12,700	108
10,106,983	272	2,718,658	525	(639,572)	(133)

Horizontal and Vertical Analysis of Income Statement Over Five Years

Vertical Analysis - Consolidated

For the year ended 31 March,	2026		2025	
	Rs.'000	%	Rs.'000	%
Income	15,095,751	100	14,068,795	100
Direct income	15,065,019	100	14,011,457	100
Direct expenses	(7,417,609)	(49)	(7,587,743)	(54)
Net trading income	7,647,410	51	6,423,714	46
Other income	30,732	0	57,338	0
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	(1,088,798)	(7)	2,795,620	20
	6,589,344	44	9,276,672	66
Operating expenses				
Personnel expenses	(1,064,761)	(7)	(1,647,987)	(11)
Premises, equipment and establishment expenses	(252,661)	(2)	(231,575)	(2)
Other operating expenses	(1,719,949)	(11)	(763,840)	(5)
(Provision)/ reversal for impairment of financial assets at amortised cost	(4,009)	(0)	51,984	0
	(3,041,380)	(20)	(2,591,418)	(18)
Operating profit/ (loss)	3,547,964	24	6,685,254	48
Profit/ (loss) before tax	3,547,964	24	6,685,254	48
Income tax (expense)/ reversal	(1,442,795)	(10)	(1,668,619)	(12)
Profit/ (loss) for the year	2,105,169	14	5,016,635	36
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial (gain)/ loss on retirement benefit obligations	(946)	(0)	(4,232)	(0)
Loss on financial assets fair value through other comprehensive income	(24,967)	(0)	(12,370)	(0)
Revaluation of motor vehicle	(7,000)	(0)	35,000	0
Tax effect on other comprehensive income	284	0	1,270	0
Other comprehensive income/ (loss)	(32,629)	(0)	19,668	0
Total comprehensive income/ (loss) for the year	2,072,540	14	5,036,303	36

2024		2023		2022	
Rs.'000	%	Rs.'000	%	Rs.'000	%
29,563,657	100	14,296,944	100	2,273,088	100
29,558,233	100	14,279,729	100	2,209,954	97
(9,926,864)	(34)	(9,587,212)	(67)	(1,899,557)	(84)
19,631,369	66	4,692,517	33	310,397	14
5,424	0	17,215	0	63,134	3
568,548	2	921,234	6	(190,477)	(8)
20,205,341	68	5,630,966	39	183,054	8
(3,028,248)	(10)	(858,346)	(6)	(414,363)	(18)
(117,808)	0	(56,447)	(0)	(59,675)	(3)
(850,615)	(3)	(769,954)	(5)	(416,107)	(18)
100,624	0	(120,443)	(1)	(63,453)	(3)
(3,896,047)	(13)	(1,805,190)	(13)	(953,598)	(42)
16,309,294	55	3,825,776	27	(770,544)	(34)
16,309,294	55	3,825,776	27	(770,544)	(34)
(6,152,959)	(21)	(1,178,512)	(8)	118,272	5
10,156,335	34	2,647,264	19	(652,272)	(29)
(18,814)	(0)	(15,348)	0	22,939	1
(36,182)	(0)	82,138	1	(5,638)	0
-	-	-	-	-	-
5,644	0	4,604	0	(4,601)	0
(49,352)	(0)	71,394	0	12,700	1
10,106,983	34	2,718,658	19	(639,572)	(28)

Horizontal and Vertical Analysis of Statement of Financial Position Over Five Years

Horizontal Analysis - Consolidated

As at 31 March	2026		2025	
	Rs.'000	%	Rs.'000	%
ASSETS				
Cash at banks and in hand	543,714	(52)	1,143,148	541
Derivative financial instruments	10,440	270	2,820	(95)
Financial assets recognised through profit or loss -measured at fair value	58,844,572	(32)	86,777,813	39
Financial assets - fair value through other comprehensive income	7,500	(80)	37,467	(55)
Financial assets at amortised cost	10,951,852	45	7,565,314	(32)
Amounts due from related companies	2,283	100	32	100
Trade and other receivables	2,339,875	13	2,063,649	(44)
Non - current assets held for sale	42,416	-	42,416	0
Taxes receivable	246,972	81	136,375	2
Deferred tax asset	313,544	(39)	515,896	241
Property, plant and equipment and right of use assets	755,550	(17)	908,315	75
Intangible assets	156,490	10	141,800	15
TOTAL ASSETS	74,215,208	(25)	99,335,045	26
LIABILITIES				
Bank overdrafts	766,424	239	226,379	(85)
Derivative financial instruments	1,818	137	768	(99)
Securities sold under re-purchase agreements	44,069,015	(40)	73,109,134	46
Short term borrowings	8,368,336	4	8,009,985	46
Group balances payable	6,372	(81)	34,004	1,332
Trade and other payables	3,723,163	(5)	3,929,792	(35)
Deferred tax liability	-	-	-	(100)
Taxes payable	300,114	(67)	909,158	(70)
Long term borrowings	1,719,119	43	1,201,241	(25)
Retirement benefit obligations	141,383	22	116,289	38
Borrowings on debentures	6,441,937	217	2,029,328	(27)
TOTAL LIABILITIES	65,537,681	(27)	89,566,078	27
EQUITY				
Stated capital	227,500	-	227,500	-
Risk reserve	2,908,304	5	2,764,757	11
Retained earnings	4,767,935	(18)	5,802,842	31
Fair valuation reserve	(45,491)	22	(37,409)	(1)
Revaluation reserve	-	(100)	35,000	100
Equity attributable to the equity holders of the parent	7,858,248	(11)	8,792,690	24
Non - controlling interests	819,279	(16)	976,277	19
TOTAL EQUITY	8,677,527	(11)	9,768,967	23
TOTAL EQUITY AND LIABILITIES	74,215,208	(25)	99,335,045	26

2024		2023		2022	
Rs.'000	%	Rs.'000	%	Rs.'000	%
178,382	62	110,372	(79)	526,987	118
51,933	1	51,194	886	5,190	124
62,529,964	16	53,726,232	79	30,066,729	7
83,350	(29)	116,773	237	34,635	(14)
11,170,905	(0)	11,225,039	24	9,059,275	29
-	(100)	66	(91)	750	(17)
3,686,573	259	1,026,095	(28)	1,423,170	56
42,416	0	42,416	0	42,416	0
133,206	266	36,415	(50)	72,126	(19)
151,457	21	125,182	2	122,497	537
518,957	1,083	43,860	14	38,322	(23)
123,441	1	122,545	0	122,532	(2)
78,670,584	18	66,626,189	60	41,514,629	13
1,533,643	242	448,194	(64)	1,245,741	35,998
71,742	(53)	153,586	5,758	2,622	218
50,051,368	8	46,330,589	95	23,799,838	18
5,488,529	(22)	7,080,975	(13)	8,139,888	22
2,375	(49)	4,652	(16)	5,571	547
6,069,759	318	1,450,376	51	959,271	(19)
17,503	100	-	-	-	-
3,033,571	307	746,012	855	78,132	(91)
1,602,001	78	902,217	100	-	(100)
84,466	59	53,063	42	37,404	(32)
2,775,148	(0)	2,775,692	0	2,780,890	1
70,730,105	18	59,945,356	62	37,049,357	17
227,500	-	227,500	-	227,500	-
2,492,889	67	1,497,150	21	1,239,478	(5)
4,436,368	(3)	4,586,330	59	2,881,654	(13)
(37,759)	(83)	(215,818)	(28)	(297,957)	2
-	-	-	-	-	-
7,118,998	17	6,095,162	50	4,050,675	(11)
821,481	40	585,671	41	414,597	64
7,940,479	19	6,680,833	50	4,465,272	(7)
78,670,584	18	66,626,189	60	41,514,629	13

Horizontal and Vertical Analysis of Statement of Financial Position Over Five Years

Vertical Analysis - Consolidated

As at 31 March	2026		2025	
	Rs.'000	%	Rs.'000	%
ASSETS				
Cash at banks and in hand	543,714	1	1,143,148	1
Derivative financial instruments	10,440	0	2,820	0
Financial assets recognised through profit or loss -measured at fair value	58,844,572	79	86,777,813	87
Financial assets - fair value through other comprehensive income	7,500	0	37,467	0
Financial assets at amortised cost	10,951,852	15	7,565,314	8
Amounts due from related companies	2,283	0	32	0
Trade and other receivables	2,339,875	3	2,063,649	2
Non - current assets held for sale	42,416	0	42,416	0
Taxes receivable	246,972	0	136,375	0
Deferred tax asset	313,544	0	515,896	1
Property, plant and equipment and right of use assets	755,550	1	908,315	1
Intangible assets	156,490	0	141,800	0
TOTAL ASSETS	74,215,208	100	99,335,045	100
LIABILITIES				
Bank overdrafts	766,424	1	226,379	0
Derivative financial instruments	1,818	0	768	0
Securities sold under re-purchase agreements	44,069,015	59	73,109,134	74
Short term borrowings	8,368,336	11	8,009,985	8
Group balances payable	6,372	0	34,004	0
Trade and other payables	3,723,163	5	3,929,792	4
Deferred tax liability	-	-	-	-
Taxes payable	300,114	0	909,158	1
Long term borrowings	1,719,119	2	1,201,241	1
Retirement benefit obligations	141,383	0	116,289	0
Borrowings on debentures	6,441,937	9	2,029,328	2
TOTAL LIABILITIES	65,537,681	88	89,566,078	90
EQUITY				
Stated capital	227,500	0	227,500	0
Risk reserve	2,908,304	4	2,764,757	3
Retained earnings	4,767,935	6	5,802,842	6
Fair valuation reserve	(45,491)	(0)	(37,409)	0
Revaluation reserve	-	-	35,000	0
Equity attributable to the equity holders of the parent	7,858,248	10	8,792,690	9
Non - controlling interests	819,279	1	976,277	1
TOTAL EQUITY	8,677,527	11	9,768,967	10
		-		
TOTAL EQUITY AND LIABILITIES	74,215,208	100	99,335,045	100

2024		2023		2022	
Rs.'000	%	Rs.'000	%	Rs.'000	%
178,382	0	110,372	0	526,987	1
51,933	0	51,194	0	5,190	0
62,529,964	79	53,726,232	81	30,066,729	72
83,350	0	116,773	0	34,635	0
11,170,905	14	11,225,039	17	9,059,275	22
-	-	66	0	750	0
3,686,573	5	1,026,095	2	1,423,170	3
42,416	0	42,416	0	42,416	0
133,206	0	36,415	0	72,126	0
151,457	0	125,182	0	122,497	0
518,957	1	43,860	0	38,322	0
123,441	0	122,545	0	122,532	0
78,670,584	100	66,626,189	100	41,514,629	100
1,533,643	2	448,194	1	1,245,741	3
71,742	0	153,586	0	2,622	0
50,051,368	64	46,330,589	70	23,799,838	57
5,488,529	7	7,080,975	11	8,139,888	20
2,375	0	4,652	0	5,571	0
6,069,759	8	1,450,376	2	959,271	2
17,503	0	-	-	-	-
3,033,571	4	746,012	1	78,132	0
1,602,001	2	902,217	1	-	-
84,466	0	53,063	0	37,404	0
2,775,148	4	2,775,692	4	2,780,890	7
70,730,105	90	59,945,356	90	37,049,357	89
227,500	0	227,500	0	227,500	1
2,492,889	3	1,497,150	2	1,239,478	3
4,436,368	6	4,586,330	7	2,881,654	7
(37,759)	0	(215,818)	0	(297,957)	(1)
-	-	-	-	-	-
7,118,998	9	6,095,162	9	4,050,675	10
821,481	1	585,671	1	414,597	1
7,940,479	10	6,680,833	10	4,465,272	11
78,670,584	100	66,626,189	100	41,514,629	100

As at./දිනට./ஆம் திகதி,	Group/සමූහය/குழுமம்		Company/සමාගම/நிறுவனம்	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES/වෙකීම/பொறுப்புகள்				
Bank overdrafts/බැංකු අයිරා/வங்கி மேலதிகப்பற்றுகள்	766,424	226,379	766,424	86,764
Derivative financial instruments/ව්‍යුත්පන්න මූල්‍ය උපකරණ/வழித்தோன்றல் நிதி கருவிகள்	1,818	768	-	-
Securities sold under re-purchase agreements/ප්‍රති-මිලදී ගැනීමේ ගිවිසුම් යටතේ විකුණන ලද සුරැකුම්/மீள் கொள்முதல் ஒப்பந்தத்தின் கீழ் விற்கப்படும் பிணையங்கள்	44,069,015	73,109,134	-	-
Short term borrowings/කෙටි කාලීන ණය ලබාගැනීම්/குறுங்கால கடன்கள்	8,368,336	8,009,985	8,125,309	8,509,733
Amounts due to related companies/ආශ්‍රිත සමාගම් වෙත ගෙවිය යුතු දෑ/குழும நிறுவனங்களுக்கான கொடுப்பனவுகள்	6,372	34,004	8,084	10,203
Trade and other payables/වෙළඳ හා වෙනත් ගෙවීම්/வர்த்தகம் மற்றும் ஏனைய கொடுப்பனவுகள்	3,723,163	3,929,792	515,205	1,394,987
Taxes payable/ගෙවීමට නියමිත බදු/செலுத்தப்பட வேண்டிய வரிகள்	300,114	909,158	-	-
Long term borrowings/ දිගු-කාලීන ණය ලැබීම්/நீண்ட கால கடன்கள்	1,719,119	1,201,241	1,719,119	1,201,241
Retirement benefit obligations/සේවාසථාන ප්‍රතිලාභ බැඳීම්/ஓய்வூதிய பலன் கடப்பாடுகள்	141,383	116,289	36,304	33,390
Borrowings on debentures/ණයකර මත ණය ලබාගැනීම්/கடன் பத்திரங்கள் மீதான கடன்கள்	6,441,937	2,029,328	3,131,778	2,027,346
TOTAL LIABILITIES/මුළු වෙකීම/மொத்தப் பொறுப்புக்கள்	65,537,681	89,566,078	14,302,223	13,263,664
EQUITY/ගිවීම/பங்குரிமை				
Stated capital/ප්‍රකාශිත ප්‍රාග්ධනය/அறிவிக்கப்பட்ட மூலதனம்	227,500	227,500	227,500	227,500
Risk reserve/අවදානම් සංචිතය/இடர் இருப்பு	2,908,304	2,764,757	2,908,304	2,764,757
Retained earnings/රඳවාගත් ඉපැයීම්/தக்கவைத்த வருவாய்	4,767,935	5,802,842	4,767,935	5,802,842
Fair valuation reserve/සාධාරණ අගයට තක්සේරු කළ සංචිතය/நியாயமான மதிப்பீட்டு இருப்பு	(45,491)	(37,409)	(45,491)	(37,409)
Revaluation reserve/නැවත තක්සේරු කිරීමේ/மீள்மதிப்பீட்டு இருப்பு	-	35,000	-	35,000
Equity attributable to the equity holders of the parent/අයිතිකරුවන්ගේ මුළු ගිවීම/தாய்நிறுவனத்தின் பங்குரிமையாளர்களுக்கான பங்குரிமை	7,858,248	8,792,690	7,858,248	8,792,690
Non - controlling interests/පාලනයට යටත් නොවන ගිවීම/இதர பங்குரிமையாளர்களுக்கான பங்குரிமை	819,279	976,277	-	-
Total Equity/මුළු ගිවීම/மொத்த பங்குரிமைகள்	8,677,527	9,768,967	7,858,248	8,792,690
TOTAL EQUITY AND LIABILITIES/මුළු ගිවීම සහ වෙකීම/மொத்த பங்குரிமைகள் மற்றும் பொறுப்புக்கள்	74,215,208	99,335,045	22,160,471	22,056,354
Net assets per share (Rs.)/ කොටසක ශුද්ධ වත්කම් වටිනාකම (රු.)/ஒரு பங்கின் நிகர சொத்து (ரூ.)	19.40	21.71	19.40	21.71

Figures in brackets indicate deductions./වරහන් තුළ දැක්වෙන ඉලක්කම් අඩු කිරීම්ය./அடைப்புக்குறிக்குள் உள்ள புள்ளிவிவரங்கள் குறைப்புகளைக் குறிக்கின்றன.

* Non controlling interest
** Fair value through other comprehensive income

A FORCE THAT MOVES

Statement of Changes in Equity - Company

சிலிங்குலி வொனசீலி பிலிபெட் ப்ரகாஸ - சலாஸ

ஒன்றித்த பங்குரிமையில் மாற்றங்கள் பற்றிய கூற்று - நிறுவனம்

For the year ended 31 March 2026/ 2026 மார்ச் 31 ஃனென் ஃபீஸன் ப்ர வர்ஸ சஃஸ/31 மார்ச் 2026 அன்று முடிவடைந்த ஆண்டிற்கானது	Stated Capital/புக்காஸ புரீஸென்/ அறிவிக்கப்பட்ட முலதனம்	Risk Reserve/ஃபீஸென் செலிஸ/இடர் இருப்பு	Retained Earnings/ ஃபீஸென் ஃபீஸென்/ தக்கவைத்த வருவாய்	Fair Valuation Reserve/சாபர்ஸ செலிஸ செலிஸ/ நியாய மதிப்பீட்டு இருப்பு	Revaluation Reserve/ செலிஸ செலிஸ/ செலிஸ செலிஸ/ மறுமதிப்பீட்டு இருப்பு	Total/செலிஸ/ மொத்தம்
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2024/2024 ஃபீஸென் 1 ஃனென் செலிஸ / 1 ஏப்ரல் 2024 அன்று மீதி	227,500	2,492,889	4,436,368	(37,759)	-	7,118,998
Total comprehensive income for the year/வர்ஸ சஃஸ மூல் ஃபீஸென் ஃபீஸென்/ஆண்டிற்கான மொத்த அனைத்துமுள்ளடங்கிய வருமானம்						
Profit for the year/வர்ஸ சஃஸ லாஸ/ஆண்டுக்கான இலாபம்	-	-	4,691,524	-	-	4,691,524
Other comprehensive income/ (loss) for the year/வர்ஸ சஃஸ மூல் வொன் ஃபீஸென் ஃபீஸென்/ஃபீஸென்/ஆண்டிற்கான இதர அனைத்துமுள்ளடங்கிய வருமானம் / (நட்டம்)	-	-	(2,962)	(12,370)	35,000	19,668
Total comprehensive income/ (loss) for the year/வர்ஸ சஃஸ மூல் ஃபீஸென் ஃபீஸென்/ஃபீஸென்/ஆண்டிற்கான மொத்த விரிவான வருமானம் / (நட்டம்)	-	-	4,688,562	(12,370)	35,000	4,711,192
Transactions with equity holders/ஃபீஸென் செலிஸ செலிஸ/பங்குரிமையாளர்களுடனான கொடுக்கல்வாங்கல்கள்						
Distribution to equity holders/ஃபீஸென் செலிஸ/பங்குரிமையாளர்களுக்கான பகிர்வு						
Dividend paid (Interim - 2024/25)/வென் ஃபீஸென் ஃபீஸென் (ஃபீஸென் - 2024/25)/செலிஸ/பங்குரிமையாளர்களுக்கான (இடைக்காலம் - 2024/25)	-	-	(3,037,500)	-	-	(3,037,500)
Total distribution to equity holders/ஃபீஸென் செலிஸ/பங்குரிமையாளர்களுக்கான மொத்தப்பகிர்வு	-	-	(3,037,500)	-	-	(3,037,500)
Loss on sale of FVTOCI Investments**/வென் ஃபீஸென் ஃபீஸென் செலிஸ செலிஸ ஃபீஸென் செலிஸ செலிஸ செலிஸ வென் ஃபீஸென் செலிஸ செலிஸ செலிஸ செலிஸ செலிஸ செலிஸ வருமானத்தின் ஊடாக நியாயமான மதிப்பில் அளவிடப்பட்ட நிதிச் சொத்தின் விற்பனை நட்டம்	-	-	(12,720)	12,720	-	-
Transfers to risk reserve/ஃபீஸென் செலிஸ செலிஸ செலிஸ/இடர் இருப்புக்கான மாற்றல்கள்	-	271,868	(271,868)	-	-	-
Balance as at 31 March 2025/ 2025 மார்ச் 31 ஃனென்/31 மார்ச் 2025 அன்று மீதி	227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690

For the year ended 31 March 2026/ 2026 மார்ச் 31 දිනෙන් අවසන් වූ වර්ෂය සඳහා/31 මාර්ස් 2026 අன்று முடிவடைந்த ஆண்டிற்கானது	Stated Capital/ප්‍රකාශිත ප්‍රාග්ධන/ அறிவிக்கப்பட்ட மூலதனம்	Risk Reserve/අවදානම් සංචිතය/இடர் இருப்பு	Retained Earnings/ රඳවාගත් ඉපයීම්/ தக்கவைத்த வருவாய்	Fair Valuation Reserve/සාධාරණ තක්සේරු සංචිතය/ நியாய மதிப்பீட்டு இருப்பு	Revaluation Reserve/ නැවත තක්සේරු කිරීමේ සංචිතය/ மறுமதிப்பீட்டு இருப்பு	Total/එකතුව/ මොத்தම
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2025/ 2025 අප්‍රේල් 1 දිනට ශේෂය/ 1 ஏப்ரல் 2025 அன்று மீதி	227,500	2,764,757	5,802,842	(37,409)	35,000	8,792,690
Total comprehensive income for the year/වර්ෂය සඳහා මුළු විස්තීර්ණ ආදායම/ஆண்டிற்கான மொத்த அனைத்துமுள்ளடங்கிய வருமானம்						
Profit for the year/වර්ෂය සඳහා ලාභය/(අලාභය)/ஆண்டுக்கான இலாபம்	-	-	1,933,156	-	-	1,933,156
Other comprehensive income/ (loss) for the year/වර්ෂය සඳහා මුළු වෙනත් විස්තීර්ණ ආදායම/(අලාභය)/ஆண்டிற்கான இதர அனைத்துமுள்ளடங்கிய வருமானம் / (நட்டம்)	-	-	(631)	(24,967)	(7,000)	(32,598)
Total comprehensive income/ (loss) for the year/වර්ෂය සඳහා මුළු විස්තීර්ණ ආදායම/(අලාභය)/ஆண்டிற்கான மொத்த அனைத்துமுள்ளடங்கிய வருமானம்/(நட்டம்)	-	-	1,932,525	(24,967)	(7,000)	1,900,558
Transactions with equity holders/අයිතිකරුවන් සමග ගනුදෙනු/பங்குரிமையாளர்களுடனான கொடுக்கல்வாங்கல்கள்						
Distribution to equity holders/අයිතිකරුවන් වෙත ලබාදීම/பங்குரிமையாளர்களுக்கான பகிர்வு						
Dividend paid (Interim - 2025/26)/වෙනම ලද ලාභාංශ (අතුරු - 2025/26)/செலுத்தப்பட்ட பங்கிலாபம் (இடைக்காலம் - 2025/26)	-	-	(2,835,000)	-	-	(2,835,000)
Total distribution to equity holders/අයිතිකරුවන් වෙත මුළු බෙදා හැරීම/பங்குரிமையாளர்களுக்கான மொத்தப்பகிர்வு	-	-	(2,835,000)	-	-	(2,835,000)
Gain on Sale of PPE at revalued cost (realised)/නැවත තක්සේරු කළ පිරිවැයට දේපළ පිරිසහ හා උපකරණ විකිණීමෙන් ලැබෙන ලාභය/(අලාභය) (උපයාගත්)	-	-	28,000	-	(28,000)	-
Loss on sale of FVTOCI Investments**/වෙනත් විස්තීර්ණ ආදායම් මගින් සාධාරණ අගයට ගණනය කළ මූල්‍ය වත්කම් විකිණීමෙන් ලද ලාභය/(අලාභය)/இதர விரிவான வருமானத்தின் ஊடாக நியாயமான மதிப்பில் அளவிடப்பட்ட நிதிச் சொத்தின் விற்பனை நட்டம்	-	-	(16,885)	16,885	-	-
Transfers to risk reserve/අවදානම් සංචිතය වෙත මාරු කිරීම්/இடர் இருப்புக்கான மாற்றல்கள்	-	143,547	(143,547)	-	-	-
Balance as at 31 March 2026/2026 මාර්තු 31 දිනට ශේෂය/31 மார்ச் 2026 அன்று மீதி	227,500	2,908,304	4,767,935	(45,491)	-	7,858,248

* Fair value through other comprehensive income

Figures in brackets indicate deductions./වෙනත් තුළ දැක්වෙන ඉලක්කම් අඩු කිරීම්ය./ அடைப்புக்குறிக்குள் உள்ள புள்ளிவிவரங்கள் குறைப்புகளைக் குறிக்கின்றன.

Figures in brackets indicate deductions./வரலாறு துறைகளில் உள்ள அட்டைப்புகைகள் குறைப்புகளைக் குறிக்கின்றன.

Basis of Financial Ratios

No.	Ratios	Basis of calculation
1	Capital adequacy ratio (%)	Tier 1 and Tier 2 capital/ Total risk weighted assets
2	Cost to income ratio (percentage, times)	Total direct and operating expenses/Total income and fair valuation gain/ losses
3	Debt to equity ratio or Financial leverage (times)	Total interest bearing debt/ Total equity
4	Debt to asset ratio (times)	Total interest bearing debt/ Total assets
5	Dividend payout (%)	Total dividend paid to ordinary shareholders/ Profit attributable to ordinary shareholders of the company
6	Dividend yield (%)	Dividend per share/ Closing market price per share
7	Earnings per share (Rs)	Profit attributable to equityholders of the parent / weighted average number of ordinary shares in issue
8	Equity asset ratio (times)	Total equity / Total assets
9	Interest cover (times)	Profit before interest expenses and tax expenses/ Interest expenses
10	Net assets value per share (Rs.)	Equity attributable to the equityholders of the parent/ Number of ordinary shares in issue
11	Net profit margin (%)	Profit/ (loss) for the year/ Income
12	Operating profit margin (%)	Operating profit/(loss) for the year/ Income
13	Price earning ratio (PE) (times)	Market price per share (Closing market price per share)/ Earnings per share
14	Price to book value (PBV) (times)	Market price per share (Closing market price per share)/Net assets value per share
15	Price appreciation or Price return (%)	Period ending price/ Period starting price -1
16	Productivity ratio (Rs.)	Income or profitability measure of choice ie. Direct income, Trading income, Profit after tax / Headcount
17	Quick assets ratio (times)	Quick assets / Current liabilities
18	Recurrent income (percentage)	Estimated core direct income that is most likely to recur in the next financial year/ Total direct income
19	Return on assets (ROA) (%)	Profit/ (loss) for the year /Average total assets
20	Return on capital employed (ROCE) (%)	Profit before interest expenses and tax expenses/ Average (Interest bearing debt + Total equity)
21	Return on equity (ROE) (%)	Profit/ (loss) attributable to equityholders of the parent/ Average equity attributable to the equityholders of the parent
22	Workforce return on investment (times)	Net profit after tax/investment on the workforce inclusive of salaries, benefits and training
23	Repo leverage ratio (times)	Repos/ Trading assets
24	Net Interest income (NII) to Working capital (%)	Net interest income (NII) / Working capital
25	Profit per Employee (Rs.)	Profit after tax / No. of employees
26	Cost of Funds (%)	Weighted average cost of all funding sources

Independent Assurance on Integrated Reporting



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INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF FIRST CAPITAL HOLDINGS PLC REPORT ON THE CONTENT ELEMENTS INCLUDED IN FIRST CAPITAL HOLDINGS PLC'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 2026

Conclusion

We have performed a limited assurance engagement on whether the Content Elements ("Subject matter Information" or "SMI") in First Capital Holdings PLC's ("the entity") Integrated annual report for the year ended March 31, 2026, have been prepared in accordance to the IFRS Foundation's International <IR> Framework ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Content Elements in the Integrated Report of First Capital Holdings PLC for the year ended 31 March 2026 are not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the SMI as mentioned above does not extend to other information that accompanies or contains the SMI and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Board of Directors of First Capital Holdings PLC to provide limited assurance on whether the SMI have been prepared in accordance with the Criteria.

Restriction on use or distribution

This report has been prepared for the Board of Directors of First Capital Holdings PLC for the purpose of providing an assurance conclusion on whether the SMI in the First Capital Holdings PLC's Integrated Annual Report for the Year ended 31 March 2026 has been prepared in accordance with the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than First Capital Holdings PLC, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than First Capital Holdings PLC, for any purpose or in any other context. Any party other than First Capital Holdings PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent

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Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA

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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 ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

Independent Assurance on Integrated Reporting

permitted by law, we accept or assume no responsibility and deny any liability to any party other than First Capital Holdings PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Management for the SMI

The management of the entity are responsible for:

- Selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria
- Determining that the criteria is appropriate to meet the needs of intended users, being the Entity's Board of Directors and any other intended users.
- Preparing and presenting the SMI in accordance with the criteria set out in the IFRS Foundation's International <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- Design and implementation of internal controls that the Entity determines necessary to enable the preparation and presentation of the SMI that is free from material misstatement, whether due to fraud or error.
- Ensuring the Entity's strategy is well-presented in the SMI and reflects how the Entity creates value as they operate in practice
- Identifying stakeholders and stakeholder requirements;
- Identifying material issues and reflecting those in the SMI; and
- Preparation and fair presentation of the SMI;
- Informing us of any known and/or contentious issues relating to the SMI.

- Preventing and detecting of fraud and ensuring that the Entity complies with laws and regulations applicable to its activities;
- Process to ensure that the Entity's personnel involved with the preparation and presentation of the SMI are properly trained, systems are properly updated and that any changes in reporting is relevant to the SMI and encompass all significant business units.
- The responsibility also includes informing changes in the Entity's Operations since the date of our most recent assurance report on the SMI.
- The maintenance and integrity of First Capital Holdings PLC's website, including the presentation of our independent limited assurance report on the website is the responsibility of First Capital Holdings PLC's management. Management is responsible for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on First Capital Holdings PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the entity's SMI.

Inherent limitations

The preparation of SMI is subject to inherent limitations arising from the nature of non financial data, including the use of estimates, assumptions, and third party information. In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected.

Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuously throughout the period. We do not provide any assurance on

the assumptions and achievability of prospective information in the Integrated Report

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Board of Directors of First Capital Holdings PLC.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our procedures selected depended on our understanding of the SMI, other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

1. Assessing the suitability of the criteria used by the Entity in preparing SMI;
2. Through inquiries, obtained an understanding of the Entity's control environment, processes and information systems relevant to the preparation of the Information subject to Limited Assurance, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;

3. Obtaining an understanding of the relevant internal policies and procedures developed by the Entity, including those relevant to determining what matters most to the Entity's stakeholders, how the Entity creates value, the Entity's external environment, strategy, governance and reporting.
4. Obtaining an understanding of the description of the Entity's strategy and how the Entity creates value in the SMI and enquiring of management as to whether the description accurately reflects their understanding;
5. Assessing of the alignment between the Entity's strategy, the disclosures on how the Entity creates value and what matters most to the Entity's stakeholders.
6. Checking Board minutes to ensure consistency with the SMI.
7. Evaluated the overall presentation of the Information subject to Limited Assurance to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the entity's processes.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



CHARTERED ACCOUNTANTS

Colombo

05 June 2026

Independent Assurance on Sustainability Indicators



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INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT

TO THE BOARD OF DIRECTORS OF
FIRST CAPITAL HOLDINGS PLC
REPORT ON SELECTED INDICATORS
INCLUDED IN FIRST CAPITAL
HOLDINGS PLC'S INTEGRATED
ANNUAL REPORT FOR THE YEAR
ENDED MARCH 31, 2026

Conclusion

We have performed a limited assurance engagement on whether the selected sustainability related indicators as defined in annexure A ("Subject matter Information" or "SMI") in First Capital Holdings PLC's ("the Company") Integrated annual report for the year ended March 31, 2026 have been prepared with reference to the selected Global Reporting Initiative Standards 2021 as mentioned in Annexure A ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the selected sustainability related indicators as defined in annexure A of First Capital Holdings PLC for the year ended 31 March 2026 are not prepared, in all material respects, with reference to the Criteria.

The SMI subject to our limited assurance engagement are listed in Annexure A. The assured sustainability information is marked with *Italic font* and marked with "LA" in the Integrated Annual Report, and

the corresponding GRI indicators are also provided in Annexure A.

Our conclusion on the SMI as defined in annexure A does not extend to other information that accompanies or contains the SMI as defined in annexure A and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Management of First Capital Holdings PLC to provide limited assurance on whether the selected SMI as defined in annexure A have been prepared with reference to the Criteria

Restriction on use or distribution

This report has been prepared for the Board of Directors of First Capital Holdings PLC for the purpose of providing an assurance conclusion on whether the selected SMI in the First Capital Holdings PLC's Integrated Annual Report for the Year ended 31 March 2026 has been prepared with reference to the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than First Capital Holdings PLC, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than First Capital Holdings PLC, for any purpose or in any other context. Any party other than First Capital Holdings PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do

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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 ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than First Capital Holdings PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Management for the SMI.

The management of the Company are responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria
- Preventing and detecting fraud and ensuring the Company's compliance with applicable laws and regulations to its activities.
- Ensuring that staff involved in preparation and presentation of the description and Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- Preparing the Subject Matter Information with reference to the criteria
- The maintenance and integrity of First Capital Holdings PLC's website, including the presentation of our independent limited assurance report on the website is the responsibility of First Capital Holdings PLC's management. Management is responsible for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on First Capital Holdings PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the Company's SMI.

Inherent limitations

The preparation of SMI is subject to inherent limitations arising from the nature of non-financial data, including the use of estimates, assumptions, and third-party information. In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected.

Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuously throughout the period.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained;
- reporting our conclusion to the Board of Directors of First Capital Holdings PLC.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our procedures selected depended on our understanding of the SMI, other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the

procedures we performed primarily consisted of:

- interviewed senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquired management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquired relevant staff at corporate and selected site level responsible for the preparation of the SMI in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2026;
- enquired about the design and implementation of the systems and methods used to collect and report the SMI in the Integrated Annual Report of the First Capital Holdings PLC for the year ended 31 March 2026, including the aggregation of the reported information;
- compared the SMI in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2026 to relevant underlying sources on a sample basis to determine whether the relevant information has been appropriately included in the Report; and was not designed to test the completeness of the relevant data collection systems.
- recalculated the Information subject to Limited Assurance based on the criteria;
- read the SMI in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2026 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company; and

Independent Assurance on Sustainability Indicators

- read the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



CHARTERED ACCOUNTANTS

Colombo

05 June 2026

Annexure A to our limited assurance report dated 05 June 2026

The numbers in this annexure have been included in the Integrated Annual Report prepared by the Management.

Our reporting boundary is limited to the Company's operations in Sri Lanka.

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 2-7 Employees	2-7 a	Company's operations in Sri Lanka	Employees Related Metrics	As at 31 March 2026	298
	2-7 b (i)				298
	2-7 b (iv)				298
	2-7 c				298
	2-7 d				298
	2-7 e				298
Disclosure 204-1 Proportion of spending on local suppliers	204-1 a	Company's operations in Sri Lanka	Proportion of spending on local suppliers	For the year ended 31 March 2026	318
	204-1 b				318
	204-1 c				298
Disclosure 206-1 Legal actions for anti- competitive behaviour, anti-trust, and monopoly practices	201-1 a	Company's operations in Sri Lanka	Legal actions for anti- competitive behaviour, anti-trust, and monopoly practices	For the year ended 31 March 2026	315
Disclosure 302-1 Energy consumption within the organisation	302-1 c (i)	Company's operations in Sri Lanka	Energy consumption within the organisation	For the year ended 31 March 2026	328
Disclosure 302-3 Energy Intensity	302-3 a	Company's operations in Sri Lanka	Energy Intensity	For the year ended 31 March 2026	328
	302-3 b				328
	302-3 c				328
	302-3 d				328
Disclosure 401-1 New employee hires and employee turnover	401-1 a	Company's operations in Sri Lanka	New employee hires and employee turnover	For the year ended 31 March 2026	301
	401-1 b				304
Disclosure 401-2 Benefits provided to full- time employees that are not provided to temporary or part-time employees	401-2 a	Company's operations in Sri Lanka	Benefits provided to full-time employees that are not provided to temporary or part-time employees	For the year ended 31 March 2026	302, 303
Disclosure 401-3 Parental Leave	401-3 a	Company's operations in Sri Lanka	Parental leave	For the year ended 31 March 2026	303
	401-3 b				303
	401-3 c				303
	401-3 d				303
	401-3 e				303
Disclosure 404-1 Average hours of training per year per employee	404-1 a	Company's operations in Sri Lanka	Average hours of training per year per employee	For the year ended 31 March 2026	307

Independent Assurance on Sustainability Indicators

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	404-2 a	Company's operations in Sri Lanka	Programs for upgrading employee skills and transition assistance programs	For the year ended 31 March 2026	306,308
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	404-3 a	Company's operations in Sri Lanka	Percentage of employees receiving regular performance and career development reviews'	For the year ended 31 March 2026	305
Disclosure 405-1 Diversity of governance bodies and employees	405-1 b (i)	Company's operations in Sri Lanka	Diversity of governance bodies and employees	For the year ended 31 March 2026	299
	405-1 b (ii)				299
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	405-2 a	Company's operations in Sri Lanka	Ratio of basic salary and remuneration of women to men	For the year ended 31 March 2026	303
	405-2 b				298
Disclosure 406-1 Incidents of discrimination and corrective actions taken	406 -1 a	Company's operations in Sri Lanka	Incidents of discrimination and corrective actions taken	For the year ended 31 March 2026	310
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1 c	Company's operations in Sri Lanka	Substantiated complaints concerning breaches of customer privacy and losses of customer data	For the year ended 31 March 2026	318

Integrated Reporting - Content Index

IR Reference	Para. No.	Description	Page No./Notes
1G	1.2	An integrated report should include a statement from those charged with governance	15
2B	2.4	Value created, preserved or eroded by an organisation over time manifests	46-47
2C	2.10	All organisations depend on various forms of capital for their success	257-330
2D	2.20	The process through which value is created, preserved or eroded is depicted	46-47
3A	3.3	Strategic focus and future orientation	48-52
3B	3.6	Connectivity of information	Connectivity of the information is maintained throughout the report
3C	3.10	Stakeholder relationships	32-40
3D	3.17	Materiality	41-45
3D	3.18	The materiality determination process	41
3D	3.21	Identifying relevant matters	42
3D	3.28	Prioritising important matters	42
3E		Conciseness	Concise IR report is available on pages 8 to 330
3F		Reliability and completeness	External Assurance on IR reporting is available on pages 563 to 565
3G		Consistency and comparability	Comparative information is provided for comparability and consistency
4A	4.4, 4.5, 4.6, 4.7	Organisational overview and external environment	222-229
4B	4.8	Governance	84-111
4C	4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20, 4.21, 4.22	Business model	46-47
4D	4.23, 4.24, 4.25, 4.26	Risks and opportunities	230-244
4E	4.27, 4.28, 4.29	Strategy and resource allocation	48-52
4F	4.31, 4.32, 4.33	Performance	54-60
4G	4.35, 4.36, 4.37, 4.38, 4.39	Outlook	70
4H	4.41, 4.42, 4.43, 4.44, 4.45, 4.46, 4.47	Basis of preparation and presentation	12-13

GRI Content Index

FIRST CAPITAL HOLDINGS PLC – GRI CONTENT INDEX (ANNUAL REPORT 2025/26)

Statement of use	First Capital Holdings PLC has reported the information cited in this GRI content index for the period 01 April 2025 to 31 March 2026 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location (Page)
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	586
	2-2 Entities included in the organisation's sustainability reporting	343
	2-3 Reporting period, frequency and contact point	342 & 15
	2-4 Restatements of information	No restatements
	2-5 External assurance	566-570
	2-6 Activities, value chain and other business relationships	46-47
	2-7 Employees	286-310
	2-8 Workers who are not employees	300
	2-9 Governance structure and composition	87
	2-10 Nomination and selection of the highest governance body	93
	2-11 Chair of the highest governance body	84
	2-12 Role of the highest governance body in overseeing the management of impacts	100
	2-13 Delegation of responsibility for managing impacts	101-102
	2-14 Role of the highest governance body in sustainability reporting	347-351
	2-15 Conflicts of interest	94
	2-16 Communication of critical concerns	107
	2-17 Collective knowledge of the highest governance body	72-77
	2-18 Evaluation of the performance of the highest governance body	99
	2-19 Remuneration policies	90
	2-20 Process to determine remuneration	90
	2-22 Statement on sustainable development strategy	351-352
	2-27 Compliance with laws and regulations	114
	2-28 Membership associations	284
	2-29 Approach to stakeholder engagement	32-40
	2-30 Collective bargaining agreements	No collective bargaining agreements
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	41
	3-2 List of material topics	42
	3-3 Management of material topics	41-42

GRI Standard / Other Source	Disclosure	Location (Page)
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	267
	201-2 Financial implications and other risks and opportunities due to climate change	353-363
	201-3 Defined benefit plan obligations and other retirement plans	455
	201-4 Financial assistance received from government	Nil
Procurement Practices		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	318
Anti-Corruption		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	230-244
	205-2 Communication and training about anti-corruption policies and procedures	338
	205-3 Confirmed incidents of corruption and actions taken	60
Anti-Competitive Behaviour		
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Nil
Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	328
	302-3 Energy intensity	328
Water and Effluents		
GRI 303: Water and Effluents 2018	Disclosure 303-5 Water Consumption	328
Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	328
	305-2 Energy indirect (Scope 2) GHG emissions	328
	305-3 Other indirect (Scope 3) GHG emissions	328
	305-4 GHG emissions intensity	57
Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	301
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	305
	401-3 Parental leave	303
Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	307
	404-2 Programmes for upgrading employee skills and transition assistance programmes	307
	404-3 Percentage of employees receiving regular performance and career development reviews	305

GRI Content Index

GRI Standard / Other Source	Disclosure	Location (Page)
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	298-299
	405-2 Ratio of basic salary and remuneration of women to men	303
Non-Discrimination		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	309
Public Policy		
GRI 415: Public Policy 2016	415-1 Political contributions	No political contribution
Customer Privacy		
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	318

SLFRS S1 and S2 Disclosures Content Index

SLFRS S1 & S2 Section	SLFRS S1 / S2 Reference	Summary of Requirements	Page Reference
Governance	S1: 26–27 S2: 5–6	Governance structures, board-level roles, internal processes, controls, and oversight procedures for managing sustainability-related and climate-related risks and opportunities are outlined, including how these are monitored and reviewed on an ongoing basis.	347-351
Strategy	S1: 28–42 S2: 8–23	How identified sustainability-related and climate-related risks and opportunities shape the business model, strategic direction, and financial planning across short, medium, and long-term horizons is explained. This covers: • Identification of Sustainability-related Risks and Opportunities • Impact on Business Model and Value Chain • Effects on Strategy and Decision-Making • Implications for Financial Position, Performance, and Cash Flows • Resilience • Climate Transition Plan	351-364
Risk Management	S1: 43–44 S2: 24–26	Processes applied to identify, assess, prioritise, and monitor sustainability-related and climate-related risks and opportunities are set out, along with how these processes are embedded within and aligned to the overall enterprise risk management framework.	364-367
Metrics and Targets	S1: 45–53 S2: 27–28	Metrics and targets used to evaluate performance against sustainability-related and climate-related risks and opportunities are presented, together with an update on progress made toward each target and the degree to which they have been met during the reporting period.	368-373
GHG Emissions and Climate Metrics	S2: 29	Scope 1, 2, and 3 greenhouse gas (GHG) emissions are reported, along with the methodologies, key assumptions, and intensity ratios applied in their calculation.	369
Scenario Analysis and Climate Resilience	S2: 22	Resilience of the strategy and business model is assessed against a range of climate-related changes, developments, and uncertainties. This assessment is informed by climate-related scenario analysis, taking into account the climate risks and opportunities identified as material to the business.	364
Materiality	S1: 17–18	Material information relating to sustainability-related and climate-related risks and opportunities is disclosed where it is reasonably expected to influence the judgements and decisions of primary users of the financial reports.	345
Current and Future Financial Impacts	S1: 34–40 S2: 15–21	An assessment is provided of the current and anticipated financial impacts of sustainability-related and climate-related risks and opportunities on financial position, financial performance, and cash flows.	353-363



GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Organization Level GHG statement developed by

First Capital Holdings PLC

No. 02, Deal Place, Colombo 03, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No : SLCF/CFP/0581
Date of Issue : 04.06.2026
Period of Assessment : 01.04.2025 – 31.03.2026
Selected Boundary : Operationally controlled business operations of First Capital Holdings PLC

Direct GHG Emissions : 1 tonne of CO₂ equivalent
Indirect GHG Emissions : 193 tonnes of CO₂ equivalent
Total GHG Emissions : 194 tonnes of CO₂ equivalent

****Scope 1** Direct GHG Emissions : 1 tonne of CO₂ equivalent
Scope 2 Electricity Indirect GHG Emissions : 72 tonnes of CO₂ equivalent
Scope 3 Other Indirect GHG Emissions : 121 tonnes of CO₂ equivalent



ISO/IEC 17029 and ISO 14066
VVB 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Validity period of the certificate: 04.06.2026 – 30.06.2027

Exclusions: Emissions from Investments

*Materiality threshold is below 5%. The reported GHG emissions are rounded up to the nearest highest value.

**GHG emissions have been reported in accordance with GHG Protocol

References

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Integrated Reporting Framework. Available at: <https://www.ifrs.org/issued-standards/integrated-reporting/framework/>

United Nations Sustainable Development Goals and Targets. Available at: <https://www.undp.org/sustainable-development-goals/>

SLFRS S1 - General Requirements for Disclosure of Sustainability- related Financial Information. Available at: <https://www.casrilanka.com/>

SLFRS S2- Climate Related Disclosures. Available at: <https://www.casrilanka.com/>

Unit Trust Association of Sri Lanka -Performance report of 31 March 2026:

<http://utasl.lk/performance-reports/>

Abbreviations

No.	Abbreviation	Full Form / Definition
1	ABC	Anti-Bribery and Corruption
2	AGM	Annual General Meeting / Assistant General Manager (as appropriate)
3	ALCO	Asset and Liability Committee
4	AML	Anti-Money Laundering
5	ASPI	All Share Price Index
6	AWDR	Average Weighted Deposit Rate
7	AWFDR	Average Weighted Fixed Deposit Rate
8	AWPLR	Average Weighted Prime Lending Rate
9	BAC	Board Audit Committee
10	BCP	Business Continuity Plan/Planning (as appropriate)
11	BIRMC	Board Integrated Risk Management Committee
12	Bn	Billion
13	BNGC	Board Nominations and Governance Committee
14	BOD	Board of Directors
15	CA Sri Lanka / ICASL	Institute of Chartered Accountants of Sri Lanka
16	CAPEX	Capital Expenditure
17	CAR	Capital Adequacy Ratio
18	CBSL	Central Bank of Sri Lanka
19	CCPI	Colombo Consumer Price Index
20	CEO	Chief Executive Officer
21	CFM	Close Family Members
22	CFO	Chief Financial Officer
23	CO ₂	Carbon Dioxide
24	CO ₂ e	Carbon Dioxide Equivalent – standard unit for measuring carbon footprints
25	CRO	Chief Risk Officer
26	CRRO	Climate Related Risks and Opportunities
27	CSE	Colombo Stock Exchange
28	CSR	Corporate Social Responsibility
29	DR	Disaster Recovery
30	ECL	Expected Credit Loss
31	EIR	Effective Interest Rate
32	EPF	Employees' Provident Fund
33	EPS	Earnings per Share
34	ERM	Enterprise Risk Management
35	ESG	Environmental, Social and Governance
36	ESOP	Employee Share Ownership/Option Plan
37	ETF	Employees' Trust Fund
38	FCY	Foreign Currency
39	FVAT	Value Added Tax on Financial Services
40	FVOCI	Fair Value through Other Comprehensive Income
41	FVPL	Fair Value through Profit or Loss
42	FX/FOREX	Foreign Exchange
43	FY	Financial Year

No.	Abbreviation	Full Form / Definition
44	GDP	Gross Domestic Product
45	GHG	Greenhouse Gas
46	GoSL	Government of Sri Lanka
47	GRI	Global Reporting Initiative
48	IFRS	International Financial Reporting Standards
49	IIRC	International Integrated Reporting Council
50	IMF	International Monetary Fund
51	IPO	Initial Public Offering
52	IR	Integrated Reporting
53	CY	Calender Year
54	CX	Client Experience
55	UN SDG	United Nations Sustainable Development Goals
56	GPTW	Great Place to work
57	SASB	Sustainability Accounting Standards Board
58	SEC	Securities and Exchange Commission of Sri Lanka
59	Mn	Million
60	AUM	Assets Under Management
61	CAGR	Compound Annual Growth Rate
62	LRA	Lanka Rating Agency
63	KPI	Key Performance Indicators
64	HVAC	Heating, Ventilation, and Air Conditioning
65	SLFRS	Sri Lanka Financial Reporting Standards
66	DFI	Development Finance Institution
67	CRM	Customer Relationship Management
68	FDI	Foreign Direct Investments
69	PD	Primary Dealing
70	MTM	Mark to Market
71	KYC	Know Your Customer
72	IALCO	Investment, Asset and Liability Committee
73	NGC	Nominations and Governance Committee
74	AOP	Annual Operating Plan
75	MANCO	Management Committee
76	ITSC	IT Steering Committee
77	SMC	Sustainability Management Committee
78	ASWG	Annual Report and Sustainability Working Group
79	KMP	Key Management Personnel
80	TOR	Terms of Reference
81	RPT	Related Party Transactions
82	PPE	Property, Plant and Equipments
83	SOCI	Statement of Profit or Loss and Other Comprehensive Income
84	SOFP	Statement of Financial Position
85	SOCE	Statement of Changes in Equity

Glossary of Financial and Business Terms

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.

ADDITIONAL ISSUE

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AMORTISED COST

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

ANNUAL EQUIVALENT RATE (AER)

The interest rate on a financial product, loan or investment re-stated from its nominal interest rate to an interest rate with annual compound interest payable in arrears.

ANNUAL EQUIVALENT BASIS

The methodology of using the Annual Equivalent Rate to depict the interest rate on a financial product.

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.

ASSETS UNDER MANAGEMENT (AUM)

The total market value of all the financial assets which a financial institution such as an asset manager of unit trusts, investment company, venture capital firm or private equity company manages on behalf of its clients and themselves.

ASSOCIATE

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

AVAILABLE FOR SALE (AFS)

AFS are those non-derivative financial assets which are designated as available for sale or are not classified as loans and receivable, held-to-maturity investments or financial assets at fair value through profit or loss.

ASSET BACKED SECURITISATIONS

Short or long-term financial securities which are backed by financial assets and also referred to as Securitisations.

AVERAGE WEIGHTED DEPOSIT RATE (AWDR)

Weighted average interest rates offered for interest bearing deposits by commercial banks.

B

BOUTIQUE OPERATION

In relation to First Capital's branches it reflects that the branch under consideration does not provide a full suite of financial services.

BUSINESS MODEL

A representation for the operation of a business, identifying its revenue sources, customer base, products, services and financing sources. In this report we use the term business platform to refer to the core services or main businesses represented in the Company's business

model. These core areas are Government Securities, Corporate Finance and Advisory, Asset Management and Stock Brokering.

C

CALL MONEY RATE

Inter-bank overnight lending rate.

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 liabilities simplified as Total Assets less Current Liabilities denoting the total amount of capital used in the acquisition of profits.

CAPITAL FORMATION

The act of capital raising in debt and equity primary markets through initial issues of instruments to raise funds for a company.

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.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements Financial Statement of a holding company and its subsidiaries based on their combined assets, liabilities and operating results.

CONTINGENT LIABILITIES

Conditions or situations at the reporting date, the financial affects of which are to be determined by future events which may or may not occur.

CORE BUSINESSES

Principal areas of business. In this report we refer to core businesses of the Company as Government Securities, Corporate Finance and Advisory, Asset Management and Stock Brokering.

- Corporate Finance and Advisory refers to a range of advisory services offered by the company including capital raising, capital market strategy, treasury/ liquidity management and project finance.
- Asset Management refers to the company's wealth and asset management activities which include unit trust investments, discretionary portfolio management and tailored financial advice and products such as lifestyle investment.
- Government Securities refers to the range of fixed income based investment products and secondary market trading services in addition to primary dealing offered by the company.
- Stock Brokering refer to the stock brokering and margin trading services offered by the company in view of secondary market trading in equity products.

CORPORATE GOVERNANCE

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 recognises 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.



DEAL

Transactions of an Investment institution.

DEALING DESK

In this report, the term is used to describe the Dealing Securities division which is engaged in market making and trading services in government and corporate debt securities. See Market Maker.

DEAL PIPELINE

The approach to secure initial contact with a potential client, qualifying that prospect into a lead and further actions that lead into the different stages of execution to closing of the transaction on the client's behalf. Potential validated leads may be numerically estimated to depict the value of a deal pipeline. It is a reflection of the Company's potential or 'transactions-in- the-making'.

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 of its liabilities.

EQUITY METHOD

The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post- acquisition changes in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

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.

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 RECOGNISED 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 loss'.

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.

FORWARD RATE AGREEMENT

An agreement between two parties who wish to protect themselves against a future movement in interest rates.

FULL-SERVICE INVESTMENT BANKING

Where an investment institution provides both advisory services in addition to trading, market making and research amongst other services on a broad array of financial products.

This is in contrast to boutique or non-full service investment banking where the investment institution provides at least one but not all types of fee based (capital light) and fund based (capital intensive) services that comprise investment banking.

FUND

See Unit Trust.

G**GILTS**

Government securities.

GOODWILL

An intangible asset that represents the excess of the purchase price of an acquired company over the value of the net assets acquired.

GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

GROUP

A group is a parent and all its subsidiaries.

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.

H**HELD TO MATURITY INVESTMENT**

Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

I**IMPAIRMENT**

This occurs when recoverable amount of an asset is less than its carrying amount.

IMPAIRMENT ALLOWANCES

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective respectively.

INORGANIC GROWTH

Business expansion and enhanced outreach achieved by acquiring new businesses through mergers, acquisitions and take-overs.

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 RATE SWAP

An interest rate SWAP is a contract, whereby two parties agree to exchange a set of interest cash flows based on a notional principle on pre-arranged dates. Normally fixed rate is exchanged for a floating rate.

INTEREST COVER

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

IPO OR INITIAL PUBLIC OFFERING

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

J**JOINT CONTROL**

Joint control is the contractually agreed sharing of the control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

K**KEY MANAGEMENT PERSONNEL**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

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**MARGIN TRADING**

A credit facility given to investors who wish to expand their investment portfolio.

Glossary of Financial and Business Terms

MARKET DISLOCATION

Circumstances in which financial markets operating under stressful conditions, cease to price assets correctly on an absolute and relative basis. An absolute value is the intrinsic value of an asset or company without comparing it to any others, while relative value is based on the value of similar assets or companies.

MARKET MAKER

In the local context, a market maker is a Primary Dealer that undertakes to buy or sell securities at specified prices for buying and selling, at all times, thus providing liquidity in that security.

MARKET VALUE PER SHARE

The price at which an ordinary share is transacted in the stock market.

MARKET CAPITALISATION

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.

MONEY BROKER

Inter-bank money broker approved by the Central Bank of Sri Lanka.

MERGERS AND ACQUISITIONS (M&A)

Transactions in which the ownership of companies, other businesses or their operating units are transferred or combined. They are considered as capital market strategy or tactical management transactions that can allow companies to grow, decrease in size, change the nature of their business or enhance their competitive position.

N

NET INTEREST MARGIN

Is the difference between interest paid and interest received, adjusted for the total amount of interest-generating assets held. It is a measure of profitability of interest- rate based businesses.

NET INTEREST RATE SPREAD

See Spread

NON-CONTROLLING INTEREST

Portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.

O

OPERATIONAL RISK

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

ORGANIC GROWTH

The process of business growth through increased output, customer base expansion, or new product development, as opposed to through Mergers and Acquisitions which is inorganic growth.

OUTRIGHT

The purchase or sale of a currency or security for delivery on any date other than spot (not being a swap transaction).

OVERNIGHT

Deposit or swap transaction for settlement on transaction date to or against the next business day after transaction date.

OVERNIGHT POLICY RATE (OPR)

This is the policy interest rate of the Central Bank of Sri Lanka under the single policy interest rate mechanism.

P

PARENT

A parent is an entity that has one or more subsidiaries.

PORTFOLIO

Income generating assets such as loans, finance leases, investment securities and bills discounted etc.

PRIMARY MARKET

A capital market where newly issued securities are offered to the public directly by the issuer. Initial Public Offerings and new issues where a company offers its shares or debentures directly to investors constitute the primary market.

PRIMARY DEALER

A dealer in government securities licensed by the Central Bank of Sri Lanka.

PRIME LENDING RATE (PLR)

The interest rate a commercial bank will offer to its best customers.

PURE PLAY

See Full Service Investment Banking

R

RECURRING INCOME

Also core earnings closely linked to the traditional banking business but also used in investment banking to mean the portion of a company's income that is expected to continue in the future.

REDEMPTION

Refers to the liquidation of unit trust holdings; or in general, repayment of a fixed-income security before their maturity date.

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.

REPRICING

Means the opportunity to reassess or reassessment of the value of an investment when a change in market environment occurs.

RE-PURCHASE AGREEMENT

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

REVENUE RESERVES

Reserves which may be distributed to shareholders as dividends.

REVERSE RE-PURCHASE AGREEMENT

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

RIGHTS ISSUE

The issue of new shares with the right given to existing shareholders to purchase them in proportion to their shareholdings. This raises new capital for the company, often including a premium.

S

SECONDARY MARKET

A capital market where investors purchase securities or assets from other investors, rather than from the issuing companies themselves. The Colombo Stock Exchange is a secondary market (Listed shares/ debentures).

SHAREHOLDER'S FUNDS

Shareholder's funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

SPREAD

In this report refers to, net interest rate spread or the difference between the average yield received from interest-accruing activities or assets and the average rate we pay on interest-accruing borrowings or liabilities.

STANDING DEPOSIT FACILITY RATE (SDLR)

The floor rate of interest for the absorption of overnight excess liquidity from the banking system by the Central Bank of Sri Lanka.

STANDING LENDING FACILITY RATE (SDFR)

The interest rate applicable on reverse repurchase transactions of the Central Bank of Sri Lanka with commercial banks on an overnight basis providing the ceiling rate for the injection of overnight liquidity to the banking system by the Central Bank of Sri Lanka.

STATUTORY RESERVE REQUIREMENT (SRR)

The proportion of rupee deposit liabilities that commercial banks are required to maintain as a deposit with the Central Bank of Sri Lanka.

SUBSIDIARY

A subsidiary is an enterprise that is controlled by another enterprise (known as the parent company). Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

SWAP (CURRENCY)

The simultaneous purchase and sale of identical amounts of a currency for different value dates.

T

TERM REPO

A Repo with more than one day's duration. In this report we use it in relation to the Platinum Bond issued by the Company which is a Repo investment with medium to long term horizon. Also see Repurchase Agreement.

TRANSACTION COSTS

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U

UNIT TRUST

An undertaking formed to invest in securities under the terms of a trust deed. May also be referred to as Fund or Mutual Fund.

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.

Corporate Information

NAME OF THE COMPANY

First Capital Holdings PLC

NAME OF THE SUBSIDIARIES

First Capital Limited
First Capital Treasuries PLC
First Capital Asset Management Limited
First Capital Equities (Private) Limited
First Capital Advisory Services (Private) Limited
First Capital Markets Limited
First Capital Trustee Services (Private) Limited

LEGAL FORM

Public Limited Liability Company, listed on the Colombo Stock Exchange (Incorporated in Sri Lanka on 23 March 1992)

STOCK EXCHANGE LISTING

The Ordinary shares of the Company have been quoted on the Diri Savi Board of the Colombo Stock Exchange (CSE)

PRINCIPAL ACTIVITIES

The main activity of the Company is the investment and management of subsidiaries.

COMPANY REGISTRATION NUMBER

PQ44

FINANCIAL YEAR-END

31 March

WEBSITE

www.firstcapital.lk

REGISTERED OFFICE

No. 02, Deal Place, Colombo 03, Sri Lanka

HEAD OFFICE & BRANCHES

Head Office - Colombo,
Branches - Negombo, Matara, Kandy,
Kurunegala, Batticaloa, Anuradhapura,
Jaffna and Galle

SECRETARIES

Ms. Heidy Seneviratne
No. 2, Deal Place, Colombo 03

REGISTRARS

SSP Corporate Services (Private) Limited
No. 101, Inner Flower Road, Colombo 03
Tel: 0112 573894

EXTERNAL AUDITORS

Messrs KPMG
Chartered Accountants
32 A, Sir Mohamad Macan Marker Mawatha
P.O. Box 186, Colombo 03

INTERNAL AUDITOR

Mr. Priyan Jayakody

PRINCIPAL BANKERS

Seylan Bank PLC
Hatton National Bank PLC
Sampath Bank PLC
Bank of Ceylon
People's Bank
Commercial Bank of Ceylon PLC
Cargills Bank PLC
Nations Trust Bank PLC
DFCC Bank PLC
National Development Bank PLC
Pan Asia Bank Corporation PLC

BOARD OF DIRECTORS

Mr. Rajendra Theagarajah
Ms. Manjula Mathews
Mr. Dilshan Wirasekara
Mr. Ramesh Schaffter
Mr. Kuda Herath
Ms. Inoshini Perera
Ms. Rachini Rajapaksa
Mr. Dilendra Wimalasekera

AUDIT COMMITTEE

Ms. Rachini Rajapaksa - Chairperson
Ms. Inoshini Perera - Member
Ms. Manjula Mathews - Member

NOMINATION & GOVERNANCE COMMITTEE

Mr. Kuda Herath - Chairman
Mr. Rajendra Theagarajah - Member
Ms. Manjula Mathews - Member

REMUNERATION COMMITTEE

Mr. Dilendra Wimalasekera - Chairman
Mr. Rajendra Theagarajah - Member
Mr. Ramesh Schaffter - Member

INVESTMENT, ASSET AND LIABILITY COMMITTEE

Mr. Rajendra Theagarajah - Chairman
Ms. Manjula Mathews - Member
Mr. Dilshan Wirasekara - Member
Ms. Rachini Rajapaksa - Member

RELATED PARTY TRANSACTION REVIEW COMMITTEE

Ms. Rachini Rajapaksa - Chairperson
Ms. Inoshini Perera - Member
Ms. Manjula Mathews - Member

BOARD INTEGRATED RISK MANAGEMENT COMMITTEE

Ms. Rachini Rajapaksa - Chairperson
Mr. Dilshan Wirasekara - Member
Ms. Inoshini Perera - Member

TAXPAYER IDENTITY NUMBER (TIN)

134003324

VAT REGISTRATION NUMBER

134003324 7000

CREDIT RATING & CREDIT AGENCY STATUS

The Company has been assigned A+ (Stable) by Lanka Rating Agency Limited (LRA). LRA is an approved Credit Agency under the Securities and Exchange Commission Act No. 19 of 2021 and the Gazette Extraordinary bearing number 2271/09 dated 15 March 2022

Notice of Meeting

Notice is hereby given that the 34th Annual General Meeting (AGM) of First Capital Holdings PLC will be held as a virtual meeting on Tuesday, 30 June 2026 at 3.00 p.m. to transact the following businesses.

1. To receive the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2026 together with the Report of the Auditors thereon.
2. To re-elect Mr. Ramesh Schaffter who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers himself for re-election.
3. To re-elect Mr. Kuda Banda Herath who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers himself for re-election.
4. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.
5. To authorise the Directors to determine and make donations.

By Order of the Board,

(Sgd.)

Heidy Seneviratne

Company Secretary

05 June 2026

NOTES:

1. The Shareholders are requested to register with their first names and last names via the below link before 4.00 pm, on Thursday, 25 June 2026, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on Tuesday, 30 June 2026 at 3.00 p.m.

Registration link

<https://forms.office.com/pages/responsepage.aspx?id=hAqneGX6V0mUDdSTx-4P-wTYUpTaDSZNpUlsfaWjflRUN0VYOTZCUjhFNDVIMDIYOTbBODBQNEsyMC4u&route=shorturl>



2. A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.
3. A Proxy need not be a member of the Company.
4. A Form of Proxy is enclosed for this purpose.
5. The completed Form of Proxy must be forwarded by email to companysecretary@firstcapital.lk
WhatsApp to +94 773647178 or directly deposited at the Registered Office of the Company at No. 2, Deal Place, Colombo 03. No registration of proxies will be accommodated after this deadline.
6. Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/her/its proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries as specified above in order that their vote may be identified and recorded as if he/she/it were present at the Meeting.

Handwritten notes area with horizontal dashed lines.

Form of Proxy

First Capital Holdings PLC (PQ 44)

I / We, ...
of being a Member/s of the First Capital Holdings PLC,
hereby appoint Mr/Mrs/Miss (holder of NIC No.
.....) of failing him/her,

1. Mr. Rajendra Theagarajah failing him
2. Ms. Manjula Mathews failing her
3. Mr. Ramesh Schaffter failing him
4. Mr. Kuda Herath failing him
5. Mr. Dilendra Wimalasekera failing him
6. Ms. Rachini Rajapaksha failing her
7. Ms. Inoshini Perera failing her
8. Mr. Dilshan Wirasekara

as my/our Proxy to represent me/us and vote on my/our behalf at the 34th Annual General Meeting of the Company to be held, as a virtual meeting on Tuesday, 30 June 2026 at 3.00 p.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' in the box of your choice against each Resolution.

	For	Against
1. Receiving of the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2026 together with the Report of the Auditor's thereon.	☐	☐
2. Re-election of Mr. Ramesh Schaffter as a Director in terms of Article 25 of the Articles of Association of the Company.	☐	☐
3. Re-election of Mr. Kuda Banda Herath as a Director in terms of Article 25 of the Articles of Association of the Company.	☐	☐
4. Re-appointment of Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorising the Directors to determine their remuneration.	☐	☐
5. Authorising Directors to determine and make donations.	☐	☐

Signed on this.....day of 2026

Signature/s.....

Shareholder's N.I.C./P.P./Co. Reg. No.

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INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the form of Proxy overleaf, after filling in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.
2. The completed form of Proxy must be forwarded to the Company Secretaries by email companysecretary@firstcpaital.lk
3. WhatsApp to +94773647178 or directly deposited at the Registered office of the Company at No. 2, Deal Place, Colombo 03 not less than 48 hours before the time fixed for the Meeting. No registration of proxies will be accommodated after this deadline.
4. If an Attorney has signed the form of Proxy, the relative Power of Attorney should also accompany the completed form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
5. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to require evidence of the authority of any such attorney or officer.
6. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the form of Proxy has been completed, no vote will be recorded by the form of Proxy.

Investor/Stakeholder Feedback Form

To request information to submit a comment / query to the company, please provide the following details and return this page to –

Mangala Jayashantha

Chief Financial Officer
First Capital Holdings PLC
02, Deal Place
Colombo 03
mangala@firstcapital.lk
Tel : 0112639898

Name	:	.....
Permanent Mailing Address	:	..... .....
Contact Number/s	:	.....
Tel	:	.....
Fax	:	.....
E-Mail	:	.....
Name of the Company (If Applicable)	:	.....
Designation (If Applicable)	:	.....
Company Address (If Applicable)	:	.....
Queries / Comments	:	..... ..... ..... .....

Your opinion matters. Please share your views with us.

Which stakeholder groups do you belong to?

(You may tick more than one)

☐ Employee	☐ Customer	☐ Shareholder	☐ Community	☐ Investor

Does the report address issues of greatest interest to you?

☐ Comprehensively	☐ Partially	☐ Not at all

Please identify any additional issues that you think should be reported on:

Do you have any additional comments on the report - or on First Capital's performance?

Would you like to be consulted when we prepare our next Integrated report?

☐ Yes	☐ No

Your name, email address and / or other contact details:

SECTION

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