EXPONENTIAL

First Capital
A Janashakthi Group Company

First Capital Holdings PLC

Annual Report
2024/25

EXPONENTIAL

What began as a focused effort has now grown into something far greater; an exponential journey of progress, reach and impact. We are scaling our initiatives rapidly, connecting with more people than ever before. Our commitment to financial inclusiveness is fully activated, breaking down the complexities of investing into accessible, actionable knowledge. We are making it easier than ever for people to start their investment journey through new digital channels and product innovations.

This growth is part of a bigger movement within the organisation, one that brings together every business line, every team, and every client interaction under a common purpose. With record-breaking performance, the numbers prove what we have always known: when driven by purpose, growth is not incremental. It is exponential.

First Capital
A Janashakthi Group Company

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https://firstcapital.lk/first-capital-holdings-annual-report/

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About Our Integrated Report

FCH GROUP INTEGRATED REPORTING JOURNEY

2023/24
Gold Award in the Investment Banking Category

2022/23
Gold Award in the Investment Banking Category

2021/22
Silver Award in the Investment Banking Category

STAKEHOLDER ICONS

- Clients
- Employees
- Providers of Financial Capital
- Regulators
- Community Ecosystem
- Business Partners
- Suppliers and Service Providers
- Analysts and Rating Agencies

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

CAPITAL ICONS

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

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

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

A short video provides a visual snapshot of key strategic outcomes and performance highlights for the year.

An AI-enabled chatbot is available on the digital version to respond to stakeholder queries in real time.

Sinhala and Tamil versions of the Audited Financial Statements of FY 2025 (summarised) are available on our website.

REPORT PROFILE

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 2024 to 31 March 2025 which coincides with the Group's financial reporting cycle (FY 2025).

REPORTING BOUNDARY

Risks, Opportunities and Outcomes

FINANCIAL REPORTING BOUNDARY

First Capital Holdings PLC
(Entities over which FCH exerts control and significant influence)

- 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 Trustee Services (Private) Limited
- First Capital Markets Limited

ABOUT OUR REPORT

This Integrated Annual Report has been prepared by First Capital Holdings PLC (First Capital, FCH, First Capital Group or the Group) to provide a holistic and transparent view of our strategy, performance, governance, and prospects for the financial year ended 31 March 2025 (FY2025).

Now in the fourth year of our integrated reporting journey, this report reflects our ongoing commitment to embedding integrated thinking across the Group. It communicates how financial and non-financial capital is deployed and transformed through our business model to create sustainable value for our stakeholders over the short, medium and long-term.

The report is structured in alignment with the principles and content elements of the International <IR> Framework (2021) published by the IFRS Foundation (formerly the International Integrated Reporting Council), alongside relevant local and global reporting standards.

PURPOSE AND AUDIENCE

The primary purpose of this report is to articulate FCH's value creation story within an increasingly complex and opportunity-rich operating context. It is designed to inform providers of financial capital, our shareholders and potential investors, while also engaging a broader audience of stakeholders including regulators, clients, employees, business partners and society at large.

We recognise that in an interconnected capital markets ecosystem, integrated performance cannot be meaningfully communicated in isolation. This report aims to show how our business model, strategy, risks, resources and relationships interact to preserve and create value across stakeholder groups.

REPORTING INNOVATIONS AND ENHANCEMENTS

BENCHMARKED REPORTING

Transparency

First Capital reinforces transparent, accountable reporting by expanding disclosures across strategic, financial, and ESG domains.

Integrated <IR> framework applied for the fourth consecutive year, with improved articulation of value creation across six capitals.

Expanded double materiality disclosure, clearly distinguishing impact and financial materiality and linking to capitals, SDGs and risk themes.

Stakeholder insight matrix connects engagement feedback to strategic response and outcomes.

Sustainability-related transitional disclosures initiated in alignment with SLFRS S1/S2, with context on readiness and transition timelines.

Comprehensive assurance coverage with clear scope for financial, sustainability and narrative elements; aligned to GRI, SASB and CA Sri Lanka guidance.

Process transparency established through detailed disclosures on Board oversight and cross-functional development of the Annual Report.

Accountability

First Capital embeds accountability into performance, decision-making and governance structures at every level.

KPI-linked performance measurement across businesses, integrating financial, operational and ESG metrics.

Strategic themes and scorecard tracking introduced with value creation, preservation or erosion explicitly assessed.

Reporting of risk management deepened with comprehensive disclosure of framework and philosophy and improved level risk appetite articulation.

Material Matters continue to be validated by the Board, ensuring alignment with strategic direction and stakeholder expectations.

Stakeholder feedback integration provides broader engagement input including gap analyses, collaborations, accolades and community initiatives, now informing performance insights and decision-making.

Governance

First Capital continues to strengthen governance systems to ensure integrity, oversight and alignment with performance and purpose.

Governance tied to value creation clear linkages between Board oversight, strategy execution and capital allocation outcomes.

Subsidiary governance model clarified, ensuring autonomy with alignment and non-executive stewardship at Group level.

Board accountability for report integrity affirmed through formal Responsibility Statement.

Precautionary principle asserted proportionally in alignment with current status of integration.

Combined assurance model enables multi-line oversight and external validation across reporting elements.

Ongoing regulatory compliance and corporate governance alignment with CA Sri Lanka's 2023 Code of Best Practice and market regulations.

Sustainability

First Capital's sustainability perspectives and reporting are enhanced in alignment with global standards.

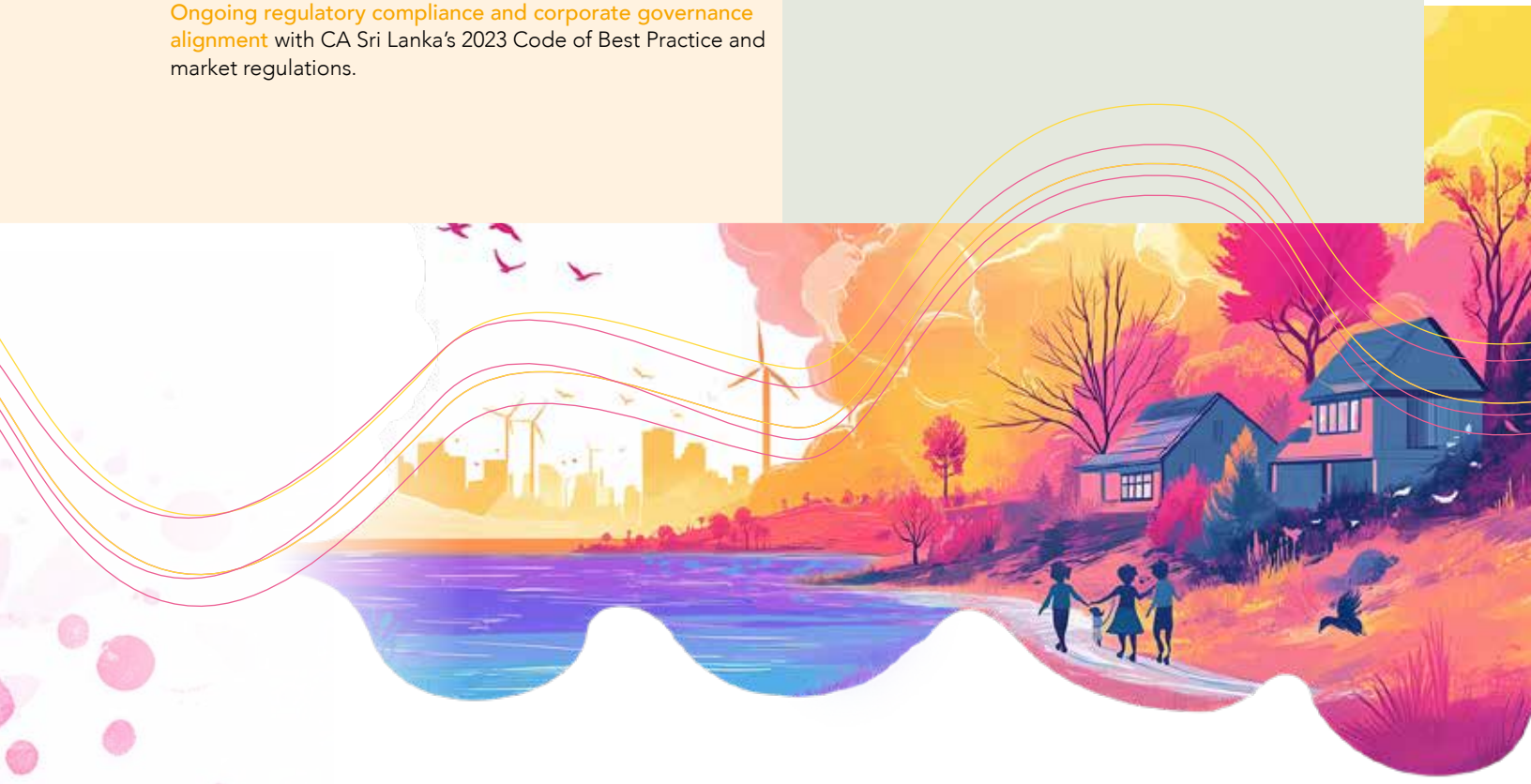
Baseline GHG measurement for Scope 1 and 2 integrated into Natural Capital reporting and ESG Scorecard.

SLFRS S1 and S2 climate disclosures piloted as a transitional disclosure of readiness and gaps, positioning for phased adoption.

Expanded financial literacy outreach by advancing inclusive finance and multi-channel literacy initiatives.

SASB alignment status clarified.

Sustainability Assurance provided by M/s KPMG ensuring credibility and accuracy of ESG related reporting.



About Our Integrated Report

SCOPE, STRUCTURE AND REPORTING BOUNDARY

This report covers the operations of FCH and its subsidiaries for the period from 1 April 2024 to 31 March 2025. It includes four core business verticals:

- Government Securities
- Corporate Finance Advisory
- Corporate Dealing Securities
- Investment Management
- Stock Brokering

The reporting boundary encompasses all entities over which the Group exercises control or significant influence. Financial and non-financial data has been reported on a consolidated basis, unless otherwise indicated.

Where relevant, historical data and forward-looking statements have been included to provide a comparative and prospective view. Material forward-looking statements are based on current expectations and assumptions and are subject to uncertainty.

PRECAUTIONARY PRINCIPLE

First Capital recognises and supports the precautionary principle in advancing social and environmental sustainability. During the year, we established baseline climate-related measurements and began embedding Climate Risk and Related Opportunities (CRROs) into our risk management processes. While this integration is still at an early stage, we have taken initial actions to limit potential negative impacts on the environment and surrounding communities. These steps form part of a broader commitment to environmental responsibility as our sustainability approach matures.

INTEGRATED THINKING AND CAPITAL CONNECTIVITY

At the heart of our reporting approach is the recognition that value is created through the careful use, transformation and interaction of six forms of capital: Financial, Manufactured, Intellectual, Human, Social and Relationship and Natural Capital.

This report traces how these capitals are deployed and enhanced through our business model activities and how trade-offs are managed across time horizons. We explicitly classify strategic outcomes as value created, preserved, or eroded, providing a transparent assessment of performance.

Our reporting is grounded in the <IR> Framework principles, which guide how we structure and communicate our strategy, governance, performance, and prospects in a connected and meaningful way:

Stakeholder Relationships	Our materiality and business model sections reflect structured stakeholder engagement across clients, regulators, communities, employees, and partners. Engagement outcomes, concerns, and responses are disclosed, with stakeholder priorities informing capital allocation, digital innovation and sustainability focus areas.
Materiality	Material Matters are determined using a double materiality lens, integrating both financial and impact perspectives. In FY2025, eight new or refined topics were added and all matters are mapped to our capitals, strategy, risks, and stakeholder concerns.
Conciseness	We present a high-level view of the operating context supported by concise messaging, visual summaries, and infographics. Duplication is minimised through cross referencing and thematic integration across report sections.
Reliability and Completeness	Assurance has been provided on both financial and selected non-financial disclosures. Board sign-off and governance oversight reinforce the integrity and completeness of the report.
Consistency and Comparability	Reporting frameworks (GRI, SASB, SLFRS, and <IR>) are applied consistently. Metrics are disclosed with prior-year comparatives, sector context, and alignment to strategy and performance outcomes.

Our shared services encompassing Operations, Risk and Compliance, Finance, Information Technology and Digital, Brand Development, Customer Relationship Management, Research, Human Resources, Administration and Legal are embedded across business units and act as strategic enablers that connect capital inputs to outputs and outcomes.

MATERIALITY DETERMINATION AND REFINEMENT

Materiality is the foundation of meaningful integrated reporting. FCH defines material matters as those that substantively affect our ability to create value in the short, medium or long-term, or which could influence stakeholder decision-making.

We apply a double materiality approach to assess both how external factors impact our financial performance and how our operations affect stakeholders, society, and the environment.

Material issues are identified through:

- Ongoing stakeholder engagement (client surveys, regulatory dialogue, employee forums)
- Enterprise Risk Management (ERM) processes
- Board-level strategy and Management level meetings
- Gap analyses and assessment of sustainability trends and regulatory developments

Our Material Matters section (pages 50 - 57) maps each identified issue to our six capitals, strategic themes and principal risks. Material issues are monitored annually for change.

Stakeholder Engagement and Responsiveness

We continue to refine how we engage and respond to our stakeholders. We report a stakeholder insight matrix aligned to our materiality framework, allowing us to link: Stakeholder category, engagement channel, concerns/ interest and strategic or operational response.

Key engagements included:

- Investor briefings and ratings analyst meetings following strategic and regulatory updates
- Staff engagement through GPTW surveys, focus groups and agile team retrospectives
- ESG and compliance engagements with external consultants
- Operational collaborations with vendors and market infrastructure partners
- Community engagement through financial literacy programmes, education partnerships, sponsorships and communal initiatives

Insights from these touchpoints directly informed content selection and narrative structure in this report.

Combined Assurance and Control Environment

FCH applies a combined assurance model to ensure the reliability and completeness of reported information. This includes:

- **First line:** Business units responsible for data generation and process control
- **Second line:** Oversight by risk, compliance, ESG and internal control functions
- **Third line:** Independent Internal Audit and External Audit validation

For FY2025, the following assurance scope was applied across key reporting frameworks:

Component	Reporting Framework	Internal Assurance	External Assurance
Financial	• Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) • Companies Act, No. 7 of 2007 (as amended) • Inland Revenue Act, No. 24 of 2017 (as amended) • Listing Rules of the Colombo Stock Exchange (CSE) • Relevant directions/circulars issued on reporting format by the Central Bank of Sri Lanka (CBSL)	• Internal Audit • Internal controls • Reporting to the Board Audit Committee and the Board of Directors	Independent Auditors' Report by M/s KPMG, Chartered Accountants
Narrative	• International <IR> Framework of the International Integrated Reporting Council • "Guideline for presentation of Annual Reports" issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) • "Non-Financial Reporting Guideline" issued by CA Sri Lanka	Review by the Board of Directors	Assurance on Integrated Reporting by M/s KPMG, Chartered Accountants
Sustainability	• GRI Universal Standards • Gender Parity Reporting Framework of CA Sri Lanka • Guide on communicating sustainability issued by the CSE • SLFRS S1 and S2 for emerging climate-related disclosures • United Nations (UN) Sustainable Development Goals (SDGs) • Principles of the UN Global Compact • Transparency disclosure checklist issued by Transparency International Sri Lanka	Assessment of non-financial information by the Annual Report Steering Committee, an executive committee with oversight on reporting excellence	Assurance on Sustainability Reporting by M/s KPMG, Chartered Accountants Corporate Governance
	• Sustainability Accounting Standard for the Investment Banking Sector issued by Sustainability Accounting Standards Board (SASB)	Review by the Risk and Compliance division with compliance status guided by First Capital Group's gap analysis conducted by KPMG	N/A
Corporate Governance Enterprise Risk Management	• Listing Rules of the CSE • Code of Best Practice on Corporate Governance issued by CA Sri Lanka 2023 (the Code) • Rules and regulations stipulated by CBSL and SEC	Governance framework and statutory and regulatory compliance reviewed by the Risk and Compliance division	Internal Auditors

Climate-Related Disclosures and ESG Integration

This report includes transitional climate-related disclosures aligned with the evolving requirements of SLFRS S1 and SLFRS S2. These disclosures reflect the Group's early stage alignment with emerging sustainability reporting standards and are based on currently available data, internal assessments and assumptions.

Stakeholders are advised that climate-related information is inherently subject to uncertainty due to the evolving nature of regulatory expectations, climate science, data availability, and scenario modelling. These uncertainties may impact the completeness, consistency, and comparability of such disclosures across reporting periods.

Additional context, limitations, and updates on our approach to climate-related financial disclosures will be made available through our dedicated sustainability disclosures as these become effective at www.firstcapital.lk.

Reporting Innovations and Enhancements

To enhance user experience and stakeholder accessibility, this year's Annual Report incorporates digital features that make navigation intuitive, insights more engaging and information easier to access, reflecting our commitment to integrated, responsive reporting.

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 validation by the Board of Directors.

Approving

The Board Audit Committee reviews and recommends the Annual Report for the approval of the Board of Directors. The Board of Directors collectively reviews and approves the report.

Reviewing

- **Materiality Determination:** The Risk and Compliance Division identifies material issues using an enterprise risk lens, operating context, and stakeholder input. These are validated and finalised by the Annual Report Steering Committee.
- **Integrated Information Gathering:** Financial and non-financial data are sourced from internal and external channels, with input from the Board, CEO and Senior Management to ensure accuracy and strategic alignment.
- **Review and Validation:** The report undergoes multiple review cycles by the project team, senior management, and finally the Board, with oversight throughout by the Annual Report Steering Committee to ensure consistency and completeness. A combined assurance model is adopted, with both internal review and external assurance by M/s. KPMG on the financial statements and related disclosures.

Preparing

- **Cross-Functional Project Team:** A multidisciplinary team from finance, risk, compliance, research and branding supported by internal and external advisors drives comprehensive data collection and content development.
- **Oversight by Annual Report Steering Committee:** This management committee ensures robust controls and processes are applied from data gathering through to final approval and publication.
- **Executive Input and Content Planning:** Insights from executives and senior management are actively incorporated by the project team to form strategic content and narrative development.

About Our Integrated Report

Our TAGS-embedded reporting suite is structured to provide clarity, accessibility and depth, covering both financial and non-financial dimensions of value creation.

Report	Purpose	TAGS Principle(s)	Page Reference
Integrated Annual Report	Strategic overview of business model, performance, ESG progress, stakeholder engagement and value creation.	Transparency, Accountability, Sustainability	4-11
Financial Statements	Audited financial results in accordance with SLFRS and statutory requirements.	Transparency, Governance	314-444
Governance Report	Board structure, committee performance, governance mechanisms and outcomes.	Governance, Accountability	196-284
Risk Management Report	Risk governance, material risk exposures, emerging risks and mitigatory actions.	Governance, Accountability	166-182
Sustainability Disclosures	ESG strategy, climate transition, UN SDG integration and impact narrative.	Sustainability, Transparency	183-195
Material Matters and Stakeholder Insight Matrix	Identifies and prioritises material issues based on stakeholder and enterprise value relevance.	Transparency, Sustainability	48-57
GRI and SASB Indexes	Alignment with global frameworks and sector-relevant sustainability disclosures.	Transparency, Sustainability	483-486 & 195
Transparency Checklist	Benchmarked disclosure based on Transparency International Sri Lanka principles.	Transparency	285-287

All components together form the Annual Report for FY2025 which is now available on our website (www.firstcapital.lk) and via the Colombo Stock Exchange.

Reporting Developments

We are actively considering the implications of SLFRS S1 and S2, which become effective in April 2025, and have taken steps to integrate climate-related disclosures into our governance, risk and reporting structures. These disclosures cover physical and transition risks and how opportunities are optimised for value creation.

Availability and Access

Our Integrated Annual Report, Financial Statements, Sustainability Reports and other disclosures are available online at www.firstcapital.lk and through the Colombo Stock Exchange.

Shareholder Information

The Notice of Meeting and Form of Proxy are included at the end of this report, along with information on AGM resolutions and investor feedback forms.

Forward-Looking Statements

Certain statements in this report are forward-looking and reflect management's current views. These are subject to risks and uncertainties that may cause actual results to differ materially. First Capital does not undertake any obligation to update such statements after publication.

Board Responsibility Statement

The Board of Directors of the First Capital Holdings PLC acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the contents of the report in conjunction with the assurance reports obtained from our external assurance providers.

Accordingly, the Board is of the view that the Annual Report provides a fair and accurate assessment of First Capital's financial and non-financial performance for the year ended 31 March 2025.

Signed for and on behalf of the Board,

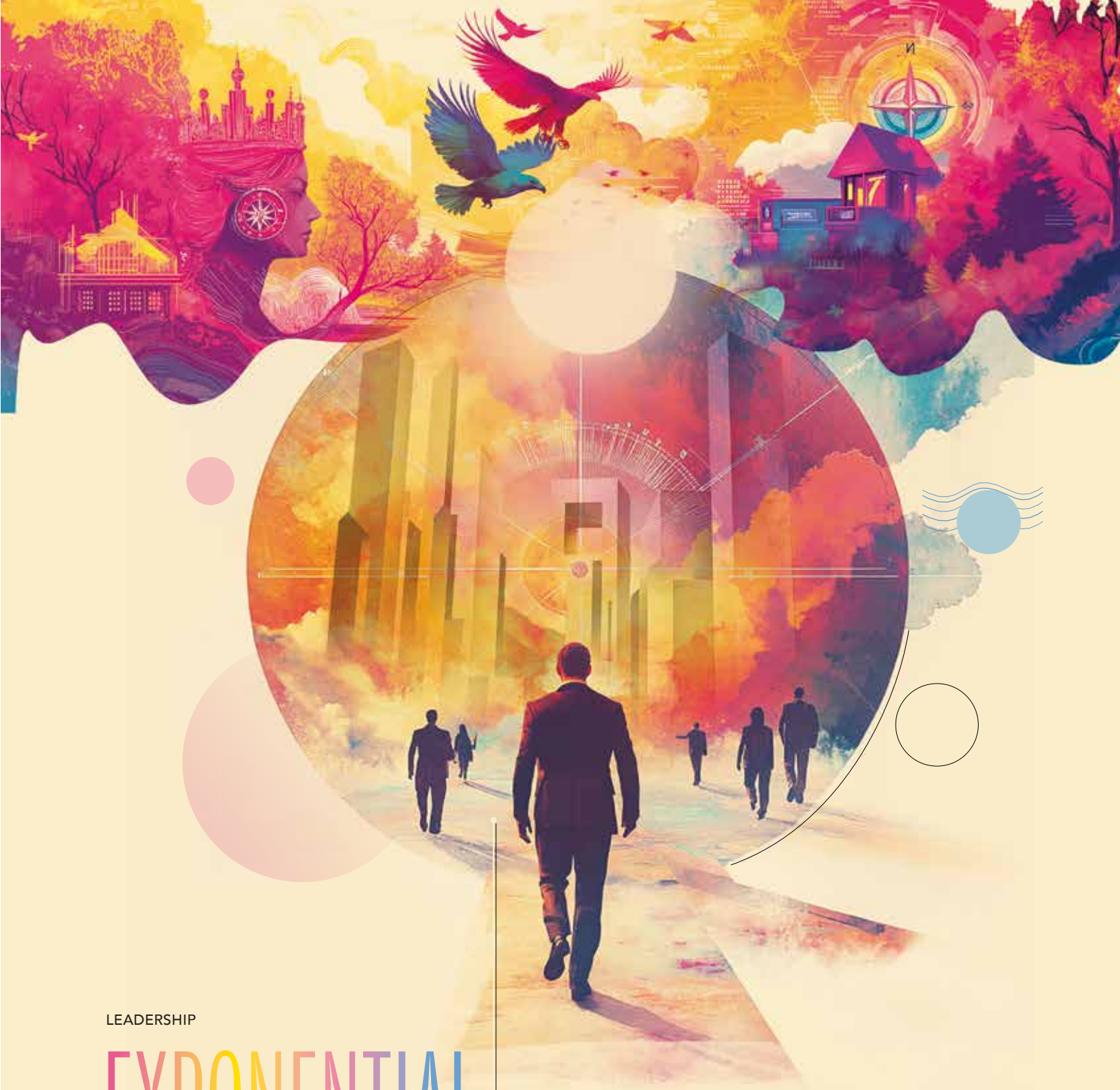
(Sgd.)
Dilshan Wirasekara
Managing Director/CEO

(Sgd.)
Rajendra Theagarajah
Chairman

Feedback and Queries

We welcome your views and feedback to continuously enhance the quality and relevance of our reporting. Please direct your queries to:

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



LEADERSHIP

EXPONENTIAL GROWTH

Our focus is on progress that reaches beyond boundaries and impacts beyond expectations; this focus is maintained and streamlined by our prudent and strategic leaders, who take First Capital Holdings into the future.

Chairman's Statement

"Prudent risk management and improved credit fundamentals led to the enhancement of First Capital's credit rating by one notch to A+ as rated by Lanka Ratings Agency.

The Board's governance philosophy asserts that while our teams are driven by the PERFORMANCE FIRST corporate ideology, the long-term interests of our clients take precedence over any economic consequence to First Capital."

Rajendra Theagarajah
Chairman

It is both an honour and privilege to present this statement, my first as the Chairman of First Capital Holdings PLC.

PERFORMANCE AND BUSINESS MODEL RESILIENCE

This year's performance was delivered against gradual economic recovery, declining interest rates and improved country risk in Sri Lanka, within a macrocosm of geopolitical recalibration, trade complexities, election 'super cycles' and tempered growth in the global economy.

Overall, net income before expenses and net profit after tax in FY2025, were the second highest in First Capital's 42 year history. Direct income for FY 2025 was Rs. 14 Bn compared to the historic high in the previous year of Rs. 29.6 Bn. The significant variance is due to the extraordinary trading gains realised in the last year resulting from a substantial decline in interest rates, and post-domestic debt optimisation along with reduction in policy interest rates. Profit after tax for the period under review was Rs. 5 Bn compared to Rs. 10.2 Bn reported in the previous year. First Capital earned a return on shareholders' equity of 59% and recorded underlying earnings per share of Rs. 11.58.

Results across First Capital's five core businesses were varied, consistent with divergent market conditions and vulnerabilities during the year. Group net trading income reflected a 94:6 mix of fund-based to fee-based performance in FY2025, favouring the capital intensive core business of Government Securities.

In cyclical markets and macroeconomic transition, these results reflect the continued relevance of a scaled and diversified business platform, gaining market share and refining client centricity as critical elements of the Board's discourse on corporate strategy.

Dilshan Wirasekara, in the Group Managing Director/CEO's Review provides further details on financial performance.

CAPITAL AND DIVIDENDS

The Company ended the year in a strong capital position of Rs. 9.8 Bn compared to Rs. 7.9 Bn recorded in the previous year. Prudent risk management and improved credit fundamentals led to the enhancement of First Capital's credit rating by one notch to A+ (Stable) as rated by Lanka Ratings Agency.

The Board declared an interim dividend of Rs. 7.50 per share for FY 2025 in March 2025. The dividend payout of 64.8% is consistent with the Board's policy of balancing attractive cash returns with the need to sustainably deploy shareholder's funds to elevate market presence and achieve long-term earnings capacity.

LEADING CONSIDERATIONS

Governance philosophy

The Board's governance philosophy asserts that while our teams are driven by the PERFORMANCE FIRST corporate ideology, the long-term interests of our clients take precedence over any economic consequence to First Capital.

First Capital's professionals are committed to providing objective and independent investment and advisory solutions eliminating proprietary conflicts of interest, often present in provision of integrated financial service. In my view, alongside an inclusive growth led vision and a culture which enshrines valued behaviours, a Board that provides ethical leadership can and will continue to be a powerful differentiator of the Group's value proposition.

ESG integration

One of the Board's key priorities is to unlock the Group's potential in pursuit of First Capital's 'vision' - To improve the lives of all Sri Lankans through financial solutions. Sound environmental, social and governance (ESG) practices are integral to making this vision a reality.

As Chairman of the Board, I am of the view that an effective ESG strategy is aligned with and incorporated into long-term business strategy, and that primary oversight for ESG should be retained at Board level. In ensuring a consistent approach to embedding sustainability in the business, an Independent Non-Executive Director with expertise at the intersection of financial services and ESG, has been invited to champion the ESG agenda at the boardroom. The ESG Sponsor interacts regularly with the Management and the Board to effectively synthesise ESG strategy and issues in the Board's broader business and strategic debate.

Guided by the ESG Sponsor, nine UN SDG goals have been prioritised from a broader suite of ESG initiatives. During the year, we engaged external consultants for both emissions measurement and to explore the gaps in sustainability strategy, particularly in view of transformative action necessary to comply with SLFRS S1 and S2 reporting requirements.

Please refer the Governance Report and the Sustainability Disclosures Report (Refer pages 183 to 261)

Subsidiary governance

A major governance focus during the year was the Board's subsidiary governance oversight and engagement model. As the holding company, FCH continues to serve as the backbone of the subsidiary governance framework, in part driven by regulatory requirements applicable to Group entities which operate in multiple jurisdictions and business landscapes.

The Board is of the view that the subsidiary governance framework upholds each subsidiary's acumen, initiative and independence of insight. Leveraging its influence, primarily through non-executive representation on subsidiary Boards, the holding company ensures that synergies are elicited by aligning strategic objectives and operational practices, fostering a culture of transparency and mutual accountability.

Separate Boards have been established at subsidiary level and Board refreshment was effected during the year. The core business of Corporate Finance and Advisory has been segregated as a legal entity in compliance with market intermediary rules and was operational during the year, minimising potential conflict of interest in the integrated offering.

The Board remains satisfied with the resource allocation strategy where shared services are deployed Group-wide without dilution or replication, resulting in a 'best-use-of-best-in-class' allocation model. Focus areas of Group-wide resource sharing include risk and compliance, finance, human resources and technology. To further advance its sustainability agenda, First Capital also assumes the stewardship role of ESG strategy across its core businesses.

Operating model transformation

The refined five-year corporate strategy was formulated, and its first full year outcomes were demonstrated to the Board. An ambitious strategy, it brings together complementary strengths of the business which are well positioned as drivers of future growth: the adoption of a retail-led operating model particularly in Asset Management and Stock Brokering businesses; preserving and growing the client- led traditional B2B business and the pursuit of cross-border opportunities through the advisory business and multi-asset class investment solutions.

In reshaping the mass retail-led strategy, the Board probed more deeply into the Group's progress in innovation, digitisation, talent flexibility and omni-channel integration. The Board's oversight interests center on a discerning client experience (CX) strategy as a key differentiator, impact measurement and the advancement to superior CX through AI and analytics. In gauging the effectiveness of CX, the Management is working to establish the Net Promoter Score (NPS), a key metric which would enable the Board to measure client loyalty and benchmark competitiveness against competitors.

In sharpening our focus, we may consider developing a pipeline of future affluent and high-networth clients and international clients in the Government Securities business, Stock Brokering and potentially for private wealth management, while assessing whether some markets should be exited to optimise resource allocation. While such decisions are testing, particularly in longstanding footprint markets, we must consider where the greatest impact can be made and where Group capabilities can optimise future growth.

The Board has a strong consensus that the scale and durability of the business platform achieved through operating model changes will elevate value creation amid market disruptions and changing client preferences.

Risk governance

The Board's risk oversight function has never been more critical nor challenging than it is today with multiple forces driving complexity advancing frontier technologies, new operating models, ESG and sustainability-related risks including climate challenges and labour market intricacies.

During the year, the Board replaced the former Enterprise Risk Management Committee, formed in 2012, with a new Board Committee, the Board Integrated Risk Management Committee (BIRMC), mandated to oversee Group-wide risk management while centering risk as a fundamental part of business strategy.

The BIRMC lends comprehensive oversight and a high level of risk vigilance on par with structural norms typically adopted by the banking sector, thus elevating risk governance at First Capital to a superior-benchmark.

BOARD CHANGES

On behalf of the Board, I would like to acknowledge the former Chairman, Nishan Fernando. Nishan resigned from the Board in June 2024, having made a significant contribution to the Group during his 12-year tenure. Nishan lent a strong focus on governance, accountability and risk to shape First Capital's transition.

Director Chandana de Silva retired from the Board in June 2024, having provided tireless service during his ten years as a Non-Executive Director, and particularly as Chair of the Remuneration Committee, Related Party Transactions Review Committee and the Board Audit Committee in the three years preceding retirement.

During the year, the Board underwent substantial renewal, bringing together a diverse mix of skills and experience. The Board recruitment process considered the extent of gaps against the desired skills matrix and diversity.

I am pleased to formally welcome the four newly appointed Independent Directors, Kuda Herath, Rachini Rajapaksa, Dilendra Wimalasekere and Inoshini Perera who have joined me on the Board of First Capital Holdings PLC. Having made commendable

contributions, newly appointed Directors will stand for re-election with the Board's support as recommended by the Nominations and Governance Committee.

The multi-faceted diversity of our Board remains critically important at this transformative time. Following Board assessments by the Nominations and Governance Committee, I am satisfied that the Board is effective in terms of skills, gender and ethnic diversity.

Please refer the Governance Report for more information on Board member skills and diversity metrics. (Refer pages 196 through 277).

OUTLOOK

As someone who has been actively involved in Sri Lanka's Financial Services landscape for over three decades, I have faced many complex situations during socio-political and economic upheavals in the past. At each turn, the formulae for success was optimism and resolute agility to pursue the opportunities present in adversity.

The past year has created several reasons for further positivity about the Sri Lankan economy. There has been encouraging progress in improving transparency, accountability and performance in line with the macroeconomic reforms set by the IMF. Presidential and Parliamentary elections have proceeded smoothly, and the outcomes reinforce the belief that democracy is well-entrenched. Growth momentum, business confidence and policy certainly have been re-established.

While being realistic concerning residual and downside risk, Sri Lanka's medium to long-term growth prospects are robust. With the Group's dexterity in exploiting arbitrage, risk and capital pricing opportunities and its burgeoning geographic footprint, I am optimistic about the future.

IN CONCLUSION

I appreciate First Capital's teams for their passion and outstanding commitment, and in particular, the Management, for the exemplary leadership and focus on executing strategy.

I would like to thank our shareholders, clients and all our stakeholders for their continued support.

Finally, I offer my sincere thanks to my fellow Board members, for their astute and constructive discourse on leading issues during the year.

The Board remains resolute in ensuring the long-term sustainability and social relevance of the Group.

(Sgd.)
Rajendra Theagarajah
Chairman

5 June 2025

Managing Director/ CEO's Review

"Overall, earnings and return metrics held firm as the second highest in First Capital's operating history. The Company's Net Profit after Tax for the year 2024/25 was Rs. 5.0 Bn.

At First Capital, we believe that the next exciting phase of growth lies not in deepening competition within traditional capital markets and pure-play investment banking, but in expanding the boundaries of where and how capital is mobilised. Our strategy is anchored in identifying and executing in uncontested spaces; segments often overlooked by conventional players, but rich in potential for innovative value creation."

Dilshan Wirasekara
Managing Director/CEO

GLOBAL AND LOCAL CONTEXT

We entered FY2025 anticipating recovery both from a macroeconomic growth perspective and the consequences of policy and political uncertainty, alongside the deeply needed and overdue return to normalised interest rates.

Globally, while inflationary pressures moderated from the peaks of CY2022-2023, central banks remained vigilant, with interest rate cuts lagging expectations. Financial markets reflected this ambivalence, oscillating between renewed appetite for risk and moments of defensiveness triggered by geopolitical tensions and macro uncertainty.

Against this, Sri Lanka's post crisis recovery gathered pace, bolstered by the IMF reform programme, a return to macroeconomic discipline and broad-based policy stability following the election cycle. Inflation eased to single digits, the currency stabilised and monetary policy maintained a progressive easing path. Markets were varyingly volatile and vibrant while liquidity in the system improved. Domestic yields declined, rebalancing risk reward dynamics across asset classes.

The year was supportive of re-engaging client confidence and rebuilding market depth across capital flows in selected businesses. For agile and insights-led financial institutions such as ours, these conditions created windows of opportunity.

PERFORMANCE

Performance is primarily reflective of tempered income in the dominant core business of Government Securities and diverse, catalytic opportunities in other businesses.

Overall, earnings and return metrics held firm as the second highest in First Capital's operating history. Performance moderated from the prior year's 'all-time high' which was driven by exceptional underlying conditions including risk premia-anomalies and yield volatility following the domestic debt optimisation:

Rs. 14.1 Bn
HEADLINE INCOME
(FY2024: Rs. 29.6 Bn)

Rs. 14.0 Bn
DIRECT INCOME
(FY2024: Rs.29.6 Bn)

Rs. 5.0 Bn
NET PROFIT AFTER TAX
(FY2024: Rs. 10.2 Bn)

Rs. 11.58
EARNINGS PER SHARE
(FY2024: Rs. 22.15)

Rs. 7.50
DIVIDEND PER SHARE
(FY2024: Rs.17.25)

64.7%
DIVIDEND PAYOUT RATIO
(FY2024: 77.9%)

59.0%
RETURN ON EQUITY
(FY2024:136%)

We are appreciative of our recent credit rating upgrade to A+(Stable) by Lanka Ratings Agency and will constantly strive to improve this important fundamental measure.

BUSINESS PLATFORM DURABILITY

Our diversified business platform generates both fund-based and fee-based income streams. In FY2025, this mix shifted to 94:6 (FY2024: 99:1), with fund-based income remaining dominant.

While substantial narrowing of the net interest margin and spread dampened earnings and profitability in Government Securities, astutely timing the accumulation-market-cycle yielded trading gains in our proprietary equity portfolio held by the Corporate Dealing Securities business. The confluence of these resulted in the income balance tipping in favour of fund-based income. Interest income, was the main growth driver comprising 69% of the total fund-based income.

Notably, fee-based businesses, while modest in contribution continued their upward trajectory, demonstrating improving momentum and scalability.

We consider fee-based income sources as recurring in nature in contrast to more cyclical fund-based income streams. Fee-based income generated as a proportion of net income stood at 13% (FY2024: 2%) indicating room for improvement of income-quality.

Leveraging the progressive accretion of scale and durability in our business platform to elevate income quality and diversity through multiple cyclical, counter-cyclical and recurring income streams remains pivotal to strategy.

Maintaining a deliberate balance between fee-based and fund-based income as we navigate episodic markets and fluctuating yields in the future is a core aspiration. We aim to establish a 60:40 fund-to-fee income mix in the

medium-term, reflecting the relative enhancement and strategic repositioning of fee-based businesses, underpinning greater resilience across market cycles.

SEGMENTAL PERSPECTIVES

Government Securities while compressed on spread, reverted to orthodox trading strategies to secure a segmental operating profit of Rs. 4.5 Bn and net profit of Rs. 3.0 Bn reflecting 72% and 72% YoY declines, respectively, against the prior year's exceptional performance.

The business retained its position as a market influential player within the standalone primary dealer segment. In FY2025, our T-Bill primary market bid participation rate was 11.7% (FY2024:13.7%) against the regulatory requirement of 10.0% and the market success rate, 4.5% (FY2024:6.1%) of commitment. The T-Bond primary market bid participation rate for the year was 16.3% (FY2024:20.8%). Effective participation was 68.9% (FY2024:105.9%) against the regulatory requirement of 50.0% of average issuance per PD.

Successful bids totalled Rs. 333 Bn (FY2024: Rs. 420 Bn) in T-Bill auctions and Rs. 108 Bn (FY2024: Rs.127 Bn) in T-Bond auctions. Secondary market turnover in Government Securities was 10 (FY2024:13) times the average stock.

Corporate Dealing Securities was decoupled (physically and legally) from the Corporate Finance Advisory business in FY2025, minimising potential conflict of interest in our integrated service offering. Corporate Dealing Securities navigated market volatility with agility, delivering resilient returns. Gains were primarily realised through tactical positions in equities. Insightful research drove strategic trading and market timing, well ahead of acceleration in our equity market which peaked at approximately 17,300 broad market index levels, in line with in-house projections. Segmental operating profit in the business was Rs. 2.1 Bn for the year, while net profit reached Rs. 2.2 Bn reflecting 231% and 279% YoY growth, respectively.

Asset Management delivered strong performance this year, driven by active portfolio management, product innovation, and enhanced client engagement through financial literacy initiatives. We built capacity in the portfolio management team through external recruitment of seasoned expertise, recalibrating the team for growth, productivity and disciplined investment.

Digital client experience enhancements including a WhatsApp based redemption solution contributed to operational efficiency. Launched in late FY2024, the "First Capital Money Plus Fund" Sri Lanka's first Unit Trust with EMV-enabled debit card access commenced operations in FY2025, marking a milestone in investor convenience. Developed in partnership with Hatton National Bank PLC and approved by the SEC, the fund enables real-time access to investments via 3,500+ ATMs, POS terminals and digital gateways, with early activation setting the stage for broader retail adoption.

Assets Under Management (AUM) grew by 19.3% to Rs. 112 Bn. Operating profit stood at Rs. 152.6 Mn, up 1,906% YoY. Segmental bottom-line improved by 1,583% YoY to Rs. 106.1 Mn. We are ranked second in the asset class and account for a 21.0% share of the total AUM of open-ended money market funds. Total market share of our funds has improved to 12.5% as against 10.6% in FY2024. The First Capital Money Market Fund is ranked first by medium-horizon performance in the asset class as reflected by five-year CAGR of returns.

Corporate Finance Advisory saw a resurgence in transaction volumes, anchored by primary market debt capital raising mandates, following a two-year period of muted capital formation and advisory opportunities due to unique market conditions - peak rates, restrictive liquidity and risk mispricing. Strengthening its regulatory standing, Corporate Finance Advisory was licensed by the SEC during the year, in line with applicable Market Intermediary Rules. The business originated, structured and placed two listed debt issuances totalling Rs. 7 Bn representing 7.7% of the listed debt market share. Segmental operating profit reached Rs. 33.0 Mn for the year while net profit was Rs.25.1 Mn reflecting 578% and 464% YoY growth, respectively.

Efforts to deepen relationships with clients further bolstered deal pipeline visibility spanning distressed finance, ESG advisory and capital raising and structuring. Two senior professionals were recruited during the year and the business stands well-positioned at this point of resurgence with the expertise and experienced capacity needed to achieve transactional execution objectives.

Stock Brokering delivered improved volumes and client acquisition through market recovery and increased retail participation. Digital channels and agency models supported a broader retail footprint and contributed to improved market share. The market share on the Colombo Stock Exchange improved to rank 10 (FY2024: 12) from amongst 28 broker firms, reflecting growing client trust and execution reliability. Segmental operating profit in the business was Rs. 108 Mn for the year while net profit reached Rs. 70.3 Mn reflecting 255% and 777% YoY growth, respectively.

With the sovereign risk rating enhancement reflective of improved country risk and credit risk, growing foreign-institutional interest in Sri Lanka is likely particularly through a frontier market lens, as a compelling equity opportunity with attractive valuation multiples of 8.3 times PER and 1.1 PBV relative to regional peers.

SUBSIDIARY LEADERSHIP

As Group Managing Director, I formally relinquished CEO roles previously held within our subsidiaries. Each subsidiary now operates under the leadership of a dedicated CEO/Director, with clear operational accountability and performance autonomy. While I continue to serve on each subsidiary Board, the reporting line is now advisory, not executive except for First Capital Asset Management Limited.

This transition reinforces our commitment to de-centralised execution and strategic oversight, a hallmark of modern, scalable holding company models. It supports sharper operational focus, accelerates talent development, and institutionalises succession pathways. The succession planning framework now extends up to two levels below the C-suite, ensuring that emerging leaders across the Group have clear visibility on their career growth trajectory.

OPERATING MODEL

In FY2025, the operating model was refined further. The five-year strategy brings together the Group's core strengths: scaling a retail led model in Asset Management and Stock Brokering while being primary client-led and B2B-focused and expanding cross-border through advisory and multi-asset class investment solutions. We have expanded the product and service offering, utilised technology driven innovation and enhanced team capacity and capabilities to provide clients with a differentiated level of service. Our value propositions are diverse combining institutional-grade insights with accessible retail solutions where appropriate for the business. Looking ahead, we will explore opportunities to deepen engagement with emerging affluent and high-net-worth clients, particularly in Government Securities, Stock Brokering, and Private Wealth Management Solutions.

In supporting this evolution, our Board oversight of client experience (CX) outcomes is a differentiator. To ensure that client experience outcomes can be measured and governed effectively, the Management is developing a Net Promoter Score framework to track client loyalty and benchmark our competitiveness as per global norms.

We continue to allow for hybrid distribution-combining human interaction through the Customer Relationship Management unit with digital convenience.

CREATING VALUE IN UNCONTESTED MARKETS

At First Capital, we believe that the next exciting phase of growth lies not in deepening competition within traditional capital markets and pure-play investment banking, but in expanding the boundaries of where and how capital is mobilised. Our strategy is anchored in identifying and executing in uncontested spaces; segments often overlooked by conventional players, but rich in potential for innovative value creation.

As at end CY2024, the combined deposit base of Sri Lanka's banking sector and outstanding stock of government securities exceeded Rs. 35.0 Tn. In contrast, the capital market footprint comprising equity transactional, unit trusts, and advisory and structuring deal volumes stood at Rs. 3.0 Tn representing internal estimates of First Capital's capturable share.

This divergence underscores a structural opportunity: capital markets represent only a small fraction of the total financial asset base. The real depth of capital lies elsewhere in deposits and treasury investments. These segments remain under-addressed by traditional pure-play investment banking models, offering a compelling Blue Ocean of untapped potential.

By focusing on the broader financial landscape, particularly in segments traditionally intermediated by banks, we see a compelling path to scale, impact, and inclusive participation.

This Blue Ocean Strategy is informed by global precedent. I am a firm proponent of the Indian case. India's financial evolution reinforces the perspective that retail savings increasingly flow into collective investment schemes unit trusts and equivalents, and capital markets, prompting commercial banks to acquire asset managers to re-enter this value chain.

Unit trust segment remains in the spotlight of First Capital's retail-led strategies.

Money market funds in particular, have emerged as credible alternatives to bank savings products. While these funds typically offer lower yields than other asset classes, they remain highly attractive to yield-conscious investors in a low-rate environment.

As interest rates moderate, money market funds offer a compelling alternative to low yield bank products. While spreads once seemed marginal in a high-rate environment, today, every basis point matters. The behavioural shift is accelerating and with it, the relevance of our offerings.

Savers seek active, purposeful allocation and not passive holding. Intermediaries hence must respond with agility, insight, and platforms that empower clients across the risk-return spectrum. First Capital is positioned to lead this transition. Our integrated platform allows us to direct retail and institutional capital into dynamic investment vehicles-bridging the divide between traditional savings and future-forward investing without reliance on the legacy intermediation aspect. We are not replicating the bank model but reimagining it.

Our long-term commitment includes deep investment in investor education, digital onboarding, and literacy-building initiatives drawing inspiration from India's 1990's mutual fund revolution. In doing so, we are not only positioning

First Capital for sustainable growth, but also redefining the future of financial access and intermediation in Sri Lanka.

DIGITAL-LED TRANSFORMATION

In a world of instant connectivity and platform-based engagement, our clients expect seamless, secure, and intuitive digital experiences. Under the leadership of our Chief Technology and Digital Officer, Mithila Abeysekera, we advanced our technology agenda with greater purpose, focusing on innovation, inclusion, and resilience.

First Capital garnered recognition as a digital leader in financial services for in-house and collaborative digital excellence. Our Invest via WhatsApp initiative earned the Gold Award for In-House Development at the National ICT Awards 2024, highlighting our impact on investor access and financial inclusion. Our Digital Client Portal, developed in collaboration with Epic Lanka, received a Merit Award for its contribution to access and user empowerment.

Our technology resilience framework was also recognised at the ISACA Digital Trust Awards 2024, where First Capital was named Technology Resilient Company of the Year in the capital markets sector, validating our cyber-governance, data protection protocols, and digital transformation.

Looking ahead, we continue to invest in frontier technologies such as cloud, AI, and behavioural analytics, to unlock personalised transactional and investment journeys and real-time decision support for our clients.

AWARDS AND ACCOLADES

This year, First Capital was honoured with multiple prestigious accolades, underscoring the strength of our brand, operational excellence and the trust we continue to earn from stakeholders.

First Capital Holdings PLC was named "Brand of the Year" at the SLIM Brand Excellence Awards 2024 marking a historic first for Sri Lanka's capital markets sector. Organised by the Sri Lanka Institute of Marketing, this top national honour recognises brands that lead through bold strategy, innovation and measurable impact across industries.

In addition to this landmark win, First Capital also secured Gold for Service Brand of the Year, Silver for Local Brand of the Year, and Bronze for B2B Brand of the Year, a testament to the brand's strength across multiple dimensions of service, relevance and industry leadership.

Reinforcing our industry leadership, First Capital was ranked No. 1 in the Investment Banking sector in LMD's Most Awarded Entities list, while First Capital Treasuries PLC was ranked second. We were also listed among Echelon Magazine's Top 100 Listed Companies in Sri Lanka and entered the LMD 100 Most Respected Entities for the first time.

At the CA Sri Lanka TAGS Awards, we were awarded Gold in the Investment Banking category for reporting excellence.

FY2025 also marked a breakthrough in digital recognition, with First Capital winning Gold at the National ICT Awards (NBQSA) for its WhatsApp-based transactional solution, an industry-first innovation in Sri Lanka's capital markets.

These represent just a few of the many accolades we received during the year- each one a reflection of our sustained efforts to lead and deliver impact across the financial services landscape. While we are proud of these achievements, we do not view awards as endpoints. Instead, they serve as affirmation of our culture and execution, and as motivation to raise the bar even higher. These accolades are a testament to the collective effort of our people, who continue to lead with passion, professionalism, and purpose.

For us, recognition is not a reason to rest but a reminder that the responsibility to deliver value, trust, and PERFORMANCE FIRST only grows stronger.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INTEGRATION

To integrate sustainability matters and ESG more cohesively into our business, strategy and culture, First Capital's Management now works closely with the Board's ESG Sponsor in line with a refined ESG governance framework.

While prioritising nine UNSDGs that most resonate with First Capital, our intention is also to make meaningful progress on ESG integration across our businesses.

To assess and close integration gaps, we engaged KPMG to conduct a detailed ESG diagnostic, evaluating our alignment with SLFRS S1 and S2, as well as international standards such as the Sustainability Accounting Standards Board (SASB) for investment banking and asset management. Findings have informed a renewed ESG roadmap, targeting both disclosure and operational improvements.

We completed our first Group-wide GHG emissions baseline assessment, establishing a measured foundation for future climate-related disclosures and transition planning. This marks the beginning of a structured climate strategy, anchored in data-driven accountability, transparent reporting and a long-term commitment to managing climate-related risks and opportunities.

We are committed to advancing our ESG maturity in a pragmatic, client-focused, and transparent manner, ensuring our vision and performance are deeply aligned.

A FUTURE-READY WORKFORCE

In a rapidly evolving financial landscape, our success hinges not only on capital strength or market agility, but on our ability to attract, retain, and develop world-class talent. Our Human Capital strategy has therefore been carefully designed to support long-term performance while aligning with the values and expectations of an increasingly younger workforce profile.

We are committed to building a future-ready leadership pipeline, supported by global best practices in learning and development. This year, we launched comprehensive formal training programmes to equip our teams with strategic, cross-functional, and globally relevant capabilities.

We continue to evolve our Employee Value Proposition (EVP) to meet the shifting priorities of younger generations, including Gen Z and Gen Alpha. Our EVP goes beyond competitive salaries- it includes enhanced benefits, flexible working options, and purpose-driven initiatives that resonate with values-led talent. We recognise that for the next generation, compensation must be balanced with meaning, freedom and contribution.

As part of our retention strategy, we introduced deferred variable pay schemes, aligning individual performance with long-term institutional value. This approach reflects our commitment to talent retention, leadership continuity and responsible incentive structures, reinforcing governance by rewarding sustainable, rather than short-term, performance.

We embed ESG goals in performance appraisals, reinforcing a culture of purpose and accountability. Employees are expected to contribute a minimum of 15 hours annually in volunteer service as a key criterion in performance reviews, embedding purpose and accountability into the DNA of our sustainability-led culture.

Our efforts in enhancing employee satisfaction were recognised once again by Great Place to Work® where we retained our certification for the third consecutive year. We also secured the SLITAD People Development Award in recognition of outstanding commitment to employee development.

OUTLOOK

We remain optimistic about the year ahead. Sri Lanka's economic outlook for 2025 reflects steady progress towards macroeconomic stabilisation. The ADB projects GDP growth at 3.9% for 2025, supported by reforms under the IMF programme, fiscal consolidation and improved investor sentiment. The CBSL's policy direction remains accommodative, aimed at anchoring inflation expectations and facilitating credit expansion to productive sectors. As external buffers improve and domestic confidence rebuilds, conditions are increasingly conducive for capital mobilisation and business expansion. Both globally and locally, investor sentiment remains fluid tempered by caution but underpinned by emerging confidence. Selective opportunities, particularly those requiring agility and arbitrage, continue to surface, even in lower-volatility settings

We enter FY2026 with a refined strategy and sharpened execution. The first year of our five-year plan yielded meaningful results across financial, operational, and strategic fronts including credit rating upgrade, technology leadership and anchored local reach. Looking forward, we will expand into one new regional market and pursue inorganic growth opportunities in Asset Management, while strengthening our platform in line with our long-term priorities.

We are confident in the Group's ability to navigate complexity with precision drawing on our integrated model and capabilities. With clarity of purpose, disciplined execution and agility in seizing emerging opportunities, we are well-positioned to shape and respond to the next chapter of Sri Lanka's evolution.

APPRECIATION

I would like to collectively thank our teams for remaining firm in their commitment, insight and integrity to drive performance.

I thank our clients for the trust placed in us and our shareholders and debt investors for their ongoing support. I also appreciate our regulators, for continued and constructive engagement.

I would like to express my sincere appreciation to the Members of the Board for their guidance, strategic insight and unwavering support throughout the year.

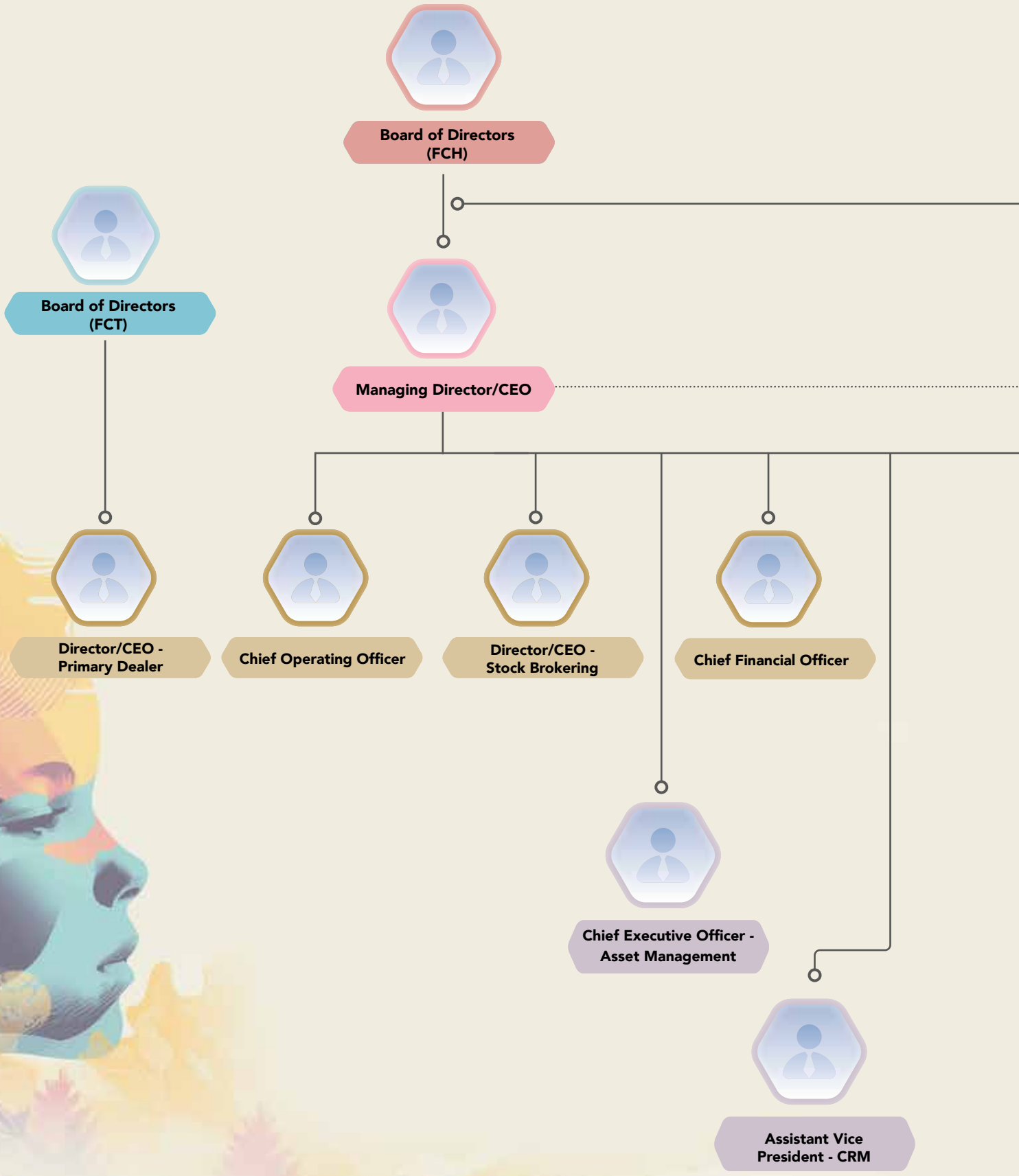
We remain focused on making a positive impact on our communities, the environment and the country as a whole in line with our long-term vision. We thank our corporate social investment partners, business and technology partners, our service providers and all our stakeholders.

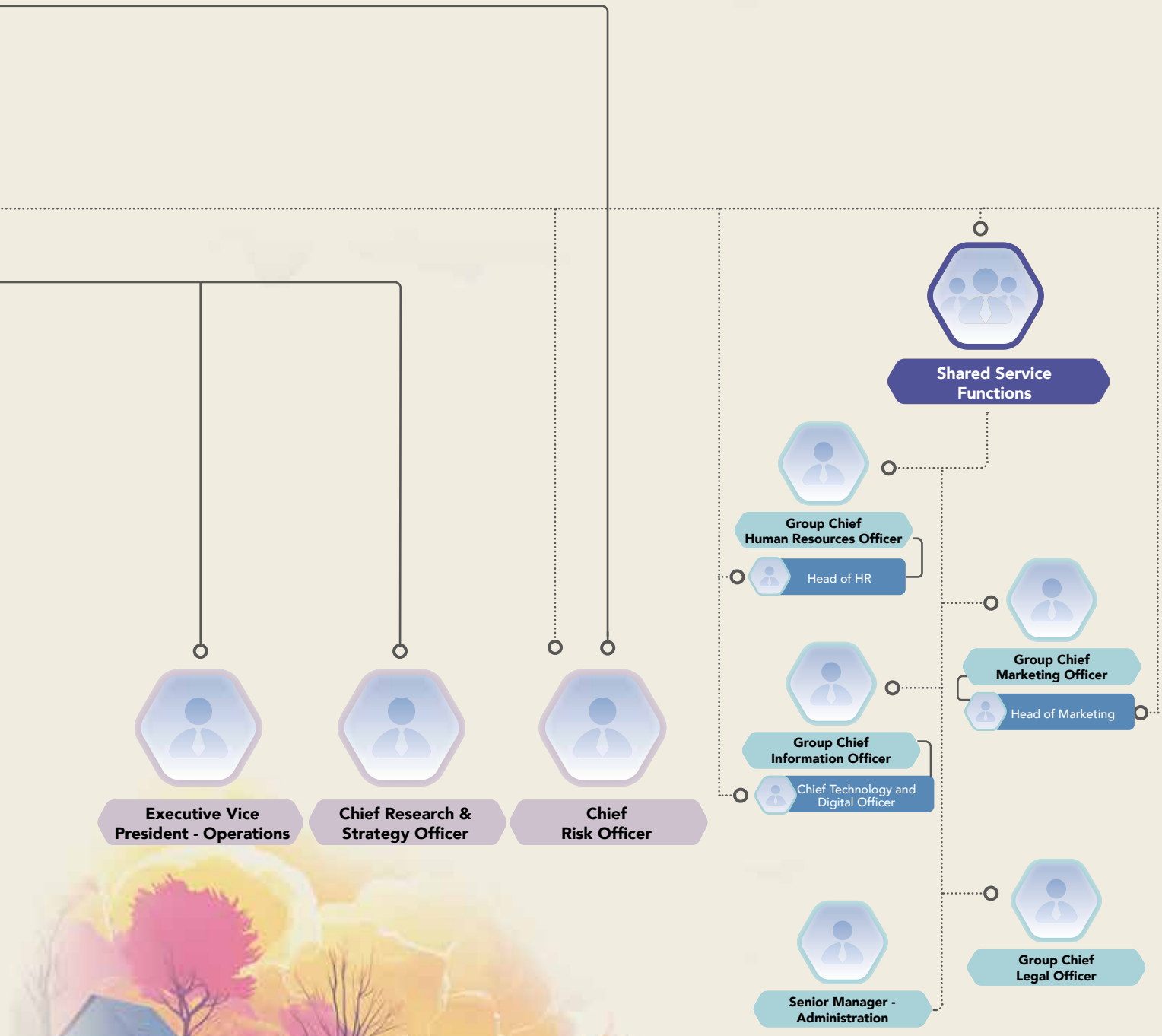
We move forward with conviction, grounded in the fundamentals of our business, yet ambitious about what we can achieve together.

(Sgd.)
Dilshan Wirasekara
Managing Director/CEO

5 June 2025

Our Organisational Structure




Executive Vice President - Operations
Chief Research & Strategy Officer
Chief Risk Officer
Shared Service Functions
Group Chief Human Resources Officer
Head of HR
Group Chief Information Officer
Chief Technology and Digital Officer
Group Chief Marketing Officer
Head of Marketing
Senior Manager - Administration
Group Chief Legal Officer

Board of Directors

RAJENDRA THEAGARAJAH
Independent Non-Executive Chairman

Rajendra Theagarajah is a Fellow Member of the Chartered Institute of Management Accountants, UK, a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, and holds a Master of Business Administration from Cranfield School of Business, UK.

A veteran banker, Theagarajah has had a highly successful career in banking in both the United Kingdom and Sri Lanka. Over his 36-year career, he spent the last 16 years as the CEO of three licensed commercial banks in Sri Lanka, making significant contributions towards policy advocacy issues such as the Corporate Governance Framework for Banks, Basel III adoption, and Fair Value Accounting by Banks. During this period, he chaired the Sri Lanka Banks Association, the Asian Banks Association, and the Lanka Financial Services Bureau. He also served on the boards of the Sri Lanka Institute of Directors, LankaClear, and the Colombo Stock Exchange, and was Chairman of the Ceylon Chamber of Commerce from 2017 to 2019.

In 2022, he received the title "Chairman Emeritus" of the Asian Banks Association for his outstanding contributions. He is a member of the Stakeholders Engagement Committee of the Central Bank of Sri Lanka. He is also a Senior Visiting Fellow of the Pathfinder Foundation, a leading think tank in Sri Lanka.

Other principal appointments:

Chairman: Janashakthi Finance PLC, Payable (Pvt) Ltd, BCAS (Pvt) Ltd

Director: Siam City Cement (Lanka) Ltd, Professional Insurance Corporation Zambia

Date of appointment to the Board

28 June 2024

Committee Membership:

MANJULA MATHEWS
Non-Independent Non-Executive Director/
Deputy Chairperson

Manjula Mathews has over three decades of experience in finance, marketing and general management, both in Sri Lanka and the United Kingdom. She is currently a Director of Janashakthi Limited, the parent company of the listed entities Janashakthi Insurance PLC, Janashakthi Finance PLC, First Capital Holdings PLC, and others. She previously worked as Finance Manager for the UK operations of AT&T, an American multinational telecommunications company.

Since 2022, she has served on the Board of Habitat for Humanity International, a leading global non-profit that advocates for everyone's right to live in safe, affordable housing. She served as a Director and subsequently as Board Chair of Habitat for Humanity Sri Lanka until September 2024. She currently serves as a Custodian of the Alzheimer's Association of Sri Lanka.

Manjula's former business positions include that of Managing Director and subsequently Chairperson of Dunamis Capital PLC and its several subsidiaries including First Capital. She is a former finance director of Janashakthi Insurance PLC and until 2021 served in the capacity of a Non-Executive Director.

More recently she has focused her energies on more service-minded endeavours working as a counsellor in private practice and as a lecturer at the Colombo Theological Seminary. Manjula is a fellow member of the Chartered Institute of Management Accountants in the UK, and holds a Master's Degree in Business Administration from the University of Cambridge, UK.

Other principal appointments:

Director: Janashakthi Limited, Mahaweli Feed Mills (Pvt) Ltd, Rock Foundation (Pvt) Ltd, Habitat for Humanity International

Date of appointment to the Board:

27 December 2022

Committee Membership:

DILSHAN WIRASEKARA

Managing Director/CEO

Dilshan Wirasekara, Managing Director/Chief Executive Officer of First Capital Holdings PLC is an experienced professional with a career spanning over 29 years, comprising diversified expertise in financial services including, banking, treasury and investment management, capital market strategy and corporate finance advisory services.

Having joined First Capital in 2013, Dilshan steered the Company, a full service investment institution holding licenses as a primary dealer in government securities, stock brokering as a full trading member of the CSE, unit trust management and wealth management licensed by SEC and debt structuring, trading and corporate finance advisory in addition to its fully fledged research unit covering macro fundamentals, equity and fixed income, to establish itself as a significant contributor to the local capital market industry. He spearheaded the formation of key debt structuring deals with internationally based development Financial Institutions as well the signing of strategic partnerships with foreign institutions focusing on emerging markets such as Sri Lanka.

He was the former General Manager of Softlogic Capital PLC guiding investment and trading portfolio management across subsidiaries inclusive of the Group's Licensed Finance Company, Composite Insurer and Equity Brokerage; prior to which he was Head of Treasury at Nations Trust Bank PLC.

He specialises in Asset and Liability Risk Management having secured the accolade of leading and representing two Sri Lankan companies in winning the International Bank Asset and Liability competition organised annually by the Netherlands Development Finance Company (FMO), German Investment Corporation (DEG) and Proparco – a subsidiary of the Agence Française de Development (AFD).

Dilshan is an Alumnus of INSEAD having successfully completed his Executive Professional Education at INSEAD Business School in Fontainebleau, France. He is also an Alumnus of AOTS, Tokyo, Japan.

Other principal appointments:

Chairman: Colombo Stock Exchange
Deputy Chief Executive Officer: Janashakthi Limited

Date of appointment to the Board:

1 May 2017

Committee Membership:

RAMESH SCHAFFTER

Non-Independent Non-Executive Director

Ramesh Schaffter is an accomplished business leader with over three decades of experience in finance, marketing, and strategic management. As the Managing Director/Group CEO of Janashakthi Group (JXG), he is known for his visionary leadership and dedication to excellence. A Fellow of the Chartered Institute of Management Accountants (CIMA), UK, a former Council Member of the Chartered Institute of Management Accountants (CIMA) Sri Lanka branch, and an Associate of the Chartered Institute of Marketing (CIM), UK, he brings a wealth of expertise in financial strategy, corporate governance, and organisational transformation. His strategic insights have been instrumental in fostering Janashakthi's growth, enhancing its market presence, and positioning the company for continued success and innovation in the industry.

In addition to his corporate accomplishments, Ramesh is a respected social entrepreneur and life coach, focused on personal development and community engagement. His community work includes serving as former President of Habitat for Humanity Sri Lanka, a Board Member of World Vision Sri Lanka, and co-founder of Swarga TV. He also co-founded the Christian Arts Foundation (Chraft).

A gifted public speaker, he has garnered numerous accolades in Toastmasters contests, showcasing his exceptional communication skills. Driven by a passion for empowering others, he launched the Inspiring Change Foundation (ICF), aiming to share his vast knowledge and experience with the next generation of leaders.

Other principal appointments:

Managing Director/Group Chief Executive Officer: Janashakthi Limited

Director: Janashakthi Insurance PLC, Serendib Land PLC, Sarvodaya Development Finance PLC

Date of appointment to the Board:

21 December 2018

Committee Membership:

Board of Directors

KUDA BANDA HERATH
Independent Non-Executive Director

Kuda Herath holds a bachelor's degree in applied chemistry from the University of Kingston, London and currently serves as an Independent Non-Executive Director of Central Finance Company PLC since 16 February 2019.

He has a career spanning over 28 years in the fast-moving consumer goods industry in Sri Lanka, starting off with 16 years at Nestle Lanka Limited holding key positions in disciplines such as manufacturing, sales, marketing and global business excellence projects.

He served as an Executive Director of A. Baur & Co. Ltd. for a period of 8 years during which period he was instrumental in establishing a consumer vertical for the company.

He joined Sunshine Holdings PLC in April 2020 as the Chief Operating Officer of their Consumer business, primarily to expand their consumer footprint via mergers and acquisitions.

As a member of the Environmental Cell of the Ceylon Chamber of Commerce from year 1996 to 2001 he was part of both Governmental and Non-governmental initiatives in assessing and formalising plans to minimise adverse impacts to the environment from industry.

Other principal appointments:

Director: Central Finance Company PLC, Energy Management Systems (Pvt) Ltd, Bavarian Barn German Restaurant (Pvt) Ltd, Photocinex (Pvt) Ltd

Chief Operating Officer:
Sunshine Holdings PLC

Date of appointment to the Board:

29 April 2024

Committee Membership:

RACHINI RAJAPAKSA
Independent Non-Executive Director

Rachini Rajapaksa, a Fellow Member of the Chartered Institute of Management Accountants, UK, and a Chartered Financial Analyst of the CFA Institute, USA, counts over 30 years of experience in fund management and finance. Currently, she serves as an Independent Non-Executive Director of Asia Siyaka Commodities PLC and its subsidiaries, Sri Lanka Accounting and Auditing Standards Monitoring Board and few private companies.

Rachini was an Independent Non-Executive Director at Nations Trust Bank PLC until April 2025. She was a founding member of CFA Society Sri Lanka and one of the first female charter holders in the country. She served as the first female president of the Society and held various roles including as a Director over many years. She has contributed extensively to the CFA community, locally and internationally, including as an examination grader of the CFA Institute for two decades.

She began her career at PricewaterhouseCoopers, Sri Lanka, and later worked as a Senior Fund Manager at Ceybank Asset Management Ltd. She also served as the Chief Financial Officer of IBM Sri Lanka and Bangladesh.

Other principal appointments:

Director: Asia Siyaka Commodities PLC, AgriOne Solutions (Pvt) Ltd. Asia Siyaka Warehousing (Pvt) Ltd, Sri Lanka Accounting and Auditing Standards Monitoring Board, Asset Machinery & Equipment (Pvt) Ltd, Asset Enterprises (Pvt) Ltd, and Lanka Bond House Ltd

Date of appointment to the Board:

28 June 2024

Committee Membership:

INOSHINI PERERA
Independent Non-Executive Director

Inoshini Perera brings a blend of international experience from the UK and Singapore, complemented by local expertise. She holds a Master's in Finance from the University of Cambridge, UK, and a BSc in Economics with First Class Honours from the London School of Economics and Political Science, UK. Her career spans various specialties, including Investment Banking, Management Consultancy, and Corporate Banking.

She has held significant roles such as Vice President in Mergers and Acquisitions advisory at Bank of America in the UK, Associate Director at KPMG in Singapore, and senior positions at Standard Chartered Bank in Sri Lanka. Currently, she serves as an Independent Consultant and Board Director at Verité Research. With her comprehensive understanding of global markets and deep knowledge of the local landscape, Inoshini is well-equipped to navigate complex challenges and drive our strategic initiatives forward.

Other principal appointments:

Director: Verite Research (Pvt) Ltd

Date of appointment to the Board:

28 June 2024

Committee Membership:

DILENDRA WIMALASEKERE
Independent Non-Executive Director

Dilendra Wimalasekere is an entrepreneur with over 25 years of experience in building and running IT services and digital marketing businesses. He is the Founder of three Sri Lankan-based companies: Eureka Technology Partners, 24/7 Techies, and ReapDigital, all of which leverage technology to provide services globally. These companies have collectively supported over 70,000 consumers, 3,000 small businesses, and notable enterprises such as Google, Natixis, and Wolters Kluwer across 10 countries spanning 4 continents.

Since 2017, Dilendra has served as a mentor at the Google for Startups Accelerator programme and as an Advisory Board member of SLAASCOM. He has also held roles as a past Board Director and Treasurer of the American Chamber of Commerce (AMCHAM). He holds a BA in Business Economics from the College of Wooster, USA, and completed the Birthing of Giants entrepreneur development programme at the Massachusetts Institute of Technology, USA.

Other principal appointments:

Director: Eureka Technology Partners (Pvt) Ltd, 24/7 Techies (Pvt) Ltd, ReapDigital (Pvt) Ltd

Date of appointment to the Board:

28 June 2024

Committee Membership:

NISHAN FERNANDO

Former Independent Non-Executive Chairman (Resigned w.e.f. 28 June 2024)

Nishan Fernando is a Fellow Chartered Accountant and a Chartered Global Management Accountant with Associate Membership of the Chartered Institute of Management Accountants, UK. He holds a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is a Graduate of the Sri Lanka Institute of Directors.

He counts over 34 years of experience, during which period he has held the position of CFO/Head of Finance at leading corporates in Sri Lanka. Nishan is a Past President of the Institute of Chartered Accountants of Sri Lanka. Nishan was a Commission Member of the Securities and Exchange Commission of Sri Lanka and serves on the Dispute Resolution Board of the Colombo Stock Exchange. He has also served on the Accounting and Auditing Standards Monitoring Board and on the Governing Boards of the Postgraduate Institute of Management and the National Institute of Business Management.

He has also served as the Chair of the Asian-Oceanian Standards Setters Group, Sri Lanka Accounting Standards Committee and Sri Lanka Financial Reporting Standards Interpretation Committee. He has served on the International Accounting Education Standards Board of the International Federation of Accountants and its Consultative Advisory Board and on the Board of the South Asian Federation of Accountants.

CHANDANA DE SILVA

Independent Non-Executive Director
(Resigned w.e.f. 28 June 2024)

Chandana de Silva has 40 years of managerial and financial experience acquired in Sri Lanka and the United Kingdom. In Sri Lanka since 2002, he worked at MAS Holdings in a variety of roles before retiring as Chief Executive Officer of the MAS Investments Division in 2011.

A Fellow Member of the Institute of Chartered Accountants in England and Wales and in Sri Lanka, he also holds a Bachelor of Science in Mathematics and Management from the University of London, UK.

Chandana currently serves as an Independent Non-Executive Board Member and a Consultant.

Legend	
	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/CEO

2. THARUSHA EKANAYAKE
Chief Operating Officer

3. JALIYA WIJERATNE
Director/CEO
- First Capital Equities (Private) Limited

4. SACHITH PERERA
Director/CEO
- First Capital Treasuries PLC

5. KAVIN KARUNAMOORTHY
CEO
- First Capital Asset Management Limited

6. MANGALA JAYASHANTHA
Chief Financial Officer

7. WASANTHI STEPHEN
Group Chief Human Resources Officer

8. K V KUGANATHAN
Group Chief Information Officer

9. GAMIKA DE SILVA
Group Chief Marketing Officer

10. HARSHANEE DESHAPRIYA
Group Chief Legal Officer

11. SUJANI KUMARAGE
Executive Vice President – Operations

12. KAPILA PERERA
Chief Risk Officer

13. DIMANTHA MATHEW
Chief Research and Strategy Officer

14. MITHILA ABEYSEKERA
Chief Technology & Digital Officer

15. CHAMARA PUSSELLA
Head of Human Resources

16. RANDINITH MADANAYAKE
Head of Marketing

17. PRASHANI PERERA
Assistant Vice President – CRM

18. MALITH PATHIRANA
Senior Manager – Administration

Management Team

1. DILSHAN WIRASEKARA

Managing Director/Chief Executive Officer

Please refer to the Directors' profile on page 27.

2. THARUSHA EKANAYAKE

Chief Operating Officer

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

Over 24 years of experience in banking and financial services, including 4+ 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 31 years of investment advisory experience in the capital markets of Sri Lanka, including 11+ 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 2+ years with First Capital

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 23 years of treasury and investment banking experience, including 7+ 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 24 years of experience in financial management, financial reporting, auditing, corporate planning and taxation, including 19+ years with First Capital

7. 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 25 years of experience in human resource industry, including 9+ years with the Company

8. K V KUGANATHAN

Group Chief Information Officer

MBA (UK), MSc. in IT Consultancy, BSc. in Computing and Information Systems, Chartered IT professional (CITP), MBCS

Over 26 years of experience in banking, insurance and capital market sectors as an IT professional, including 8+ years with the Company

9. GAMIKA DE SILVA

Group Chief Marketing Officer

Fellow of the Sri Lanka Institute of Marketing, Graduate of the Chartered Institute of Marketing (CIM) and holds a MBA in Marketing from the University of Wales

Over 25 years of experience in marketing, brand management, retail sales, and customer experience management, including 1+ years with the Company

10. 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 19 years of corporate experience, including 10+ years with the Company

11. 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 26 years of experience in business processing related to fixed income securities and treasury operations with First Capital

12. 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 22 years of experience in risk, compliance, AML/CFT, data protection, business operations and finance, including 18+ years with First Capital

13. 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 17 years of experience in investment banking, including 11+ years with First Capital

14. 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 21 years of transformative leadership in technology across prominent Sri Lankan banks, leads IT and digital transformation including 1+ years with First Capital

15. 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 16 years of collective HR experience in investment banking and finance industries, including 5+ years with First Capital

16. RANDINITH MADANAYAKE

Head of Marketing

Bachelor of Science (University of Colombo)

Over 12 years of experience in brand marketing across consumer durables, FMCG, and alcoholic beverages, including 3+ years with First Capital

17. PRASHANI PERERA

Assistant Vice President – CRM

Reading – PGDip (Public Administration) at Kensley Graduate School

Over 17 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 1+ years with First Capital

18. MALITH PATHIRANA

Senior Manager – Administration

EMBA (University of Colombo)

Over 21 years of experience in administration, supply chain and procurement management, including 12+ years with the Company

Branch Operation Team

ROHANA JAYAKODY
Matara Branch

SALINDA SAMARAKONE
Kandy Branch

DINUKA DASSANAYAKE
Negombo Branch

NUWAN FERNANDO
Kurunegala Branch

T. RAJASRIKANTHAN
Jaffna Branch

OUR VALUE STORY

EXPONENTIAL MERIT

Our true value lies in our unending efforts to make investing accessible to all. As we reflect on the actions and decisions that brought us to this juncture, we look forward with hope for prosperous tomorrows.

Historical Milestones

We harness more than 40 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.

2021
Apex Performance
Exceeds Profit before Tax of Rs. 2 Bn in FY2020/21.

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

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

Brand value of Rs.1.0 Bn.

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-.

2018
Acquisition
The Company is acquired by Janashakthi Limited.

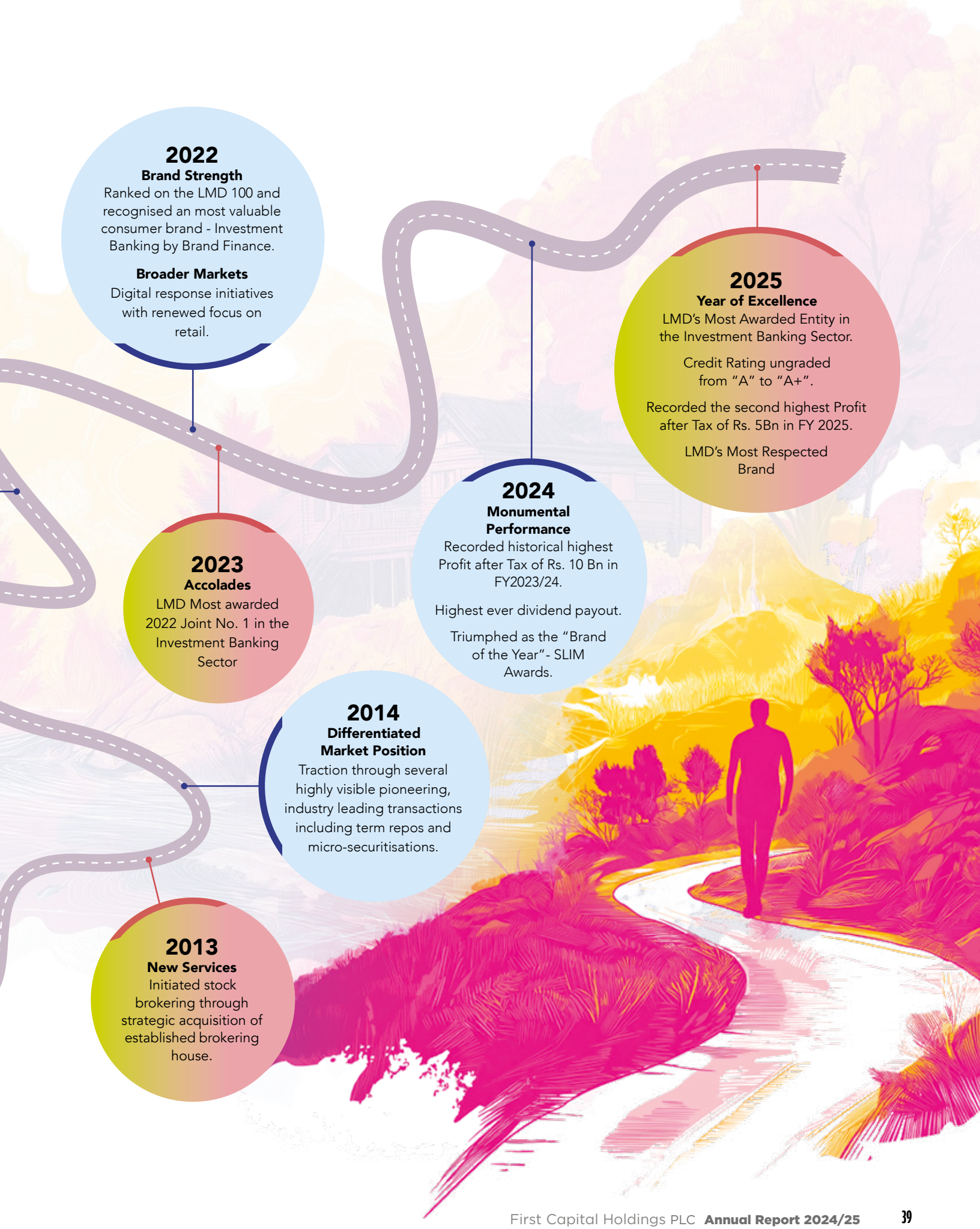
1992-98
Incorporated
First Capital Holdings PLC's predecessor incorporated as CF Venture Fund Limited (CFVF) listed on the Colombo Stock Exchange in 1994. Begins investment management in 1998 in addition to venture capital business.

2015
Expanded Offering
Expanded operational footprint through core offering of Government Securities, Corporate Finance and Advisory, Asset Management and Stock Brokering. Marked strategic position and differentiation from peers.

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.

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.


2022
Brand Strength
Ranked on the LMD 100 and recognised an 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
2024
Monumental Performance
Recorded historical highest Profit after Tax of Rs. 10 Bn in FY2023/24.
Highest ever dividend payout.
Triumphed as the "Brand of the Year"- SLIM Awards.
2025
Year of Excellence
LMD's 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 2025.
LMD's Most Respected Brand
2014
Differentiated Market Position
Traction through several highly visible pioneering, industry leading transactions including term repos and micro-securitisations.
2013
New Services
Initiated stock brokering through strategic acquisition of established brokering house.

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.

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 Networth 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%	New entity dedicated to corporate advisory services under new SEC regulations.
First Capital Trustee Services (Private) Limited	100%	Provides trustee services for capital market instruments.
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.

Connecting Capital with Opportunity

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.

Core Ideologies

Our Vision

To improve the lives of all Sri Lankans through financial solutions.

Our Mission

Lead the way in innovative solutions to manage risk and create wealth

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

At First Capital, connecting capital with opportunity is not just what we do - it is how we make a difference.

What Sets Us Apart

We bring together the strength of our legacy with the mindset of a challenger. Our ability to integrate financial innovation, ethical 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 anchor asset class 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 complex capital structuring, from 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 digital 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 on select asset classes delivered in alignment with market regulations and liquidity needs

Affiliations

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, we actively engaged in initiatives across education, sports, finance, and social development, amplifying our corporate values and stakeholder engagement.

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
- Institute of Internal Auditors (IIA) Sri Lanka Chapter - Conference Sponsor (2024)
- ICF Colombo Chapter - International Coaching Week Sponsor (2024)

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 2024 - Title sponsor
- University of Sri Jayawardenapura - Investment Day 2024 - Official Title Partner
- Room to Read - Education Partner
- Silver Jubilee Reunion - UOC Science Faculty (Batch 98/99) - Contributor
- Onlineaccounting.lk Award Ceremony - Supporter

Capital Market Engagement

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

- CSE Masterminds Quiz 2024 – Platinum Sponsor
- CSE Varsity Battles Quiz 2024 – Platinum Sponsor
- CFA Society – Silver Sponsor

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

FY2025 was a year of exponential visibility winning coveted accolades and awards including the SLIM Brand of the Year 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.

Celebratory Milestones

1. Brand of the Year 2024 – SLIM Brand Excellence- First Capital Holdings PLC
2. Service Brand of the Year 2024- SLIM Brand Excellence- First Capital Holdings PLC
3. Local Brand of the Year 2024- Silver Award- SLIM Brand Excellence- First Capital Holdings PLC
4. B2B Brand of the Year 2024- Bronze Award- SLIM Brand Excellence- First Capital Holdings PLC
5. TAGS Awards 2024
   - Investment Banking Sector- Gold Award - First Capital Holdings PLC
   - Newly Listed Companies- Gold Award - First Capital Treasuries PLC
   - Service Sector- Silver Award- First Capital Treasuries PLC
   - Unit Trust Fund Sector – Bronze Award - First Capital Money Market Fund
   - Certificate of Recognition for Integrated Reporting - First Capital Holdings PLC
6. CMA Excellence in Integrated Reporting Awards 2024-
   - Investment Banking Sector - Best Integrated Report - First Capital Holdings PLC
   - Overall Performance Recognition- Merit Award - First Capital Holdings PLC
7. CFA Society Sri Lanka Capital Market Awards 2024
   - Best Stock Brokering Research Team- Silver Award - First Capital Equities (Pvt) Ltd
   - Best Unit Trust Fund Sector- Silver Award - First Capital Money Market Fund
8. SLITAD People Development Awards 2023/2024 - Gold Award- First Capital Holdings PLC
9. Digital Trust Awards 2024- Winner in Capital Market Sector- First Capital Holdings PLC
10. National ICT Awards -NBQSA 2024- Gold Award- In House Development Category –" First Capital Invest": WhatsAPP for Unit Trusts Funds – First Capital Holdings PLC

11 National ICT Awards -NBQSA 2024- Finance & Accounting Solutions (Fintech) in Business Services – Merit Award – Jointly by Epic Lanka (Pvt) Ltd & First Capital Holdings PLC

12 International Investor Magazine -Best Comprehensive Investment Management Firm in Sri Lanka 2024 - First Capital Holdings PLC

13 International Investor Magazine – Financial CEO of the Year 2024 - MD/CEO, Mr. Dilshan Wirasekara - First Capital Holdings PLC

14 Finance Derivative Magazine Netherlands - Best Investment Banking Company in Sri Lanka for 2024 – First Capital Holdings PLC

15 Finance Derivative Magazine Netherlands - Most Leading Non-Bank Primary Dealer in Sri Lanka for 2024 - First Capital Treasuries PLC

16 LMD- Most Respected Entities in Sri Lanka - First Capital Holdings PLC

17 Business Today- TOP 40 for 2023/24
- 20th Position- First Capital Holdings PLC
- 21st Position- First Capital Treasuries PLC

18 ARC Awards International (Mercomm Inc, New York) –Gold Award - Cover/ Home Page: Primary Dealer Company (Government Securities) and the Silver Award - PDF Version of Annual Report: Primary Dealer Company (Government Securities) – First Capital Treasuries PLC

19 LMD Most Awarded Entities 2025
- Investment Banking sector 1st Place - First Capital Holdings PLC
- Investment Banking sector – 2nd Place - First Capital Treasuries PLC

20 CPM Sri Lanka's Best Management Practices Award – Investment Banking Sector - Winner – First Capital Holdings PLC

21 Great Place to work Certification

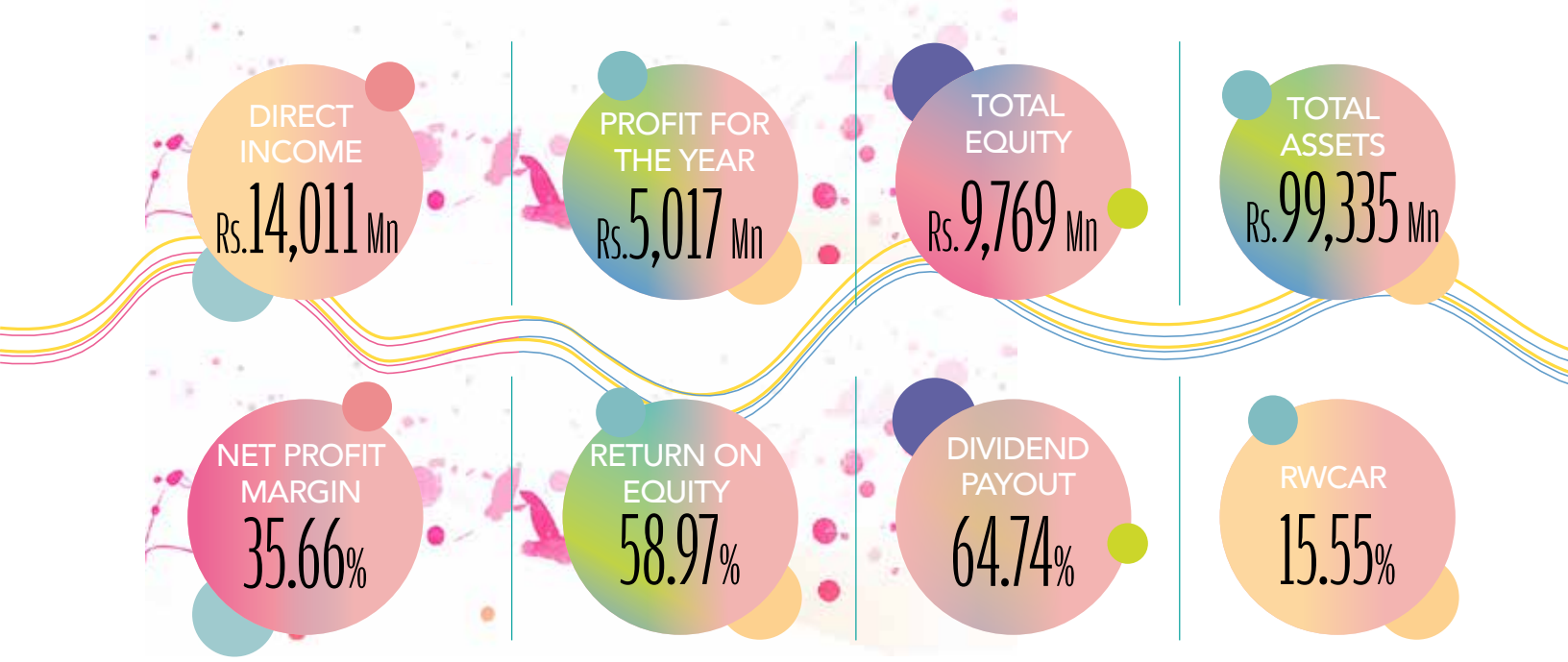
22 CFA Society -Recognised as Top 25 employers – First Capital Holdings PLC

23 AICPA & CIMA -Recognised as "Development Quality Partner"

Financial Highlights

Indicator	Group			Company		
	FY2024-25	FY2023-24	Change %	FY2024-25	FY2023-24	Change %
RESULTS FOR THE YEAR (RS. MN)						
Direct income	14,011	29,558	-52.6%	1,586	2,077	-23.6%
Operating profit	6,685	16,309	-59.0%	1,512	192	688.0%
Income tax expense	1,669	6,153	-72.9%	(20)	54	-137.2%
Profit for the year	5,017	10,156	-50.6%	4,692	8,971	-47.7%
Profit attributable to equityholders of the parent	4,692	8,971	-47.7%	4,692	8,971	-47.7%
TCI attributable to equityholders of the parent	4,711	8,921	-47.2%	4,711	8,921	-47.2%
ASSETS AND LIABILITIES (RS. MN)						
Financial assets at FVTPL	86,778	62,530	38.8%	7,395	4,200	76.1%
Financial assets at FVOCI	37	83	-55.0%	8	5	50.0%
Financial assets at amortised cost	7,565	11,171	-32.3%	4,230	6,658	-36.5%
Securities sold under re-purchase agreements	73,109	50,051	46.1%	-	-	-
Short-term borrowings	8,010	5,489	45.9%	8,510	5,646	50.7%
Long-term borrowings	1,201	1,602	-25.0%	1,201	1,602	-25.0%
Borrowings on debentures	2,029	2,775	-26.9%	2,027	2,029	-0.1%
Total equity	9,769	7,940	23.0%	8,793	7,119	23.5%
PROFITABILITY AND EFFICIENCY RATIOS (%)						
Operating profit margin	47.52%	55.17%	-13.9%	95.33%	9.24%	931.7%
Net profit margin	35.66%	34.35%	3.8%	295.80%	431.84%	-31.5%
Return on assets	5.64%	13.98%	-59.7%	22.25%	48.93%	-54.5%
Return on equity	58.97%	135.77%	-56.6%	58.97%	135.77%	-56.6%
Return on capital employed	17.28%	39.12%	-55.8%	30.23%	63.88%	-52.7%
Cost to income ratio	40.79%	20.35%	-100.4%	157.15%	247.25%	36.4%
INVESTOR RATIOS						
Net assets value per share (Rs.)	21.71	17.58	23.5%	21.71	17.58	23.5%
Earnings per share (Rs.)	11.58	22.15	-47.7%	11.58	22.15	-47.7%
Dividend per share (Rs.)	7.50	17.25	-56.5%	7.50	17.25	-56.5%
Dividend payout (%)	64.74%	77.88%	-16.9%	64.74%	77.88%	-16.9%
Price earnings ratio (times)	3.01	1.55	94.4%	3.01	1.55	94.4%
Price to book ratio (times)	1.61	1.96	-18.0%	1.61	1.96	-18.0%
Dividend yield (Effective dividend rate) (%)	21.49%	50.15%	-57.1%	21.49%	50.15%	-57.1%

Indicator	Group			Company		
	FY2024-25	FY2023-24	Change %	FY2024-25	FY2023-24	Change %
MARKET VALUE PER SHARE (RS)						
High	46.40	60.50	-23.3%	46.40	60.50	-23.3%
Low	26.40	25.50	3.5%	26.40	25.50	3.5%
Year-end	34.90	34.40	1.5%	34.90	34.40	1.5%
Number of share Issue (Mn)	405	405	-	405	405	-
Market capitalisation (Mn)	14,135	13,932	1.5%	14,135	13,932	1.5%
DEBT RATIOS AND RISK MEASURES						
Debt to equity ratio (times)	8.66	7.74	11.9%	1.34	1.48	-9.1%
Debt to asset ratio (times)	0.85	0.78	9.2%	0.54	0.52	3.1%
Quick asset ratio (times)	1.17	1.28	-8.6%	1.41	1.44	-2.0%
Interest cover (times)	1.90	2.66	-28.7%	5.18	5.83	-11.2%
Equity assets ratio (times)	0.10	0.10	-	0.40	0.35	13.9%
Risk weighted capital adequacy ratio [core capital Tier I +Tier II (CAR) (%)]	15.55%	22.76%	-31.8%	N/A	N/A	N/A
Credit Rating	A+ (Stable outlook)	A (Positive outlook)		A+ (Stable outlook)	A (Positive outlook)	



Our Stakeholders

We recognise that our long-term success is inextricably linked to the strength, relevance and trust we build with our stakeholders. As both partners and beneficiaries in our value creation process, stakeholders shape our strategy, inform our priorities and share in our outcomes. At First Capital, engagement is not only about addressing expectations, but about co-creating a more inclusive and sustainable financial system. Our PERFORMANCE FIRST culture strengthens these relationships through consistent delivery and open dialogue.

Stakeholder Insight Matrix with Outcomes FY2025

Stakeholder Group	Engagement Mechanisms and Frequency	Key Concerns Raised	FCH Group Response	Our Outcomes	Engagement Quality Metrics	Strength of Relationship
Clients	Digital platforms, research briefings,Net Performance Score (NPS) surveys, Investor forums, Meetings, Surveys, Client events, Call centre and complaints monitoring **Frequency:** Continuous	Digital CX consistency, Market volatility, Need for bespoke advice, Access to digital and high-yield solutions, Service consistency, Data protection and privacy	Omni-channel Customer Relationship Management (CRM), WhatsApp transacting, Online portal, Mobile app, Simplified onboarding, Financial literacy	Growth in digital onboarding; WhatsApp channel uptake increased	Client growth, NPS, Resolution time	Strong
Employees	GPTW surveys, Learning and Development platforms, Hybrid work policies, Wellness events, Cross functional engagement, Training, Skip-level meetings, Communal/societal initiatives **Frequency:** Continuous	Career pathways, Leadership engagement, Hybrid flexibility succession, Diversity and inclusion visibility, Recognition, Performance culture	Talent mobility, Hybrid policy, Evolving EVP, Rewards and recognition, Diversity and inclusion agenda, Upskilling programmes, Merit-based rewards, Infrastructure upgrades	GPTW certified Training Hours 4,981, 100% permanent employees, Performance appraised, Fair pay, Evolving EVP	Retention, GPTW score, Diversity and Inclusion metrics, Gender Pay Parity	Strong
Providers of Financial Capital	AGMs, Rating reviews, Disclosures **Frequency:** Quarterly/annual	Earnings quality, Governance, Capital allocation, Risk signals	Business platform resilience and diversification, Enhanced disclosures, Capital discipline, Sound governance, Upgraded A+(Stable) rating, Subsidiary governance clarity	Dividend payout at 64.74%; A+(Stable) credit rating retained; consistent analyst coverage	Dividend yield, ROE, NAV trends	Strong

Stakeholder Group	Engagement Mechanisms and Frequency	Key Concerns Raised	FCH Group Response	Our Outcomes	Engagement Quality Metrics	Strength of Relationship
Regulators	Ongoing compliance filings, Licensing consultations, Industry discussions, Timely tax filings and payments **Frequency:** Continuous, annual or periodically as mandated	Market conduct, Cybersecurity, ESG transparency	SLFRS S1 and S2 alignment, ISO audits, Proactive risk model upgrades	100% statutory compliance; consequence management framework; data protection audit passed	Compliance record, Audit readiness	Strong
Community Ecosystem	CSR initiatives civic partnerships, Sponsorships, Digital financial literacy campaigns **Frequency:** Periodically	Inclusion, Financial literacy, Education access, Sustainability	#FinPowerHer, Room to Read, University bootcamps, Digital-first inclusion	Non-profit partnerships; SDG linked programmes scaled	Literacy reach, SDG alignment, Outreach footprint	Good
Business Partners	Transactional partnerships, Systems integration, Joint initiatives, Platform alliances **Frequency:**	Platform stability, Innovation collaboration, Ethical alignment	API integrations, Fintech collaborations, ESG procurement processes	New fintech alliances; SLA adherence	Partner satisfaction, SLA metrics	Strong
Suppliers and Service Providers	Engagement via procurement processes, Meetings, Service Level Agreements **Frequency:**	Fair procurement, ESG standards, Payment cycles	Transparent selection, Ethics screening, ESG filters	97% of local purchases	Payment metrics, ESG adherence	Strong
Analysts and Rating Agencies	One-on-one briefings, Integrated reporting toolkits, ESG updates **Frequency:**	Credit fundamentals, Market resilience, Disclosure consistency	Enhanced IR disclosures, ESG-aligned reporting, Rating commentary engagement	Upgrading to A+ (Stable) rating; analyst sentiment positive across coverage	Rating stability/ trend, Report turnaround, Feedback loops	Strong

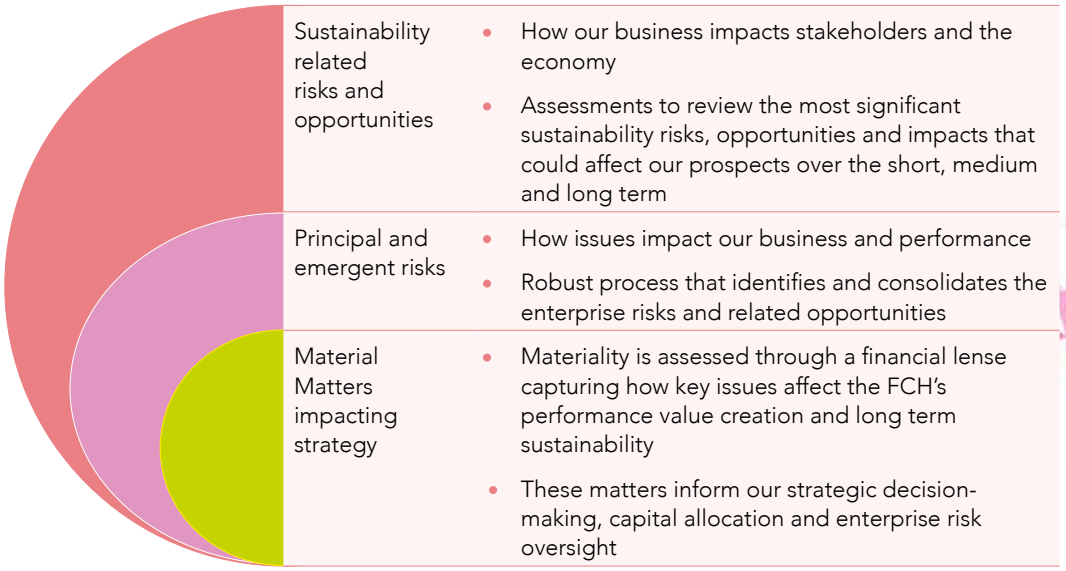
Insights from these interactions guide our materiality analysis, strategy execution and performance management. Stakeholder expectations are continuously monitored to anticipate emerging trends and sustain relevance.

Material Matters

We use a structured and inclusive approach to identify and prioritise material matters- those issues that could significantly impact our ability to create sustainable value in the short, medium and long term.

Material themes are validated by executive leadership and approved by the Board, reinforcing alignment with oversight structures and our long-term strategic direction.

This framework ensures we focus on what matters most to our business and to our stakeholders.



Sustainability related risks and opportunities	• How our business impacts stakeholders and the economy • Assessments to review the most significant sustainability risks, opportunities and impacts that could affect our prospects over the short, medium and long term
Principal and emergent risks	• How issues impact our business and performance • Robust process that identifies and consolidates the enterprise risks and related opportunities
Material Matters impacting strategy	• Materiality is assessed through a financial lense capturing how key issues affect the FCH's performance value creation and long term sustainability • These matters inform our strategic decision-making, capital allocation and enterprise risk oversight

These matters are validated by executive leadership and approved by the Board, ensuring alignment with our strategic direction and risk oversight.

The resulting set of material themes inform our strategy, disclosures and performance measurement.

This integrated lens enables us to focus on what truly matters to our business and society, now and into the future.

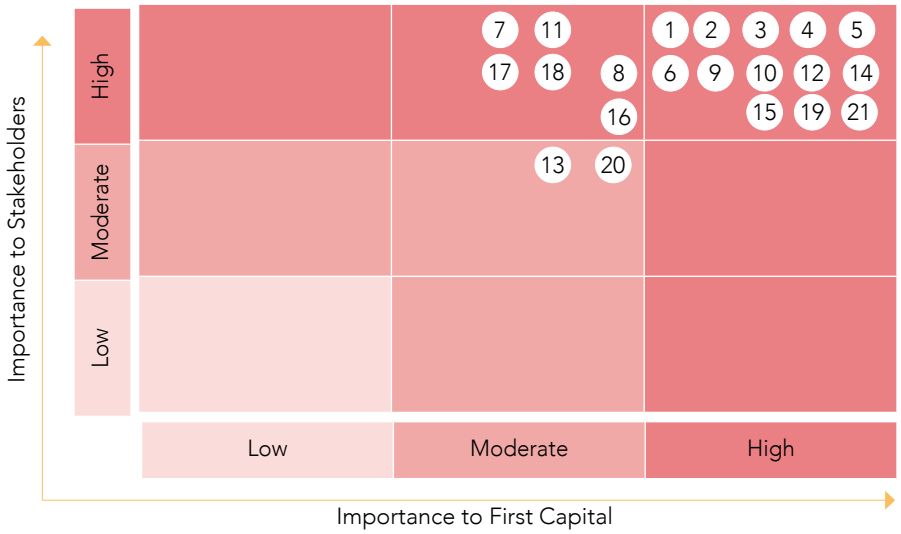
Our Materiality Assessment Process

Step	Approach
Identify	Reviewed internal risk registers, regulatory developments, global macro trends and formal and informal stakeholder feedback
Prioritise	Applied materiality scoring framework based on likelihood, impact and stakeholder salience
Validate	Validated top material matters through executive meetings and Board-level risk alignment
Integrate	Embedded into strategic planning, capital allocation, risk oversight and reporting disclosures

Mapping stakeholder priorities and material themes

The following matrix maps the relative prioritisation of the material issues identified.

MATERIALITY MATRIX



Material Matter	Icon
Country Rating Upgrade	1
Policy Uncertainty	2
Accelerated Economic Recovery	3
Digital Transformation	4
Brand Image	5
Balancing System Liquidity	6
Operational Efficiency	7
Financial Inclusion	8
ESG	9
Ethical Service Standards	10
Data Protection	11
Cybersecurity	12
Client Centricity	13
Talent Acquisition and Attraction	14
Employee Wellbeing	15
Retention and Brain Drain	16
Evolving the EVP	17
Heightened Importance of Risk Management	18
Regulatory Developments	19
Balanced Earnings	20
Market Volatility	21

Material Matters

Material themes are monitored continuously to anticipate change and recalibrate our response in line with our PERFORMANCE FIRST ethos and commitment to sustainable value.

Material Matter	Why It Matters	Topic Boundary	Impact Materiality	Financial Materiality	Degree of Significance	Variation YoY : Impact Materiality
Country Rating Upgrade	Influences market sentiment, investor confidence and capital flows impacting FCH's cost of funding and positioning.	External	●●●	●●●	●●●	↑
Policy Uncertainty	Affects forecasting, investment decisions and business continuity planning.	External	●●●	●●●	●●●	↔
Accelerated Economic Recovery	Offers new opportunities for capital market activity and client demand.	External	●●●	●●●	●●●	↑
Digital Transformation	Key to improving client access, operating efficiency and competitiveness.	Internal	●●●	●●●	●●●	↔
Brand Image	Impacts trust, client loyalty and investor interest in a highly commoditised sector.	Internal / External	●●●	●●●	●●●	↑
Balancing System Liquidity	Central to managing interest rate risk and maintaining funding agility.	External	●●●	●●●	●●●	↔
Operational Efficiency	Improves cost-to-income ratios, client delivery and scalability.	Internal	●●	●●	●●	↔

	Variation YoY: Financial Materiality	Strategic Relevance	Link to Strategy	Risk Impact	Capitals Impacted	GRI Reference	Linked SDGs	Change Since FY2024
	↔	●●●	Diversified, Capital-Efficient Growth	Interest Rate Risk, Credit Risk, Equity Risk, Liquidity Risk		GRI 201-1, 201-2, 207	8, 9, 17	**Refined** – Topic appeared under "Macroeconomic and Sovereign Risk" in FY2024 but has been reframed with a more forward-looking lens.
	↔	●●●	Empowered Execution and Talent Agility; Diversified, Growth	Strategic Risk, Regulatory and Compliance Risk		GRI 201-1, 207	16	**No Change** – Identified in FY2024 in the context of regulatory unpredictability and national reform trajectory.
	↑	●●●	Scalable Market Expansion and Geographic Reach	Strategic Risk, Equity Risk		GRI 201-1, 203-1	1, 8, 9	**New** – Not distinctly listed in FY2024; incorporated in this year as an opportunity-based material theme post-stabilisation.
	↔	●●●	Digitally Differentiated Client Experience; Empowered Execution	Information and Cybersecurity Risk, IT Risk, Reputation Risk		GRI 418-1	9, 10	**No Change** – Featured prominently in FY2024, including mobile platform integration and CX upgrades.
	↑	●●●	ESG-Embedded Stewardship; Scalable Market Expansion and Geographic Reach	Reputation Risk		GRI 102-16, 102-21, 102-27, 102-29, 417-1, 418-1	16	**Refined** - Was referenced under stakeholder trust and market positioning; now explicitly framed as a material matter.
	↑	●●●	Diversified, Capital-Efficient Growth	Liquidity Risk, Interest Rate Risk		GRI 201-1	8, 9	**Refined** – Appeared in FY2024 as part of interest rate and monetary environment risk; now given clearer business model linkage.
	↔	●●	Empowered Execution and Talent Agility	Operational Risk, Reputation Risk		GRI 201-1, 418-1	8, 9	**No Change** – Operational productivity and process automation were already disclosed as key material matters.

Material Matters

Material Matter	Why It Matters	Topic Boundary	Impact Materiality	Financial Materiality	Degree of Significance	Variation YoY : Impact Materiality
Financial Inclusion	Expands market reach and aligns with ESG and national priorities.	External	●●	●●	●●	↑
ESG	Reflects regulatory and stakeholder expectations; integrated into investment and governance frameworks.	Internal / External	●●●	●●	●●●	↔
Ethical Service Standards	Reinforces brand credibility and supports long-term stakeholder trust.	Internal	●●●	●●	●●●	↔
Data Protection	Fundamental to maintaining client trust, meeting data privacy regulations, and avoiding reputational harm.	Internal	●●	●●	●●	↔
Cybersecurity	Essential for operational continuity, resilience against cyber threats, and technology risk management.	Internal	●●●	●●●	●●●	↑
Client Centricity	Enhances loyalty, differentiation and business sustainability.	Internal / External	●●	●●	●●	↑
Talent Acquisition and Attraction	Core to building a future-ready organisation.	Internal	●●●	●●●	●●●	↔
Employee Wellbeing	Drives engagement, productivity and retention.	Internal	●●	●●	●●	↔

	Variation YoY: Financial Materiality	Strategic Relevance	Link to Strategy	Risk Impact	Capitals Impacted	GRI Reference	Linked SDGs	Change Since FY2024
	↑	●●	Market Expansion; ESG-Embedded Stewardship	ESG Risk, Strategic Risk		GRI 203-1	1, 4, 5, 10	Refined – Present in FY2024 but now strengthened with SDG linkage and integrated ESG framing.
	↔	●●●	ESG-Embedded Stewardship	ESG Risk		GRI 302-1, 304-3	7, 9, 12, 13	No Change – ESG integration was already central in FY2024, including roadmap to SLFRS S1 and S2.
	↔	●●	Client Experience; ESG-Embedded Stewardship	Regulatory and Compliance Risk, Reputation Risk		GRI 102-15, 102-16, 417-1,417-2	8, 16	No Change – Tied to conduct and governance frameworks in FY2024 under stakeholder trust and responsible finance.
	↑	●●	Client Experience	Data Privacy Risk, Regulatory and Compliance Risk, Reputation Risk		GRI 418-1	16	No Change – Continued focus on responsible data handling and privacy safeguards.
	↑	●●●	Risk and Resilience	Information and Cybersecurity Risk		GRI 418-1	16	New - Not distinctly listed in FY2024; incorporated in this year.
	↑	●●	Client Experience	Strategic Risk, Reputation Risk		GRI 201-1, 418-1	8, 9	Refined – Present but now more explicitly positioned as a differentiator post-digital expansion.
	↔	●●●	Talent Agility	Operational Risk (HR-linked), Strategic Risk		GRI 401-1, 401-3,403-1,404-1,404-2,404-3	8, 10	No Change – A recurring theme in FY2024, linked to succession planning and EVP.
	↔	●●	Diversity and Inclusion	Business Continuity Risk, Operational Risk		GRI401-1, 401-3 403-1	3, 8	No Change –Disclosed via GPTW, wellness, and flexible work policies.

Material Matters

Material Matter	Why It Matters	Topic Boundary	Impact Materiality	Financial Materiality	Degree of Significance	Variation YoY : Impact Materiality
Retention and Brain Drain	Impacts continuity, culture and institutional memory.	Internal	●●	●●	●●	↔
Evolving the Employee Value Proposition (EVP)	Ensures competitiveness in talent markets and supports hybrid and inclusive models.	Internal	●●	●●	●●	↑
Heightened Importance of Risk Management	Required for strategic agility and regulatory adherence in a volatile market.	Internal	●●	●●	●●	↑
Regulatory Developments	Shapes operating conditions, compliance obligations and market participation.	External	●●●	●●●	●●●	↔
Balanced Earnings	Supports resilience and long-term shareholder value.	Internal	●●	●●	●●	↔
Market Volatility	Demands adaptability in strategy and capital allocation decisions.	External	●●●	●●●	●●●	↔

Index	
Materiality – Significance level	
●●●	High
●●	Medium
●	Low
YoY Variance of Materiality	
↑	Increase
↔	No change

	Variation YoY: Financial Materiality	Strategic Relevance	Link to Strategy	Risk Impact	Capitals Impacted	GRI Reference	Linked SDGs	Change Since FY2024
	↔	●●	Talent Agility	Operational Risk		GRI 401-1,405-1,405-2,404-1,404-2,404-3	8, 10	No Change – Embedded in FY2024 talent risks; still framed within broader workforce sustainability.
	↑	●●	Talent Agility	Strategic Risk, Operational Risk		GRI 401-1,401-3, 403-1,405-1,405-2	5, 8	New – Not a standalone material matter in FY2024; elevated this year as a response to talent market shifts.
	↑	●●	ESG-Embedded Stewardship	Strategic Risk, Operational Risk		GRI 418-1	16	Refined – Present but now described with more emphasis on agility and integrated ERM.
	↔	●●●	ESG-Embedded Stewardship	Regulatory and Compliance Risk		GRI 419-1	16	No Change – Continuous material focus; detailed in FY2024 through CBSL, SEC and fiscal policy lenses.
	↔	●●	Capital-Efficient Growth	Strategic Risk, Equity Risk		GRI 201-1	8	Refined – Mentioned in FY2024 as income diversification; now explicitly linked to fund/ fee composition.
	↔	●●●	Capital-Efficient Growth	Equity Risk, Interest Rate Risk		GRI 201-1	8, 9	No Change

Allocating Our Resources

Allocating Our Resources

At First Capital, resource allocation is driven by client strategy, strategic filtering and disciplined capital stewardship. As an integrated investment platform, our goal is to allocate resources to opportunities where we have the capacity to win, where the market potential is compelling and where we can deliver sustainable returns above hurdle thresholds.

Client-led and Business Unit Driven

All allocation decisions originate from a deep understanding of our clients' evolving needs across diverse clients including institutional, mass-affluent and retail segments. Each business unit has strategic autonomy to propose investments, while Group-level oversight ensures alignment with First Capital's long-term ambitions and our "**PERFORMANCE FIRST**" culture.

Strategic Lenses Guiding Resource Allocation

We assess all allocation decisions through a three-lens filtering framework:

MARKET LENS	Evaluating size, growth prospects, regulatory stability and competitive intensity of a market or segment.
VALUE LENS	Assessing current and projected contribution to Group profitability and alignment with fee and fund- based income mix aspirations.
STRATEGIC LENS	Determining First Capital's ability to differentiate and compete sustainably through insight, reach or innovation.

Initiatives that meet all three lenses are prioritised and capitalised. Where gaps exist either due to size, strategic alignment or returns, initiatives may be exited or deferred.

Ensuring Discipline, Delivery, and Strategic Fit

Our three-lens allocation framework ensures that every investment opportunity is assessed for market attractiveness, value contribution, and strategic fit. However, discipline doesn't end at approval-it extends through execution and performance monitoring.

Optimising through Shared Services and Subsidiary Governance

As part of our resource allocation strategy, First Capital benefits from a unified subsidiary governance model that leverages Group-wide shared services. This approach eliminates duplication, enhances strategic consistency, and ensures optimal utilisation of best-in-class capabilities across the enterprise.

Core enabler functions such as Operations, Risk and Compliance, Finance, Human Resources, Information Technology, Brand Development, Customer Relationship Management, Research, Legal and Administration are deployed centrally to support all business units. This model enhances cost efficiency, strengthens control environments, and allows our business units to focus on differentiated delivery and innovation. It also ensures a consistent approach to ESG integration, with First Capital providing stewardship of the Group's sustainability agenda.

See Governance Report on pages 196 to 277.

To ensure accountability and impact, all resource allocations are linked to measurable targets and tightly monitored through Group-level governance structures.

SCENARIO PLANNING AND CAPITAL DISCIPLINE

- Resource allocation is informed by robust scenario modelling and market stress testing. Hurdle rates, adjusted for risk and capital intensity are embedded in investment decisions. This ensures alignment with risk appetite and cost of capital thresholds while supporting long-term value creation.

ALLOCATION TESTED AGAINST RISK APPETITE

- All resource allocation decisions are subject to clearly defined capital and risk appetite thresholds, reviewed periodically in light of changing market and regulatory conditions. The Group's Enterprise Risk Management framework ensures that capital deployed aligns with approved risk-return profiles and investments are screened for strategic, market, interest, credit and operational risks inter-alia.

  For level-1 risk appetite statement see page 172 in the Risk Management Report.

TILTING THE PORTFOLIO TO GROWTH

- While fund-based income has historically been dominant, we are increasingly allocating resources to fee-based businesses with scalable potential, namely Asset Management, Corporate Finance Advisory, and Stock Brokering. This aligns with our medium-term aspiration to achieve a more balanced 60:40 fund-to-fee income mix.
- We also invest in digital transformation and client experience, which are considered cross-cutting enablers across all businesses. Resources are actively directed to customer-facing platforms, analytics, and product innovation to enhance the differentiated delivery of financial solutions.

GOVERNANCE AND MONITORING

- Capital deployment decisions are reviewed by Executive Management and subject to Board oversight. Progress is tracked through strategic KPIs and integrated into remuneration scorecards. Reallocations and performance pivots are made based on actual delivery against scenario-based expectations and evolving client strategy.

PROGRESS MEASURED AGAINST SET TARGETS

- Each investment or allocation decision is tied to measurable performance targets financial, strategic and ESG. These targets are tracked through segmental dashboards, business KPIs and strategic impact metrics. They are fed directly into performance scorecards and Group-level reviews.

This structured approach is further reinforced by our subsidiary governance model.

Non Financial Highlights

AWARDS
Pages 44-45

145
VALUED TEAM – PERMANENT EMPLOYEES

14,900
VALUED CLIENTS – TOTAL ACTIVE CLIENTS

15.6% CORE CAPITAL TIER I + TIER II RISK WEIGHTED CAPITAL ADEQUACY RATIO

35% FEMALE REPRESENTATION IN THE WORKFORCE

87% GREAT PLACE TO WORK INDEX

41% FEMALE REPRESENTATION- OVERALL

35
TOTAL TRAINING HOURS / EMPLOYEE

AWARDS AND CERTIFICATIONS
23

- "BRAND OF THE YEAR" AT THE SLIM BRAND EXCELLENCE AWARDS 2024
- NEW UNIT TRUST FUND COMMENCED OPERATIONS IN FY2025 - FIRST CAPITAL MONEY PLUS FUND

A+ (Stable outlook)
CREDIT RATING

BRANCHES
7

VIRTUAL BRANCHES
2

EMPLOYEE RETENTION RATIO
89.5%

37.5% FEMALE REPRESENTATION- BOARD OF DIRECTORS

51,035 Social Media Reach (Youtube, Instagram, LinkedIn and Facebook Subscribers)

52.4% digital adoption Rate

Rs. 112Bn ASSETS UNDER MANAGEMENT

309.9 t CO_2e
TOTAL GHG EMISSION

TOTAL GHG EMISSION
Page 162

Our Approach to Value Creation

At First Capital, value creation is deliberate and anchored in purpose. We serve as a trusted financial intermediary, balancing the expectations of our stakeholders with the imperatives of market leadership, innovation and inclusivity. Our PERFORMANCE FIRST culture informs how we allocate capital, price risk, design client experiences, and invest in platforms that deliver long-term prosperity.

Dimension	Our Approach	Where to Read More
Delivering Our Purpose	Our strategy is designed to advance our purpose and long-term ambition. We allocate resources and define targets aligned to our commitment to inclusive prosperity.	Our Strategy on pages 64-65 Our Resource Allocation on pages 58-59
Organising Our Business	Our four business segments operate with autonomy and synergy, supported by shared services and governed by principles of client-centricity and accountability.	Our Business Model on pages 62-63 Segmental Snapshot on pages 81-90 Capital Reports on pages 91-164
Informing Strategic Thinking	Strategic decisions are grounded in an understanding of our operating context, stakeholder needs, and macroeconomic trends, helping us navigate complex trade-offs and optimise opportunity.	Operating within External Forces on pages 70-71 Our Material Matters on pages 50-57 Our Stakeholders on pages 48-49
Embedding Sustainability	Sustainability is integral to how we price risk, broaden access and support inclusive growth. Our priorities are aligned to select UN SDGs through our internal Sustainability Policy.	Driving Sustainable Growth on page 183 through 194
Governing Value Creation	Our governance framework ensures ethical and effective leadership, guiding performance, innovation, risk-taking and reputation.	Our Governance Outcomes on pages 196-277 IT Governance on pages 278-284
Effectively Managing Risk	We proactively assess and mitigate risks-including ESG and climate-related exposures-that affect our ability to deliver stakeholder value.	Enterprise Risk Management on pages 166-182
Executing Strategy with Impact	We measure delivery through strategic KPIs across financial, operational and ESG domains, tightly aligned to our capital allocation model.	Performance Outcomes on pages 66-67
Overseeing and Rewarding Progress	Progress is evaluated based on value creation outcomes and stakeholder impact. Our remuneration model reinforces accountability, fairness and alignment with strategic success.	Remuneration Committee Report on page 290 HR Governance on page 127

We are aligned to the UN Sustainable Development Goals, prioritising financial inclusion, climate resilience and institutional development through a focused thematic approach defined in our Sustainability Policy.

Sustainable financial solutions | Responsible entity | Community engagement | Conserving the environment

Our Value Creation Model

KEY INPUTS

Financial Capital
- Equity **Rs. 9.8 Bn**, Debt **Rs. 84.6 Bn**
- ROE of **59%**, **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)
- Brand of the Year (**SLIM 2024**) positioning First Capital as capital markets innovator

Human Capital
- **145** staff across Group; GPTW Index: **87%**, retention: **89.5%**
- **4,981** training hours; **Rs. 102,867** per employee invested
- INSEAD executive programme earmarked, internal mobility at **17%**
- 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
- **7** physical locations and **2** virtual branches,
- Refurbished Head Office and tech-enabled workstations (Galle Road relocation)
- Mobile-first infrastructure (CRM, WhatsApp, SMS, missed-call access)
- Cloud-native core IT systems improving agility and resilience
- Segmented inbound/outbound service teams for faster response

Social and Relationship Capital
- **38.9%** YoY client base growth with regional inclusion focus
- Strategic alliances with CSE, CBSL, DFIs, and academic partners
- Trusted market maker and bond auction participant
- Real-time feedback integration (client journey mapping, surveys)
- RM model with cross-segment relationship management

Natural Capital
- Scope **1** , **2** and Scope **3** (excluding financed emissions) GHG inventory commenced
- LED retrofits, HVAC upgrades, and solar pilots (offices)
- **3,516** accounts opened via paperless onboarding
- Mangrove replantation, beach cleanup, ESG procurement frameworks
- ESG integration into facilities and operations under SLFRS roadmap

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
"To improve the lives of all Sri Lankans through financial solutions."

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
O 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
O 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
O Intellectual

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

✓ Intellectual
O Human
O 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
O Human
O Financial

Speed of growth vs. Workforce resilience
Rapid scaling challenges employee wellbeing and retention; mitigated via investment in training, automation.

✓ Human
O Financial

Competitive pricing vs. Profit sustainability
Lower margins can strain Financial Capital unless offset by process innovation (i.e automation, analytics)

✓ Financial
O 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
O Financial

✓ = Primary capital significantly affected
O = Secondary capital moderately affected

OUTPUTS DELIVERED

Financial Capital
- PAT of **Rs. 5 Bn**
- ROE of **59%**
- **65%** dividend payout, **Rs. 7.50** per share
- Fee-based income contribution: **6%** of revenue
- Upgraded from **A** (Positive) to **A+** (Stable) credit rating (LRA)
- Market cap: **Rs. 14.1 Bn**

Intellectual Capital
- **4** SLIM Brand excellence Awards including Brand of the year and Service Brand of the year
- IT - Digital Trust Award and National ICT Award
- **ISO 31000**-aligned ERM framework across the Group
- CRM platform integrated across Assets Management, Stockbroking, and Advisory
- Proprietary research dissemination via **120+** investor forums and digital briefings
- Innovations: AI-driven CRM workflows, missed-call bid tech for auctions, mobile portal enhancements and launch of WhatsApp channel

Human Capital
- **89.5%** staff retention rate
- **4,981** training hours; **Rs. 102,867** investment per employee
- INSEAD executive education for senior leaders; GPTW Index baseline: **87%**
- **29** new hires; **17%** internal mobility rate
- Strengthened succession pipelines and multi-layered leadership across subsidiaries

Manufactured Capital
- **7** physical locations and **2** virtual branches
- **52.4%** digital adoption rate among clients
- Refurbished Head Office (Deal Place) and relocation of Stock Brokering and certain support services to Galle Road
- Omnichannel tools: WhatsApp/SMS service, AI chatbot pilots, CRM-based onboarding
- Completed portal and onboarding revamp for Asset Management

Social and Relationship Capital
- CSR spend across Room to Read, #FinPowerHer, InvestED
- **2** Habitat homes built, clean water donations, financial literacy in rural schools
- Inter-university capital markets quiz; CSE Masterminds lead sponsor
- Client base grew **38.9%** YoY; multilingual access and tiered RM engagement model
- Launched NPS pilot and structured client survey across four business units

Natural Capital
- **GHG Scope 1**, and **2** and Scope **3** (excluding financed emissions) inventory established
- **>3,500** 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

1 NO POVERTY: Financial literacy outreach, CSR for underserved communities, Cloth Donation Programme	10 REDUCED INEQUALITIES: Mobile-first client tools, multilingual access, inclusive finance efforts
2 ZERO HUNGER: Poson Dansela, Attractive remuneration packages for staff members elevating standard of living	11 SUSTAINABLE CITIES AND COMMUNITIES: Community partnerships and outreach; CSR support for health, culture, and infrastructure
3 GOOD HEALTH AND WELL-BEING: CSR support for health-related causes; employee wellbeing initiatives, mentoring and counselling sessions	12 RESPONSIBLE CONSUMPTION AND PRODUCTION: Digital boardrooms, internal digitisation, responsible product design
4 QUALITY EDUCATION: Room to Read partnership, university outreach, career fairs, internship programmes	13 CLIMATE ACTION: Scope 1 , 2 and relevant Scope 3 GHG baseline, mangrove restoration, LED/solar initiatives, SLFRS S1 and S2 alignment
5 GENDER EQUALITY: #FinPowerHer financial literacy campaign, women entrepreneur programmes, internal women-in-leadership development, women in governance, women in management, gender pay parity visibility	14 LIFE BELOW WATER: Mangrove conservation initiatives protecting coastal ecosystems
6 CLEAN WATER AND SANITATION: Donation of a water tank	15 LIFE ON LAND: Coconut planting campaigns for land restoration and biodiversity
7 AFFORDABLE AND CLEAN ENERGY: Paperless operations, 40kW solar project planned for FY2025/26	16 PEACE, JUSTICE AND STRONG INSTITUTIONS: Code of Conduct, Whistle Blowing Policy, Anti-Bribery and Corruption Policy, governance reform, regulatory alignment
8 DECENT WORK AND ECONOMIC GROWTH: Retention >89%, Great Place to Work® , informal learning, cross-skilling, ESG KPIs in performance management	17 PARTNERSHIPS FOR THE GOALS: Room to Read, #FinPowerHer partners, financial literacy partners, business partnerships in digitisation, multi-stakeholder collaboration in ESG roll-out
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE: CRM rollout, Robotic Process Automation (RPA) deployment, digital onboarding, client journey redesign	

Our Strategy

Delivering Strategy: FY2025–29 Thematic Priorities

At FCH strategy is a dynamic pathway to inclusive, resilient and scalable growth. Having completed the first full year of the medium-term strategic plan, we move into the FY2025-29 continuum. We are operationalising a bold new vision: to become Sri Lanka's most trusted capital market solutions provider with growing regional relevance.

Rooted in our vision "to improve the lives of all Sri Lankans through financial solutions", the corporate strategy is pursued through five integrated strategic themes. Each theme draws from our core businesses and leverages digital innovation, client-centricity, capital efficiency and ESG stewardship. These themes are not linear stages but interlocking gears, each enabling and amplifying the others.

Digitally Differentiated Client Experience

In a commoditised and highly regulated financial services environment, how clients experience value has become the key battleground for loyalty and differentiation. FCH's approach combines intelligent technology with human insight - ensuring that clients are served where, when, and how they prefer.

FY2025 Focus Areas:

- CRM and Service Personalisation: With 75% CRM rollout completed, we are integrating service insights across channels to drive smarter segmentation and responsiveness.
- Omni-channel Engagement: WhatsApp-based transactions, multilingual call centre access.
- Experience Automation: Upcoming features include AI-based chatbots (text and voice), and a unified omni-channel architecture.
- Short- to Medium-term Initiatives:
- Launch of client journey mapping and NPS-linked governance to institutionalise feedback.
- Implementation of avatar-stage AI chat support and automated ticket resolution systems.
- Deeper integration of eKYC and CRM workflows to reduce onboarding time and friction.

By FY2029, we aim to position client experience as a measurable differentiator with NPS scores exceeding industry benchmarks and 80%+ digital fulfilment rates.

Scalable Market Expansion and Regional Access

While our five core businesses - spanning treasuries, corporate finance advisory, corporate dealing securities, asset management, and stock brokering are deeply embedded in Sri Lanka, their potential is borderless. Our strategy reflects a dual thrust: to deepen domestic inclusion while planting the seeds for regional growth.

FY2025 Focus Areas:

- Domestic Reach: New branches launched in underserved areas such as Gampaha, Jaffna, and Anuradhapura are complemented by virtual branches in Negombo and Gampaha, optimising access while managing costs.
- Client Segmentation: Campaigns like #FinPowerHer and university-based InvestED outreach are building financial literacy and youth engagement.
- Regional Pathfinding: Early-stage scoping in South Asia is underway, with an emphasis on advisory and asset-light expansions.

Short- to Medium-term Initiatives:

- AI-powered segmentation tools to guide tailored product offerings and cross-selling.
- Strategic partnerships for cross-border distribution and M&A advisory.
- Geographic expansion through a hybrid physical-digital model anchored in scalable advisory and research capabilities.

By FY2029, we target a client base exceeding 40,000, diversified across age, income, and geography.

Fee-Led, Capital-Efficient Growth

Historically dependent on fund-based income, FCH is now rebalancing its earnings model toward capital-light, fee-generating businesses that offer resilience and long-term valuation upside. This evolution is already visible across our business units.

FY2025 Focus Areas:

- Asset Management: Targeting AUM growth toward Rs. 375 Bn by FY2029, underpinned by digital access, product innovation, and recurring revenue models.
- Advisory and Structured Finance: Mandate volumes are growing steadily, with corporate clients increasingly seeking differentiated structuring solutions.

Short- to Medium-term Initiatives:

- Fund-based to Fee-based income mix to be uplifteed to 60:40.
- ROE targets aligned with 15–22.5% benchmarks depending on unit-specific capital allocations.
- Strategic M&A exploration in asset management and regional partnerships.

Our capital strategy remains anchored on lean balance sheets, KPI-linked returns, and A+(Stable) credit sustainability.

ESG-Embedded Stewardship

ESG is not an overlay to our business; it is embedded in our products, processes, and partnerships. Our vision of responsible growth is matched by tangible actions from carbon light operations to community empowerment.

FY2025 Focus Areas:

- ESG Filters in Product Design: ESG integration in asset management and advisory mandates is expanding, with plans to launch sustainable and climate-aligned funds.
- Inclusive Outreach: Women-led investor education, Room to Read partnerships, and support for university career development form the backbone of our social investment strategy.
- Climate Readiness: Carbon footprint tracking (Scope 1, 2 and Scope 3 excluding financed emissions), digital documentation, and nature-based programmes are now part of our operational roadmap.

Short to Medium term Initiatives:

- Achieve ISO/ IEC 27001 certification for data security and client trust.
- Expand SLFRS S1 and S2 aligned disclosures to improve transparency and comparability.
- Launch at least two sustainable investment products by FY2027.

By FY2029, we intend for ESG-aligned assets and solutions to form a measurable part of our value proposition.

Empowered Execution and Talent Agility

Even the best strategies require high functioning teams and seamless execution engines. FY2025 marks a decisive shift toward agile governance, digital talent enablement, and infrastructure resilience.

FY2025 Focus Areas:

- Operational Optimisation: Over 50 IT projects completed, including RPA deployment, cloud migration, and digital service enhancements.
- People Strategy: GPTW initiatives, women in leadership acceleration, and cross-functional leadership tracks are driving cultural and structural transformation.
- Cyber Resilience: Enhanced protocols have ensured zero critical incidents and prepared the foundation for ISO certification.

Short to Medium term Initiatives:

- Full-scale CRM integration and AI-driven productivity dashboards for business unit heads.
- KPI-aligned talent development, with GPTW index targeting 90% by FY2026.

Execution agility is our operating edge in a complex, fast-moving environment.

Strategy in Action, Capital in Motion

As we continue delivering on our FY2025–29 ambitions, each theme is being measured through a transparent, metric-driven scorecard aligned with value creation across the six capitals. Whether through client acquisition, ESG stewardship, ROE improvement, or digital adoption, our success is inseparable from our stakeholders' prosperity.

We believe FCH is no longer just a locally anchored capital market institution. It is a platform of possibility, with the mindset, capabilities and conviction to scale responsibly, regionally and meaningfully.

Our Performance Outcomes

FY2025 Strategic Scorecard

The FY2025 Strategic Scorecard provides a structured snapshot of our performance against the strategic themes critical to our sustained growth and value creation. Each theme encompasses targeted metrics that illustrate our progress, pinpointing areas where we have created, preserved, or identified erosion in value. This transparent assessment aligns closely with our medium-term aspirations (FY2029), reinforcing accountability, driving continuous improvement and underscoring our commitment to strategic excellence and stakeholder value enhancement.

Digitally Differentiated Client Experience

Metric	FY2025	FY2024	Value Outcome	FY2029 Target
Total Active Clients	24,105	14,249	Value Preserved	40,000
Digital Adoption Rate	52%	Not Implemented	Value Created	≥80%
GPTW Index	87%	N/A	Value Created	Outperform sector
Legacy Systems (No.)	0	1	Value Created	Zero legacy by FY27

Scalable Market Expansion and Geographic Reach

Metric	FY2025	FY2024	Value Outcome	FY2029 Target
Social Media Reach	51,095	15,568	Value Created	Expand engagement
South Asia Market Scoping	Initiated	N/A	Value Created	Market entry initiated

Capital-Efficient Growth

Metric	FY2025	FY2024	Value Outcome	FY2029 Target
Net Trading Income (Rs. Bn)	9.3	20.2	Value Created	4.7x 5-year growth
Return on Equity (ROE)	59%	136%	Value Preserved	>49% Average
Dividend Payout Ratio	65%	78%	Value Preserved	>47% Average
Cost to Income Ratio	41%	20%	Value Created	≤ 100%
Assets Under Management	Rs. 112 Bn	Rs. 94 Bn	Value Created	Rs. 450Bn
Credit Rating (LRA)	A+ (Stable)	A (Positive)	Value Created	Sustain A+
Capital Adequacy Ratio (CAR)	16%	23%	Value Preserved	Maintain >20%

ESG-Embedded Stewardship

Metric	FY2025	FY2024	Value Outcome	FY2029 Target
SLFRS S1 and S2 Compliance Progress	Moderately complied	Moderately complied	Value Created	100% Compliance
Statutory Compliance Completion	Complied	Complied	Value Created	Full coverage
Core Apps on Cloud (%)	100%	100%	Value Created	Maintain full migration

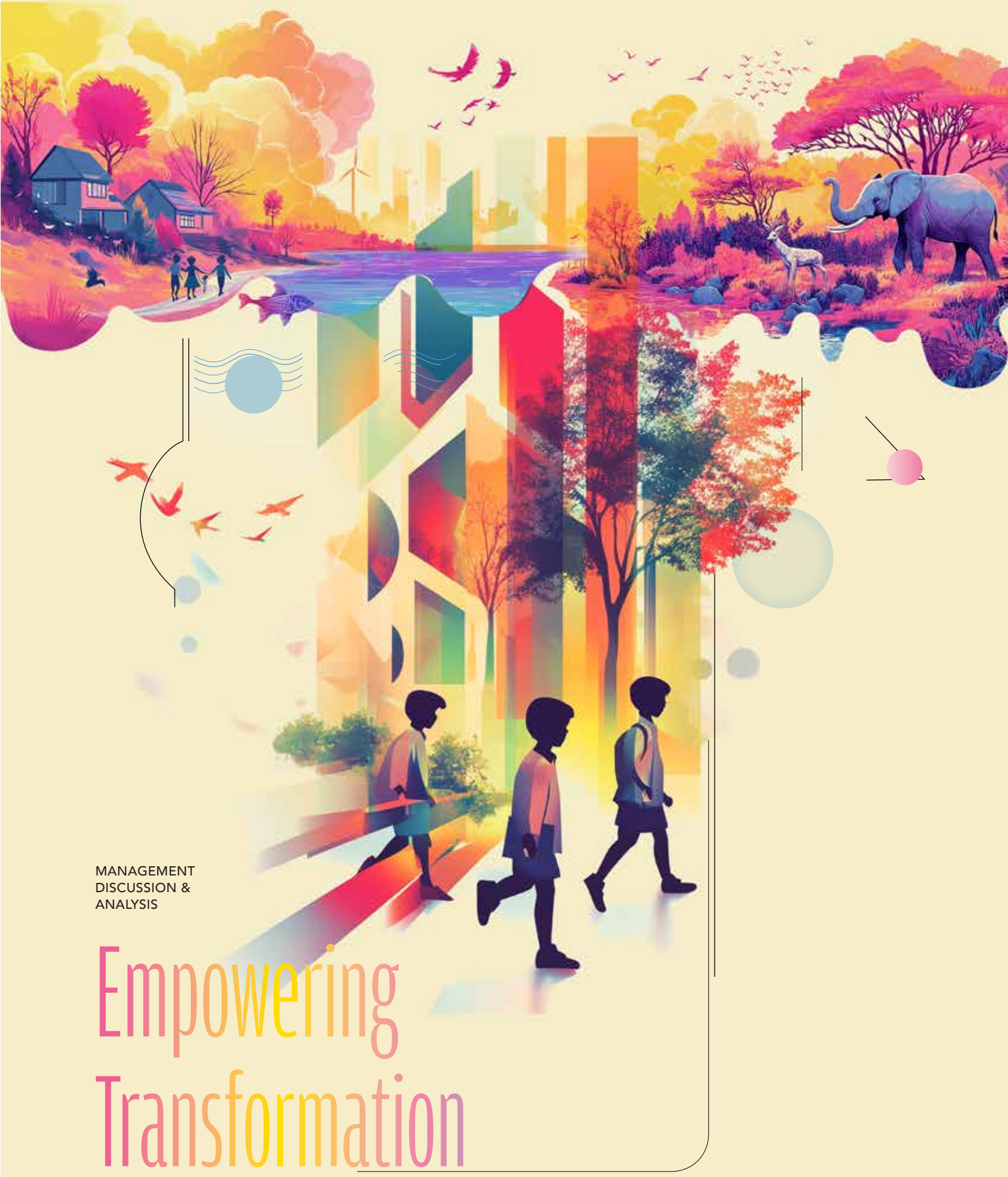
Empowered Execution and Talent Agility

Metric	FY2025	FY2024	Value Outcome	FY2029 Target
Learning Hours/Employee	35	24	Value Created	≥35
Training Spend (Rs. Mn)	14.9	7.1	Value Created	≥20
Employee Turnover (%)	10.5%	12%	Value Created	≤10%
Women in Workforce (%)	35%	41%	Value Preserved	Maintain ≥ 40%
Women in Managerial Roles (From total managerial workforce) (%)	15%	17%	Value Created	≥30%

Our Socio Economic Impact

Value Added Statement

	FY 2024/25 Rs. '000	FY 2023/24 Rs. '000
Income generated	14,068,795	29,563,657
Distributed as follows:		
Shareholders		
Dividends paid and declared to ordinary shareholders	(3,037,500)	(6,986,250)
Debt funding providers		
Interest on other debt instruments issued	(287,909)	(305,668)
Clients		
Interest on other debt instruments issued	(7,174,040)	(9,522,191)
Employees		
Salaries and other benefits	(1,647,987)	(3,028,248)
Government		
Income and other taxes	(1,977,537)	(6,685,123)
Corporate social investment	(15,030)	(1,422)
Suppliers/ service providers including vendors	(661,507)	(498,538)
Total distribution	(14,801,510)	(27,027,440)
Retention for future expansion and growth	Nil	2,536,217



MANAGEMENT
DISCUSSION &
ANALYSIS

Empowering Transformation

At First Capital, we are dedicated towards using every resource at our disposal to transform our surroundings into a positive environment that promotes collective growth and progress.

Management Discussion and Analysis

"As capital markets evolve with regulatory shifts, digital transformation and increasing investor activity and sophistication, we continue to position ourselves as the solution provider of choice, competing against multiple industry players with differing business models. The following is a snapshot for illustrative purposes"

DIVERSIFIED BUSINESS PLATFORM

First Capital provides a full-suite of integrated multi asset class, investment, trading, advisory and transactional solutions. We combine deep market insight and expertise, access to a loyal client franchise and research backed investment advice to deliver holistic value to corporates, institutions and individual investors. Our integrated approach enables clients to access end-to-end financial solutions across their financing, advisory, investment, structuring and execution needs across the liquidity, capital raising and investment cycle.

We continue to build on well-defined, value-added businesses focused on serving select market niches where we can compete in optimally. Our core businesses are Primary dealing in Government Securities,Corporate Finance Advisory, Corporate Dealing Securities , Asset Management and Stock Brokering. By operating across these verticals under a single brand First Capital, we are uniquely positioned in the Sri Lankan capital markets space.

Our strategy focuses on client-centric innovation, digital enablement and capital markets development, reinforcing our long-standing role as a market-shaping institution. As the economy pivots towards stabilisation and growth post-restructuring, we aim to deepen market participation, foster financial inclusion and expand our footprint across asset classes and client segments.

We differentiate ourselves through locally-anchored execution and technology-led capabilities and the ability to offer holistic solutions through integration with our asset management and capital market solution platforms. This breadth allows us to capture value from complex client requirements and adapt to shifting capital flows, regulatory frameworks and macroeconomic dynamics.

Our full-service model, underpinned by a disciplined risk framework and strong client franchise, remains a source of competitive advantage. However, we remain vigilant to competitive shifts and are actively repositioning ourselves to respond to evolving market structure, margin pressures and client behaviour in retail, mass affluent, institutional, high networth and emerging affluent segments.

COMPETITIVE LANDSCAPE

The competitive landscape is defined by a broad spectrum of financial service providers, ranging from traditional bank-affiliated financial groups to emerging standalone platforms. Unlike global investment banks, competition in Sri Lanka is fragmented with players often specialising in isolated verticals – pure play investment banking, wealth management, primary dealing or stock brokering, with limited scale or integration offered.

COMPETITIVE POSITIONING

First Capital's competitive positioning is defined broadly through:

- Integrated solutions that combine advisory, investment, financing and execution solutions
- A digitally enabled investment platform and strategic investment in digital metamorphosis across businesses
- Selective client coverage that prioritises relationship depth and return on regulatory capital
- Client-centricity with focus on establishing, measuring and governance of CX as a differentiator
- Product diversification to manage cyclicality and tap into growth markets
- Leading research and macroeconomic insights
- Strategy combining organic and inorganic growth to locally anchor the business and expand cross-border geographic reach
- A culture of responsible innovation aligned to ESG and financial inclusion goals

As capital markets evolve with regulatory shifts, digital transformation and increasing investor activity and sophistication, we continue to position ourselves as the solution provider of choice, competing against multiple industry players with differing business models. The following is a snapshot for illustrative purposes:

Commercial Banks-Affiliated Financial Groups

These players benefit from large balance sheets, retail and corporate client access, and brand familiarity. They compete in debt and equity placements, corporate advisory and wealth solutions via dedicated subsidiaries.

Competitive Threat:
Low to Medium (rising)

Opportunity

Collaborate on capital markets infrastructure and develop co-managed solutions.

Standalone Investment Service Providers

These include licensed unit trust managers, stockbrokers and investment advisors operating without affiliation to a commercial bank or group structure. While some exhibit innovation and cost leadership, these tend to operate in siloed spaces, limiting cross-product synergies and advisory sophistication.

Competitive Threat:
Low to Medium (rising)

Opportunity

Differentiate through our ability to deliver customer experience and innovation and diverse product solutions under one roof. Explore inorganic growth and consolidation opportunities to access uncontested, broad markets.

Primary Dealers

While the core business Government Securities remains a non-bank-affiliated market leader in this segment, competition exists from other licensed primary dealers. The competitive dimension here is shaped more by interest rate cycles, market liquidity, and monetary policy alignment than by client-facing strategy.

Competitive Threat:
Low to Medium (rising)

Opportunity

Partner selectively or integrate digital capabilities to enhance First Capital's Omni-channel model.

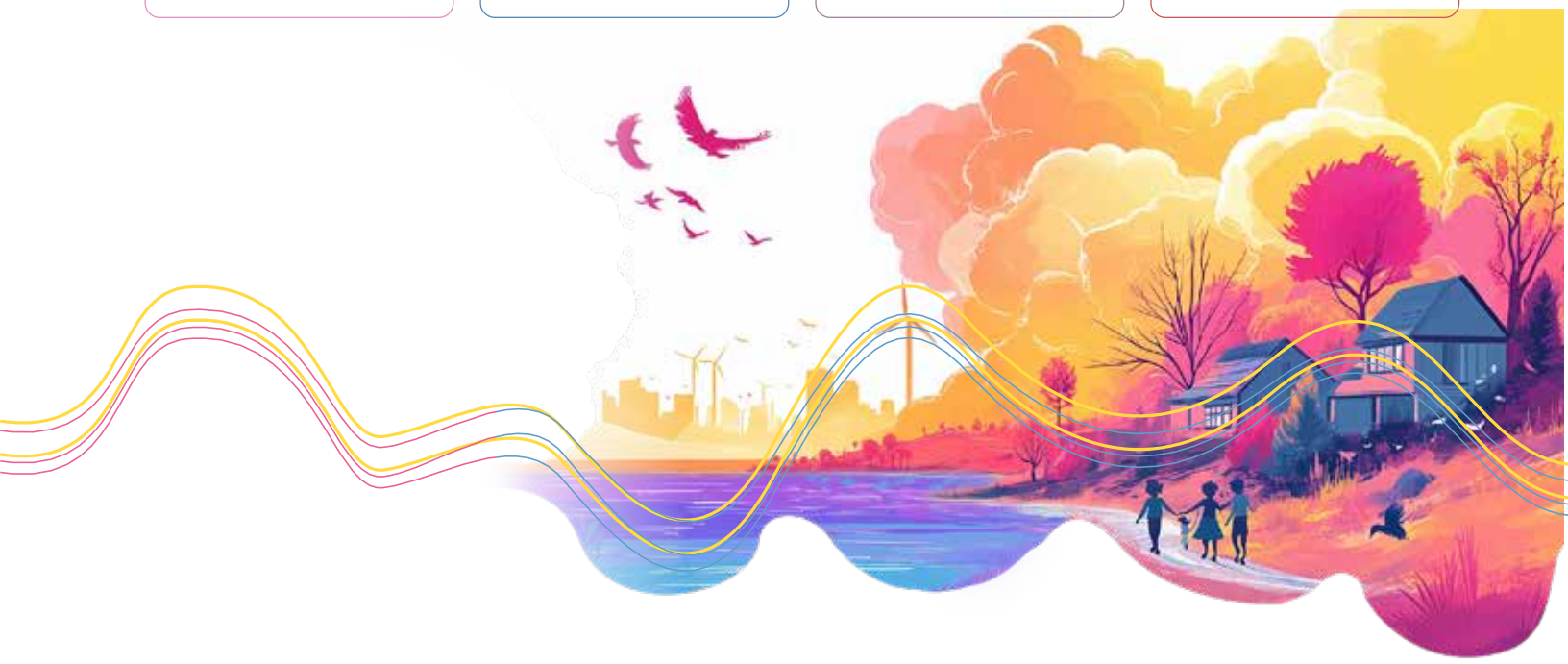
Regional Boutique Firms (Emerging)

A few institutions have attempted to expand across South Asia or develop region-specific offerings in advisory, private placements or cross-border deal facilitation. These present-episodic competition in the advisory space, though they are yet to establish sustained brand recognition or volume in broad markets in Sri Lanka.

Competitive Threat:
Low to Medium (rising)

Opportunity

Maintain edge through local market depth and regulatory familiarity. Leverage locally anchored brand legitimacy and capabilities to expand geographic footprint in line with refreshed corporate strategy.



	Business Model	Capital Market Presence	Advisory Capabilities	Asset Management	Retail Reach	Digital Innovation	Integration Level
First Capital	Non-bank integrated diversified solutions provider	✓ Leading capabilities in debt and equity	◇ Capital raising, advisory	✓ Unit trusts, discretionary	✓ Direct and digital	✓ Award winning digital tools, high digital adoption	✓ High – integrated model
Snapshot of competition	Bank-affiliated pure-play investment bank	✓ Strong in advisory, debt and equity structuring and placement	✓ Corporate Advisory	× Asset management held by commercial bank parent	× Indirect via parent	× Basic platforms	◇ Medium –advisory-led
	Standalone investment house	✓ Debt focus and capabilities in dealing	◇ Episodic advisory	◇ Growing	◇ Medium	✓ App-based access	◇ Medium – product-led
	Diversified financial services	◇ Equities-focused	× Minimal	✓ Active manager	✓ Wide via parent	◇ In progress	◇ Medium – retail-heavy
	Bank-affiliated Capital market product provider	✓ Bank balance sheet	✓ Structured finance	× Not a key focus	✓ Via parent bank	× Bank-led tech	◇ Medium – bank-integrated
	Bank-owned Stock Broker	× Narrow capital markets	× Advisory limited	× Not applicable	✓ Bank access	× Legacy systems	× Low – siloed model
	Emerging Fintech / Digital-First Platforms	× Not licensed by regulators	× No advisory	◇ Retail-focused ETFs	✓ Millennial investors	✓ User experience driven	● Low – tech-only

✓= Strong | ◇ = Moderate | × = Limited | ● = Minimal

FIRST CAPITAL FLOW-BASED MODEL IS BUILT FOR RESILIENCE AND SCALE

First Capital has carved out its singularity against the more traditional, transaction-led models by evolving its business model:

	Flow-based Model (FCH)	Episodic Transactional Models (Traditional)
Client Focus	• Recurring client activity through a combined operating model both retail and client-led • CX as a critical component of differentiation enabled through digital solutions • Superior cyber security posture and data protection	• Periodic advisory or lending mandates • Dependent on referral or repeat business for which strong client-led strategies need to be established and evolved
Capital Intensity	• Tactical deployment for transformative technology • Low in fee-based businesses • High in fund-based businesses	• Low – as only fee-based business
Business Integration	• High with segments reinforcing each other	• Often siloed (lending vs. capital markets vs. advisory)
Client Relationship	• Continuous engagement	• Event-triggered engagement but evolving
ESG Integration	• Embedded across corporate but integration within business still advancing	• Often standalone or post-deal; • Can be embedded across corporate and business if parent is a large bank/non-bank financial services provider with ESG focus
Agility in Market Shifts	• Medium - platform rebalances relatively fast	• Relatively less agile - dependent on pipeline or inventory

Global Economy

Global Growth

In CY2024, the global economy maintained a steady yet modest growth trajectory, with International Monetary Fund (IMF)'s global growth forecasts for CY2025 and CY2026 at 2.8% and 3.0%. The International Monetary Fund lowered its 2025 projections for U.S. growth to 1.8%, reflecting a cut of 0.9 percentage point from the forecast it delivered in January 2025. While the overall global growth is projected to be steady, there are significant differences across regions, with some advanced economies potentially returning to their inflation targets sooner than emerging markets and developing countries. The IMF highlighted that while the global economy avoided recession, the growth outlook remains fragile amid persistent structural challenges and geopolitical uncertainties.

Monetary Policy

Monetary policy played a pivotal role in shaping economic dynamics throughout the year. Major central banks, including the Federal Reserve and the European Central Bank (ECB), began easing interest rates in response to declining inflationary pressures and slowing economic activity.

Some central banks, like the Central Bank of Sri Lanka, transitioned to a single policy interest rate, introducing the Overnight Policy Rate (OPR). Others, like the Reserve Bank of India (RBI), maintained a neutral stance, emphasising inflation alignment while supporting growth. These policy adjustments were instrumental in supporting financial conditions and sustaining growth momentum.

Geopolitical Tensions and Trade Bifurcation

In 2025, escalating geopolitical tensions, particularly between the United States and China, have led to significant shifts in global trade patterns. The imposition of high tariffs by China on U.S. liquefied petroleum gas (LPG) has prompted Chinese importers to seek alternative suppliers, in particular from the Middle East, while U.S. exporters redirected shipments to Europe and other Asian countries like Japan and India.

This realignment is reshaping global LPG trade flows and impacting prices. The Internation IMF warns that such trade fragmentation and protectionist measures are creating unprecedented uncertainty in trade policy, potentially deterring investment and undermining global economic growth.

Asian Economy

In Asia, the economic landscape was mixed. The Asian Development Bank (ADB) reported that developing Asia's growth was projected at 5.0% for CY2024. Growth projected for CY2025 stands at 4.9%, a negligible relative decline.

However, the region faced headwinds from a slowdown in China's economy and the potential negative impacts of U.S. tariffs.

Inflation in the region was expected to ease to 2.3%, allowing for a more accommodative monetary policy stance in several economies.

South-Asian Economy

South Asia's economic growth forecast has been revised downward to 5.8%, primarily due to India's lower-than-expected growth in the second quarter, attributed to subdued manufacturing performance and lagging government spending.

While Sri Lanka and Pakistan show signs of recovery from previous macroeconomic challenges, downward revisions for Bangladesh and the Maldives, influenced by political unrest and fiscal consolidation measures respectively, have further impacted the region's outlook.

Inflation in South Asia is Inflation in South Asia is projected to decline to 4.9% in CY2025, reflecting lower inflation forecasts for Sri Lanka and the Maldives.

Climate Events

Climate-related events also had notable economic implications in CY2024.

Extreme weather conditions, including floods and droughts, affected agricultural output in various regions, leading to supply disruptions and contributing to food price volatility.

These environmental challenges underscored the importance of integrating climate resilience into economic planning and the need for sustainable investment to mitigate the long-term risks associated with climate change.

Global Financial Market

Equities

In CY2024, global equity markets experienced a resurgence, driven by easing inflation and the anticipation of monetary policy normalisation.

Goldman Sachs reported record equities trading revenues, attributing this to increased market volatility and a robust trading environment Business Insider. Citi highlighted that U.S. small- and mid-cap growth stocks with solid balance sheets presented attractive opportunities, reflecting a broadening in equity performance.

Fixed Income

On the fixed income front, Goldman Sachs Asset Management noted that the anticipated rate cuts by G10 central banks, excluding the Bank of Japan, created favourable conditions for fixed income investments.

This highlighted opportunities in sovereign bonds and investment-grade credit, especially as inflation showed signs of easing.

Capital Raising and M&A

The capital markets entered an early stage of recovery in CY2024. Goldman Sachs observed a significant increase in quarterly profits, driven by a resurgence in dealmaking activities and increased revenue in M&A, debt and equity markets. Investment banking fees rose notably, indicating a revival in corporate fundraising and strategic transactions.

Asset and Wealth Management

Asset and wealth management sectors saw substantial growth. Goldman Sachs reported that their assets under supervision swelled to a record USD 3.1 Tn, fuelled by net inflows and a strategic focus on wealth management services.

Similarly, Citi's wealth segment experienced a rise in client investment assets, reflecting increased investor engagement and confidence.

ESG and Impact Investing

Environmental, Social, and Governance (ESG) considerations remained integral to investment strategies. RBC Capital Markets emphasised the importance of integrating ESG factors alongside traditional financial metrics to enhance decision-making and achieve better outcomes for society and the planet. Investors increasingly sought sustainable finance solutions, aligning portfolios with broader societal goals.

Market Volatility and Geopolitical Impacts

Geopolitical tensions, including conflicts in the Middle East, introduced volatility into the markets. S&P Global's analysis suggested that escalating conflicts could lead to significant energy and shipping disruptions, affecting macro and fiscal stability across regions. Investors remained vigilant, monitoring geopolitical developments and their potential economic ramifications.

Sources: Goldman Sachs Asset Management, Citi Bank, RBC, S&P Global

Local Economy

Progressive Recovery

In CY2024, Sri Lanka's economy demonstrated a significant turnaround, achieving a real GDP growth rate of 5.0%, marking the first instance of consistent quarterly expansion since 2017. This recovery was primarily driven by an 11.0% surge in industrial activities, notably in manufacturing and construction sectors, rebounding from a 9.2% contraction in the previous year. The services sector also experienced a healthy growth of 2.4%, supported by improvements in accommodation and transport services. Agriculture, while growing at a more modest rate of 1.2%, contributed to the overall economic normalisation, reflecting a broad-based recovery across key sectors.

Domestic Demand

Domestic demand played a pivotal role in this economic resurgence, with a 9.5% increase at current prices, largely fuelled by a 19.6% rise in investment expenditures, particularly in construction.

Consumption expenditures grew at a slower pace of 6.4%, moderated by reduced private consumption due to diminished price pressures.

At constant prices, investment saw a significant growth of 21.1%, underscoring the robust revival in construction activities. However, net external demand contracted, attributed to increased import expenditures, highlighting the pressure from rising import volumes on the external sector.

National Savings

National savings improved markedly, increasing by 17.3%, supported by an 18.3% growth in domestic savings. Positive contributions from net primary and secondary incomes from abroad further bolstered the savings rate, leading to a continued positive savings-investment gap.

This improvement reflects the ongoing economic normalisation and enhanced financial conditions, contributing to overall economic stability and indicating sounder economic fundamentals in CY2024.

Inflation

Inflation trends showed a significant decline, with annual average inflation dropping to 1.2% from 17.4% in CY2023.

While inflation initially rose due to VAT increases and food prices, it fell into deflationary territory (-1.7%) by year-end, influenced by tariff reductions and statistical base effects.

Core inflation rose moderately early in the year due to non-food VAT adjustments but declined to 2.7% by end-year, reflecting subdued food prices and rupee appreciation.

Rates

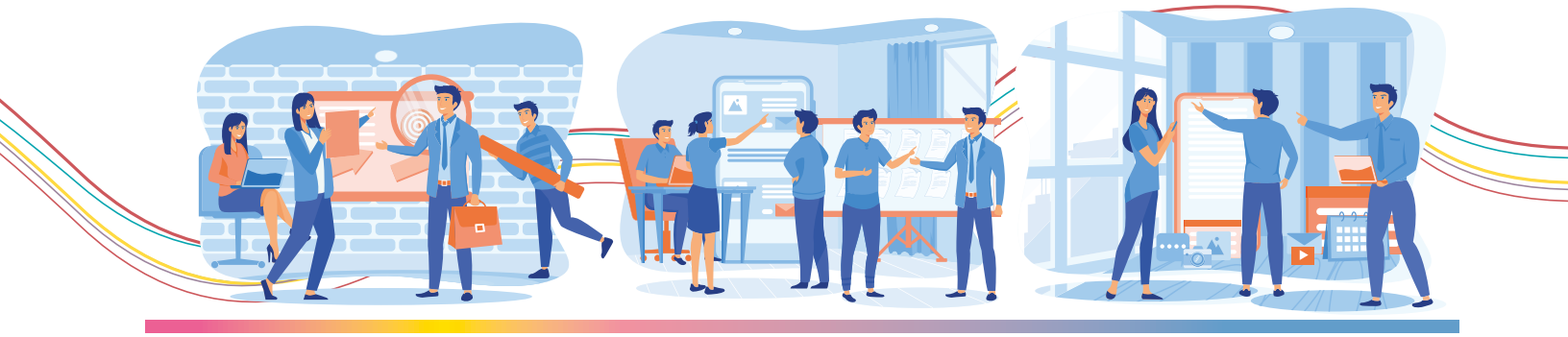
The CBSL reduced policy interest rates by 125 basis points in CY2024, stabilising the Average Weighted Call Money Rate around 8.00%.

Deposit and lending rates declined notably, with benchmark lending rates dropping by approximately 2.3 to 3.6 percentage points (pps), maintaining positive real interest rates due to low and deflationary inflation from September CY2024.

External Sector

The Country's external sector further strengthened in CY2024. The widening of the trade deficit caused by imports overshooting exports, was offset to a certain degree by inflows from tourism and remittances. The suspension of external debt service commitments as well as restrictions on vehicle imports also contributed positively towards these results. Buoyed by the positive momentum in the external sector, the Rupee appreciated against all major currencies in CY2024 with the USD / LKR rate improving from Rs. 323.92 to Rs. 292.58 denoting a 10.7% appreciation during the year.

Labour Market Trends



In CY2024, Sri Lanka's labour market reflected the broader demographic and economic shifts underway. The country's mid-year population declined by 0.5% to 21.9 Mn, driven by a slowdown in natural population growth and continued net outmigration.

The labour force also contracted, with the economically active population declining from 8.4 Mn in the previous year to 8.3 Mn.

Labour Force Participation Rate fell to 47.4% from 48.6% a year earlier.

The unemployment rate improved marginally to 4.4% (from 4.7% in CY2023), although both the employed and unemployed populations declined in absolute terms.

Migration remained a key feature of labour dynamics, with foreign employment departures increasing by 5.8% to 314,828 persons, comprising 59.3% males and 40.7% females.

Employers responded to labour shortages and retention challenges by offering higher daily wages.

While nominal wage growth slowed in line with reduced inflationary pressure, real wages continued to improve throughout the year, providing moderate relief for informal sector workers.

MARKET CONDITIONS AND PARTICIPANT ACTIVITY

Domestic Money Market Liquidity

In CY2024, domestic money market liquidity improved markedly, primarily driven by liquidity injections following net foreign exchange purchases by the Central Bank of Sri Lanka (CBSL). Average market liquidity transitioned from a deficit of approximately Rs. 70 Bn in 2023 to a surplus of Rs. 120 Bn by mid-2024, expanding further to Rs. 168 Bn by year-end.

Despite the overall surplus, liquidity distribution among market participants remained uneven, constraining interbank market activity in the first half of the year. Foreign banks held substantial surpluses, but counterparty exposure limits curtailed access for deficit institutions. This dynamic was partially alleviated by a sovereign rating upgrade late in the year, improving market confidence.

In alignment with its accommodative policy stance, the CBSL actively conducted Open Market Operations (OMOs) to smoothen liquidity distribution. As market functioning normalised and liquidity surpluses persisted, the CBSL began scaling back intervention, including the discontinuation of overnight reverse repo operations from early December 2024.

Government Securities Market

Primary market yields for Treasury Bills and Bonds declined notably throughout CY2024, underpinned by an accommodative monetary policy environment, moderating inflation expectations, and prudent fiscal management. The maintenance of a strong cash buffer, ongoing public debt restructuring and easing risk premiums further supported this trend. A brief uptick in yields during the third quarter, amid political uncertainties corrected with market sentiment rebounding post-election.

Yield declines were broad-based across tenors, with 91-day, 182-day and 364-day Treasury Bills declining by 589 bps, 539 bps, and 397 bps, respectively. The yield curve returned to a more normalised slope, although term-premia widened due to sharper declines at the shorter end. Foreign investor interest strengthened towards the latter part of the year, with net inflows of USD 77.4 Mn recorded in Q4 2024, offsetting earlier outflows and narrowing the full-year net foreign outflow to USD 178.9 Mn.

Secondary market activity also improved, with average daily trading volumes rising modestly from Rs. 25.7 Bn in CY2023 to Rs. 27.0 Bn in 2024. Investor appetite was supported by macroeconomic stability and improved market liquidity.

Equity Market

The equity market delivered a strong performance in CY2024, buoyed by improved investor sentiment and macroeconomic stability. The All Share Price Index (ASPI) and S&P SL20 rose by 49.7% and 58.5%, respectively, on a year-to-date basis. Momentum accelerated in Q4, driven largely by domestic institutional and retail investors, with the ASPI and S&P SL20 climbing 34.5% and 40.8%, respectively.

Market capitalisation expanded by 34.1% to Rs. 5,695.6 Bn by year-end. Average daily turnover in equity trading rose to Rs. 2.2 Bn, up from Rs. 1.7 Bn in CY2023. Despite net foreign outflows of Rs. 9.9 Bn (USD 32.6 Mn) in the secondary market, inflows to the primary market resulted in a net positive foreign investment position of Rs. 20.3 Bn (USD 65.5 Mn).

Valuation indicators reflected growing optimism, with Price-to-Book Value (PBV) increasing to 1.2 from 0.9, though Price-to-Earnings Ratio (PER) fell to 8.9 from 11.1, reflecting increased corporate earnings. Four IPOs raised Rs. 2.8 Bn, signalling renewed interest in capital formation.

Market Volatility

Market volatility was shaped by both external and internal factors. The Sri Lankan rupee appreciated steadily in the first eight months, supported by robust inflows from tourism, remittances, and exports. However, increased foreign exchange demand later in the year led to moderate depreciation and exchange rate volatility.

While government securities yields trended downward overall, mid-year spikes were observed due to heightened auction volumes and political uncertainties. These were managed through responsive monetary and fiscal measures, helping normalise the yield curve. Equity markets, despite strong gains, experienced intermittent corrections tied to shifts in investor sentiment and global developments.

Corporate Debt Securities

The corporate debt market recorded substantial growth in 2024. Commercial Paper (CP) issuances rose to Rs. 3.1 Bn, up from Rs. 1.3 Bn in 2023, as declining interest rates improved issuer conditions. Debenture activity surged, with nine issuers raising Rs. 94.8 Bn across 28 IPOs, nearly triple the Rs. 34.6 Bn raised in CY2023 by five banks through 15 IPOs.

All CY2024 debenture issuances carried fixed rates, ranging from 12.00% to 15.25%, compared to a higher and broader range of 13.50% to 29.50% in the prior year, reflecting improved credit conditions and investor confidence.

Primary Dealers

The primary dealer sector comprised five Licensed Commercial Banks and five standalone Primary Dealer Companies (PDCs) as of end CY2024. Total assets of PDCs rose 9.7% to Rs. 297.2 Bn, with investment portfolios growing 5.7% to Rs. 277.9 Bn. Profitability declined sharply as PAT fell to Rs. 9.7 Bn from Rs. 30.4 Bn in CY2023 owing to lower interest income and increased mark-to-market losses.

Return on Assets (ROA) declined to 7.9% from 31.9%, while Return on Equity (ROE) fell to 30.9% from 113.9%. Nonetheless, capital adequacy remained robust, with Risk-Weighted Capital Adequacy Ratios (CAR) at 18.7%, well above regulatory requirements.

In terms of market activity, CY2024 saw variable levels of PDC participation in primary auctions for Treasury bills and bonds. Secondary market trading volumes fell 25.4% to Rs. 18,639.9 Bn, driven by more cautious trading activity and constrained liquidity. Repurchase agreements accounted for 72.9% of volume. Outright purchases and sales declined by 28.8% and 11.3% respectively compared to the previous year, reflecting liquidity conditions and cautious trading behaviour across the sector.

Unit Trusts

The number of registered unit trust funds rose to 82, with 16 fund managers operating nationwide. Total issued units surged by 126.3% to 30.3 Bn, reflecting increased retail participation. The number of unit holders climbed to 114,898 from 93,450 in CY2023 reflecting enhanced penetration levels.

Industry assets expanded by 34.7% to Rs. 547.4 Bn, led by continued dominance of Money Market and Income Funds, which constituted 83.9% of assets. A modest shift toward equities, rising to 5.7% from 4.5%, indicated shifting risk appetite and diversification needs. The industry's resilience amidst economic shifts highlights its critical role in capital markets and financial inclusion.

The IMF acknowledged Sri Lanka's progress in implementing tax reforms as part of its Extended Fund Facility (EFF) programme, emphasising the importance of sustained efforts to achieve fiscal sustainability and economic recovery.

In its third review, the IMF noted that Sri Lanka's economic reforms are yielding positive results, with improved revenue collection and a recovering economy. However, the IMF also highlighted the need for continued reform momentum to ensure macroeconomic stability and debt sustainability.

Key tax measures supported by the IMF include the increase in the Value Added Tax (VAT) rate to 18%, the removal of exemptions on service exports, and the introduction of VAT on digital services provided by non-resident entities.

Additionally, the IMF highlighted the importance of avoiding new tax exemptions to prevent revenue leakages and corruption risks. The IMF supported the implementation of a property tax on imputed rental income to enhance revenue mobilisation.

The IMF has stressed that sustained revenue mobilisation is crucial for restoring fiscal sustainability and ensuring the GOSL's ability to provide essential services. It has also stressed the importance of boosting tax compliance and refraining from granting new tax exemptions. The IMF continues to work closely with Sri Lanka to support its economic reform agenda and to help the country achieve long-term inclusive growth.

PROGRESS ACKNOWLEDGEMENT BY IMF

Key tax reforms straddling CY2024 to Q12025

VAT and Excise Duty Adjustments: Effective 1 January 2024, the Value Added Tax (VAT) rate increased from 15% to 18%, aiming to boost revenue in alignment with the IMF supported fiscal consolidation program.

Excise duties on petroleum products were adjusted, with a Rs. 6 per litre reduction for diesel and Rs. 5 per litre for petrol, effective 1 January 2024. However, excise duty on cigarettes saw a 20% increase from 1 July 2024, followed by a further 14% hike under the inflation-adjusted indexation policy effective 1 January 2025.

Income Tax Reforms: The Budget 2025 introduced several income tax changes to enhance clarity and compliance. Notably, the calculation of quarterly instalment payments shifted to be based on the previous year's tax liability.

The Corporate Income Tax (CIT) rate increased from 40% to 45%, and a 15% CIT was applied to export of services, removing previous exemptions. Furthermore, the Capital Gains Tax rate was revised, and exemptions for non-resident persons were adjusted.

Fiscal Consolidation and Revenue Measures: Throughout 2024, the GOSL implemented structural reforms, including cost-reflective pricing for major utilities, to reduce the fiscal burden of state-owned enterprises.

These measures, along with improved tax administration, contributed to a notable increase in tax revenue collection and broad-based improvements in key fiscal indicators, achieving a sizeable primary surplus.

SOVEREIGN RATING

In December 2024, Sri Lanka received a notable sovereign credit rating upgrade, with Fitch Ratings revising the country's Long-Term Foreign Currency Issuer Default Rating from 'Restricted Default' (RD) to 'CCC', and Moody's and S&P also acknowledging macroeconomic

stabilisation under the IMF-EFF programme. This upgrade reflects improving fiscal discipline, external sector resilience, and successful initial progress in debt restructuring.

The sovereign rating uplift will enhance the country's visibility among frontier and emerging market funds, improving credit perceptions and opening pathways for renewed portfolio flows, particularly into government securities and corporate issuances. For First Capital, this environment supports improved cost of funding, increased investor appetite, and greater traction in capital market participation from regional and global institutions.

See pages 117-118 Intellectual Capital Report for Credit Ratings.

OUTLOOK

Growth Moderation Amid Uncertainty

Global growth appears settled on low projections (approximating 3.0% in both 2025 and 2026) below the pre-pandemic average. Heightened trade policy uncertainty, rising protectionism, and geopolitical tensions have contributed to this slowdown, intensifying geo-economic fragmentation. Policy shifts in the United States, particularly import substitution and potential withdrawal from key global commitments, are expected to reshape international cooperation frameworks. These changes have created ripple effects across trade, capital flows and global value chains.

Trade Fragmentation, Inflation Dynamics and Monetary Policy Trends

The global trade environment has become increasingly volatile, with US tariff hikes prompting retaliatory measures, distorting supply chains, and elevating inflationary risks. While some regions like the Eurozone may experience only marginal direct effects, indirect pressures from policy uncertainty and global demand weakening are evident.

Global inflation has shown signs of moderation, allowing central banks in advanced economies to cautiously ease monetary policy. However, inflationary pressures persist in some emerging markets, driven by food and energy price volatility and currency depreciation. The divergent monetary paths adopted globally reflect the complex interplay of slowing growth, inflation risks and financial market stability.

Implications for Sri Lanka and Regional Trade Resilience

Sri Lanka remains vulnerable to global economic headwinds due to its trade and remittance exposure. With annual exports to the U.S. exceeding USD 3.0 Bn, any escalation in US protectionist policies could challenge export competitiveness. Additionally, a slowdown in key tourism and remittance source markets may weigh on Sri Lanka's external sector recovery. However, declining global oil prices may offer some relief to the trade balance. The evolving trade environment underscores the importance of Sri Lanka pursuing new free trade agreements, revisiting tariff structures, and strengthening regional trade alliances. In a fragmented global economy, policy agility and fiscal discipline will be critical for sustaining resilience and capturing trade diversion opportunities.

Domestic Growth Outlook: Rebuilding Momentum

Sri Lanka's economic recovery gained momentum in CY2024 and is expected to sustain positive growth over the medium term, supported by macroeconomic and political stability, easing interest rates, and improving investor sentiment. The economy's performance will be shaped by its ability to withstand supply-side shocks and maintain the pace of structural reforms and investment-led growth.

Inflation and Monetary Stability

Inflation, which dipped into deflationary territory in late 2024 due to base effects and energy price reductions, is projected to rise modestly and return to a stable 5% target by mid-2025. While core inflation remained broadly steady, both indicators are expected to normalise as domestic demand recovers and international food prices firm up.

The CBSL has committed to a flexible, data-driven monetary policy approach, and will closely monitor demand-side risks and global policy spillovers. Interest rates are expected to remain stable at low levels, further stimulating private sector credit and domestic economic activity. Concurrently, improved reserve accumulation and continued fiscal consolidation are expected to enhance macroeconomic buffers and investor confidence.

Risks and Vulnerabilities

Despite favourable medium-term projections, downside risks remain. Global uncertainties mainly around the U.S. trade policy, capital flows, and monetary tightening may affect Sri Lanka's external accounts and financing conditions. Domestically, adverse weather patterns, climate-related disruptions, and the pressure of maintaining fiscal consolidation targets could affect output and sectoral growth.

The GOSL's planned rationalisation of state-owned enterprises and improved public sector credit exposure may ease fiscal pressures, but consistent execution remains critical. Maintaining financial market stability, external resilience, and policy credibility will be key to sustaining Sri Lanka's growth trajectory and mitigating near and long-term vulnerabilities.

Management View

As the domestic economy transitions from recovery to growth, First Capital remains focused on navigating cyclical volatility while unlocking sector-specific opportunities. Our strategy is underpinned by disciplined risk management and selective expansion into segments showing early resurgence, particularly capital formation, advisory and asset management.

In a dynamic macroeconomic environment shaped by moderating inflation, stable interest rates and renewed investor confidence, we are leveraging our deep market insight and integrated platform to capture arbitrage and drive long-term value creation across our core businesses.

Segmental Snapshot

GOVERNMENT SECURITIES
Core Business Snapshot

NPAT
Rs. 3.0Bn

NET TRADING INCOME
Rs. 4.7Bn

Business Head
Sachith Perera
Director/Chief Executive Officer – First Capital Treasuries PLC

Key Aspects	Details
Market Positioning	A market-influential and brand-dominant non-bank primary dealer, combining a comprehensive role spanning auction participation, market making and secondary market distribution.
Core Offerings	Primary market participation in Government Securities Secondary market trading Market making Repo and reverse repo transactions Rate solutions Yield curve strategies.
Target Segments	Institutional, high-networth-individuals and mass affluent. Digital solutions for retail.
Value Proposition	Centered on trust, execution strength and digital simplicity, positioning the business as a key conduit for sovereign debt intermediation in both primary and secondary markets. Deliver disciplined bidding and best execution in primary and secondary government securities markets.
Key Differentiators	Pioneered WhatsApp-based Treasury bidding platform Strategic yield curve positioning Digital-first approach with STP execution and lean client access architecture
FY2025 Highlights	Second-best performance in operating history despite declining rate environment Core CAR maintained at 15.5%
Strategic Priorities	Navigate structurally lower rate environment with focus on 5–10% consolidation corridor in the medium-term Pivot from arbitrage to market-making and curve positioning Digital scaling and cost efficiency
Accolades	Ranked 21st on Business Today Top 40 LMD 100 Most Respected and ranked #2 Most Awarded entities in the Investment Banking Sector "Most Leading Non-Bank Primary Dealer in Sri Lanka" – Finance Derivative Magazine (Netherlands) **Gold** – ARC Awards (Cover Design) **Silver** – ARC Awards (Digital Report Format) **Gold** – TAGS 2024 (Newly Listed Companies) **Silver** – TAGS 2024 (Service Sector)

Market Leadership and Strategic Reset

FY2025 marked a pivotal transition as Government Securities successfully navigated the shift from a highly volatile, high-yield environment to a stable interest rate regime. While total income and profitability moderated from the previous year's exceptional highs, the business delivered its second-best performance in operating history, underscoring its resilience and ability to adapt through disciplined execution and client-focused innovation. The Company consolidated its brand leadership through a measured approach to market-making, strategic yield curve positioning, and digital-first client engagement.

Digital Leadership and Operational Transformation

FY2025 saw a material upgrade to digital architecture. The Company launched Sri Lanka's first WhatsApp-based auction bidding platform, significantly enhancing execution speed and accessibility for institutional and mass affluent clients. This innovation supports end-to-end encrypted bid submissions, OTP verification and trilingual functionality, establishing a new benchmark for market access in fixed income.

Additionally, the business upgraded core infrastructure, completed the Navision ERP transition and implemented full automation for trades via STP (straight-through processing), reducing turnaround time and operational risk. All systems are integrated within the Group's cybersecurity architecture, maintaining zero breaches or downtime in FY2025.

Client Strategy and Market Differentiation

Recognising the cost inefficiencies of conventional retail reach, the business adopted a digitally enabled, client-segmented model focused on institutional, HNWI and mass affluent segments. Retail access is maintained through scalable, self-service platforms, while deeper engagement is delivered via CRM-informed touchpoints and periodic educational campaigns under the First Capital Group.

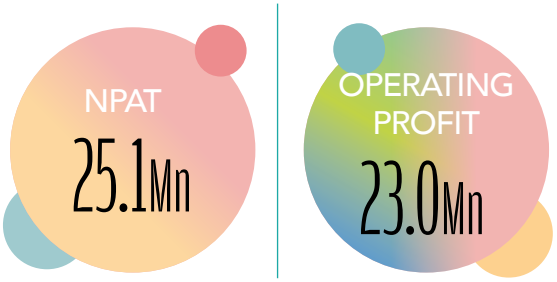
Financial Performance

The Company posted a Net Trading Income of Rs. 4,672 Mn reflecting a steep decline from Rs. 18,705 Mn in FY2024 (-75% YoY) due to spread/margin compression and a flatter yield curve. NPAT dropped 72.7% to Rs. 3,042 Mn (FY2024: Rs. 11,143 Mn), reflecting a normalisation against last year's exceptional trading gains. Despite the drop, the business remained the Group's largest profit contributor, accounting for 60.6% of Group NPAT.

Medium-Term Outlook

Looking ahead, Government Securities expects lower trading volumes and continued yield compression as rates stabilise within the 5–10% corridor. The focus is on investment-led positioning, maintain disciplined capital deployment and support national debt issuance through active market making in secondary markets. The business remains committed to delivering resilient, innovative performance, anchoring its role in Sri Lanka's economic recovery and financial market stability.

CORPORATE FINANCE ADVISORY
Core Business Snapshot



Business Head
Tharusha Ekanayake
Director/CEO, First Capital Advisory Services (Pvt) Limited

Key Aspects	Details
Market Positioning	Advisory and capital raising capabilities with strong credentials in debt markets, structured instruments and deal advisory.
Core Offerings	Structured debt issuance/asset backed securities – structuring and placement Debt and equity raising M&A advisory Balance Sheet Restructuring Restructuring
Target Segments	Financial institutions (Banks and NBFI) Mid-to-large corporates ESG-aligned issuers/clients
Value Proposition	Provide end-to-end advisory and placement services, combining financial structuring, market access and regulatory insight for optimal capital outcomes.
Key Differentiators	End-to-end issuer advisory model Integrated structuring and placement execution Depth and breadth of expertise of senior team Access to Group distribution and investor base
FY2025 Highlights	Significant YoY increase in transaction volumes Strong momentum in debt structuring mandates Building ESG mandate pipeline Two senior professionals recruited-business positioned for efficient transactional execution Partnership with Atarah Capital opens new avenues for attracting investors, borrowers and market opportunities
Strategic Priorities	Grow M&A advisory capability Expand into ESG and green bonds Explore Balance Sheet Restructuring Leverage stable rate cycle to deepen issuer franchise Leverage partnership synergies

Segmental Snapshot

Strong Recovery Amid Market Stabilisation

FY2025 was a landmark year for Corporate Advisory, marked by a strong revival in transaction volumes and mandate activity. Following a challenging period in FY2024 marked by high interest rates and market uncertainty, the stabilisation of interest rates unlocked significant demand for debt issuances, particularly in listed debentures and structured products.

Capital Market Engagement and Placement Growth

Corporate Advisory executed multiple structured placements across a range of sectors, leveraging its ability to offer end-to-end advisory services. Transaction Volumes increased nearly fivefold over the compare to the previous year. The business cemented its role as a preferred advisor for medium-to-large corporates seeking alternative capital amidst tightening credit conditions.

Pipeline and Advisory Maturity

The advisory pipeline continued to strengthen, supported by enhanced team capabilities and improved market sentiment. Several M&A and strategic advisory mandates are currently under due diligence or execution, with early-stage traction emerging in green and sustainability-linked bond advisory, an important growth area as issuers seek differentiated capital to access.

ESG Readiness and Responsible Practice

While ESG integration at the process level remains in its formative stage, Corporate Advisory actively supports ESG-aligned issuances, advises on green eligibility criteria and is positioning to expand it capabilities as relevant frameworks continue to mature. In FY2025, the team evaluated multiple opportunities in this space, with three potential mandates under evaluation.

Financial Performance

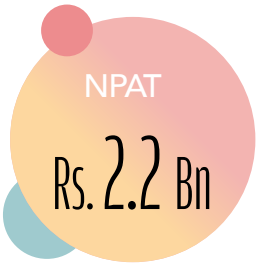
Segmental operating profit reached Rs. 33.0 Mn for the year while net profit was Rs.25.1 Mn reflecting 578% and 464% YoY growth, respectively. Corporate Advisory contributed 20.1% of Group NPAT and is well-positioned for growth as multi-sector corporate and ESG mandates in particular gain market traction.

Medium-term Outlook

With macroeconomic stability expected to continue, Corporate Advisory anticipates strong deal flow in FY2026, particularly across debt and equity capital markets, green finance, balance sheet restructuring and M&A. The medium-term focus remains on enhancing execution quality, attracting top talent and embedding ESG alignment across deal due diligence and structuring.

CORPORATE DEALING SECURITIES
Core Business Snapshot

Dilshan Wirasekara
Managing Director/CEO, First Capital Limited



Key Aspects	Details
Market Positioning	Group-level treasury and proprietary investment desk, supporting internal liquidity, arbitrage and strategic capital deployment across asset classes.
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
Value Proposition	Acts as an agile investment platform for the Group, maximising capital efficiency through active liquidity deployment, multi-asset trading and funding optimisation.
Key Differentiators	Multi-asset flexibility Access to diversified funding pool (Rs. 15Bn) Internal treasury leadership
FY2025 Highlights	Managed Rs. 15Bn through bank lines, debentures, repos and commercial paper Strong arbitrage returns during rate transition Agile investment across rate cycles
Strategic Priorities	Enhance capital structure for higher return cycles Expand proprietary investment across strategic opportunities Provide unconflicted client-flow investments that meet client needs Formalise ESG screening within investment pool

Segmental Snapshot

Treasury and Investment Hub

Dealing Securities functioned as the central treasury and proprietary investment desk within the First Capital Group, managing approximately Rs. 15.0 Bn in funding via bank facilities, short-term repos, debentures, and commercial paper. These funds were strategically deployed across multiple asset classes, enabling agile capital allocation in response to evolving market dynamics.

Proprietary Investment in a Normalising Yield Environment

FY2025 provided a conducive environment for proprietary trading, driven by a declining interest rate cycle, a flattening yield curve and strong bullish momentum in listed equities. The business capitalised on arbitrage opportunities and curve dislocations, leveraging its access to funding and close alignment to Group-wide capital flows.

Strategic Liquidity Deployment

The unit's access to cost-effective funding, supported by the Group's A (Positive) rating (ending the year up one notch at A+ (Stable)) and diversified liability profile enabled efficient balance sheet management, timely trade execution and intercompany liquidity support. It also extended selective lending facilities to group affiliates and key counterparties, operating within established prudential risk parameters.

Operational Distinction and ESG

Dealing Securities operates with clear internal segregation, maintaining robust governance over its proprietary investment activities through exclusion lists and whitelist controls for listed securities. The unit will continue to function as a high agility platform to optimise yield on surplus liquidity, scaling proprietary investments and support Group-wide treasury and risk capital needs, especially as Sri Lanka transitions into a more stable rate environment.

Financial Performance

Separated as a standalone business in FY2025, Operating profit in the Corporate Dealing Securities was Rs. 2.1 Bn for the year, while net profit reached Rs. 2.2 Bn reflecting 231% and 279% YoY growth, respectively. Making it the second-highest contributor to Group NPAT at an estimated 20.8% share. This turnaround underscores the strategic value of a centralised treasury desk within the Group, optimising internal capital.

Medium-Term Outlook

Dealing Securities will prioritise enhanced governance and transparency to mitigate conflicts of interest while market dislocations drive returns. The unit also plans to strengthen its positioning in fixed income and equities, guided by insights from internal research.

ASSET MANAGEMENT
Core Business Snapshot

NPAT
Rs. 106 Mn

NET TRADING INCOME
Rs. 403 Mn

Business Head
Kavin Karunamoorthy
CEO, First Capital Asset Management Limited

Key Aspects	Details
Market Positioning	Strong market challenger with continued upward mobility Strong market position as an innovation led asset manager First Capital Money Market Fund ranked #2 for superior returns in its asset class by 5-year CAGR Advanced to #2 position in terms of Assets Under Management (AUM) Ranks #3 overall by unit trust industry AUM market share
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
Value Proposition	Professionally and actively managed, research-backed investment solutions with strong retail access and personalised private wealth strategies. A differentiated client experience is enabled through digital platforms and a multi-source research model
Key Differentiators	Consistently high-yielding among money market peers Depth and breadth of portfolio managers Multi-channel client engagement and digital innovation Proprietary and third-party research integration
FY2025 Highlights	Money market AUM grew from Rs. 48.2 Bn to Rs. 73.2 Bn Investment team strengthened with two senior fund managers Client engagement via investment policy statement (IPS) reviews and quarterly consultations "InvestED" financial literacy series covering nine sessions
Strategic Priorities	Shift focus toward balanced and equity funds amid declining rates Deepen operational digitisation and client onboarding technologies
Accolades	Best Unit Trust Fund - Silver for the First Capital Money Market Fund at CFA Society Sri Lanka Capital Market Awards 2024 and Bronze Awards for the Annual Report 2023/24 at TAGS Awards (CA Sri Lanka)

Segmental Snapshot

Performance and Market Position

Asset Management business strengthened its market presence, moving from the top five into the second position in terms of money market fund AUM and now holding the third largest unit trust (UT) asset base by industry AUM share. It remains dominant in terms of medium term performance in the money market asset class.

Growth in AUM

Total AUM saw continued growth, particularly within the money market category, which expanded from Rs. 48.2 Bn to Rs. 73.2 Bn during FY2025. This growth occurred despite moderated activity within the private wealth segment.

Diversification and Client Segmentation

The business demonstrates diversified exposure across asset types and client segments. Retail participation remains strong within the UT product range, while private wealth continues to be classified under institutional clientele.

Competitive Differentiators

The senior team's average experience in portfolio construction is over 20 years. The investment process is now reinforced by a triangulated research model, combining internal proprietary analysis, buy-side insights and intelligence from First Capital Research and third-party research houses. This multi-source model supports enhanced decision-making and improved client outcomes.

Product Innovation and Distribution

The business continues to leverage several technology-enabled solutions for access and service delivery advantages:

- Introduction of multi channel distribution platforms, including WhatsApp based balance inquiries and redemptions
- Enhancement of the client portal for seamless transaction processing
- Launch of a money market fund with ATM card functionality under the "Money Plus" brand.

Despite innovative features, uptake of the ATM linked product was moderate during FY2025, attributed to client preference for the core fund due to its yield and fewer access restrictions.

Private Wealth Management

Private Wealth Management enhanced client engagement through:

- Annual IPS reviews.
- Quarterly client consultations to align portfolio recommendations with evolving goals and macroeconomic dynamics.

These initiatives underscore our commitment to responsible selling and suitability-based advisory practices.

Operational Enhancements

Asset Management achieved significant progress in digitising operational workflows:

- Straight-through processing capabilities were implemented for redemptions via digital channels.
- Further enhancements in the subscription process

Governance and Compliance

We maintained a clean compliance record with no regulatory actions, investigations, or investment-related legal proceedings involving covered personnel. Our operations remain compliant with SEC's regulatory requirements, we do not report ESG integrated AUM under SASB disclosure standards given the early stage of ESG embedding status.

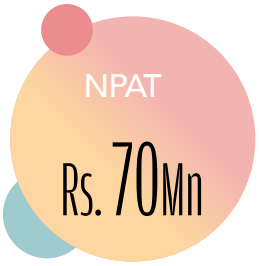
Financial Performance

Asset Management reported a healthy rebound in FY2025 with Net Trading Income of Rs. 413 Mn reflecting a significant 81.2% increase YoY. NPAT rose to Rs. 106 Mn, up from Rs. 6 Mn in FY2024 (1,583%), benefiting from a rise in money market AUM (reaching Rs. 75 Bn), improved cost control and digital onboarding efforts. The marginal but positive segment contribution reflects a turnaround and scalable potential in fee-based income.

Medium-Term Outlook

As interest rates continue to soften, the appeal of fixed income products faces compression relative to traditional banking deposits. This creates both a challenge and opportunity, prompting a pivot in product focus toward equity and balanced fund offerings. Educational efforts, including the launch of the "InvestED" financial literacy series covering nine sessions to date aim to increase public understanding and appetite for equity-based investments.

STOCK BROKERING
Core Business Snapshot



Business Head
Jaliya Wijeratne
Director/CEO, First Capital Equities (Pvt) Ltd

Key Aspects	Details
Market Positioning	Niche, digitally enabled equity house ranked #10 by market turnover, with rising market share and dual channel retail institutional focus
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
Value Proposition	Offers multi channel, research-led equity access tailored to both high engagement and digital only clients, backed by Sri Lanka's most accurate predictive equity recommendations
Key Differentiators	50:50 retail–institutional client base 65% market cap coverage with 15 sector research depth AI-powered investor bulletins Strong financial literacy drive Cost effective branch + agency model
FY2025 Highlights	Moved from #14 to #10 in terms of industry ranking Launched "StockTalk" financial literacy series comprising nine sessions Expanded retail capture via 6 new agents and digital onboarding
Strategic Priorities	Scale distribution via agency and branch expansion Broaden retail participation with educational content Introduce Short Selling and SBL Introduce AI tools incrementally into analytics

Segmental Snapshot

Performance Uplift and Market Positioning

FY2025 was a breakout year for First Capital Equities, with performance rising exponentially driven by strong market activity in Q3, expanding client participation and rising volumes. The business advanced its industry rank from 14 to 10 affirming its growing presence as a digitally integrated niche player.

Client Growth and Access Expansion

The business deepened its dual-channel approach, combining high-touch broker-led services with low-touch digital direct market access. New client registrations were exclusively digital, with volumes doubling over FY2024. The client mix now stands at 50% institutional and 50% retail, demonstrating balanced reach.

In addition to its existing footprint, Stock Brokering added six new agents and initiated expansion into six new branch locations, reinforcing its commitment to scale inclusively.

Research-led Advisory and Education

Stock Brokering maintained one of the most accurate equity research teams, with early and timely calls on market turning points—such as the December 2024 rally. Research coverage spans 65% of CSE market cap across 15 sectors, supporting informed advisory and portfolio recommendations.

Complementing this is the "StockTalk" investor education series, which completed nine thematic sessions ranging from macro-outlooks to fundamental analysis. The initiative is a key pillar in retail growth and responsible investing agenda.

Tech Enablement and Strategic Digitisation

Stock Brokering continued to strengthen its digital backbone, offering trading via mobile apps, an online platform, and WhatsApp based news updates. FY2025 also saw early-stage deployment of AI-powered content dissemination via automated investor bulletins. A full platform upgrade (to ZAG Trader with its comprehensive suite of features) is scheduled for FY2026 with plans for embedded analytics, technical charts and client behaviour insights.

Financial Performance

Stock Brokering generated Net Trading Income of Rs. 382 Mn, a 49% YoY increase despite a softer Q2 equity market. However, NPAT increased to Rs. 70 Mn, from Rs. 8 Mn in FY2024, since the market turnover level and the All-Share Price Index started picking up latter part of FY2024.

Its contribution to Group NPAT stood at 1.4%, but operational milestones included nine new investor literacy sessions, expansion into six new branches, and a CSE ranking improvement from 14 to 10.

Medium-Term Outlook

The Sri Lankan equity market is expected to remain attractive in FY2026, supported by low interest rates, emerging FDI and recovering valuations. Foreign institutional appetite has begun to return, though the segment awaits further improved country ratings for sustained flows.

The Stock Brokering business aims to enhance client experience through the rollout of a next-generation trading platform, complemented by AI-driven analytics for personalised insights and content delivery. Strategic initiatives include the potential introduction Short Selling and Stock Borrowing and Lending to expand product offerings. The business will also continue to drive nationwide financial literacy and broaden retail participation through targeted outreach initiatives.

Financial performance commentary and segmental snapshots reflect pre-consolidation (unadjusted) contributions by each segment, based on total comprehensive income before inter-segment eliminations and group-level adjustments. This presentation aligns with internal performance monitoring and provides a clearer view of the economic contribution of each segment.

For full reconciliation to audited figures, including inter-segment eliminations and consolidation adjustments, refer to the detailed segmental reporting note in the financial statements (Note 52).

Segmental nomenclature Primary Dealer, Corporate Finance, Asset Management and Stock Brokering in Note 52 align with the core businesses - Government Securities, Corporate Finance Advisory and Dealing Securities, Asset Management and Stock Brokering.

As shown in the audited financial statements, total consolidated income includes eliminations of intra-group transactions (Note 52). Consequently, consolidated segment contributions calculated based on Note 52.

For financial reporting purposes, this business activity is cumulated under the broader "Corporate Finance" segment in the audited financial statements (Note 52, page 442), and is not separately disclosed. Accordingly, while financial data in this report is extracted from underlying accounting records, it is presented in a manner consistent with internal management reporting for greater clarity on strategic performance.

The Capitals

Financial Capital

STRENGTHENED BALANCE SHEET

The Group's strong balance sheet creates value by providing financial stability, allowing the company to navigate downturns and invest in growth without relying heavily on debt.

Rs. 99Bn
Asset Base

STRONG GROUP PROFITABILITY:

The Group's profitability generates value by providing the financial resources needed to reinvest in the business, reward shareholders, and ensure long-term sustainability.

Rs 5.02Bn
Profit After Tax (PAT)

IMPROVED OPERATIONAL EFFICIENCY AND RETURNS

The Group enhances value by streamlining operations to reduce costs and improve productivity, leading to greater efficiency across the value chain. These improvements translate into higher returns for stakeholders through optimised resource allocation and increased profitability.

5.6%
ROA

17.3%
ROCE

IMPROVED NET CASH POSITION

The company has a strong liquidity position and creates value by ensuring the company can meet its short-term obligations, maintain smooth operations, and avoid financial distress.

Rs. 2.2Bn
Net cash increase

ENHANCING SHAREHOLDER VALUE THROUGH MARKET CONFIDENCE

The Group has generated a value above its net asset value, reflecting strong future growth prospects and effective use of equity, thereby enhancing shareholder wealth.

3.01x
PE ratio

A STRONG DIVIDEND PAYOUT AND SHAREHOLDER RETURN:

First Capital continued its consistent dividend policy, rewarding shareholders with a strong dividend payment, while preserving capital for strategic reinvestment.

65%
Profit After Tax (PAT) rate

Management Approach	Material Matters
At First Capital, financial capital is managed with a clear focus on resilience, income quality and long-term value creation. As a diversified provider of integrated investment and advisory solutions, we balance multi-business income streams to support sustainable growth. In FY2025, we maintained a disciplined, insights-led capital management approach amid normalising interest rates and improved macroeconomic stability. Capital was allocated toward return-accretive opportunities across segments, with a focus on enhancing income diversity and durability. We actively manage our capital structure for flexibility, ensure liquidity through efficient working capital practices, and uphold a tax strategy aligned to compliance and long-term stakeholder value. This enables us to navigate volatility, fund innovation and strengthen earnings quality across market cycles.	• 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

Financial capital represents the pool of funds comprising equity, debt and internally generated earnings that enables First Capital to operate, invest and grow sustainably. As a diversified provider of integrated investment and advisory solutions, our capital supports value creation across five core segments: Government Securities, Corporate Finance Advisory and Corporate Dealing Securities, Asset Management and Stock Brokering.

In FY2025, economic recovery and moderating interest rates rebalanced risk and return dynamics across markets. While tighter spreads impacted fund-based income, opportunities in fee-based segments gained momentum. Our ability to strategically allocate and manage capital underpinned the resilience of earnings and supported progress toward a more balanced, recurring income model aligned with long-term stakeholder value.

KEY ACTIONS IN FY2025

- Rs. 14.1 Bn income recorded for the FY2025
- Rs. 5.0 Bn PAT recorded for the FY2025
- Rs. 99.3 Bn total assets as at 31 March 2025
- Rs. 9.8 Bn total equity as at 31 March 2025

SWOT ANALYSIS

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

Financial Capital

STRATEGIC CONTEXT IN FY2025

FY2025 marked a recalibration of financial capital deployment as interest rates stabilised at lower levels and investor sentiment strengthened following Sri Lanka's sovereign upgrade. However, spread compression impacted the Government Securities segment, prompting a shift in business model focus away from retail clients toward institutional and high-net-worth participation.

Our diversified platform showed resilience while earnings from the Government Securities (also termed PD business) segment moderated, strategic investments in listed equities and volume growth in Asset Management contributed to improve income from the Non-PD segment.

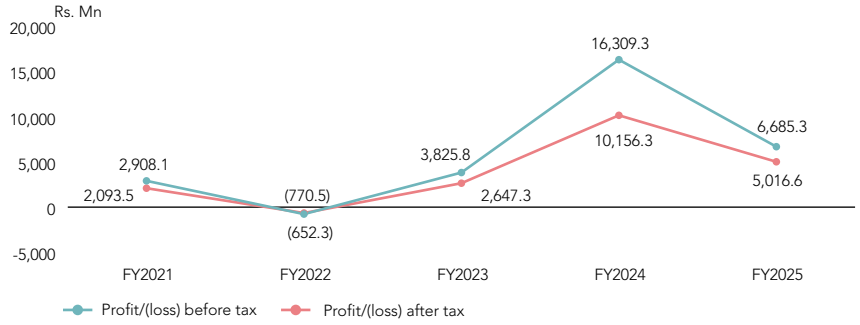
Risk governance was elevated through the reconstitution of the Board Integrated Risk Management Committee, ensuring robust oversight across capital, ESG and operating risks. Meanwhile, ESG integration remains in progress, with SASB-aligned disclosures initiated but not yet embedded in AUM or advisory mandates. Full alignment with SLFRS S1 and S2 begins in FY2026 set out as the first reporting period.

Income Statement Analysis

	FY2021	FY2022	FY2023	FY2024	FY2025
Gross income	6,033.4	2,273.1	14,296.9	29,563.7	14,068.8
Profit/ (loss) before tax	2,908.1	(770.5)	3,825.8	16,309.3	6,685.3
Income tax expenses	(814.6)	118.3	(1,178.5)	(6,153.0)	(1,668.6)
Profit/ (loss) after tax	2,093.5	(652.3)	2,647.3	10,156.3	5,016.6

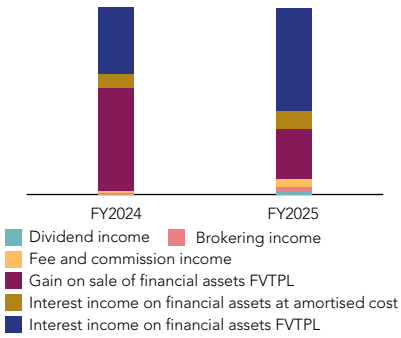
Earnings and Profitability

Profitability Trend



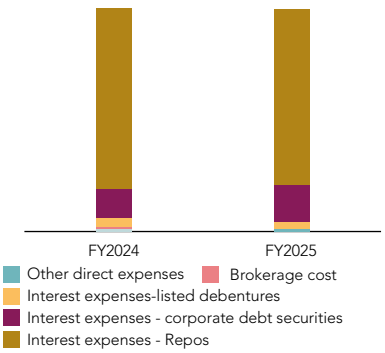
	FY2024	FY2025
Dividend income	0.16%	1.75%
Brokering income	0.54%	2.22%
Fee and commission income	0.88%	3.60%
Gain on sale of financial assets FVTPL	54.53%	27.03%
Interest income on financial assets at amortised cost	8.20%	10.38%
Interest income on financial assets FVTPL	35.69%	55.02%

Granular Income Composition



	FY2024	FY2025
Other direct expenses	0.69%	1.02%
Brokerage cost	0.31%	0.64%
Interest expenses-listed debentures	3.08%	3.79%
Interest expenses - corporate debt securities	16.86%	13.16%
Interest expenses - Repos	79.06%	81.39%

Granular Direct Expenses



Key Operating Metrics

Metric (Rs. Mn)	FY2024	FY2025
Gross Income	29,564	14,069
Net Trading Income	19,631	6,424
Other Income	5	57
Gain on Financial Assets – FVTPL	569	2,796
Profit Before Tax	16,309	6,685
Taxation	(6,153)	(1,669)
Profit After Tax (PAT)	10,156	5,016
Other Comprehensive Income (OCI)	(49)	20
Total Comprehensive Income	10,107	5,036

HEADLINE INCOME

Contrary to the exceptional performance recorded in FY2024, First Capital Holdings PLC saw a decline in headline income for FY2025. The Group headline income was Rs. 14.07 Bn, compared to Rs. 29.56 Bn in FY2024. This contraction follows the prior period of extraordinary earnings and profitability driven by anomalous spreads and market dislocations. With rates and volatility declining, income levels are strong but normalised, reflecting the second best performance in FCH's operating history.

DIRECT INCOME

Direct income was Rs. 14.01 Bn (FY2024: Rs. 29.56 Bn). Of this, interest and trading gains from Government Securities continuing to account for the majority share.

The realised trading gains on financial assets were Rs. 3.79 Bn in FY2025 compared to Rs. 16.12 Bn in FY2024, as the prior year had benefited from unusually wide arbitrage spreads and elevated rate volatility. Interest income also softened in line with the declining yield environment, despite a larger inventory base, reflecting the narrower rate bands and flatter curve structure in FY2025.

Fee income, showed positive traction with Stock Brokering, Asset Management and Corporate Advisory income contributing Rs. 816 Mn in total. Notably, dividend income increased more than fivefold to Rs. 245 Mn, reflecting increased exposure to dividend-yielding stocks and higher listed corporate earnings resulting in increased payout. The larger strategic narrative remains rooted in First Capital's ability to adjust and maintain stability in core fund-based income streams and growing fee-based income which are more recurrent by nature, improving earnings quality and resilience.

DIRECT EXPENSES

Direct expenses declined by 24% YoY to Rs. 7.59 Bn, down from Rs. 9.93 Bn. This was mainly attributable to lower interest expenses on repurchase agreements (Rs. 6.18 Bn, down from Rs. 7.85 Bn), consistent with more efficient funding structures. Interest expenses on corporate debt and debentures also eased, while brokerage costs and other direct expenses remained proportionately in line with activity levels.

NET TRADING INCOME

Net trading income was Rs. 6.42 Bn in FY2025 (Rs. 19.63 Bn in FY2024). The realised gains on Government Securities trading, were Rs. 3.79 Bn compared to Rs. 16.12 Bn last year. The mark-to-market (MTM) component, however, rebounded significantly, with Rs. 2.8 Bn in unrealised fair value gains with Rs.2.1 Bn accruing from gains in listed equities. MTM gains were also reflected across gilts as well as fixed income and equity underlying of unit trust investments.

OPERATING INCOME

Total operating income was Rs. 9.28 Bn (FY2024: Rs. 20.21 Bn), reflecting the resilience of non-interest income sources, particularly income from the proprietary equity portfolio and fee-based activities, highlights early signs of business model diversification. Fair valuation gain on equity portfolio rose to Rs. 2.06 Bn, fee income rose to Rs. 505 Mn, supported by growth in AUM, while

Stock Brokering income almost doubled to Rs. 311 Mn.

COST-TO-INCOME RATIO

The Group's cost-to-income ratio rose to 41.0% in FY2025 from 20.0 % in FY2024. The increase in the cost-to-income ratio reflects a sharper decline in income relative to the reduction in operating expenses. Total operating expenses declined by 33.9% year-on-year—from Rs. 3,997 Mn in FY2024 to Rs. 2,643 Mn in FY2025. This was primarily due to a 60.6% reduction in performance-related bonuses and a 42.2% decrease in VAT on financial services, both of which reflected the overall decline in operating profit during the year.

PROFIT BEFORE TAX (PBT)

Group PBT stood at Rs. 6.69 Bn compared to Rs. 16.31 Bn in the previous year. This reflects Group's ability to maintain profitability in a less opportunistic environment demonstrating its core business resilience.

TAXATION

Taxes remained par with the earnings due to consistency in corporate tax rates.

PROFIT AFTER TAX (PAT)

Group profit after tax came in at Rs. 5.02 Bn, compared to Rs. 10.16 Bn in FY2024. This represents a historically strong result, especially in light of normalised interest rate conditions. The profit contribution of primary dealer and non-primary dealer segments was at 60:40

TOTAL COMPREHENSIVE INCOME

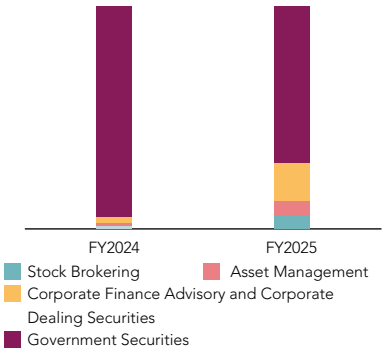
Total comprehensive income for the year was Rs. 5.04 Bn (FY2024: Rs. 10.11 Bn), tracking the movement in PAT. Other comprehensive income (OCI) was limited in volatility, with Rs. 19.7 Mn net gain including a Rs. 35 Mn revaluation surplus on motor vehicle and Rs. 12.4 Mn mark-to-market loss on financial assets measured at fair value through OCI (FVTOCI) investments.

SEGMENTAL PERFORMANCE OVERVIEW

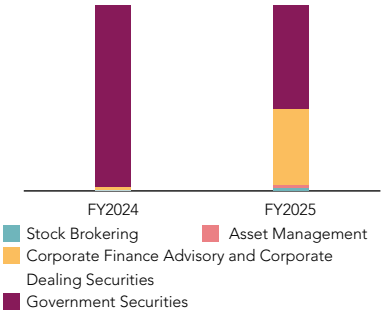
A comprehensive overview and operating review of our core businesses are provided in Segmental Snapshot on pages 81-90. Segmental performance of the current and prior financial years is presented in Note 52 on pages 442-443. The graphical summary below show segmental contribution to earnings and profitability and segmental allocation before consolidation adjustments.

Segmental Contribution - Net trading income	FY2024	FY2025
Stock Brokering	1.3%	6.2%
Asset Management	1.2%	6.2%
Corporate Finance Advisory and Corporate Dealing Securities	2.6%	17.2%
Government Securities	94.9%	70.4%

Segmental Contribution - Net Trading Income



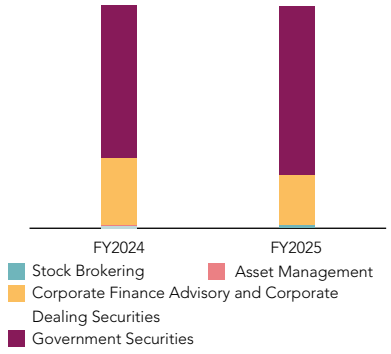
Segmental Contribution - PAT



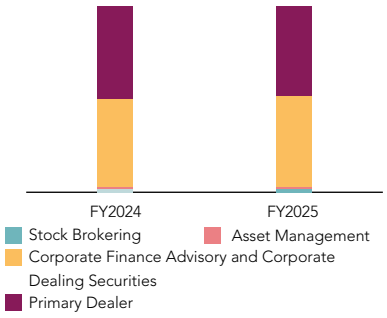
Segmental Contribution - Profit after tax	FY2024	FY2025
Stock Brokering	0.1%	1.3%
Asset Management	0.1%	1.9%
Corporate Finance Advisory and Corporate Dealing Securities	1.9%	40.9%
Government Securities	98.0%	55.9%

Segmental Composition - Assets	FY2024	FY2025
Stock Brokering	1.1%	1.2%
Asset Management	0.2%	0.3%
Corporate Finance Advisory and Corporate Dealing Securities	30.4%	22.2%
Government Securities	68.3%	76.2%

Segmental Composition - Assets



Segmental Composition - Equity



Segmental Composition - Equity	FY2024	FY2025
Stock Brokering	1.9%	1.9%
Asset Management	0.6%	1.0%
Corporate Finance Advisory and Corporate Dealing Securities	47.6%	48.5%
Government Securities	50.0%	48.6%

RETURN ON EQUITY (ROE) AND RETURN ON ASSETS (ROA)

FCH delivered robust returns on both equity and assets in FY2025, supported by strong earnings momentum and active balance sheet stewardship. Return on Equity (ROE) stood at 59%, reflecting effective capital deployment and strong earnings leverage. Return on Assets (ROA) was 5.6%, indicating robust utilisation of the Group's growing asset base despite a shift in the interest rate environment. These results underscore the Group's ability to sustain profitability across economic cycles while gradually evolving toward a more diversified, high-quality income mix.

EARNINGS PER SHARE (EPS) AND NET ASSET VALUE (NAV)

Earnings per share (EPS) declined to Rs. 11.58 in FY2025 from Rs. 22.15 in FY2024, reflecting the recalibration of the Group's earnings base after a record-breaking year and the normalisation of market conditions. Despite the moderation in headline profit, the Group continued to deliver substantial value to shareholders.

The Net Asset Value (NAV) per share rose to Rs. 21.71 in FY2025 from Rs. 17.58 in the previous year, reflecting cumulative value accretion. The increase was driven primarily by retained earnings from the prior year's exceptional profitability.

DIVIDEND POLICY AND PAYOUT

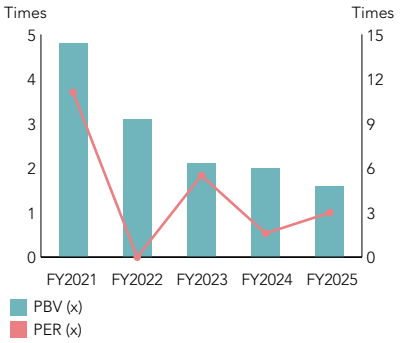
In line with its measured approach to capital returns, FCH declared and paid an interim dividend of Rs. 7.5 per share for FY2025, amounting to a total distribution of Rs. 3,037.5 Mn to shareholders of the parent.

This compares to a total dividend of Rs. 17.25 per share (Rs. 6,986 Mn) declared in the previous year, which included two interim dividends of Rs. 12.25 and Rs. 5.00 per share respectively.

The Group continued to maintain higher dividend payout ratio over the past two years with 64.7% for FY2025 and 77.9% in FY2024.

EPS vs. DPS

Valuation Multiples



MARKET PERFORMANCE AND VALUATION METRICS

The FCH share (CFVF.N0000) recorded a modest price gain of 1.5% over the financial year, closing at Rs. 34.90 as at 31 March 2025. Valuation metrics at year-end reflected an earnings multiple of 3.01x and a price-to-book multiple of 1.61x.

Valuation metrics as at year-end were as follows:

Metric	FY2024 Value	FY2025 Value
PE Ratio	1.55x	3.01x
PBV Ratio	1.96x	1.61x
Beta (vs. ASPI)	0.77	1.05
Beta (vs. S&P SL20)	0.37	1.06

While the PBV remains at a premium to the CSE market average (1.1x), the PE ratio is materially below the market average (8.3x), signalling a potential undervaluation relative to current earnings. This suggests that the Group's strong book value and conservative payout policy are acknowledged by investors, while its earnings potential may yet be underpriced by the market year end beta values of 1.05 against the ASPI and 1.06 against the S&P SL20, indicate a slightly higher volatility relative to the market, but remain very close to 1, suggesting that FCH stock largely mirrors overall market movements. While this reflects increased alignment with broader index trends, the change is not significant enough to imply elevated investor sensitivity or a structural shift in trading behaviour during the year.

STRATEGIC INTERPRETATION

FY2025 marked a transitionary but disciplined performance year for First Capital, where earnings quality and balance sheet resilience remained intact despite a significant normalisation in market conditions. Following the exceptional and anomaly-driven gains of FY2024, the current year's performance reflected the Group's ability to adapt to a structurally lower interest rate environment, declining volatility and flatter yield curves.

The Government Securities trading desk, traditionally the Group's dominant income engine adopted orthodox trading strategies with policy rates stabilising and the yield curve flattening. Despite the lower trading spreads, the Group maintained consistent trading income through prudent inventory rotation and disciplined pricing execution.

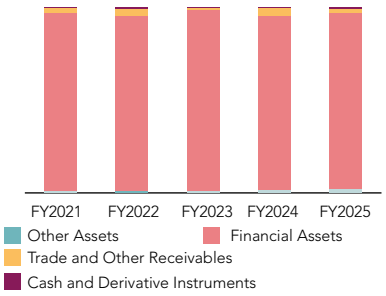
The lower headline income in FY2025—down 52% year-on-year—was not a reflection of weakness, but rather a return to sustainable income levels, as also noted in the Group's reaffirmed rating outlook by Lanka Rating Agency in March 2025.

Fee-based businesses, though still modest in their contribution, began gaining traction. Asset Management reported consistent growth in assets under management, while Corporate Finance Advisory and Stock Brokering businesses contributed positively to operating income diversification.

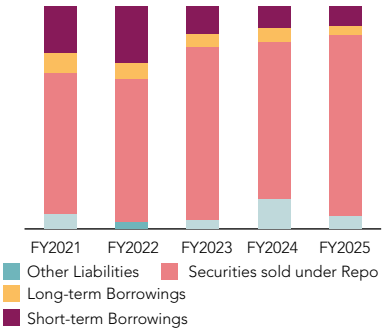
Strategically, FY2025 was a year of consolidation characterised not by explosive growth, but by efficient capital use, income normalisation, and strengthening of the Group's core intermediation model. This places First Capital on strong footing to pivot more assertively into fee-generating verticals, while continuing to manage its trading book with precision and discipline.

BALANCE SHEET ANALYSIS

Asset Composition



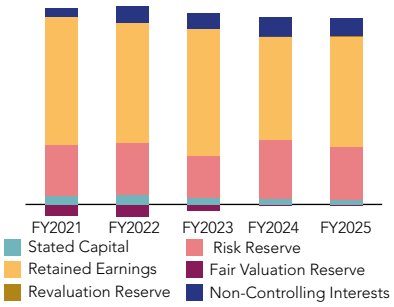
Liability Composition



Asset Composition	FY2021	FY2022	FY2023	FY2024	FY2025
Other Assets	0.9%	1.0%	0.6%	1.2%	1.8%
Financial Assets	96.0%	94.3%	97.7%	93.8%	95.0%
Trade and Other Receivables	2.5%	3.4%	1.5%	4.7%	2.1%
Cash and Derivative Instruments	0.7%	1.3%	0.2%	0.3%	1.2%

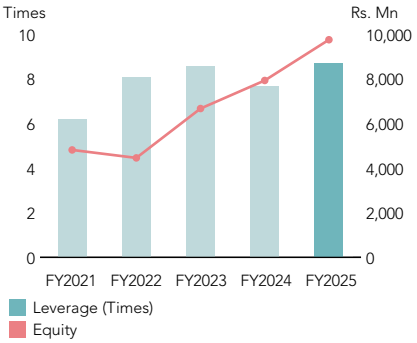
Liability Composition	FY2021	FY2022	FY2023	FY2024	FY2025
Other Liabilities	6.5%	2.9%	4.0%	13.1%	5.6%
Securities sold under Repo	63.6%	64.2%	77.3%	70.8%	81.6%
Long-term Borrowings	8.9%	7.5%	6.1%	6.2%	3.6%
Short-term Borrowings	21.0%	25.3%	12.6%	9.9%	9.2%

Equity Composition



Equity Composition	FY2021	FY2022	FY2023	FY2024	FY2025
Stated Capital	4.7%	5.1%	3.4%	2.9%	2.3%
Risk Reserve	27.1%	27.8%	22.4%	31.4%	28.3%
Retained Earnings	69.0%	64.5%	68.6%	55.9%	59.4%
Fair Valuation Reserve	-6.1%	-6.7%	-3.2%	-0.5%	-0.4%
Revaluation Reserve	0.0%	0.0%	0.0%	0.0%	0.4%
Non-Controlling Interests	5.2%	9.3%	8.8%	10.3%	10.0%

Leverage and Equity



KEY OPERATING METRICS

Metric (Rs. Mn)	FY2024	FY2025
Total Assets	78,671	99,335
Total Liabilities	70,730	89,566
Total Equity	7,941	9,769
Equity and Liabilities	78,671	99,335

TOTAL ASSETS

FCH's total asset base grew by 26% to Rs. 99.3 Bn as at 31 March 2025, up from Rs. 78.7 Bn in the previous financial year. This expansion was primarily driven by the significant increase in financial assets measured at fair value through profit or loss (FVTPL), rising by 39% to Rs. 86.8 Bn, reflecting larger trading inventories in government securities and listed equities.

These FVTPL assets now comprise 87% of total assets, underscoring First Capital's fund-based business model.

Financial assets at amortised cost, in contrast, declined by 32%, as the Group recalibrated its portfolio allocation in response to market dynamics.

TOTAL LIABILITIES

Total liabilities increased by 27% YoY to Rs. 89.6 Bn (FY2024: Rs. 70.7 Bn), largely reflecting the 46% rise in securities sold under repurchase agreements (repos), which stood at Rs. 73.1 Bn and remained the dominant funding mechanism mobilised primarily through government securities business, accounting for 82% of total liabilities.

Short-term borrowings also rose by 46%, reaching Rs. 8.0 Bn, while trade and other payables declined by 35%, and taxes payable decreased by 70%, reflecting efficient liability management. Notably, bank overdrafts, comparatively expensive borrowing lines were sharply reduced by 85%, indicating efficient fund management in the Corporate Dealing Securities business.

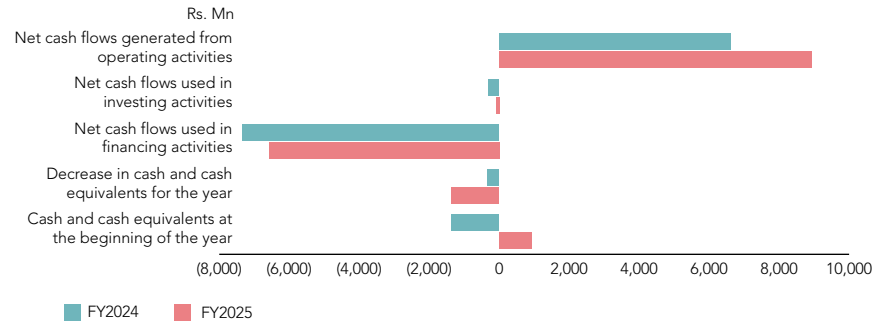
EQUITY AND NET ASSET POSITION

Equity increased by 23% to Rs. 9.77 Bn (FY2024: Rs. 7.94 Bn), supported by sustained profitability and internal capital generation. Equity attributable to shareholders of the parent increased by 24% to Rs. 8.79 Bn, while non-controlling interest grew by 19% to Rs. 976 Mn, reflecting stronger performance across subsidiaries.

LEVERAGE AND CAPITAL STRUCTURE

The Group's financial leverage ratio (10 x) and the debt-to-equity mix (90:10) remained broadly unchanged, consistent with the operating model of the Government Securities business, which utilises low-cost, short-duration repo funding to manage its inventory-heavy balance sheet.

Cash Flow Movement



KEY OPERATING METRICS

Metric (Rs. Mn)	FY2024	FY2025
Operating Profit before changes in operating assets and liabilities	19,833	5,197
Net Cash Flow from Operating Activities (OCF)	6,617	8,936
Net Cash Flow used in Investing Activities	(300)	(89)
Net Cash Flow used in Financing Activities	(7,334)	(6,575)

STRATEGIC INTERPRETATION

The FY2025 balance sheet reflects a resilient and well-aligned structure, balancing scale, liquidity and capital efficiency. The sustained growth in FVTPL assets highlights the Group's strategy to maintain steady margin on Government Securities Investments while improved equity position support as buffer to absorb any marked to market loss via potential rate hikes.

Despite a more normalised interest rate environment and recalibrated trading strategy, FCH delivered a resilient operating cash flow performance in FY2025. The Group generated strong cash flows and maintained prudent capital deployment across its business segments.

OPERATING CASH FLOWS

Operating profit before changes in working capital declined to Rs. 5,197 Mn in FY2025 from Rs. 19,833 Mn in FY2024. This decline reflects the tapering of unusually high trading gains in the previous year, as well as higher cash outflows for personnel and supplier payments (Rs. 2,479 Mn as against Rs. 742 Mn).

Nevertheless, cash generated from operations improved to Rs. 12,899 Mn, up 39% YoY, supported by net inflows from repo activity (+Rs. 21.6 Bn), asset rebalancing and working capital movements.

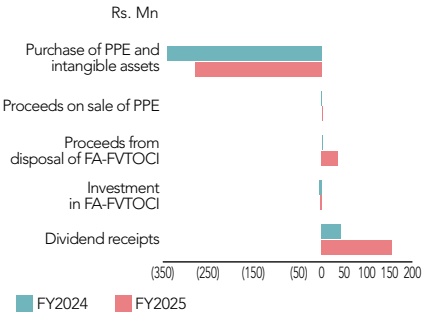
Despite, significant contribution made on tax payment (Rs. 3.96 Bn) net cash flows from operating activities reached Rs. 8,936 Mn, a 35% increase from FY2024.

INVESTING CASH FLOWS

Cash outflows for property, plant, and equipment amounted to Rs. 279 Mn, marginally below the Rs. 340 Mn in FY2024, emphasise the Group's continuous investments in capital assets for business growth and expansion.

The Group's dividend receipts improved significantly to Rs. 154 Mn, up from Rs. 42 Mn, aided by rising investment income from equity holdings. Net investing cash flows remained marginal at Rs. 89 Mn, demonstrating effective internal reinvestment and disciplined capital allocation.

Cash flows from investing activities



FINANCING CASH FLOWS

The Group continued to return value to shareholders. The total dividend paid during the FY 2025 amounted to Rs. 5,233 Mn, compared to Rs. 6,822 Mn in FY2024. Further, the redemption of listed debentures and repayment of long-term loans, resulted in additional net cash outflows of Rs. 1,127 Mn.

NET CASH POSITION AND LIQUIDITY

For the year, net cash increased by Rs. 2,272 Mn, compared to a net outflow of Rs. 1,017 Mn in FY2024. The Group ended the year with Rs. 917 Mn in positive cash and cash equivalents, compared to a deficit of Rs. 1,355 Mn recorded at the end of the last year.

STRATEGIC IMPLICATIONS

- Minimal reinvestment needs in capex and improving working capital efficiency reflect a scalable platform with strong internal financing capacity
- The moderation in dividend signals a shift toward balance sheet resilience and optionality, in preparation for potential product-suite expansion and market-making readiness.

Manufactured Capital

INVESTMENT IN PHYSICAL ASSETS

The Group increased capital expenditure on property, plant, and equipment (PPE), including full renovation of the Head Office to support a modern, client-centric environment.

Rs. 483 Mn
PPE Investments FY2025

DIGITAL TRANSFORMATION INITIATIVES

Advanced automation, client onboarding systems, and digital engagement tools including SMS, Mobile Application, Online Portal and WhatsApp services.

52%
of total clients are digitally active.

DIGITAL CHANNEL EFFECTIVENESS

The company is moving towards digitalisation and is focused on improving the digital channel effectiveness.

52.4%
Digital adoption rate

HYBRID OPERATIONAL MODEL

The company uses physical branches and virtual models to extend market reach and improve customer accessibility.

Branches
7 Physical
2 Virtual

DIGITAL INVESTMENT

The company consistently invests in digital infrastructure to enhance customer service and support employees through more efficient and effective resource utilisation.

Our manufactured capital is central to delivering the value creation strategy, enabling us to:

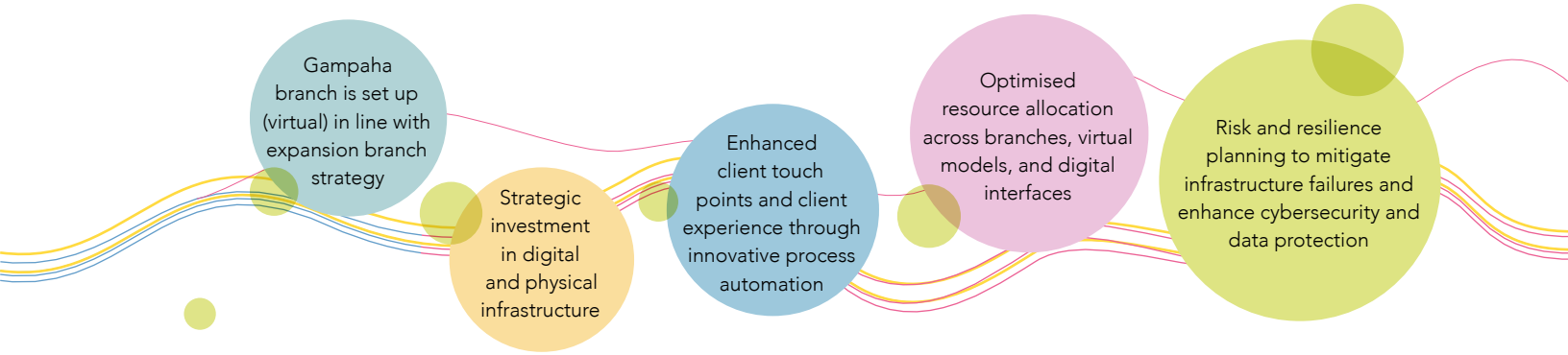
- Extend our geographic and demographic reach through high-impact branch, Customer Relationship Management unit and digital touchpoints.
- Scale operations efficiently with modular, cloud-enabled infrastructure and agile physical formats.
- Drive client satisfaction by blending in-person service excellence with tech-enabled self-service capabilities.
- Reinforce brand presence in emerging markets through smart, lean investments in regional infrastructure.

We have strategically evolved our infrastructure to align with growth ambitions, digital strategy, and operational efficiency goals.

Manufactured capital at First Capital encompasses the tangible and intangible infrastructure that powers business operations, from strategically located Head Office and branch workspaces to digital platforms and core IT systems.

Distinct amongst non-bank capital market peers, our focus has remained on creating an agile, scalable, and future-ready operational footprint that seamlessly supports an integrated financial service provider platform.

KEY ACTIONS IN FY2025



SWOT ANALYSIS

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

Manufactured Capital

"Our physical footprint consists of a strategically distributed network of 7 touch points located in Colombo, Kandy, Matara, Kurunegala, Jaffna, Batticaloa and Anuradhapura supported by a pioneering virtual branch model operational in Negombo and Gampaha."

OUR INFRASTRUCTURE FOOTPRINT: PHYGITAL IN ACTION

Physical Reach, Digital Scale

Our model combines the strengths of physical presence with the power of digital engagement - what we define as being PHYGITAL. During FY2025, we continued to strengthen both our physical and virtual presence through:

- A fit-for-purpose branch network comprising 6 physical locations in key cities and inventive virtual branch model;
- A digital architecture that delivers 24/7 investor access, seamless onboarding, and real-time market interaction.

This integrated infrastructure allows us to respond swiftly to emerging opportunities, meet evolving client expectations, and sustain operational resilience across all core business lines.

Management Approach	Material Matters	Link to Capitals Impacted
Guided by the following priorities, respond rapidly to market opportunities, improve service continuity and maintain a consistent standard of delivery: • 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	• Balanced earnings • Brand image • Client centricity • Financial inclusion • Operational efficiency • Digital transformation • Ethical service standards • Data protection • Cybersecurity • Accelerated economic recovery	

FUTURE PRIORITIES

Short-medium term	Long- term
• Roll out branch expansion in high-potential regional markets • Continued investment in digital platforms to promote 24/7 client access • Introduction of missed-call-based account inquiry for investor convenience	• Improve financial sustainability of new branches • Deeper integration of transactional systems into the mobile-app ecosystem • Launch of a unified omni-channel service architecture to connect all touchpoints • Exploration of AI-led client service and other frontier technological capabilities

KEY ENABLERS

Area	Strategic focus during the year
Physical presence	Maintain lean but impactful branch network aligned with profitability benchmarks
Digital access	Enhance transactional capacity of digital channels to enable real-time investing
Client preference	Enhance client service and client experience end-to-end digital solutions for investment while catering to emerging hybrid behaviour, a mix of assisted and self-managed channels
Technology integration	Continue automation of back-office and client onboarding journeys
Risk management	Ensure superlative infrastructure resilience and cybersecurity safeguards across platforms

GEOGRAPHIC AND BRANCH NETWORK

Our physical footprint consists of a strategically distributed network of 7 touch points located in Colombo, Kandy, Matara, Kurunegala, Jaffna, Batticaloa and Anuradhapura supported by a pioneering virtual branch model operational in Negombo and Gampaha. While the Anuradhapura branch is still in developmental stages, it reflects our commitment to inclusive financial access and long-term value generation.

The Jaffna branch, opened in the prior year to address strong regional demand, continued to reinforce our presence in the North as the sole non-bank primary dealer, a testament to our commitment to financial inclusion and capital market deepening.

Our branch strategy supports decentralisation of capital markets and strengthens regional access:

HEAD OFFICE

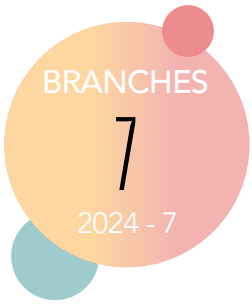
Colombo

ACTIVE BRANCHES:

Kandy, Matara, Kurunegala and Jaffna

VIRTUAL BRANCHES:

Negombo and Gampaha (operational)



BRANCH STRATEGY

Branch Expansion and Strategic Presence

- Expanded branch network and bolstered sales teams in high-net-worth regions, notably Ratnapura, and Kalutara, to deepen market penetration and client accessibility
- Successfully launched the Gampaha branch, further reinforcing our geographic footprint
- Continuous investment in property, plant and equipment (PPE) upgrades

- Full renovation of the Head Office in Deal Place over the prior year and move of support services to Vallibel Finance Building on Galle Road during FY2025 fosters a client-friendly environment, providing contemporary, collaborative workspaces

Digital Transformation and Innovation

- Enhanced digital client engagement through strategic investments in technology, including AI-driven chatbots (text-based solutions), and innovations such as SMS, WhatsApp, and missed-call functionalities, now extended to gilt auction bids
- Undertaken comprehensive reviews to identify areas for improvement within our E-onboarding processes, with a focus on revamping existing platforms to streamline client onboarding experiences
- Completed an extensive process review for portal upgrades, significantly improving usability and convenience for clients, particularly within Asset Management
- To support business scalability and resilience, we invested in:
  - System architecture improvements to support enhanced cybersecurity and processing speed
  - Cloud-aligned back-end enhancements enabling seamless digital migration of business units

Risk and resilience

- Robust risk management policies guide decisions on infrastructure investment, disaster recovery planning, and cyber risk mitigation
- Emphasis on technological agility allows for continued adaptation to emerging regulatory and market developments

Client journey mapping

- Initiated plans to develop comprehensive client journey maps, aimed at systematically tracking client interactions across channels to pinpoint critical areas for continuous improvement
- This initiative, although still in early stages, is expected to deliver critical insights for further strategic adjustments in the forthcoming period

Client experience and feedback

- Introduced structured client surveys to systematically capture direct client feedback, enabling targeted enhancements and improvements
- Commenced implementation of segregated inbound and outbound client service teams, significantly enhancing operational efficiency and client satisfaction
- Additional recruitment completed to strengthen agent-assisted onboarding, ensuring personalised and effective client support

Execution progress

- Branch capacity building initiatives have been successfully completed for the newly opened Gampaha branch and one additional branch

- Despite encountering challenges such as resource limitations delaying further branch openings and weaker-than-anticipated performance in recently established branches in the North-East, Management continues to proactively address these issues through strategic resource reallocation

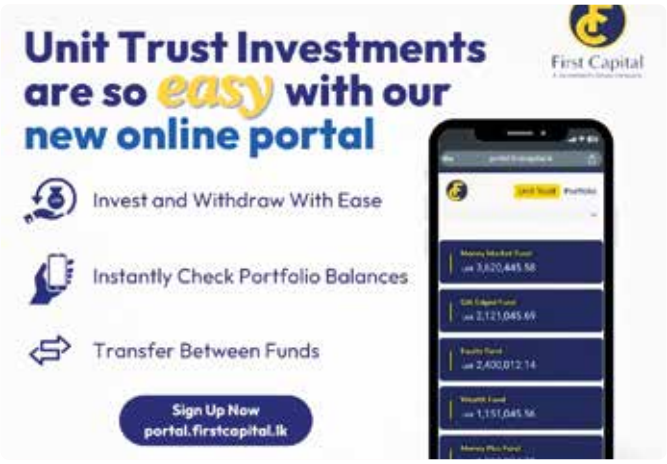
This strategic approach underscores our commitment to creating tangible, lasting value through investments in infrastructure, innovative digital solutions, and continuous client experience improvements, thereby strengthening our competitive position and market relevance.

Manufactured capital at First Capital Holdings PLC is no longer defined solely by bricks and mortar. It is an intelligent, integrated platform spanning digital networks, physical presence and technology infrastructure driving service excellence, agility and stakeholder value.

We continue to invest strategically to ensure that our infrastructure supports not just today's demands but tomorrow's growth and innovation.

KEY ENABLERS

Indicator	FY2025	FY2024
PPE value (Rs. Mn)	908.3	518.9
Physical Locations	7	7
Virtual branches	2	1
Digitally channel effectiveness measured by digital adoption rate	52.4 %	Not Implemented



Intellectual Capital

BRAND OF THE YEAR & MULTIPLE AWARDS

First Capital won the "Brand of the Year" award and earned recognition through various other awards, driven by excellence across multiple metrics.

23
awards and recognitions FY2025

CUSTOMER RELATIONSHIP MANAGEMENT

The company implemented a new CRM platform to improve customer engagement.

75%
Completion of Group wide CRM system

CREDIT RATING

The credit rating of First Capital Holdings PLC upgraded to "A+" with a "stable outlook "reflecting continued financial stability and market confidence.

A+
Credit Rating (entity)

INFRASTRUCTURE UPLIFT:

The company upgraded backup appliances, core switches, and enhanced cybersecurity defenses with new firewalls and domain security upgrades.

52
Total IT projects executed FY2025

BRAND REACH

The company is attentive on expanding the brand reach to build recognition and trust, driving customer engagement and long-term loyalty.

17,895
FB + IG followers

Our intellectual capital includes the strength and recognition of the First Capital brand, deep sectoral expertise, unique operational methodologies and innovative digital platforms. It is reinforced by a legacy of over four decades, underpinned by an unwavering reputation for trust, governance excellence and stability in Sri Lanka's capital markets.

We leverage our seasoned leadership team, technologies and disciplined operational processes to position First Capital as a digitally enabled, vision-led financial solutions provider with a strongly embedded client-centric culture.

KEY ACTIONS IN FY2025

- Strengthened brand equity through consistent visibility, award-winning performance and strategic investment in brand architecture.
- Scaling digital ecosystems and strengthening security posture.
- Securing IT leadership and recognition for digital transformation.
- Expanding reach through diversified distribution modes: omni-channel distribution capabilities and tailored offerings for diverse target client segments.
- Delivered high-quality, data-driven analyses supporting investor decision-making and reinforcing intellectual leadership within capital markets.
- Championing financial literacy and investor awareness.

SWOT ANALYSIS

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, 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 down side risks and economic and market volatility may subdue brand building efforts

Intellectual Capital

Management Approach	Material Matters	Link to Capitals Impacted
To continuously refine and enhance the defining attributes of First Capital's intellectual capital, ensuring these intangible assets remain a dynamic source of competitive differentiation and sustainable advantage.	• Balanced earnings • Brand image • Client centricity • Digital transformation • Financial inclusion • Ethical service standards • Accelerated economic recovery • ESG matters • Regulatory developments Heightened Importance of risk management • Data protection • Cybersecurity	

FUTURE PRIORITIES

Short-medium term	Long- term
• Holistically elevate brand in its vision-led trajectory • Build category dominance • Cross border brand replication focused on South Asia • Leverage on AI, automation and data analytics to make better decisions for clients and internal users • Talent-led brand equity and intellectual property • Cyber resilience and data stewardship	• Accelerated technology transfer and anchoring brand equity through long-term client franchises • Strengthened cross border brand replication

"First Capital was awarded 'Brand of the Year' at the SLIM Brand Excellence Awards 2024, the highest national recognition for branding excellence. Organised by the Sri Lanka Institute of Marketing (SLIM)."

A BRAND POSITIONED FOR RESURGENCE

During the preceding two years of macroeconomic and sociopolitical crisis in Sri Lanka, First Capital strategically invested in strengthening its brand and intellectual capital. We recognised that maintaining and intensifying brand presence during uncertain times creates significant competitive advantage, positioning the brand prominently in the market space vacated by competitors that have scaled back marketing initiatives.

As Sri Lanka transitions into a period of economic recovery and moderated risk, First Capital's strategic investments now place the brand in an optimal position to capture emerging growth opportunities. Our continuous realignment and proactive enhancement of the brand strategy throughout the crisis have positioned First Capital effectively for market resurgence.

First Capital's brand strategy is underpinned by a deliberate shift toward a Blue Ocean approach-one that transcends the traditional capital markets space to actively contest in uncontested segments traditionally dominated by banks and primary dealers.

We also drive financial literacy programmes to enable awareness raising and educating particularly the mass retail segment, eliciting interest in capital market solutions in a responsible manner. Our investment in brand equity during Sri Lanka's crisis years has laid the groundwork for growth in a recovering economy-amplifying trust, relevance and accessibility.

Rather than competing head-to-head in saturated channels, we target emerging and underserved client segments through mass retail strategies in select businesses, enabled by digital platforms that extend reach, simplify onboarding and enhance visibility.

This brand-led, digitally driven strategy positions First Capital to unlock new pools of client demand and capital flows, aligned with our vision of building a more inclusive and future-focused financial services model.

SUSTAINED BRAND INVESTMENT

We carefully assessed the evolving socioeconomic landscape, client behaviours, and emerging market dynamics to ensure the brand's readiness for future opportunities. Our retail-centric initiatives and client education strategies reflect an adaptive approach to market shifts, allowing us to resonate effectively with current and future investor preferences.

CELEBRATING A BREAKTHROUGH IN BRAND LEADERSHIP

In a landmark achievement for Sri Lanka's capital markets, First Capital was awarded "Brand of the Year" at the SLIM Brand Excellence Awards 2024, the highest national recognition for branding excellence. Organised by the Sri Lanka Institute of Marketing (SLIM), these awards honour brands that have demonstrated outstanding performance through and exceptional effort in strategic brand building, innovation and market impact across industries.

This is the first time a brand from the capital markets sector has received this coveted title, positioning First Capital as a pioneer in transforming financial services branding and client engagement in Sri Lanka. The recognition reflects not only our bold brand strategy and investment in client experience, but also the Group's role in elevating the visibility and trustworthiness of capital market institutions in the eyes of the broader public.

Complementing the "Brand of the Year" honour, First Capital also received:

- Gold Award - Service Brand of the Year
- Silver Award - Local Brand of the Year
- Bronze Award - B2B Brand of the Year

These accolades affirm First Capital's sustained commitment to service excellence, brand authenticity, and thought leadership, hallmarks of our journey to becoming Sri Lanka's most trusted capital markets partner.

BRAND STRENGTHS

The First Capital brand has consistently defined its identity through a commitment to our vision "To improve the lives of all Sri Lankans through financial solutions." Since inception, we have cultivated a reputation of trust, transparency, and innovation to reinforce our position as one of Sri Lanka's most valued and trusted financial services brands.

BRAND ELEVATION

A significant evolution in the past year was the strategic elevation of the brand and marketing function to a growth-driving force. This structural shift enabled deeper integration and collaborative synergy across brand, technology and core business units, enhancing the ability to deliver cohesive client solutions.

Technological metamorphosis

First Capital is recognised as a digital leader spearheading transformation initiatives within Sri Lanka's capital markets. The first capital market solutions provider to utilise WhatsApp as a transacting tool we also boast an unrivalled Group-wise security posture. Our overall readiness and ability to identify, respond to, and recover from security threats and risks, encompassing all aspects of security strategy, policies, technologies and procedure can be termed superlative . Strategic investments in technology and digital integration have enhanced client-centric offerings, delivering streamlined, user-friendly, and secure financial solutions.

A Great Place To Work*

We are a Great Place To Work*. We continually invest in our human capital and workplace culture, positioning First Capital as an employer of choice within Sri Lanka. Our distinctive employee value proposition attracts top talent and reinforces our internal capability, driving sustained performance and innovation.

Reporting and compliance leadership

Operating within a stringent regulatory environment, First Capital is synonymous with compliance excellence.

We maintain rigorous standards of transparency, early adoption of emerging regulations and proactive governance practices.

Client-centric innovation

Our growth strategy is anchored in differentiated, client-focused solutions. Leveraging in-depth research, comprehensive market insights and agile response to client needs, we continue to expand our product suite. Our commitment to delivering innovative solutions contributes directly to our brand equity.

Unparalleled performance and client trust

First Capital's enduring reputation for service excellence is underpinned by a consistent track record of delivering robust financial returns and exceeding client expectations. Each core business within the Group contributes distinctively to maintaining our brand's visibility, credibility and competitive standing. Our commitment to investor empowerment is further reinforced by our comprehensive research capabilities-providing stakeholders with timely, actionable market insights that facilitate informed decision-making.

South Asia-focused growth

Anchored in the local market positioning and robust intellectual capital, we aim to strategically extend our regional footprint.

First Capital is exploring targeted expansion, particularly into Bangladesh, leveraging our proven Sri Lankan business model, brand trust and digital capabilities to replicate success in adjacent regional markets.

Commitment to positive impact

Our early and ongoing ESG integration initiatives have begun redefining First Capital's brand credentials, highlighting our broader responsibility towards sustainable business practices. Our robust ESG framework and enhanced sustainability reporting have earned recognition for transparency, accountability, and good governance, affirming our commitment to long-term, inclusive growth. Furthermore, the First Capital brand is renowned for its proactive role in community investment.

EXPANDING BRAND PRESENCE THROUGH STRATEGIC MEDIA ENGAGEMENT

In FY2025, First Capital significantly enhanced its brand visibility through a coordinated media strategy designed to position the Group as a trusted voice in Sri Lanka's financial services landscape. Leveraging a mix of earned, owned and paid media channels, FCH actively engaged with mainstream press, digital platforms, community partners and industry-focused publications to disseminate expert commentary, market insights and thought leadership.

Key members of the Group's leadership team regularly featured in televised business discussions, economic forums, educational initiatives and financial commentary segments, strengthening First Capital's reputation as a go-to authority on capital markets and macroeconomic developments. The Group also utilised content marketing, including financial explainer videos, social media and professional network features and client-centric publications to demystify investment concepts and promote inclusive financial literacy.

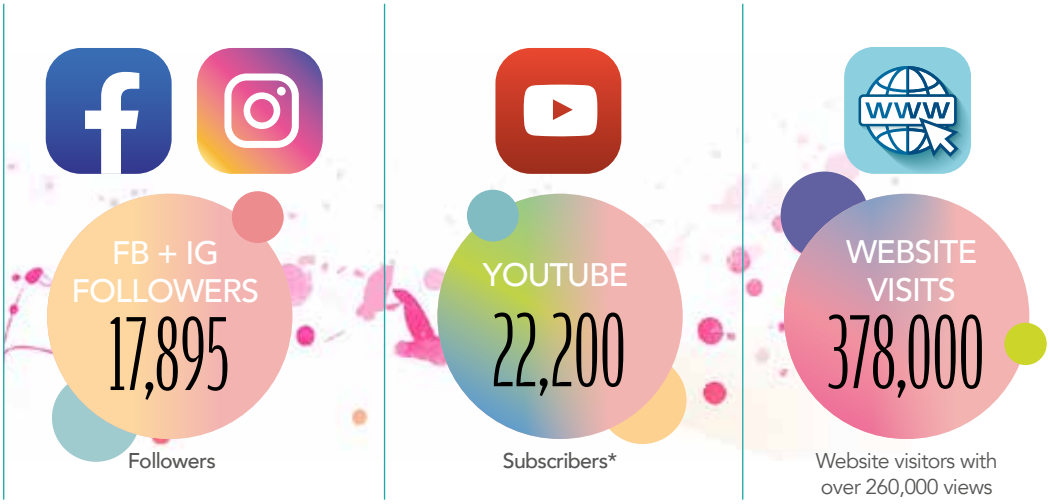
This heightened media presence complements FCH's ongoing digital transformation and branding efforts, reinforcing stakeholder trust and broadening awareness among mass affluent and retail segments. The Group's media and branding initiatives were underpinned by partnerships and community engagement efforts, detailed further in the Social and Relationship Capital section of this report (see pages 142-157).

Through consistent media exposure and a compelling brand narrative, First Capital continues to elevate the public profile of capital markets in Sri Lanka, helping to mainstream investment participation and financial empowerment.

The strength of First Capital's digital brand presence is reflected in its growing social media following and sustained web engagement, underscoring its visibility and relevance in the capital markets landscape.

BRAND VALUE

First Capital
A Janashakthi Group Company



**As at 27 March 2025*

BRAND LEGITIMACY - FIRST CAPITAL HOLDINGS PLC

Metric	FY2025	FY2024
SLIM Brand Excellence Awards	Brand of the Year **Gold:** Service Brand of the Year **Silver:** Local Brand of the Year **Bronze:** B2B Brand of the Year	Gold: Service Brand of the Year
Business Today TOP 40 Ranking	20th - First Capital Holdings PLC 21st - First Capital Treasuries PLC	Not listed
Great Place to Work Certification	Certified for the 3rd consecutive year	Certified for the 2nd consecutive year
SLITAD People Development Awards 2024	Gold Award for the strong commitment to employee development	Not awarded
ISACA Digital Trust Award 2024	Winner, Capital Markets sector	Not awarded
National ICT Awards (NBQSA) Recognition	Gold Award for 'First Capital Invest' WhatsApp Channel	Not awarded
CPM Best Management Practice Company Award 2025	Winner- Investment Banking Category	Not awarded
CA Sri Lanka's TAGS Awards	Gold in Investment Banking- First Capital Holdings PLC	Gold in Investment Banking- First Capital Holdings PLC
	Gold for Newly Listed Entity- First Capital Treasuries PLC	Not awarded
	Silver in Service Sector- First Capital Treasuries PLC	Not awarded
	Bronze in Unit Trusts - First Capital Money Market Fund	Not awarded
	Certificate of Recognition for Integrated Reporting - First Capital Holdings PLC	Not awarded
CMA Excellence in Integrated Reporting Awards	Sector Winner in the Investment Banking Sector Merit Award for Overall Excellence	Not awarded
ARC Awards (Mercomm Inc., New York)	Gold for Cover/Home Page Design and a Silver Award for the PDF Version of its Annual Report within the Primary Dealer category – First Capital Treasuries PLC	Not awarded
CFA Society Sri Lanka Capital Market Awards 2024	Silver Award in the Best Unit Trust Fund Category- First Capital Money Market Fund	Not awarded
	Silver Award for the Best Stockbroking Research Team - First Capital Equities (Pvt) Limited	Not awarded

"Our focus on future-ready infrastructure and digital-first capabilities reflects a long-term commitment to operational excellence, cybersecurity, and service transformation. These initiatives have fortified our data ecosystems, strengthened our institutional knowledge base, and signaled an era of digital trust and excellence across the Group."

ACKNOWLEDGEMENTS OF EXCELLENCE

During the year, First Capital was honoured with several prestigious accolades from renowned global and local business publications and professional growth partners. First Capital was recognised as an LMD Top 100 - Most respected entities in Sri Lanka 2024.

International Investor Magazine recognised First Capital as the Best Comprehensive Investment Management Firm in Sri Lanka for 2024 and further honoured our Managing Director/CEO, Dilshan Wirasekara, as the Financial CEO of the Year 2024.

Finance Derivative Magazine (Netherlands) awarded First Capital the title of Best Investment Banking Company in Sri Lanka, while also naming First Capital Treasuries as the Leading Non-Bank Primary Dealer in Sri Lanka for 2024.

First Capital was recognised as a Development Quality Partner by American Institute of Certified Public Accountants and Chartered Institute of Management Accountants, a notable progression from previous status of "Training Partner".

TECHNOLOGICAL METAMORPHOSIS: DRIVING SECURITY, ACCESS AND STRATEGIC SCALE

A breakthrough year in IT leadership

FY2025 marked a pivotal year for First Capital's IT function, as our innovations were formally recognised through national and international accolades, an important milestone in our digital transformation journey.

- ISACA Digital Trust Award: Awarded in recognition of First Capital's rigorous cybersecurity framework and governance structures, demonstrating our alignment with global digital trust principles and IT norms.
- Gold Award for WhatsApp Transactional Solution at the National ICT Awards 2024 (NBQSA): First Capital became the first financial services company in Sri Lanka to introduce a WhatsApp-based solution enabling seamless investment and withdrawal transactions in unit trust investments. This innovation was recognised with for its transformative potential and user-centric design.
- Merit Award at the NBQSA: Awarded for First Capital's online portal, developed in partnership with Epic Lanka, which provides a comprehensive digital gateway for financial services.
- CPM Best Management Practice Company Award 2025: First Capital emerged as the Winner in the Investment Banking Category, reflecting our commitment to leadership, innovation, and best-in-class business practices.

LEVERAGING TECHNOLOGY TO ENHANCE INTELLECTUAL CAPITAL

In FY2025, First Capital made decisive strides in reinforcing its intellectual capital through strategic technology investments and first-to-market innovations. Our focus on future-ready infrastructure and digital-first capabilities reflects a long-term commitment to operational excellence, cybersecurity, and service transformation. These initiatives have fortified our data ecosystems, strengthened our institutional knowledge base, and signaled an era of digital trust and excellence across the Group.

We executed a series of high-impact IT projects across the Group, aimed at modernising our technology foundation, securing sensitive data environments, and enhancing internal processing power to meet growing business demands:

- Enterprise-grade infrastructure upgrade: We undertook a Group-wide implementation of advanced IBM and Lenovo servers, technology

so cutting-edge that many banks have yet to adopt similar solutions. This initiative extended across First Capital Holdings and its subsidiaries, reinforcing resilience, scalability, and processing power.

- Core database modernisation: We successfully migrated our Oracle databases supporting key core applications, enabling faster transactions, enhanced data management and business continuity planning.
- Cybersecurity and Data Protection Enhancements: In line with global best practices, we introduced a log collection solution across all servers, migrated digital workloads to on-premise servers for greater data control, and implemented a new enterprise-grade virus protection system. These steps reinforce our defensive architecture and support compliance with increasingly complex data protection requirements. Our security posture can be considered superior relative to even banking sector competition.
- Internal AI-chatbot deployment: We launched a secure, proprietary AI-based internal chatbot, designed to process confidential documents while maintaining strict information barriers. Built to mirror advanced models like ChatGPT but hosted within our secure environment, the solution enables faster internal communication while safeguarding sensitive business data.
- Green solution: Digital Smart ID Launch: A pioneering initiative in staff engagement and sustainability, we introduced a Digital Smart ID that functions both as an employee badge and business card. A simple phone tap shares a digital profile showcasing First Capital's future-focused technology-savvy outlook.

DIGITAL AT SCALE

FY2025 marked a breakthrough year for First Capital's digital transformation agenda, with a tenfold increase in executed IT projects, rising from 5 in the prior year to 42 projects completed across digital innovation, cybersecurity, compliance, infrastructure, and core maintenance.

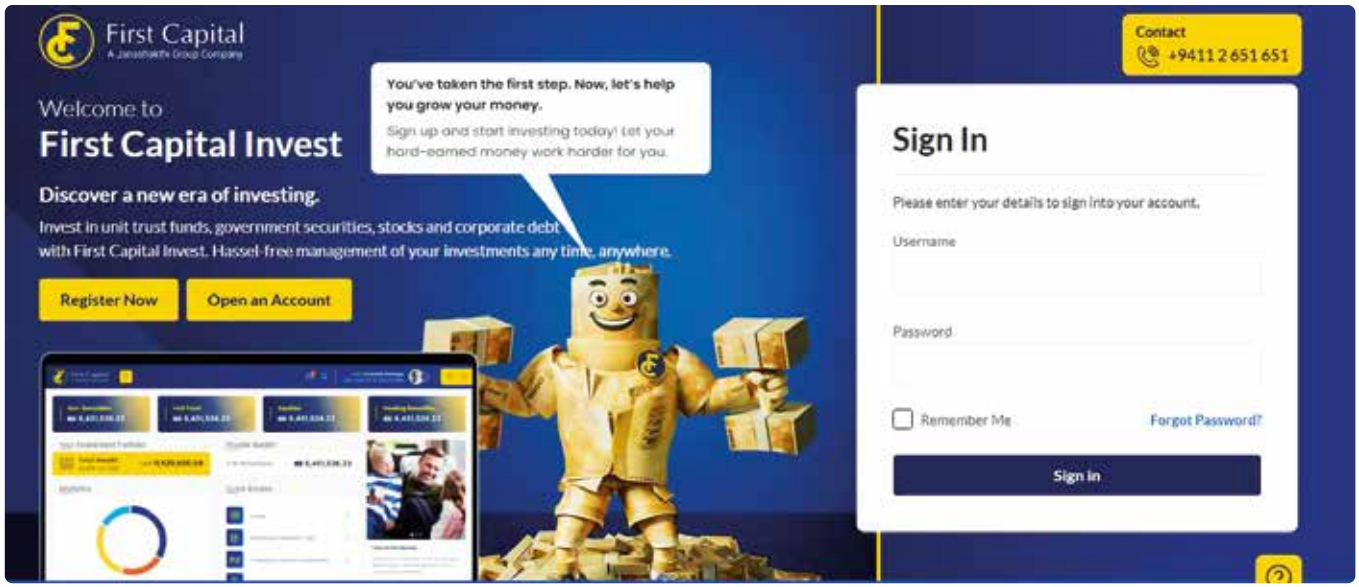
Exponential acceleration reflects a deliberate shift from incremental change to enterprise-wide transformation positioning the Group for strategic scale, digital accessibility and regulatory readiness. Central to this transformation was the launch of a fully reinvigorated customer experience ecosystem, designed to unlock convenience and deliver integrated client journeys across touchpoints.

SNAPSHOT OF DIGITAL TRANSFORMATION

FY2025 marked a transformative year for First Capital's digital journey, with a significant expansion of enterprise-wide digital capabilities. A series of high-impact solutions were either newly introduced or significantly upgraded during the year, marking a shift towards client-centric automation, seamless onboarding and omni-channel engagement.

These innovations demonstrate the Group's strategic leap forward in technology, positioning core businesses as leaders in digital-led investment solutions providers:

- The First Capital Mobile App was launched, providing retail and institutional clients with anytime-anywhere access to their investment portfolios, real-time updates and transaction execution features.



- In a pioneering move for the Sri Lankan capital market, the Group rolled out a WhatsApp-based investment solution, enabling unit trust transactions, treasury bidding and access to research content in a user-friendly chat format delivered via a familiar platform.
- Complementing this was the missed-call inquiry solution, a low-bandwidth, inclusive access point for all clients of investment-based core businesses, to check balances and receive product updates.
- Key operational processes were streamlined through Robotic Process Automation (RPA) and automated workflows, enhancing internal efficiencies and reducing turnaround times.
- Core system upgrades were undertaken across business units to strengthen processing power, improve compliance workflows and support digital scaling.
- A Group-wide Customer Relationship Management (CRM) system was rolled out with 75% implementation at year-end, aimed at deepening and centralising customer intelligence and enabling personalised service delivery. Once fully implemented, this system is expected to automate workflows, enable smarter segmentation and drive investment communications with customised solutions and recommendations.
- The eKYC platform, already operational in the prior year, underwent 32 major upgrades in FY2025 reinforcing compliance, streamlining client onboarding and enhancing security. The enhancements reduced onboarding time and improved client experience, supporting the core business's digital-first onboarding vision.
- Zag Trader, a next-generation stock brokering platform, entered User Acceptance Testing (UAT) in late FY2025 and is set to go live in 1Q FY2026. This platform will significantly enhance equities trading experiences, particularly for retail investors.
- The new client-facing online portal replaced the legacy system – an intuitive interface with full transparency over investment portfolios, transaction history and yield tracking across core businesses providing further ease of use and convenience is forthcoming.

Together, these initiatives signal First Capital's commitment to building a fully integrated digital ecosystem that aligns with its broader strategy of client-first differentiation, scalability and inclusive financial access.

As a result of these coordinated initiatives, 52% of clients are now digitally active across First Capital's mobile, portal, WhatsApp, and missed call platforms, reflecting strong adoption and growing digital trust.

Cyber-security and data protection

First Capital executed a comprehensive cybersecurity strengthening programme, aligning with international best practices and regulatory expectations. In partnership with leading global vendors such the Group implemented a multi-layered defence model across.

Key implementations included:

- Mobile device management, securing remote access environments
- Conditional access protocols and privileged access management (PAM) to restrict unauthorised access
- Data Loss Prevention (DLP) tools to safeguard sensitive client and institutional data
- EDR endpoint protection and email spam filtering to mitigate phishing and malware risks
- Web Application Firewall (WAF) and centralised patch management to strengthen infrastructure integrity
- AML platform upgrades enhancing regulatory compliance capabilities

First Capital commenced its journey toward ISO/IEC 27001 certification, with the project scheduled for completion in FY2026, affirming its commitment to global data protection standards.

Following the full deployment of these security protocols, no significant incidents or breaches were recorded during the reporting period. Regular phishing simulation exercises further ensured that internal awareness remained high, reinforcing a culture of shared accountability in cyber vigilance.

These initiatives not only elevated our cyber resilience but also directly strengthened our data protection posture, ensuring the secure handling of sensitive client and business information in line with data privacy regulations.

CREDIT RATINGS: INDICATIVE INSTITUTIONAL STRENGTH

An important component of First Capital's intellectual capital lies in the trust and confidence we inspire among market participants, investors, and regulatory stakeholders. Our credit ratings, assigned by independent

agencies, serve as a robust external validation of our financial stability, governance standards, and disciplined risk management.

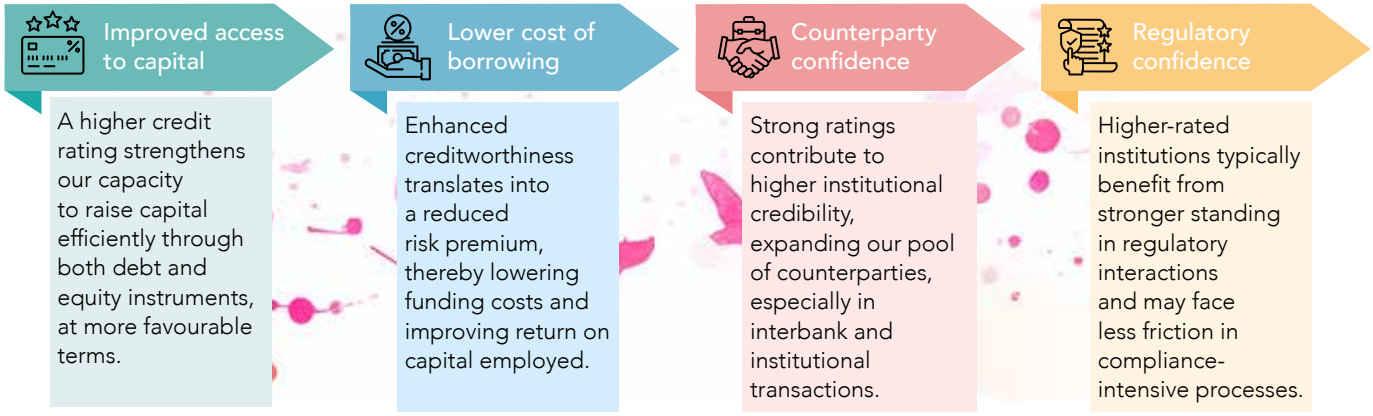
In FY2025, both First Capital Holdings PLC and First Capital Treasuries PLC received an issuer and instrument rating of A+ (Stable) from Lanka Rating Agency, reflecting an upgrade from the previous rating of A (Positive). This recognition underscores financial resilience, prudent balance sheet management and robust governance practices.

REGULATORY LICENSES

First Capital's institutional strength is underpinned by a foundation of regulatory discipline and collaborative stakeholder engagement. Our Government Securities business operates under a primary dealer license granted by the Central Bank of Sri Lanka (CBSL), while our core businesses - Corporate Advisory, Asset Management, and Stock Brokering are licensed by the Securities and Exchange Commission of Sri Lanka (SEC). These regulatory licenses are integral components enabling us to operate across diverse financial markets and offering a competitive edge in Sri Lanka's financial services sector.

We uphold the highest standards of ethical conduct and maintain full compliance with rules and directives issued by the CBSL, the SEC and other relevant regulatory bodies.

These ratings are not only reputational assets-they directly enhance our strategic and operational flexibility:



First Capital Holdings PLC	FY2025	FY2024
Issuer rating	A+ (Stable)	A (Positive)
Instrument rating		
Rated, senior, unsecured, redeemable debentures	A+ (Stable)	A (Positive)
Short-term unsecured commercial paper	A1 (Stable)	A1 (Positive)

This commitment to regulatory excellence not only ensures operational integrity but also reinforces stakeholder confidence, solidifying our reputation as a trusted and compliant financial institution.

First Capital Treasuries PLC	FY2025	FY2024
Issuer rating	A+ (Stable)	A (Positive)
Instrument rating		
Listed, rated, subordinated, unsecured, redeemable debentures	A+ (Stable)	A (Positive)

VALUE STEWARDSHIP

At First Capital, intellectual capital is not only a driver of value creation. It is also a safeguard against value erosion. In FY2025, we continued to strengthen the institutional architecture that underpins our ability to protect and grow stakeholder value across business cycles.

As stewards of intellectual capital, the Board holds ultimate responsibility for value creation and preservation. Through its oversight of strategy, governance, and culture, the Board ensures that First Capital remains resilient, agile, and forward-looking in protecting shareholder and stakeholder interests across every market condition.

Capital and Prudential Requirements:

Our 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 Rulebooks and Directives:

We maintain full compliance with rules and directives issued by the CBSL, SEC, and the Colombo Stock Exchange (CSE) across all our licensed entities, including Government Securities, Corporate Advisory, Asset Management, and Stock Brokering.

Financial Reporting and Disclosure:

We maintain 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, First Capital voluntarily aligns with emerging governance best practices, integrating 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:

First Capital 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

Our enterprise-wide Code of Ethics 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

We are aligned with national mandates on digitalisation and e-invoicing and maintain a continually evolving cybersecurity framework supported by a comprehensive suite of cybersecurity and data protection initiatives and tools.

By integrating regulatory integrity into our intellectual capital, we foster trust with clients, partners, and regulators ensuring our long-term licence to operate and grow within Sri Lanka's capital markets.

"First Capital expanded its Learning and development framework in FY2025 to build capabilities aligned with technical and behavioural requirements and leadership succession."

Robust governance and risk management frameworks are embedded across the Group to monitor, assess, and respond to factors that may compromise long-term value. Strategic initiatives and cross-functional performance indicators are regularly reviewed by the Executive Committee and reported to Board Sub-Committees and to the Board. Progress is transparently tracked through periodic strategic dashboards.

In FY2025, particular focus was placed on safeguarding intellectual capital in the face of shifting market dynamics and rising competition - especially in expanding into adjacent investment domains. We mitigated these risks by enhancing brand-led positioning, preserving institutional knowledge and reinforcing client trust through best-in-class compliance, product integrity and data protection practices.

Our deal teams are equipped with deep domain knowledge, transactional acumen, and specialised execution skills that differentiate our client delivery model. These capabilities are enhanced by our centralised operating structure, which enables seamless cross-functional collaboration across the Group through shared service platforms in legal, finance, risk, IT, HR, and marketing. This model fosters knowledge-sharing, institutional learning, and strategic alignment- embedding intellectual capital at the heart of enterprise-wide execution.

FUTURE-READY INTELLECTUAL CAPITAL

As part of our commitment to attracting and retaining world-class talent, First Capital expanded its Learning and development framework in FY2025 to build capabilities aligned with technical and behavioural requirements and leadership succession.

See pages 124-141 of the Human Capital Report for internal and formal training programmes.

KNOWLEDGE CAPITAL

Our intellectual capital is also reinforced by institutionalised knowledge systems that capture and distribute insights across the Group.

RESEARCH-LED MARKET INSIGHT

First Capital's intellectual capital is significantly enriched by the capabilities and foresight of its dedicated Research team, which anchors the Group's brand promise: delivering timely, data-driven, and high-impact capital market intelligence. In FY2025, the First Capital Research unit distinguished itself by accurately forecasting critical market inflection points-including projecting the peak of the Colombo equity market well ahead of time-underscoring its credibility as a thought leader in Sri Lanka's investment ecosystem.

The Research team delivers multi-asset class strategy, macroeconomic and policy, market and deep sectoral insights. These include daily market updates, corporate and earnings reviews, fixed income reports and strategic outlooks shaped by domestic and global indicators. Research is disseminated through investor forums, webinars, and widespread media engagement-advancing the Group's mission to lead the way in innovative solutions to manage risk and create wealth.

The Research unit's excellence has had a direct, measurable impact across the Group's core businesses. In FY2025, First Capital Asset Management and First Capital Stockbrokers were recognised at the CFA Sri Lanka Capital Market Awards with the Silver Award for Best Equity Research and the Award for Best Unit Trust Fund (reflecting sustained performance driven by robust research-led investment decisions), respectively.

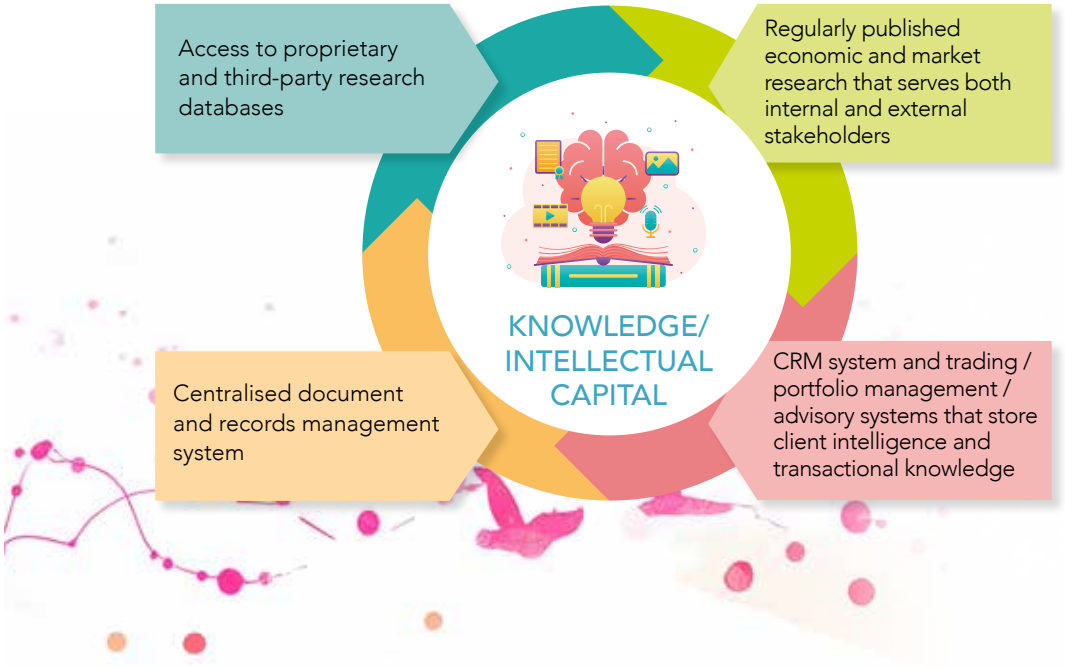
The integration of research across the Group's operating model is a clear differentiator. As a shared service, the Research team collaborates with client-facing businesses to deliver actionable insights that shape investment decisions, enhance client engagement, and uphold First Capital's reputation for informed, transparent, and disciplined market participation.

RISK CULTURE AND CONDUCT PROTOCOLS

In FY2025, First Capital continued to enhance its institutional risk and conduct frameworks as integral components of its intellectual capital. Our deeply embedded risk-aware culture, underpinned by a three-lines-of-defence model and led by specialised governance committees, enables consistent delivery of responsible financial services across all business lines.

Risk management activities were aligned to the updated ISO 31000:2018 Risk Management Framework, with comprehensive updates carried out to subsidiary-level policies in response to evolving regulatory requirements, including those related to operational resilience, cyber risk and regulatory reporting obligations.

See pages 166-182 for the Enterprise Risk Management Report



Name	Designation	Field of Expertise	No. of Years of Experience
Dilshan Wirasekara	Managing Director/ Chief Executive Officer	Investment Banking	29+ years of diverse experience in banking, treasury and investment management
Tharusha Ekanayake	Director/ Chief Executive Officer - FCAS Chief Operating Officer - FCH	Corporate Finance Advisory and Corporate Dealing Securities	24+ years of experience in banking and financial services
Jaliya Wijerathne	Director/ Chief Executive Officer - FCE	Equities	31 years of investment advisory experience in equities
Sachith Perera	Director/ Chief Executive Officer - FCT	Treasuries	27+ years of Banking and treasury management
Kavin Karunamoorthy	Chief Executive Officer - FCAM	Asset Management	23+ years of experience in treasury and investment banking
Mangala Jayashantha	Chief Financial Officer	Finance	24+ years of experience in financial management, financial reporting, auditing, corporate planning and taxation
Wasanthi Stephen	Group Chief HR Officer	HR	25 years of experience in human resources
K. V. Kuganathan	Group Chief Information Officer	IT	26+ years of experience in IT
Gamika de Siva	Group Chief Marketing Officer	Marketing	25+ years of experience in Marketing
Harshanee Deshapriya	Group Chief Legal Officer	Legal	19+ years of corporate experience
Sujani Kumarage	Executive Vice President - Operations	Operations	26 years of experience in business processing related to fixed income securities and treasury operations
Kapila Perera	Chief Risk Officer	Risk & Compliance	22 years of experience in risk and compliance, operations and finance
Dimantha Mathew	Chief Research and Strategy Officer	Research & Strategy	17+ years of experience in investment banking
Mithila Abeysekera	Chief Technology and Digital Officer	Information Technology	21 years of experience in across multiple commercial banks and institutions in prominent Sri Lankan Baniks
Chamara Pussella	Head of HR	HR	16+ years of collective experience in both local and multinational companies
Randinith Madanayake	Head of Marketing	Brand Management and Marketing	12+ years of diversified experience in FMCG, Consumer Durables, Alcohol Beverages, and Financial Services
Prashani Perera	Assistance Vice President - Experience Management & Customer Success	CRM	17+ years of experience in customer service, specialising in customer relationship management
Malith Pathirana	Senior Manager-Administration	Administration	20+ years of experience in administration, supply chain and procurement management

See pages 124-141 of the Human Capital report for workforce skills-analysis

CASE STUDY

PIONEERING DIGITAL FINANCIAL TRANSACTIONS THROUGH WHATSAPP INNOVATION

FCH has demonstrated market-leading innovation by launching Sri Lanka's first WhatsApp-based investment service for Unit Trusts and Government Securities. This transformational project not only simplifies investing but also represents a pivotal leap in financial services accessibility, inclusivity and digital empowerment.

Strategic Rationale

As the financial sector globally pivots toward digital-first ecosystems, FCH identified the growing need for familiar, mobile-based and low-barrier solutions. By integrating services into WhatsApp, an app used daily by millions, FCH positioned itself at the intersection of innovation and customer-centricity, leveraging fintech trends such as conversational banking, embedded finance and AI-driven personalisation.

Key Features and Innovations

- First-time Investors: The platform lowers entry barriers by offering a highly intuitive, mobile-first channel
- Tri-lingual Accessibility: Offering services in Sinhala, Tamil and English eliminates linguistic obstacles, broadening financial inclusivity
- Seamless Transactions: Customers can invest, manage portfolios and withdraw funds using a familiar, minimal-friction interface
- Security Framework: OTP-based authentication, end-to-end encryption and dual-channel transaction confirmations (SMS and email) underpin robust trust
- Recognition: The platform was honoured with a Gold Award at the National ICT Awards affirming its innovation leadership

Overcoming Challenges

Transitioning investment services onto a messaging platform presented significant technical and behavioural hurdles.

- User Education: Trust-building campaigns and customer support were prioritised to foster adoption
- Backend Integration: FCH employed agile methodologies and cross-functional coordination to ensure financial-grade reliability across systems
- Regulatory Compliance: Data protection and transaction security adhered rigorously to Sri Lanka's cybersecurity frameworks

Impact on the Market and Customers

FCH's solution broadens the demographic reach for financial products, engaging younger, tech-savvy users while accommodating seasoned investors seeking speed and simplicity

- First-Time Investors: Lower psychological and operational barriers
- Seasoned Investors: On-the-go portfolio management without multi-platform complexity

By embedding financial services into a widely-used social platform, FCH anticipates a significant uplift in Unit Trust and Treasury Bid participation and broader financial literacy across Sri Lanka.

Alignment with Global Digital Transformation

FCH's WhatsApp initiative mirrors global strategies adopted by leaders like JPMorgan Chase, Citi and DBS. It aligns with:

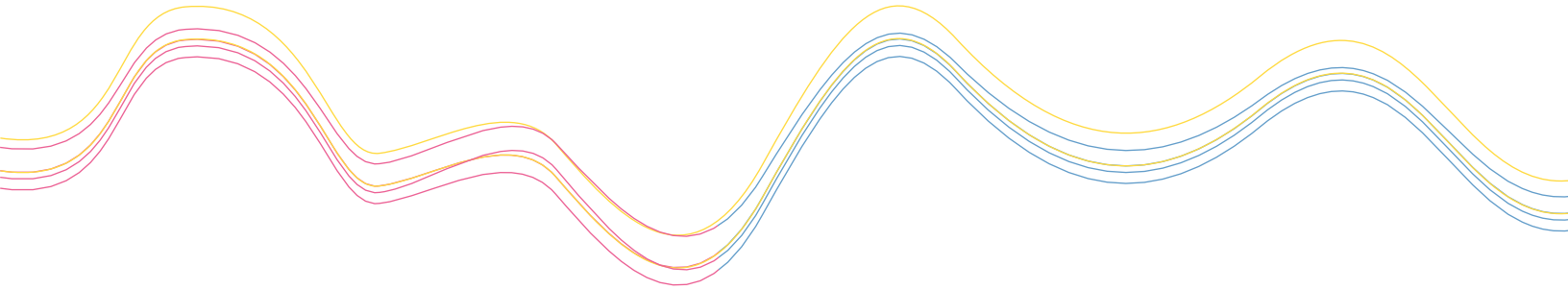
- The trend toward conversational interfaces
- The growing demand for embedded finance
- The push for personalised, AI-enhanced client journeys

This places FCH not merely as a follower but as a contributor to the industry innovation curve.

Future Direction

Building on this platform, FCH plans to:

- Introduce AI-powered chatbots for real-time advisory services
- Create a holistic, mobile-driven investment management ecosystem



Human Capital

PROMOTING DIVERSITY

The company promotes gender balance and equal opportunities for women fosters a more inclusive, innovative, and resilient workplace. Empowering women at all levels drives performance, enriches decision making, and reflects the company's commitment to equity and progress

Male – 65%
Female – 35%
Gender Balance
FY 24/25

GREAT PLACE TO WORK

The company creates an environment where employees feel safe, respected and inspired to do their best. The company provides a healthy work life balance and a culture rooted in trust

Above 87%
Great Place To Work®
Trust Index –
Average score

DIGITAL CHANNEL EFFECTIVENESS

The company provides a fair and competitive salaries, tailored benefits, and well-being initiatives, create an environment where employees feel valued and supported

Rs. 1,648 Mn
Total employment benefits for the year

LEARNING AND DEVELOPMENT

Investment in formal and informal learning, leadership training, and succession planning plays a vital role in enhancing employee skills and organisational resilience

Rs. 15 Mn
Investment in training

PERFORMANCE FIRST

Company initiated an annual award ceremony which recognises employees with high performance and rewarded them to encourage desired behaviour and to promote continued excellence

6
employees were awarded

As a financial solutions provider, First Capital recognises the importance of our people in creating and delivering value for our stakeholders.

KEY ACTIONS IN FY2025

SWOT ANALYSIS

STRENGTHS

- Strong and highly coveted brand
- Professional competency

WEAKNESSES

- Second level leadership in certain positions

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

Management Approach	Material Matters
Build a vision and values led, high performance culture that reflects the communities we serve and enables our people to contribute their best every day.	• Talent acquisition and attraction • Evolving the employee value proposition (EVP) • Retention and brain-drain

FUTURE PRIORITIES

Short-medium term	Long- term
• Evolve the employee value proposition from fit-for-multi-generational-perspective • Meet diversity and inclusion goals in targeted management strata • Incorporate volunteerism metrics in performance appraisal to synthesise ESG integration • Strive to enhance engagement levels with a particular focus on cross-functional engagement • Strengthen talent pipeline through university partnerships • Drive meritocracy through supervisory development programme • Implement the executive development programme to meet succession requirements as well as ongoing leadership development • Develop a culture of internal talent movement • Enhance awards and recognition programme to improve engagement, motivation and collaboration • Augment the workforce learning experience with formal training focused on leadership, technical and soft-skills based training	• Establish dominance as preferred employer of choice for capital market careers in Sri Lanka • Maximise value creation through optimal workforce allocation and peak productivity • Focused escalation of compensation and benefits within the EVP attaining above industry average monetary benefits

"We aim to unlock our people's potential and engage with them with the strong desire to understand their needs, ensure motivation, engagement and commitment."

GOVERNANCE

First Capital's Human Resource (HR) governance structure ensures that HR policies and practices align with the strategy, legal requirements and ethical standards in direct resonance with the Board's governance philosophy. Refer pages 14-17 on the Chairman's Statement and Governance Report (pages 196-261).

Effective governance fosters First Capital's culture of trust, transparency, and accountability. Fair, consistent and transparent HR policies and practices promote a sense of responsibility and inclusivity, and purposeful performance.

The Board provides ultimate oversight and direction supported by its designated sub-committees, the Remuneration Committee and the Nominations and Governance Committee. In line with the sustainability agenda of the Board, diversity and inclusion and other sustainability considerations may be put forward by the Board appointed ESG Sponsor for the Board's debate and primary oversight.

The responsibility for implementing Board directives falls under the purview of the Group Head of HR, tasked with oversight of statutory, regulatory and contractual compliance and the adoption of best practices including the International Labour Organisation (ILO) mandate and the United Nations Global Compact (UNGC) Principles on Labour.

DISCLOSURE ON HUMAN RIGHTS

First Capital's policies are consistent with internationally-recognised human rights principles such as the UN Global Compact. We comply fully with applicable legislative and constitutional rights, for example locally, areas such as freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination.

We do not procure services from, nor invest in businesses which make use of slavery, servitude, human trafficking, forced labour, exploitation, compulsory labour or harmful child labour.

Considering the nature of our business, First Capital's employees are not unionised, nor do they engage in collective bargaining.

SCOPE OF COMPLIANCE

Statutory compliance	Regulatory compliance	Voluntary best practices
• Shop and Office Employees Act of 1954 • EPF Act • ETF Act • Payment of Gratuity Act, No.12 of 1983	• SEC Act and rules promulgated thereunder • CSE Listing Rules • Local Treasury Bill Ordinance • Regulations, directives and guidelines applicable to Primary Dealers as issued by the CBSL	• UNGC Principle 3: freedom of association and the effective recognition of the right to collective bargaining • UNGC Principle 4: elimination of all forms of forced and compulsory labour • UNGC Principle 5: effective abolition of child labour • UNGC Principle 6: elimination of discrimination in respect of employment and occupation • Code of best practice on Corporate Governance 2023

SUITE OF POLICIES

The Group HR Manual encompasses the framework of principles, policies, procedures, guidelines, tools, and templates to serve as a practical guide for HR management at First Capital.

HR Manual Components								
Recruitment and Selection	Remuneration and Benefits	Culture and Conduct	Performance Management	Training and Development	Leadership Development	Safety and Wellbeing	Communication and Engagement	Rewards and Recognition
• Recruitment process • Internal job posting • The referral system • Call back interviews • Policy on rehiring terms	• Remuneration and benefits policy • Leave policy for employees • Policy for staff housing loans • Policy for staff vehicle loans • Examination reimbursement policy • Educational assistance scheme • Professional subscription policy • Staff distress loan • Extension after retirement • Gratuity, EPF/ ETF continuation after 60 • Sports & welfare club	• 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	• Performance development plan • Cross exposure procedure • Employee secondment • Transfer procedure • Job rotation policy • Probationary evaluation	• Knowledge sharing sessions	• Succession planning • Young forum	• Flexi working hours policy • Staff medical / life insurance • Work from home policy • Hospitalisation • Personal accident insurance cover • Critical- illness cover	• Focus group meetings • Suggestion scheme • Skip level meetings • Grievance handling procedure • Whistleblowing policy • Employee separation / cessation policy	• Living janashakthi values awards • Jxg business related awards policy • Recognition of academic / professional / social achievements • Service awards

01	02	03	04	05
Incidents of non-compliances of labour regulations	Grievances filed grievances addressed	Incidents reported in regard to violation of the right to freedom of association	Incidents of child labour/ forced compulsory labour	Incidents reported on discrimination or harassment at work
NONE	NONE	NONE	NONE	NONE

CONDUCIVE INSTITUTIONAL CULTURE

First Capital has an open and flexible culture, providing an inclusive and supportive working environment with opportunities for development, that fosters the physical and mental wellbeing of employees through cohesive engagement.

- We believe our leaders set the tone at the top and that all at First Capital are curators of our culture. Our leaders care and inspire, empower and develop the teams they lead. They are non-hierarchical in their approach, enabling cohesive, productive teams that embrace PERFORMANCE FIRST and valued behaviours.
- We believe in our people's drive and potential to make a meaningful contribution to sustainable growth and social legitimacy. Creating a work environment that enables our people to be the best version of themselves fosters an environment where they can live our vision every single day - To improve the lives of all Sri Lankans through financial solutions.
- Our employee based decisions - recruitment, promotion and reward processes are based solely on merit. We are an equal opportunities employer and prohibit all forms of discrimination.
- We value diversity and believe that a variety of perspectives enhances our decision making without suppression of insight and freedom of thought.
- We aim to unlock our people's potential and engage with them with the strong desire to understand their needs, ensure motivation, engagement and commitment.

OPERATING MODEL

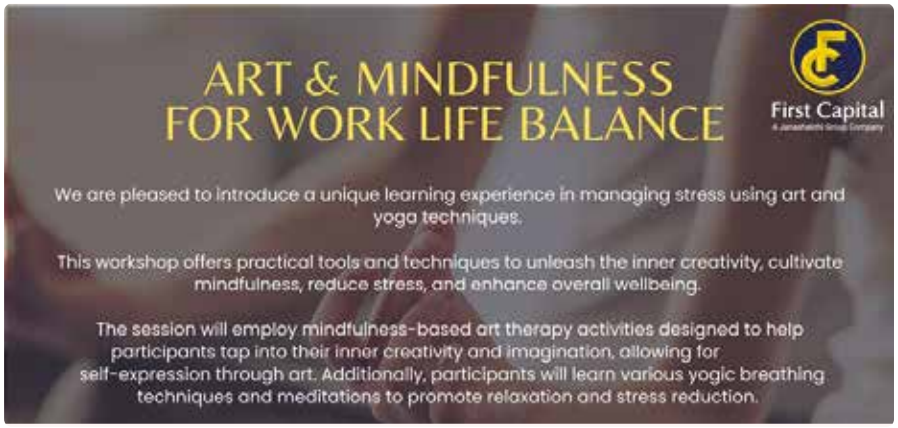
First Capital's 'best-use-of-best-in-class' resource allocation model deploys HR as a shared resource across the Group.

HR operating model facets:

Deploys:

- Strategic consultancy to senior management of core businesses
- HR generalist (employee and candidate) services and administration
- HR functional expertise

- Technology-enabled to track, manage and support our people from first contact onwards through an end-to-end solution, First Capital HRIS
- Integrates learning management, performance management and payroll



EMPLOYEE VALUE PROPOSITION

Our people philosophy is rooted in our client-centricity. We recognise that there is a direct correlation between a great employee experience and a great client experience. We want employees to gain value from their employment and our Employee Value Proposition (EVP) combines a robust suite of benefits and ways of working.

With the advent of Generation Z (Gen Z) and more recently Generation Alpha (Gen Alpha) into the workforce, we have progressively assimilated deeper insights to evolve our EVP as one with multi-generational appeal. Our culture already comprises the building blocks of flexibility and being vision-led, factors that can be leveraged successfully. Nonetheless, we continue to align with the values and expectations of these generations, prioritising a greater sense of purpose, inclusion, flexibility, and continuous learning.

Distinction

- I take pride in our company, brand, professional conduct and leadership.
- I participate in a shared vision and purpose, defined by inclusive growth extending across communities.
- I am part of a meritocracy.

Benefits

- I have access to a suite of benefits that empowers and supports financial independence.

Nurture

- I experience a learning environment that enables me to enhance myself through learning and growth.
- I have freedom of thought and insight as my leaders inspire and nurture me.

Cohesion

- I am part of a cohesive team that recognises and celebrates my contribution.
- My work communities are collaborative, inclusive and diverse.
- I can form meaningful social relationships at work.

FUTURE FOCUS

- Embed and evolve the EVP to create multi-generational appeal, strategically
- Ensure that culture, technology and space creates optimal employee engagement and experience

We offer employees remuneration and benefits that are competitive relative to the industry and comply with all applicable statutory labour laws:

- Performance-based incentives
- Fixed pay on par with industry median
- Variable pay above industry median
- Housing/ vehicle and educational loan facilities
- Professional subscriptions
- Distress loans
- Club memberships
- Medical insurance cover for employees
- Reimbursement for travel
- Benefits provided as welfare

"First Capital continues to face acquisition challenges due to the employee skill, value and diversity profile we seek, and high mobility of suitable candidates in the market in combination with intense competition amongst peers and competitors."

(FY2024:Rs. 2,719Mn)

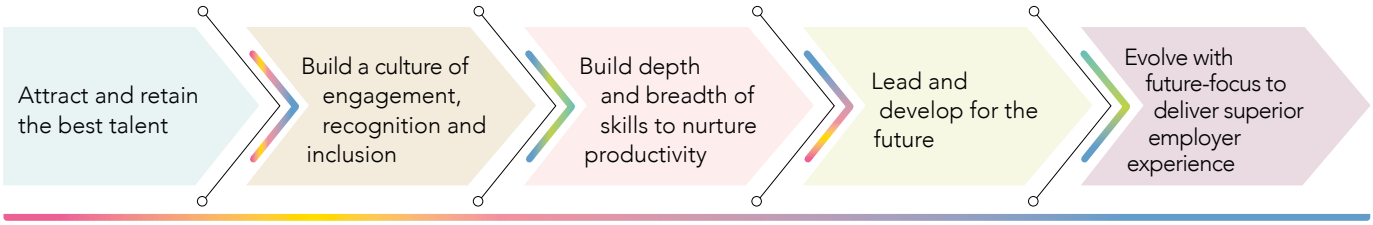
(FY2024: Rs. 56 Mn)

(FY2024: Rs. 2,358 Mn)

STRATEGY - HUMAN CAPITAL AS ENABLER OF VALUE CREATION

Our people strategy, is directed towards fostering a culture that prioritises growth and development, ensures a sense of value and fair recognition and empowers our teams to own their well-being. We are aligned with focused fundamentals to help us shape people solutions fit for an agile world.

Our journey to becoming an employer of choice is centred on the following 5 strategic levers and initiatives:



ACQUISITION AND RETENTION OF TALENT

As a Great Place to Work® and a celebrated financial services provider with expansive brand visibility, our attraction strategy is simple and effective.

We leverage multiple channels, from our corporate website and social media platforms to our professional network showcasing not only exciting career opportunities available but also our unique workplace culture. We highlight the stories of our leaders, people and teams to offer insights into our culture conveying effectively how working at First Capital would be fulfilling.

Our focus on rapid technological advancement and client centric strategies have propelled us into testing labour markets in Sri Lanka, now depleted due to mass migration overseas. First Capital continues to face acquisition challenges due to the employee skill, value and diversity profile we seek, and high mobility of suitable candidates in the market in combination with intense competition amongst peers and competitors.

In this landscape, attracting top technical talent continues to be a key strategic focus, prompting us to enhance our employer branding through robust marketing, targeted engagements to build and acquire a talent pipeline and an enhanced employee value proposition.

We adapt our sourcing and acquisition approach to the required skills segments in the market to reach, engage and attract sought-after candidates. Our continued and extensive partnered educational initiatives with local universities help strengthen the emergent pipeline of recruits.

These factors collectively contributed to 28 new recruits reflecting a 100% external appointment rate in FY2025.

Vacancies and recruitments in FY2025				
Employee Category	Total number of vacancies	% Filled internally	% Filled through external recruitments	% of unfilled positions
GM	-	-	-	-
DGM	-	-	-	-
AGM	-	-	-	-
Senior Manager	2	-	100%	-
Manager	3	-	100%	-
Assistant Manager	3	-	100%	-
Senior Executive	3	-	100%	-
Executive	1	-	100%	-
Junior Executive	14	-	100%	-
Non-Executive	2	-	100%	-

Turnover and retention

Continued retention challenges are:

- relatively young employee profile necessitating action to embed multi-generational needs in the culture
- high mobility and scarcity of potential candidates that fit our need
- competition for sought-after skills in the industry

- To manage talent retention, we use robust talent metrics, training and development and fair performance evaluation process.
- We are committed to the development of employees from within First Capital in strengthening retention and to continue growing as a nationally relevant institution.
- Specific senior positions in core businesses have been earmarked for potential internal appointments.
- For selected senior roles in some core businesses we selectively drive external recruitment in order to hire experienced leaders.
- All executives, including the CEO, have a 3-month notice period in place, supported by succession plans and development opportunities.
- We have deferred variable pay agreements designed to strengthen long term savings of employees which aid retention.
- We provide frequent engagement opportunities and have a strong culture of engagement which we consider a meaningful retention factor.

"We continue to invest significantly in developing our leaders through local and international development programmes which blend exposure to global thinking and trends with our own particular business context."

(FY2024:12.0%)

* Calculated as total separations for the calendar year divided by the average number of employees during the calendar year.

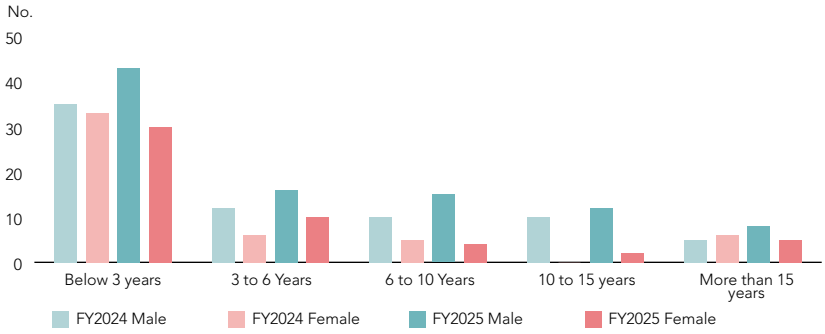
Our retention levels have improved with decreased attrition to 10.5% (FY2024:12.0%) despite challenges in the environment. Staff turnover bettered expectations despite labour market rigidity.

Below is a view of our attrition dashboard showcasing our attrition information per occupational level in FY2025. We distinguish between voluntary and involuntary leavers.

	FY2025	FY2024
Retention ratio	89.5%	88.0%
Turnover rate	10.5%	12.0%
Involuntary turnover rate	-	-
Involuntary critical turnover rate	-	-
Voluntary turnover rate (without retirement)	10.5%	12.0%

Reasons for Turnover	FY2025			FY2024		
	Male	Female	Total	Male	Female	Total
Resignation	3	14	17	8	7	15
Retirement	-	-	-	-	-	-
Deceased	-	-	-	-	-	-
Termination	-	-	-	-	-	-

By Service and Gender



TENURE

Our employee tenure profile reflects a high growth business. Males in all tenure horizons have been increasing and mobility in the short term horizon (of 3 to 6 years) across genders has tempered in FY2025.

DEVELOPING BREADTH AND DEPTH OF SKILLS

Our talent development strategy is focused on creating a learning organisation and is a team effort involving HR, line management and employees.

IN-HOUSE LEARNING

Informal learning has become a prominent aspect supported by our collaborative engagement strategy. It allows us to adapt talent development in response to changing client needs and create closer alignment between learning and business requirements while engaging our teams effectively. Cross-functional learning and engagement is facilitated within informal learning activities.

A range of learning activities are encouraged at First Capital:

- On-the-job mentoring and coaching
- Participating in clubs, such as the newly formed Quiz Club and forums fostering cross-functional engagement.
- Job rotation and cross-training
- Participating in team activities and discussions
- Self-directed learning through online resources, articles and videos

(FY2024: 7.1Mn)

(FY2024: 57,967)

(FY2024: 2,956)

FORMAL TRAINING

Formal training and development at First Capital is three pronged: leadership, technical and soft skills. We continue to invest significantly in developing our leaders through local and international development programmes which blend exposure to global thinking and trends with our own particular business context.

Sourced a highly rated executive development programme with INSEAD to develop high-potential senior leader for the Asset Management business. To ensure succession in future-fit talent pipelines a cumulative foreign training budget of Rs.100 Mn was allocated. Digital learning and internal-team-led initiatives also supported the learning framework.

Our formal education offerings and hours invested are detailed below:

Key Training Programmes FY2025	No. of Hours
Diploma in Treasury and Risk Management	2,592
PIM Leadership Development Programme	389
How to be Excellent with Handling Customers and Building Customer Relationships	175
Business Communication Mastery	106
JXG Speechcraft	45

UNLOCKING POTENTIAL FROM WITHIN

While we recognise the value of external appointments, we continue to promote and cultivate talent from within First Capital. Internal appointment is a driver for retention among our people as it is indicative of our continued cultivation of in-house talent.

During the year, we effected 25 internal promotions reflecting an internal mobility rate of 17% (FY2024: 21%). Males comprised 56% while females accounted for 44% of internal promotees. Reflective of leadership nurturing and succession an

internal c-suite appointment was made in the Asset Management core business critical to future scale and resilience of our platform.

Employee promotion details	FY2025	FY2024
Male	14	16
Female	11	10
Mobility rate	18%	21%

CELEBRATING EXCELLENCE IN PEOPLE DEVELOPMENT

In recognition of its strategic commitment to human capital, First Capital Holdings PLC received the Gold Award at the SLITAD People Development Awards 2023/24, presented by the Sri Lanka Institute of Training and Development. This prestigious accolade reflects First Capital's continuous investment in employee growth, learning and well-being - key drivers of sustainable value creation.

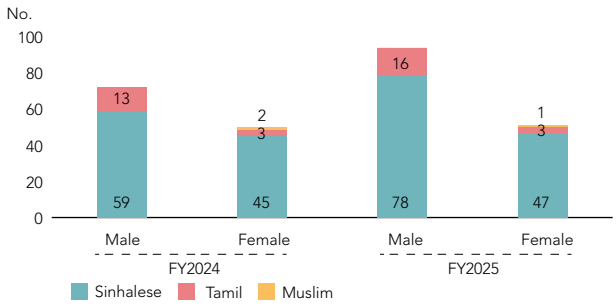
First Capital's human capital development is rooted in global best practices, ensuring employees are equipped with the skills, support and opportunities needed to thrive in a dynamic environment.

DIVERSITY AND INCLUSION

We cultivate an inclusive environment for existing and prospective employees that embraces and celebrates diversity. Our main focus is gender diversity. While we see enhanced gender and ethnic diversity in governance roles our progress in achieving gender balance in managerial strata has been reasonable.

Whilst diversity and mid management level remains relatively well balanced, in the senior management, our aim is to achieve parity mid- long term.

Ethnic Diversity



Further improvement across the hierarchy is a priority with accelerated interest in ESG integration strategy.

- We continue to delineate plans to manage our diversity pipeline from the pre-employment phase, enabled particularly through our university-partnerships.
- Empowered women- leaders and team members of First Capital have been actively engaging and reaching out to our communities via four key pillars of activity
- Mentoring and development
- Networking and events
- Outreach and advocacy
- Research

Read more on pages 142-157 Social and Relationship Capital

GENDER BALANCE

The percentage of females represented in the workforce in FY2025 was 35.2 % leaving room for enhanced balance. However, with the aforementioned strategic initiatives underway to build the recruitment pipeline we anticipate that the foundation can be set to improve equity targets.

In our new recruitments, we hired 54% of females (FY2024:18%). During the year, female exits accounted for only 82% (FY2024: 53%) of total exits comparing favourably against the prior year.

WOMEN IN GOVERNANCE

With significant Board refreshment our women members on our Board totalled 3 or 37.5% at year end.

See Governance Report for further diversity analyses.

WOMEN IN MANAGEMENT

During the fiscal year, women in management accounted for 12% of the total female workforce reflecting no change from the previous year. Women in management accounted for 15% of the total managerial workforce in FY2025 (FY2024:17%).

HEALTH AND SAFETY

Recognising the unique needs of the modern work environment we empower people to take charge of their wellbeing.

NEW SPACES

Our teams benefit from the recently renovated contemporary, ergonomic and open plan work spaces which engender engagement and well-being.

See pages 102-107 on Manufactured Capital

EMPLOYEE ENGAGEMENT

At First Capital, we recognise that our people are the driving force behind our sustained success. Our employee engagement strategy is built around creating meaningful experiences that foster collaboration, celebrate diversity, promote wellbeing and reinforce our values. In 2025, we elevated our engagement efforts through a series of thoughtfully curated initiatives that brought our people together across functions and backgrounds.

Cultivating Cross-Functional Collaboration

To deepen connections across teams and build a unified culture, we relaunched the Fun Squad for FY2025, a cross-functional, HR-led taskforce responsible for planning and executing quarterly engagement events. The Fun Squad has been instrumental in bringing energy and creativity into the workplace, championing initiatives that span fun, fitness, culture and community.

Notable highlights include:

- First Capital Online Avurudu Kumara & Kumariya 2024, a virtual celebration of Sinhala and Tamil New Year that brought together staff from multiple locations in a vibrant cultural contest
- The formation of the FC Quiz Club, promoting knowledge-sharing and friendly competition across departments
- The First Capital Premier League, our very own cricket tournament, encouraging teamwork and sportsmanship in a high-energy, cross-team setting
- The return of our Annual Staff Trip, which provided a well-earned opportunity for team bonding, relaxation, and fun away from the usual work setting

STRENGTHENING BELONGING AND CULTURE

Our efforts to create a "Great Place to Work" were validated once again as we secured the Great Place To Work® Certification for the third consecutive year. Engagement scores continue to reflect employee satisfaction and pride in being part of First Capital, supported by a diverse range of inclusive initiatives.

During the year, we hosted numerous internal events to build camaraderie and celebrate our culture:

- Christmas Party at the Kingsbury, along with Secret Santa, Christmas Carols and a Christmas Decor Competition created an atmosphere of joy and festivity
- The JXG Avurudu Celebration added a unique flair to our Avurudu season, engaging junior staff and senior leadership alike
- "Art and Mindfulness" for work-life balance, a session that blended art and yoga therapy, supported mental wellness and self-awareness

We also launched "Policy Pulse", a new communication series aimed at creating greater transparency and awareness around company policies and procedures, an important step in strengthening trust and clarity across the Company.

CELEBRATING DIVERSITY AND GENDER EQUITY

Our approach to engagement is deeply rooted in inclusivity. In line with our commitment to gender equity, we observed both International Women's Day and International Men's Day with tailored celebrations:

- Women's Day featured employee recognition, motivational talks, and team appreciation activities that underscored the achievements and contributions of women across the business
- Men's Day created space for open dialogue on mental health, work-life balance, and the evolving role of men in fostering inclusive work environments.

These events provided meaningful platforms for reflection, recognition and connection reinforcing our belief that every individual deserves to be celebrated and heard.

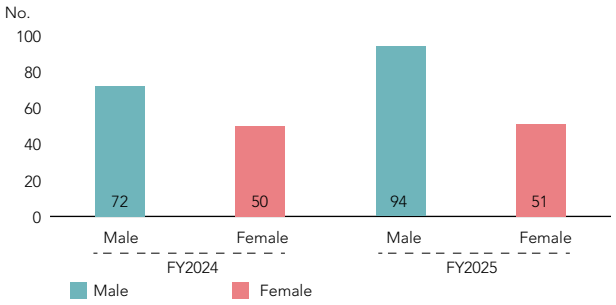
Giving Back to the Community

We extended our sense of purpose beyond the workplace through initiatives like the First Capital 'Seeni Sambol Bun Dansala' held during Poson Poya, demonstrating our commitment to Buddhist cultural traditions and social responsibility. This initiative brought staff together in service to the community, exemplifying the values we uphold as a responsible corporate citizen.

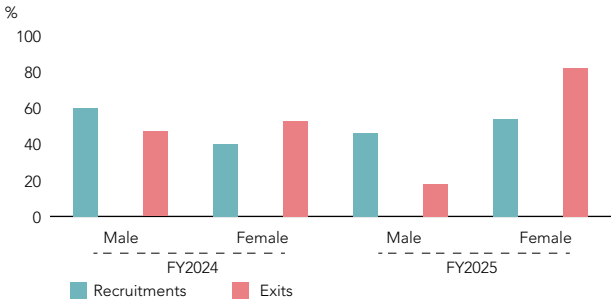
Recognising Excellence

The launch of the FC Annual Awards marked a new chapter in our recognition

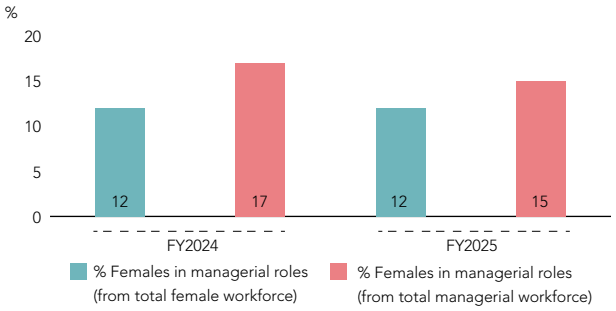
Gender Balance



Recruitments and Exits by Gender



Females in Management



journey, celebrating individual and team excellence across all functions. By aligning recognition with performance, innovation, and values, we continue to motivate and inspire our people to reach new heights.

TRANSPARENT RECRUITMENT

Group recruitment is undertaken systematically based on the annual Manpower Plan. The Group Recruitment Policy guides and ensures unbiased recruitment based on the principles of nondiscriminatory and equal opportunity employment.

Vacancies are advertised publicly and notified internally to enable existing employees to also apply for vacant positions. Typically, the Group targets to fill vacant positions on average within approximately four weeks of the commencement of the process.

However, this may vary based on the employee category under consideration.

Candidates are shortlisted based on a series of assessments connected to the prospective job role with successful candidates facing several rounds of interviews before final selections are made. All new recruits are placed on probation for a period of six months. At the conclusion of the probationary period, the Call Back process is activated probationary employees are presented with a series of questions and requested to make a presentation to the HR team in order to determine eligibility to be absorbed into the permanent cadre.

MANPOWER PLANNING

Manpower Planning is undertaken in conjunction with the annual budgeting cycle amalgamating manpower requirements as projected by all business units/departments for the forthcoming year. The manpower plan is presented for approval of the Board along with the annual budget. The main purpose of the Manpower Plan is to ensure that all business units/departments across the Group have access to adequate human resources to support their business plans.

ONBOARDING

All new employees begin their journey at the FCH Group through a systematic onboarding process involving a one day orientation programme to disseminate key corporate information to help new recruits to absorb the Group's culture and work ethic, followed by an introduction to the Group's leadership teams. All new recruits are assigned a peer or a "Friend at work", to create a support mechanism for the initial acclimatisation phase. New recruits also participate in the formal induction programme conducted by the Group.

PERFORMANCE MANAGEMENT

All permanent employees undergo annual performance appraisals based on KPIs directly linked to business objectives arrived at using the SMARTS (Specific, Measurable, Achievable,

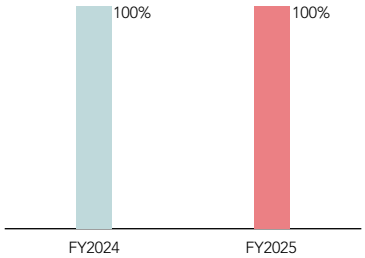
Realistic, Time Bound & Stretched) principle. The performance evaluation cycle involves a mid-year and annual performance appraisal conducted digitally via the Group HRIS.

The mid-year review facilitates continuous and ongoing progress tracking to detect and realign under performance. The annual performance appraisal meanwhile is a formal process that serves as an important tool in measuring employee performance against quantitative targets set at the start of the year as well as qualitative expectations associated with the job role.

The annual performance appraisal emphasises the importance of what employees accomplish and how they demonstrate behaviours across the pillars, "Customer", "Internal Process", "Learning and Growth" and "Financial." While the appraiser and appraisee are required to provide a rating on the above pillars, the manager issues a final rating before submission for the consideration of the Career Committee.

The annual performance appraisal creates a platform of fair recognition, identifying and rewarding performance with both monetary and non-monetary benefits.

Percentage of staff receiving regular performance appraisals



SAFETY AT WORK

While the nature of FCH Group operations are such that Group employees are not at risk for any occupational health conditions, workplace safety remains a key priority. In striving to create a safe workplace environment for employees, the Group takes all possible precautions in

compliance with national safety regulations. Accordingly, mandatory safety equipment has been commissioned at all premises operated by the Group.

PHYSICAL AND MENTAL WELLBEING

We believe in empowering our people to take charge of their well-being. By fostering an environment that prioritises and sustains holistic welfare, we build a resilient and cohesive workforce, ultimately driving sustained success for our business.

This year we introduced, or continued to offer, the following support programmes to improve our people's health and happiness:

- Promoted physical wellbeing by providing our employees with annual medical insurance and top plans. All Group employees qualify for annual health checks.
- We continued our parental leave offering to provide greater flexibility and work-life balance support to all new parents irrespective of whether they are the primary or non-primary caregivers. Our policies surpass the statutory minimum requirement as employees can request for two additional months of leave on a half pay basis while paternity benefits are provided for 14 days.
- We continue to retain flexible hybrid working arrangements. Exceptions have been made to allow employees to work remotely on a case-by-case basis.

  Flexible working hours are also available to our people as we know that the demands of life do not always keep an 9 - 5 schedule. This supports our PERFORMANCE FIRST culture and strengthens workforce availability. Flexibility is also a key feature that appeals to Gen Z and Gen Alpha, particular the latter with its strong views regarding work life balance.
- Our goal is to empower leaders with the knowledge and skills needed to champion the well-being agenda. We continue to promote internal and community engagement which support health and physical activities. Interactive activities during the year interspersed culture, sports, philanthropic, employee upliftment and recognition.

- On our training agenda this year, we have provided opportunities to explore behavioural and aesthetic aspects that inspire our teams to take charge of their own well-being journey.

Number of female employees	FY2025	FY2024
Entitled to maternity leave during the year	51	50
Employees who took maternity leave	-	1
Returned during the year	-	1
Employed for the last 12 months after return from maternity leave	-	-
Return ratio (%)	-	100%
Retention ratio (%)	100%	100%

Medical claims related data	FY2025	FY2024
Total value of medical claims (Rs.)	1,322,795	1,778,512
Total number of medical claims	16	18
No. of Staff covered by health plan	145	122
Occupational injuries	-	-

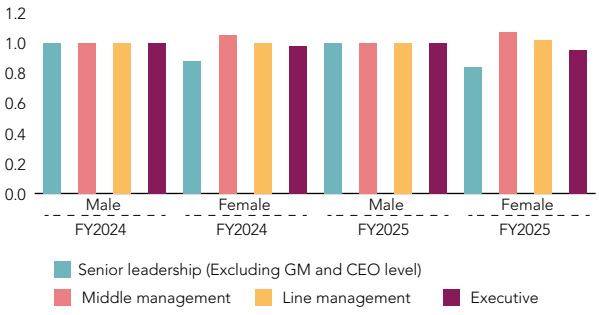
GENDER PAY PARITY

In line with our sustainability vision, we are committed to fair and equitable remuneration. We have an annual process of remuneration review while discretionary.

All employees undergo performance evaluation, thus eliminating gender pay gaps for comparable roles. The pay gap at recruitment is accounted for through experience, skills and other traits effective relevant to hiring.

Our leadership promotes diversity of thought, perspective and background. Recognising its significance, we have been evaluating our individual and team dynamics to enhance effectiveness and foster inclusivity.

Gender pay parity across categories



GREAT PLACE TO WORK® TRUST INDEX - SATISFACTION MEASURE

First Capital was recognised as a Great Place to Work® for the third consecutive year. We enhanced our scores under Credibility, Respect, Fairness, Pride and Camaraderie in the context of workplace dynamics.

We also continue to engage our staff through internal surveys while working to better understand the underlying factors of the evaluation outcome. Our medium term strategic goal is to secure a rank within the top 40 nationally, as a Great Place to Work®.

Great Place To Work® Trust Index© Employee Survey- sub indices	How we scored	
	FY2025	FY2024
Credibility	88%	84%
Respect	86%	79%
Fairness	84%	81%
Pride	87%	83%
Camaraderie	87%	82%

PRODUCTIVITY

We see normalisation in profit based productivity indicators as returns varied significantly from the prior year of exceptional performance. The workforce return was 3.04 times net profit in FY2025 (FY2024:3.4 times).

Employee productivity	FY2025	FY2024
Workforce return on investment (times)	3.04	3.40
Direct income per employee (Rs.)	96,631	134,714
Total assets per employee (Rs.)	685,069	628,549
Profit before tax per employee (Rs.)	46,105	36,092
Profit after tax per employee (Rs.)	34,597	24,974
Value added per employee (Rs.)	11,365	24,822

Social and Relationship Capital

CUSTOMER ENGAGEMENT

The company continues to create value for customers by securing their investments and providing a fair return

6,976
Total Client Onboarding FY 2024/25

IMPROVING FINANCIAL LITERACY

The company in line with the vision, is conducting webinars to improve the financial literacy of the community

LOCAL SUPPLIER ENGAGEMENT

The company continues to make purchases from local suppliers to create value for the local community

97%
Total Local Purchases

WOMEN EMPOWERMENT

The company embraces diversity and has conducted a webinar series aimed at empowering women in entrepreneurship and enhancing their investment capabilities

CONTRIBUTION TO THE TAX BASE

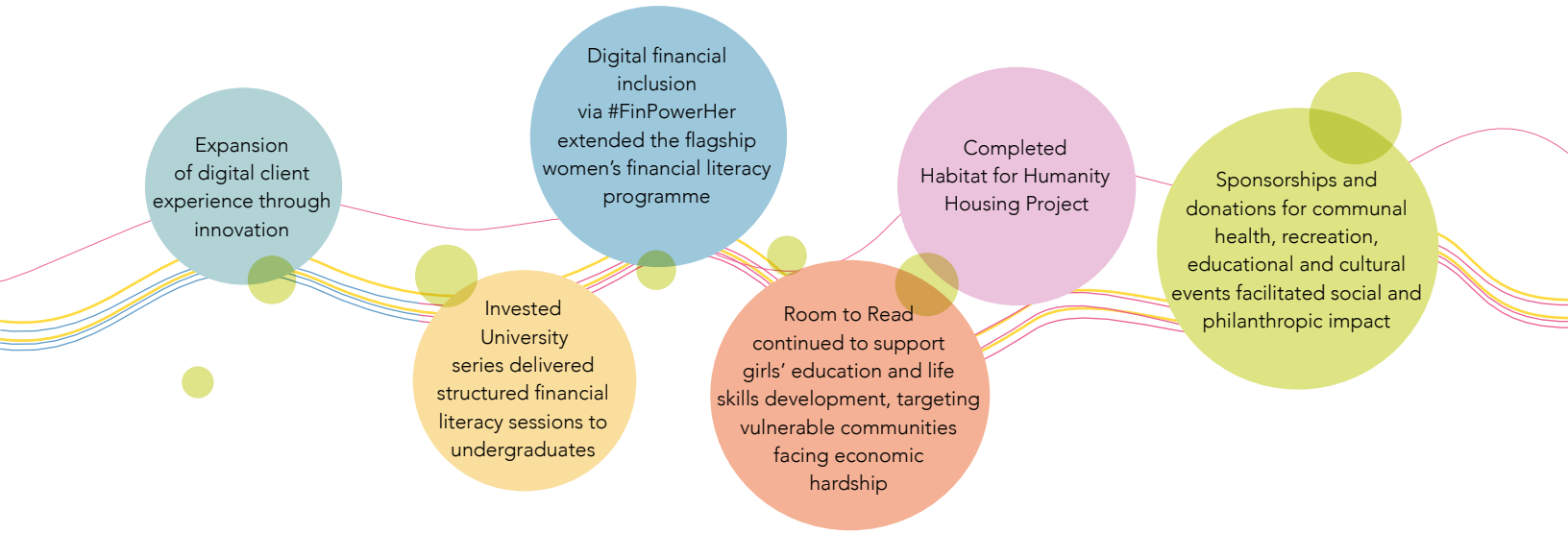
The company as a responsible entity is committed to comply with the income tax and other tax regulations and has paid taxes on time contributing to the economic growth

Rs. 3,962 Mn
Income tax paid FY 2024/25

Social and Relationship Capital encompasses meaningful relationships that First Capital maintains and nurtures with its stakeholders. These relationships are fundamental to how we build and protect our reputation, earn stakeholder trust and achieve our purpose of improving the lives of all Sri Lankans through financial solutions.

At its core, this capital reflects the goodwill, credibility and shared values cultivated across the First Capital ecosystem. Through consistent delivery, responsible conduct and responsive stakeholder engagement, we transform relational capital into a strategic asset that complements financial and intellectual resources.

KEY ACTIONS IN FY2025



We should also include "Stock Talk" bi-monthly webinar series that was done to enhance knowledge in investing in the stock market and market awareness based on contemporary topics.

SWOT ANALYSIS

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- sustainable agriculture and plantation projects, poses 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

Social and Relationship Capital

Management Approach	Material Matters	Link to Capitals Impacted
To engage proactively with all stakeholders embedding ethical conduct, compliance and responsiveness into our daily operations. Guided by clear policies, Board oversight, and integrated sustainability initiatives, align stakeholder engagement with strategy to foster inclusive, resilient relationships, enhancing growth and reputation.	• Balanced earnings • Brand image • Client centricity • ESG Matters • Regulatory developments • Data protection • Cybersecurity • Digital transformation • Financial inclusion • Ethical service standards • Accelerated economic recovery • Policy uncertainty • Heightened importance of risk management	

FUTURE PRIORITIES

Short-medium term	Long- term
• Deepening integration, enhancing data-driven engagement and operationalising ESG • Implement predictive analytics for client profiling and segmentation to inform product innovation based on behavioural insights • Scale the use of digital tools, including chatbots and AI-led interactions, to enhance accessibility, efficiency and 24/7 service • Introduce audio-visual research content for B2C and B2B clients to enhance accessibility and financial awareness • Enhance client feedback mechanisms, including automated sentiment analysis and real-time resolution reporting • Tailor segment specific strategies of geographic and segment reach for emerging affluent, mass retail, and HNW clients through digital and human touchpoints	• Delivering a future-ready client and stakeholder experience through ESG maturity and digital scale • Position First Capital as an ESG-visible financial brand, through transparent disclosures, community storytelling and impact performance marketing • Continue to leverage frontier technologies to deliver personalised product recommendations and deep client insight • Contribute to capital market sustainability through digital platforms that support green bonds, impact investing and ESG-compliant fund innovation • Strengthen procurement practices with the establishment of a procurement committee

SOCIAL NETWORKS: STRENGTHENING CONNECTIONS THAT DRIVE VALUE

At First Capital, our social networks form the backbone of our relationship capital and are central to our ability to create long-term value. These networks reflect the diversity of our stakeholder ecosystem and the depth of engagement across our business operations, strategic relationships, and community responsibilities.

CLIENTS

Our client base spans a wide spectrum, from retail and emerging affluent individuals to mass affluent, high-net-worth individuals, institutions, and corporates. Each core business line, targets specific client segments aligned to strategic positioning. We engage with both B2C and B2B clients, delivering tailored and responsible financial solutions across life stages and investment needs, supported by digital platforms and client advisory frameworks.

EMPLOYEES

With a team of 145 employees across the Group, we foster a culture of collaboration, professionalism, and continuous learning. Our people strategy is built around empowerment, equity, and cross-functional agility, supporting high-performance outcomes and meaningful internal networks that drive innovation and service excellence. Refer pages 124-141 for Human Capital Report

REGULATORS

Our regulatory relationships are anchored in transparency, compliance, and shared responsibility for market integrity. We engage proactively with the SEC, CBSL, and CSE as well as with government bodies such as the Inland Revenue Department (IRD) and other statutory authorities relevant to our regulated operations. Refer pages 108-123 of Intellectual Capital Report for more on expectations placed on us by regulators

PROVIDERS OF FINANCIAL CAPITAL

We maintain robust relationships with our shareholders, debt financiers and institutional funding partners. These capital providers play a critical role in enabling our growth strategy, and we are committed to delivering returns through disciplined financial management, transparent disclosures and long-term value creation. Refer pages 108-123 of Intellectual Capital and pages 92-101 for Financial Capital Report

ANALYSTS AND RATING AGENCIES

We work closely with local and international credit rating agencies and financial analysts who assess the Group's creditworthiness and strategic positioning.

In FY2025, both First Capital Holdings PLC and First Capital Treasuries PLC were upgraded to A+ (Stable), underscoring the trust placed in our institutional performance, risk management and capital strength. Refer pages 108-123 of Intellectual Capital

DEPARTMENT OF FINANCE
Faculty of Management and Finance
University of Colombo
FINANCE STUDENTS' ASSOCIATION
Faculty of Management and Finance
University of Colombo
MAGNATE
2024
"Sustaining the Future through Financial Integrity"
INTRODUCING
OUR KEY NOTE
SPEAKER
MR. KAVIN KARUNAMOORTHY
CHIEF EXECUTIVE OFFICER OF FIRST CAPITAL ASSET
MANAGEMENT LIMITED

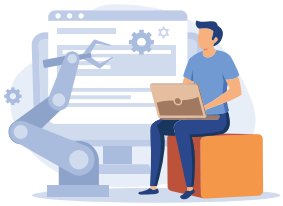
First Capital
Room
to
Read
CALLING VOLUNTEERS FOR A
ROOM TO READ INITIATIVE!
JOIN US FOR OUR UPCOMING SCHOOL
VISIT ORGANIZED BY ROOM TO READ
We need 5 volunteers to be part of the
school visit program and participate in the
student and parent awareness session on
financial integrity (first come, first serve).
OCTOBER 11TH
Send an email to Kyle
(kyle@firstcapital.lk) to enroll
DEADLINE: SEPTEMBER 30TH

ACUITY

GOLF CLASSICS
TOURNAMENT - JANUARY

SUPPLIERS

Our day-to-day operations are supported by a diverse network of suppliers and outsourced service partners. These partnerships are governed by procurement standards and performance frameworks to ensure reliability, cost-efficiency and continuity of operations.



BUSINESS PARTNERS

We collaborate with a wide array of transactional and strategic business partners, including placement agents, investment structuring entities, digital solution providers, and external financial intermediaries.

These partnerships enable us to expand deal flow, co-create value, innovate and access broader markets and transaction channels.

COMMUNITY ECOSYSTEM

We actively engage with the broader community ecosystem, including schools, universities, sports institutions, philanthropic organisations, and environmental partners. Our social impact extends through financial literacy programmes, sponsorship of youth and community sports, and targeted CSR initiatives that respond to local needs, spanning urban and underserved communities alike. This reflects our belief in shared value creation and inclusive development.

Social and Relationship Capital

TRUST AND RECIPROCITY

As a financial institution, trust is one of our most valuable intangible assets, carefully cultivated through ethical conduct, transparent communication and the delivery of consistent value. Our clients and stakeholders trust us not only because of the strength of our brand, but because we demonstrate reliability in times of opportunity and difficulty.

Reciprocity is built not merely through transactions but through long-term relationships founded on mutual benefit and shared purpose. Across each of our stakeholder groups, this ethos is embedded in our everyday practices, governance and strategic and transactional execution.

CLIENTS

We foster trust with our diverse client base through tailored, transparent financial solutions backed by research-led insights, strong advisory capabilities and robust digital access. Our client onboarding, suitability assessments, and responsible selling protocols are designed to protect client interests and ensure clear, fair communication.

Reciprocity is cultivated through long-term relationship management, regular market updates, and personal engagement, recognising that client loyalty is earned through consistent delivery, education and integrity.

EMPLOYEES

Internally, trust is built through a culture of meritocracy and a singular value proposition. From fair remuneration and growth opportunities to leadership training and wellness initiatives, our people agenda reinforces a reciprocal commitment between employer and its employees. Staff are encouraged to contribute ideas, engage in cross-functional initiatives and participate in volunteer programmes, reinforcing a culture of shared ownership and collective success.

REGULATORS

With regulators, trust is maintained through timely, accurate reporting, active dialogue, and voluntary adherence to governance best practices beyond statutory compliance.

Our teams proactively engage with the SEC, CBSL, CSE and IRD, viewing these relationships not as obligations but as partnerships in ensuring financial system stability and market development.

PROVIDERS OF FINANCIAL CAPITAL

We ensure our shareholders and debt investors are informed and engaged through transparent financial disclosures, consistent performance, and periodic investor communications.

Reciprocity is reflected in our disciplined capital management, responsible risk-taking and strategic clarity giving visibility to long-term value and governance strength.

ANALYSTS AND RATING AGENCIES

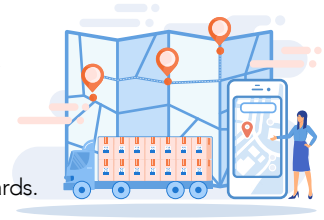
We work closely with analysts and rating agencies through structured interactions to provide consistent access to information, management insights and performance narratives.

This transparency and access has strengthened external confidence, reflected in our upgraded A+ credit ratings in FY2025.

SUPPLIERS AND SERVICE PROVIDERS

We build reciprocal relationships with suppliers through fair procurement practices, contractual clarity and performance-based engagements.

Local vendors dominate in the balance between local and foreign vendors. Long-term partnerships are nurtured through regular feedback, clear expectations and alignment with sustainability and ethical standards.



BUSINESS PARTNERS

Transactional and strategic partners, such as deal structurers, digital collaborators and placement agents are engaged through trust-based commercial relationships, clear governance structures, and co-creation of solutions that extend value across the financial ecosystem.

We prioritise openness, shared values and mutual success in our collaborations.

COMMUNITY ECOSYSTEM

Our relationships with the community are guided by shared value creation. We listen to societal needs and respond through initiatives in education, financial literacy, youth sports and environmental conservation. Trust is built through sustained engagement, inclusivity and relevance. Reciprocity is achieved not just through giving but by embedding community voice into the sustainability strategy.

Refer pages 48-49 for details on Stakeholder Engagement

NORMS AND VALUES

Vision-led and Guided by Principles

At First Capital, our culture thrives on the PERFORMANCE FIRST ideology. It is also anchored in a unifying vision To improve the lives of all Sri Lankans through financial solutions. This purpose informs everything we do, how we engage with clients, how we develop our people, and how we respond to the evolving needs of the economy and society. As a non-bank investment institution operating in a complex financial environment, we recognise that our credibility is built on more than just performance, it is built on how we uphold our values and serve with integrity.

Our mission is to lead the way in innovative solutions to manage risk and create wealth. This requires more than technical expertise. Trust, transparency and a culture that prioritises stakeholder outcomes are paramount. We embed this mission into our service models, product development, and risk governance frameworks, ensuring that innovation is balanced with accountability and that client success is our shared objective.

These aspirations are upheld by our core values, which are consistently reinforced across all touchpoints:

These values form the behavioural compass of our institution. They are integrated into:

- Our client engagement protocols, ensuring fairness and responsible advice
- Our employee development, embedding a performance and purpose-oriented culture
- Our compliance and governance frameworks, safeguarding institutional credibility
- Our community and ESG initiatives, demonstrating respect for people and the planet

By living our values and aligning our operations with our Vision and Mission, we create not just financial value, but also societal relationships that reinforces First Capital's long-term resilience and relevance.

PRODUCT SAFETY AND QUALITY

Responsible products and ethical service standards

First Capital's commitment to product safety and quality is underpinned by a strong culture of client-centricity, regulatory compliance and ethical conduct.

Across all core businesses, our products and services are structured, approved and delivered within a governance framework that ensures transparency,

fairness, and suitability, tailored to the unique needs of each client segment.

Refer Operating Review on Segmental Business on pages 81-90.

We deliver responsible investment solutions guided by clearly defined client mandate agreements, comprehensive service brochures and mandatory disclosures in accordance with The Securities and Exchange Commission of Sri Lanka's (SEC) requirements. Investment products are presented with transparent risk-return profiles, documented conflict of interest policies, and clearly outlined performance monitoring criteria. We place strong emphasis on educating clients on the nature of products, potential risks and projected outcomes particularly in our trading, advisory, and asset management offerings.

Our ethical marketing practices are governed by internal protocols that prohibit misleading claims, ensure factual clarity, and require compliance approvals before dissemination. There were no reported incidents of non-compliance related to product or service information, marketing materials, or investment advice during FY2025.

Our approach to responsible selling is embedded across the investment lifecycle. In both B2B and B2C segments, core business teams are trained to engage with clients based on transparency, relevance, and suitability.

For retail investors, particularly those classified as vulnerable our advisors conduct product suitability assessments, deliver risk disclosures and explain market mechanics to support informed decision-making.

Disclosure on Compliant Business Practices

Conduct metric	FY2025	FY2024
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: • 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	Nil	Nil
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

DATA PRIVACY AND PROTECTION

As a financial institution entrusted with sensitive client data, First Capital recognises the criticality of robust data protection. In FY2025, we enhanced our digital safeguards through the deployment of advanced encryption protocols, access controls, and secure archiving systems. Our eKYC onboarding solution, supported by multi-factor verification and digital documentation, ensures enhanced security and operational integrity.

We uphold client confidentiality through physical and electronic security protocols, in line with the emerging Sri Lanka Data Protection Act and global data privacy principles. There were no reported breaches of customer privacy or data loss incidents during the year. Additionally, the Group's Customer Relationship Management (CRM) system now serves as a central repository for managing client interactions securely, with full traceability and compliance integration.

DATA PROTECTION HIGHLIGHTS

In FY2025, First Capital made significant progress in reinforcing its data protection posture through a suite of integrated cybersecurity and compliance measures:

Key Milestones:

- Cybersecurity uplift programme: Implementation of advanced controls including Mobile Device Management, Privileged Access Management (PAM), Data Loss Prevention (DLP), and Endpoint Detection and Response (EDR) to secure access, monitor sensitive data and mitigate internal and external threats
- Data governance strengthening: Full encryption protocols, centralised patch management, and Conditional Access policies were deployed to ensure system-wide integrity and compliance

"We adopt a centralised, transparent procurement framework administered by the Group's Administration Department, ensuring that all vendor selection and onboarding processes are conducted fairly, competitively, and in accordance with clear standard operating procedures."

- Regulatory Readiness: Initiated the ISO/IEC 27001 certification process, with project completion targeted for FY2026, demonstrating First Capital's proactive commitment to global data security standards
- Staff awareness and culture: Rolledout continuous phishing simulations and privacy training programmes to embed a shared culture of vigilance and ethical data stewardship
- Incident-Free Year: No material data breaches or privacy incidents reported across the Group during FY2025.

Refer pages 278-284 on IT Governance for related oversight framework

CLIENT COMMUNICATION AND ENGAGEMENT

Trust is nurtured through frequent, relevant, and multi-channel communication. We operate a fully-fledged call centre, complemented by proactive sales teams who are trained in segment-specific engagement. Our approach varies across retail (B2C) and institutional (B2B) segments, with the former receiving guidance and financial awareness support, and the latter engaged through market insights, research briefings, and structured product discussions.

FY2025 saw the launch of multiple digital-first initiatives, including:

- The DigiFace digital onboarding portal and Mobile-app
- WhatsApp-based research reports dissemination, unit trust redemption and government securities bid functionalities
- A dedicated CRM platform
- Investor forums targeting B2C/ B2B clients
- Other omni-channel interactions including corporate website and social media

All marketing and client-facing materials are reviewed for compliance with regulatory disclosure standards and undergo pre-distribution approval to ensure alignment with ethical marketing practices.

INDUSTRY-LEADING CUSTOMER-FIRST INNOVATION

First Capital's digital transformation journey is anchored in one core belief: that technology must enhance, not replace, the human experience of finance. The launch of our WhatsApp-based Unit Trust channel is a pioneering effort that allows customers to access fund balances, initiate investments and withdrawals and receive real-time updates via an encrypted, verified platform. With multi-language support and security features like OTP validation and session expiry, it ensures convenience without compromise.

This innovation earned First Capital top recognition at the 2024 NBQSA and positioned us at the forefront of customer-centric digital solutions. Whether for first-time investors or seasoned clients, our goal remains to provide seamless, secure, and smart investment journeys.

> "Client-centricity is not about features; it's about removing friction. That's how we redefine the investment experience."

Mithila Abeysekera,
Chief Technology & Digital Officer

COMPLAINT MANAGEMENT

Client feedback is integral to continuous improvement. Our complaints are logged through a centralised process governed by formal operating procedures. In FY2025, the complaint handling process will be handled via CRM platform, enabling full tracking and resolution of concerns raised through call centers, online forms and social media. All complaints are tracked against internal timelines, with escalation matrices in place to ensure timely closure.

SUPPLY CHAIN

Our supply chain is limited as a service provider and we procure from suppliers:

- Mission critical and core businesses through IT software related services, hardware, specialised consulting services and, print and media services.
- Non-critical and general business services as well as its general infrastructure, including building maintenance services, security services, cleaning services, interior office furnishings and supplies.

At First Capital our supplier network plays a critical role in ensuring operational continuity and service excellence across the Group. The majority of our suppliers are locally based in Sri Lanka, making our procurement value chain an important contributor to the domestic economy and local employment.

During the year, the Company's total supplier expenditure on local suppliers amounted to 97 % with 3% being spent on international suppliers (FY2024: 93 % on local supplies and 7% on international supplies).

FAIR AND EQUITABLE PROCUREMENT

We recognise that the strength and reliability of our supplier relationships directly impact our ability to deliver on our client commitments. Accordingly, we adopt a centralised, transparent procurement framework administered by the Group's Administration Department, ensuring that all vendor selection and onboarding processes are conducted fairly, competitively, and in accordance with clear standard operating procedures.

We embed social and environmental criteria in our procurement practices, aligning with ethical sourcing principles.

All prospective vendors are evaluated based on key criteria including:

- Proven technical capabilities and service record
- Compliance with local labour and tax regulations

Suppliers meeting these standards are formally onboarded as registered vendors, eligible to provide goods and services across the Group. This approach supports a level playing field, ensures fair and equitable access, and promotes long-term partnerships based on performance alignment and responsible business practices.

Going forward we intend to enhance the procurement policy to encourage vendors to adopt improved ESG practices, aligned with the Group's sustainability goals. We aim to expand our ESG screening of suppliers, using both environmental and social indicators to strengthen resilience and accountability across our value chain.

VENDOR PARTNERSHIPS

Our engagement with business partners, though selective, is rooted in trust, mutual respect and shared values. These partnerships support First Capital's ability to innovate, scale, and enhance client experience, particularly in digital transformation and customer engagement.

In FY2025, our most notable collaboration was with Epic Lanka, a leading technology solutions provider, to develop and launch Sri Lanka's first WhatsApp-based investment transaction platform. This partnership demonstrates our commitment to co-creating solutions that drive accessibility, simplify client interactions, and promote digital financial inclusion.

This collaboration combined First Capital's client-centric design principles with Epic Lanka's technical expertise, resulting in a seamless digital platform for investment access and account management. The success of this partnership was recognised with a Merit Award at the National ICT Awards 2024.

Refer pages 108-123 of the Intellectual Capital Report for additional brand legitimacy gained.

BUSINESS PARTNERSHIPS

- FY2025, First Capital Advisory Services (Private) Limited representing the Corporate Advisory business of First Capital entered into a strategic partnership with Atarah Capital (Private) Limited, marking a significant milestone in the Group's efforts to enhance Sri Lanka's corporate finance ecosystem. The Memorandum of Understanding (MoU) aims to deliver high-impact investment opportunities and structured financial transactions, leveraging their combined expertise, regulatory licenses, and networks. As a licensed corporate finance advisor regulated by the SEC of Sri Lanka, we bring strong credentials in shareholder value enhancement, capital raising and growth advisory.

  Atarah Capital, also an SEC-licensed Corporate Finance Advisor and CSE-approved Sponsor, brings additional experience through its engagement with USAID's CATALYZE programme for SME equity funding. The partnership is expected to unlock new opportunities in IPO advisory, private equity structuring and capital markets transactions, while enabling the delivery of tailored financial solutions. This collaboration significantly strengthens First Capital's market position in capital raising and advisory services.

- As part of its commitment to client-centric innovation, First Capital Holdings continues its partnership with Hatton National Bank (HNB) having launched a pioneering digital withdrawal and payment solution for Unit Trust investors.

The "First Capital Money Plus Fund" was the first of its kind in the country, enabling seamless, real-time access to Unit Trust investments through an EMV-enabled card. HNB, serving as the

trustee bank for this initiative, brings its extensive retail footprint and robust technological infrastructure to support the fund's integrity and operational efficiency. This strategic partnership not only enhances convenience for investors, with access through 3,500+ ATMs, POS terminals, and digital payment platform and reflects transformative steps in digitising capital market infrastructure.

Looking ahead, we will continue to explore purpose-driven partnerships, especially those that enable digital innovation, ESG-linked solutions and broader community engagement, reinforcing our Vision.

COMMUNITY AND SOCIETY RELATIONS AND SOCIAL RESPONSIBILITY

At First Capital, we view social responsibility not as a peripheral activity, but as a core strategic commitment to inclusive development. Our approach to community relations is rooted in the belief that financial institutions must lead with empathy, purpose and accountability to contribute meaningfully to the well-being of the communities in which they operate.

Our approach to partnerships is guided by the following principles:

ALIGNMENT WITH CORE VALUES

We engage partners who reflect our core values ensuring consistent service quality and reputational alignment.

ENHANCING CLIENT VALUE

Our collaboration with Epic Lanka enabled real-time transactions and market interaction through WhatsApp - a pioneering leap in simplifying investor access, particularly for B2C clients seeking convenience and transparency.

TRUST AND RECIPROCITY

Partnerships are built on open communication, joint problem-solving, and shared success metrics. Through collaborative design and execution, our partners help us deliver scalable, secure and innovative solutions.

GOVERNANCE AND DUE DILIGENCE

We follow structured vendor onboarding and evaluation processes, to ensure partner integrity and service continuity.

MAKING MARKETS ACCESSIBLE- THROUGH DIALOGUE, DIGITAL TOOLS, AND EDUCATION

As a market intermediary, First Capital remains deeply committed to building financial resilience through informed decision-making. The 11th **First Capital Colombo Investor Symposium** drew over 700 physical and virtual participants, making it one of the country's most influential investment forums. The event offered comprehensive insights into Sri Lanka's 2025 economic outlook and emerging market opportunities, led by economists, industry leaders and First Capital research team.

To complement these knowledge-sharing platforms, we launched Sri Lanka's **first-ever Unit Trust transaction service on WhatsApp**, allowing users to invest, withdraw, and monitor portfolios in real time.

Recognised with a Gold Award at NBQSA 2024, this tri-lingual platform supports Sinhala, Tamil, and English users, bridging accessibility and technological inclusion.

> "Financial literacy is a cornerstone of sustainable wealth creation. Through innovation and education, we are empowering every Sri Lankan's to invest with confidence"

Kavin Karunamoorthy
CEO, First Capital Asset Management Limited

FINANCIAL INCLUSION AND LITERACY: EMPOWERING THROUGH ACCESS AND AWARENESS

We recognise our responsibility as a non-bank financial institution to advance financial literacy and inclusive access to capital market solutions. Our flagship initiatives included:

- #FinPowerHer webinar series - a financial awareness programme targeting women, launched to coincide with International Women's Day, which has since grown into a platform for sustained engagement on women's financial empowerment
- InvestED, a university-focused financial literacy programme, featuring sessions on investment basics, wealth creation, and market participation
- Inter-university engagement - Title partnership of Magnate 2025, the University of Colombo's debating event under the theme Leading with Vision, Thriving with Finance.
- University engagement and outreach - Sessions conducted at the Universities of Colombo, Kelaniya and Sri Jayewardenepura as part of our effort to nurture a financially informed next generation
- Digital First Financial Inclusion constituting of branch-led financial awareness sessions supported by our CRM and WhatsApp solutions enabling scalable engagement with underserved and retail clients across Sri Lanka

EDUCATION EQUALITY: UNLOCKING OPPORTUNITY THROUGH LEARNING

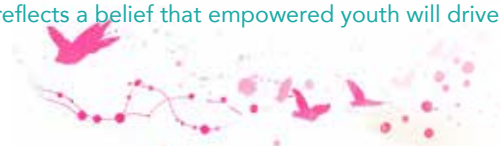
We are committed to breaking barriers to education, particularly for those facing socioeconomic hardships. Noteworthy initiatives included:

- Room to Read Girls' education programme: Our continued partnership supports girls from underserved communities to complete their secondary education, equipping them with leadership skills and financial literacy
- Financial literacy sessions curated for Room to Read scholars
- Platinum Sponsor of the CSE Masterminds Quiz 2024 and Varsity Battles
- Gold Sponsor of the University of Jayewardenepura Career Fair
- Education sponsorships and events
- Content-driven engagement via the First Capital Equities Fin-Lit Series and digital newsletter publications multitude of financial literary and awareness raising initiatives publicised through physical and virtual modes garnering omni-channel interest, participation and viewership

EMPOWERING GIRLS AND FUTURE PROFESSIONALS THROUGH LITERACY AND LEARNING

Education is central to our mission of inclusive progress. In FY2025, we renewed our partnership with Room to Read for the second year, sponsoring its Girls' Education and Literacy Programme. This initiative supports underprivileged girls in Sri Lanka by improving leadership skills, financial literacy, and academic success.

In parallel, we advanced our outreach in higher education through events like Magnate 2025, CSE Masterminds, and university career fairs. These platforms allowed us to bridge theoretical knowledge and practical finance, engaging thousands of students across leading institutions. Our continued investment in education reflects a belief that empowered youth will drive Sri Lanka's future economy.



COMMUNITY WELLBEING

Social empowerment also involves uplifting families and making a positive societal impact. In FY2025, we delivered impactful community projects:

- Habitat for Humanity Sri Lanka - completed the construction and handover of two new homes for families in the Galle District
- Water tank donation: Provided a fully-equipped water tank to the Bodhiraja Buddhist Centre, Thalawathugoda, improving access to clean water
- Paper recycling and clothes donation Initiatives: Encouraged staff participation in recycling efforts
- Mangrove restoration: As part of our natural capital commitment, we supported replantation efforts to promote coastal biodiversity and climate mitigation. Refer pages 158-164 for Natural Capital Report and more climate action initiatives

CULTURE, SPORT AND RECREATION: NURTURING UNITY AND TALENT

Sport and cultural engagement are vital tools for community bonding and social development. During the year, our sponsorships expanded to the national level, reflecting a broader commitment to fostering inclusive participation and promoting Sri Lankan talent across the country. Our support during the year included:

- Platinum Sponsorship for the Ceylonese Rugby & Football Club (CR&FC) during the Club Rugby League since 23/24.
- Title sponsor at Sailing Nationals 2025 – tournament named as "First Capital Sailing Nationals"
- Performance Partner of Sri Lanka Rugby Team, Asia Rugby Division 1, our debut collaboration at national level
- "Make Every Match Day Cleaner" Campaign - a sustainability-focused initiative promoting post-match environmental responsibility
- Monthly Medal Golf Sponsorship titled"First Capital Golf Classics" at Royal Colombo Golf Club

FOSTERING NATIONAL PRIDE AND PERFORMANCE THROUGH SPORT

First Capital continued to champion Sri Lanka's sporting excellence in FY2025, deepening its impact through national-level sponsorships that reflect our belief in performance, resilience and unity. As Platinum Sponsor of CR&FC, one of Sri Lanka's most historic rugby institutions, we renewed our commitment to developing the game both at elite and grassroots levels, supporting youth programmes, school initiatives and provincial outreach to nurture the next generation of athletes.

Marking a significant milestone, First Capital proudly partnered with the Sri Lanka National Rugby Team as the official Performance Partner at the Asia Rugby Division 1 Tournament, our debut in sponsoring national-level rugby. This collaboration reinforced our PERFORMANCE FIRST ethos, aligning with the sport's core values of discipline, teamwork and competitive spirit.

> "Our continued support for CR&FC and the national rugby team reflects a deeper commitment-to youth empowerment, community building and a high-performance culture."

Randinith Madanayake
Head of Marketing, First Capital Holdings PLC

Expanding our footprint beyond traditional arenas, we also served as the Title Sponsor of the First Capital Sailing Nationals 2025 organised by the Yachting Association of Sri Lanka. This groundbreaking partnership promoted youth engagement in sailing, underscoring our commitment to fostering sporting diversity and national pride across a wider spectrum of disciplines.

> "We are proud to be the title sponsor of another national-level sport - the Sailing Nationals 2025. At First Capital, we recognise the importance of supporting emerging and high-potential disciplines like sailing that promote resilience, precision, and focus.
>
> Through this partnership, we are not only empowering local athletes but also contributing to the broader growth and visibility of national sports in Sri Lanka"

Randinith Madanayake
Head of Marketing, First Capital Holdings PLC

DONATIONS

The amount spend on donations for the FY2025 is Rs. 15 Mn.

Natural Capital

NATURAL CAPITAL PRESERVATION

The company is committed to protecting critical resources vital to our business — including water, land use and biodiversity, marine ecosystems.

100
Mangrove plantation

ESTABLISHING A CARBON FOOTPRINT BASELINE AND EMISSIONS MONITORING

The company establishes a carbon footprint baseline and measuring emissions across the Group.

309.9 Tones CO_2e
Total GHG Emissions (Scope 1+2+3)

DIGITAL INNOVATION DRIVING RESOURCE EFFICIENCY AND NATURE-POSITIVE PRACTICES:

The company is committed in advancing resource efficiency and responsible practices through digital tools that promote a paperless culture, eco-efficient premises, and nature-positive staff awareness initiatives.

35
Major upgrades for digital platform

ENERGY EFFICIENCY FOR SUSTAINABLE COST SAVINGS

The company facilitates the use of efficient mode of energy, leading to substantial cost savings over the medium and long term.

158,518
Electricity usage (Units)

BUILDING COMMUNITY PARTNERSHIPS FOR ENVIRONMENTAL STEWARDSHIP:

The company helps to strengthen community relationships by collaborating on efforts to protect the natural environment.

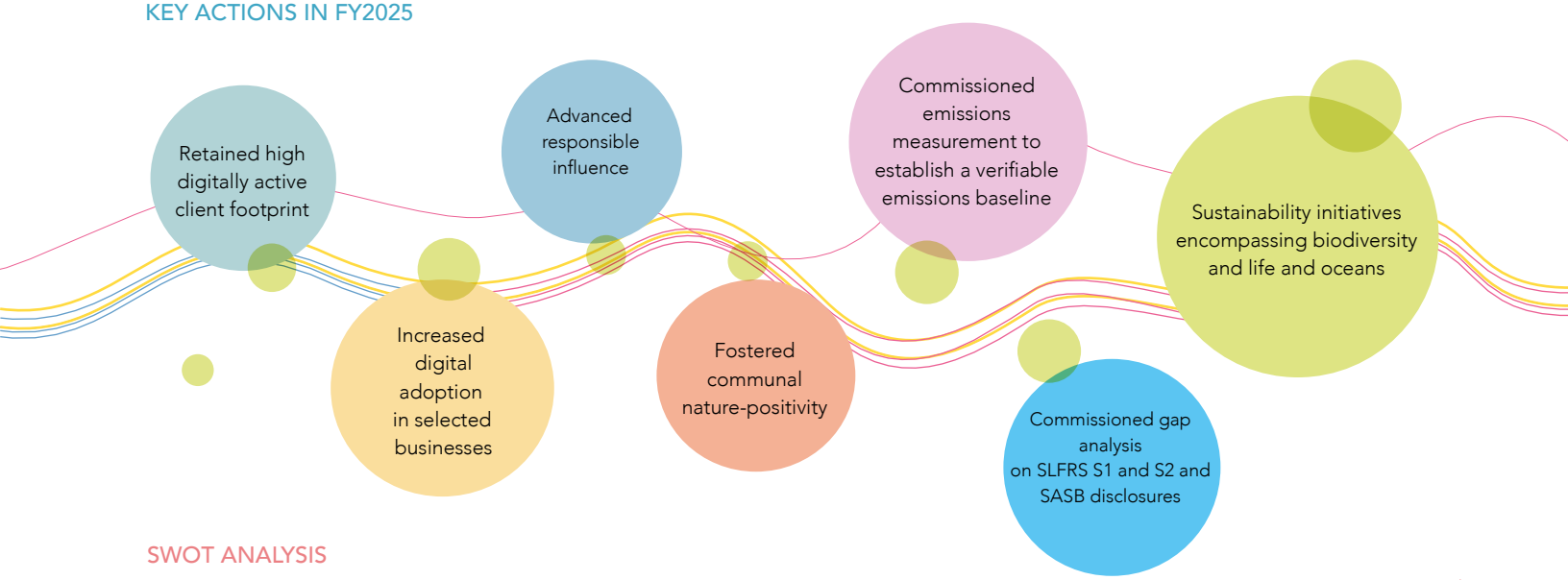
50
Coconut plants to protect the coastal area

As a financial services group, First Capital's dependence on natural resources may be both direct and indirect. Our operational footprint comprises direct interactions for example through the consumption of water, energy and paper alongside emissions and waste generated through our headquartered and other offices in Colombo and branches island-wide. See page 192 Conserving the Environment pillar in our ESG Scorecard for associated emissions and resource performance data.

We recognise that our influence extends far beyond our operational footprint as capital allocators and advisors. Through our integrated core businesses, we provide multiple investment solutions, capital raising opportunities and undertake advisory deals influencing clients in sectors and businesses that may themselves interact with natural resources.

Through First Capital's Sustainability Policy and initiatives, we acknowledge the profound influence that natural capital, the stock of environmental assets including water, soil, air and biodiversity, underpins the resilience of economies and societies. As such, natural capital demands thoughtful stewardship by all financial market intermediaries and participants.

KEY ACTIONS IN FY2025



SWOT ANALYSIS

STRENGTHS

- External assurance and baseline diagnostic framework deeply directional
- Focused operational footprint

WEAKNESSES

- Data availability gaps
- Emerging KPI framework supported by operational baseline; full metrics integration in progress.

OPPORTUNITIES

- Early SLFRS S1 and S2 and SASB
- Attracting green-conscious investors and clients across core businesses providing investment and advisory solutions
- Forming sustainability partnerships

THREATS

- Escalating stakeholder expectations -investors, regulators, and rating agencies demanding increasingly granular and comparable disclosures
- Global reporting complexity can stretch limited strategic bandwidth
- Greenwashing scrutiny-natural capital claims may be deemed exaggerated or unfounded where robust data is lacking
- Implementation costs could be high relative to scale

Natural Capital

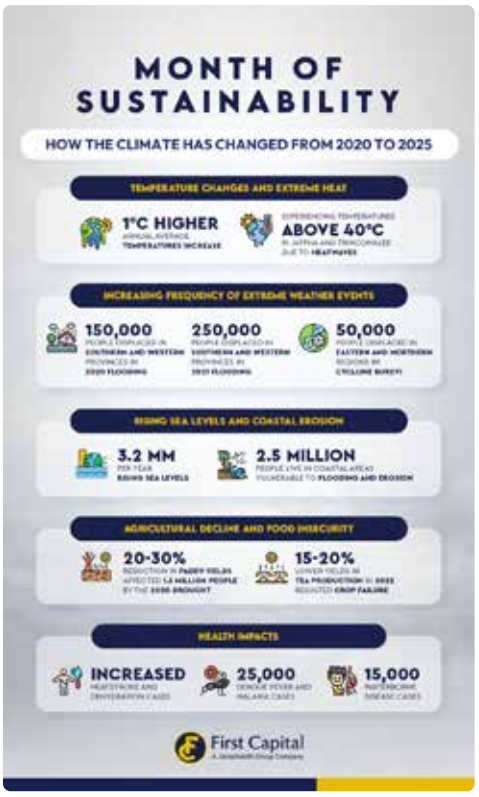
Management Approach	Material Matters	Link to Capitals Impacted
We are committed to optimising the resource intensity of our operations and engaging meaningfully in the transition toward a nature-positive future. Our environmental impact is managed through targeted efficiency measures across energy, paper and waste guided by our Sustainability Policy, a suite of digital tools to reduce physical resource use coupled with action to preserve natural ecosystems.	• Brand Image • Operational efficiency • Digital transformation • ESG matters	

FUTURE PRIORITIES

Short-medium term	Long- term
• Diagnostic review of resource efficiency and material environmental dependencies • Prioritisation of natural capital-related initiatives and mapping existing initiatives to UNSDG targets - particularly SDG 12 (Responsible Consumption), SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 6 (Clean Water and Sanitation) • Integration of SLFRS S1 and S2 and Sustainability Accounting Standards Board (SASB) disclosure requirements into risk management and strategic planning functions • Exploration of partnerships for nature-based solutions including potential for reforestation, mangrove conservation, cleaner oceans or community green space development • Progressive public disclosure of emissions data and ESG performance aligned to SLFRS S1 and S2, and SASB Standards	• Decarbonisation aligned to National Commitments • Develop a decarbonisation pathway grounded in its baseline GHG data and informed by science-based targets. • Pursue low-emission business operations, including sustainable workplace design, increased use of renewable energy, and carbon-conscious technology investments. • Strengthen ESG-linked governance structures to embed climate resilience and nature-positive impact into corporate strategy. • This long-term trajectory underpins our aspiration to be a leader in sustainable finance and a catalyst for environmental responsibility within Sri Lanka's capital markets.

MONTH OF SUSTAINABILITY
WHAT IS CLIMATE CHANGE?
PEOPLE ARE EXPERIENCING CLIMATE CHANGE IN DIVERSE WAYS
First Capital

MONTH OF SUSTAINABILITY
CAUSES AND EFFECTS OF CLIMATE CHANGE
EFFECTS
GLOBAL TEMPERATURE INCREASE
SEA LEVEL RISE
EXTREME WEATHER EVENTS
HEALTH IMPACTS
CAUSES
FOSSIL FUEL COMBUSTION
AGRICULTURE
DEFORESTATION
INDUSTRIAL PROCESSES
WASTE MANAGEMENT
First Capital


MONTH OF SUSTAINABILITY
HOW THE CLIMATE HAS CHANGED FROM 2020 TO 2025
TEMPERATURE CHANGES AND EXTREME HEAT
1°C HIGHER
ABOVE 40°C
INCREASING FREQUENCY OF EXTREME WEATHER EVENTS
150,000
250,000
50,000
RISING SEA LEVELS AND COASTAL EROSION
3.2 MM
2.5 MILLION
AGRICULTURAL DECLINE AND FOOD INSECURITY
20-30%
15-20%
HEALTH IMPACTS
INCREASED
25,000
15,000
First Capital

First Capital
THE MONTH OF SUSTAINABILITY
MANGROVE PLANTING PROJECT
- 8TH FEBRUARY 2025 -

"We continue to utilise paperless client onboarding model, with e-signature capabilities across most retail channels. Through digital document workflows, paperless boardrooms, and e-KYC solutions, we have significantly reduced paper consumption."

CORE BUSINESS AND INTEGRATION OF NATURE-RELATED RISKS AND OPPORTUNITIES

As an integrated financial service provider and asset management group, we recognise our responsibility not only to deliver performance, but to influence the direction of capital flows in ways that support resilient, inclusive, and environmentally sustainable growth.

Although our direct operations have limited exposure to natural resource consumption for companies and sectors that are materially dependent on nature, the risks posed by ecosystem degradation, biodiversity loss and water stress are no longer theoretical but financial.

We understand that there is more to be done in view of integration with nature-related risks and opportunities. Looking ahead, we are exploring how natural capital considerations, particularly biodiversity, water stewardship and ecosystem integrity can be more effectively integrated into our sustainable finance frameworks.

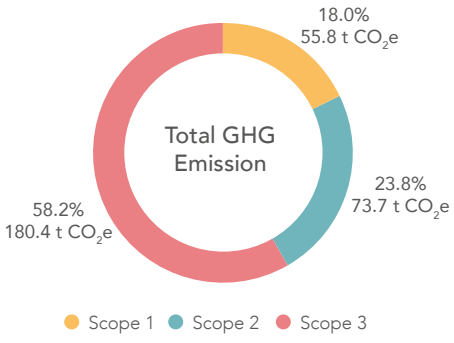
NATURAL CAPITAL THEMES FY2025-2030

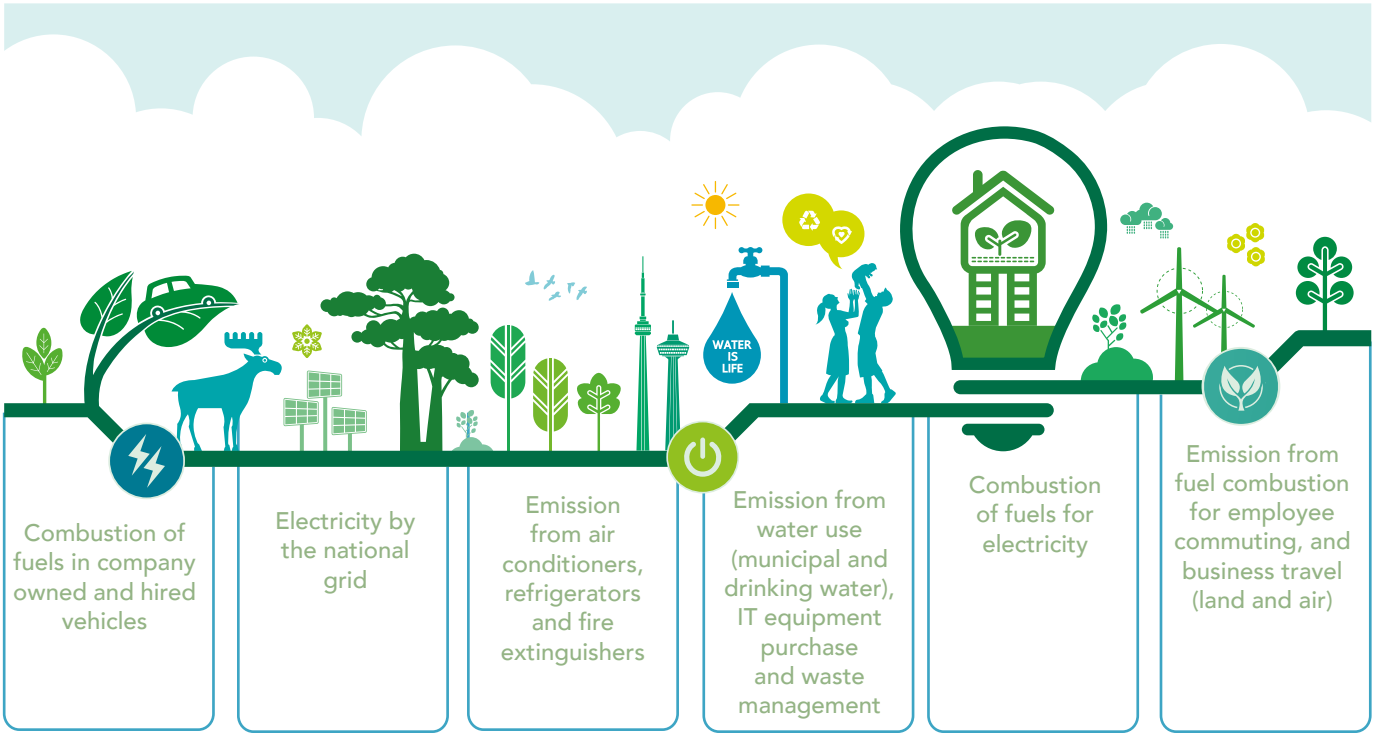
Theme	Significance	First Capital's Focus
Water	Critical for climate adaptation, operational use	Promote efficient usage; support clean water access
Land use and biodiversity	Global shift to sustainable land use and biodiversity preservation	Mangrove projects; nature-based community solutions
Marine ecosystems	Provide an array of essential goods and services directly supporting human well-being and economic prosperity	Beach clean ups and preservation
GHG emissions	Impacts regulatory and reputational risk	GHG inventory; solar power
Circular economy	Demand for waste reduction	Plastic-free initiatives; digital documentation

NATURAL CAPITAL THEMES

Indicator	Unit	Status FY2025
Total GHG Emissions (Scope 1+2+3 excluding financed emissions)	Tonnes CO_2e	309.9
Electricity usage	kWh	158,518
Water consumption	m^3	1,421 (municipal), 40 (bottled)

	Category	GHG Emission (t CO_2e)	% Emission
1	Scope 1	55.8	18.0
2	Scope 2	73.7	23.8
3	Scope 3	180.4	58.2
	Total GHG emission	309.9	100.0





NATURAL CAPITAL METRICS

Indicator	Unit	Status FY2025
Total GHG Emissions (Scope 1+2)	Tonnes CO_2e	Commissioned - 309.9
Electricity usage (Units)	Kwh	158,518

CLIMATE ACTION

Carbon footprint baseline and emissions inventory

First Capital has commenced work on establishing a carbon emissions inventory, beginning with Scope 1 and Scope 2 emissions across the Group. This data informs our internal carbon management strategy and guides reduction initiatives aligned with science-based targets. Our commitment to transparency and accountability underpins our transition to a low-emission future. The data gathered through this exercise will form the foundation for setting science-aligned emission reduction targets and exploring nature-based solutions, such as reforestation or mangrove restoration projects.

These initiatives support the broader digital and emissions reductions goals detailed in the ESG Scorecard on page 192.

ADVANCING RESOURCE EFFICIENCY AND RESPONSIBLE INFLUENCE

Digital tools promoting a paperless culture

In FY2025, we advanced efforts to digitise key business processes, further reducing reliance on paper-based documentation and legacy systems. We continue to utilise paperless client onboarding model, with e-signature capabilities across most retail channels. Through digital document workflows, paperless boardrooms, and e-KYC solutions, we have significantly reduced paper consumption. This shift supports forest preservation while improving operational efficiency.

ECO-EFFICIENT PREMISES

The refurbishment and fit-out of First Capital's corporate offices in Colombo was guided by principles of energy conservation.

Our teams support responsible consumption through these responsible practices, in addition to leveraging digital transformation for sustainability:

- Recycle, reuse and reduce: Implementation of comprehensive recycling programmes within our offices, promoting a culture of waste reduction and resource reuse among employees.
- Shift from plastic to glass: Transitioning from plastic to glass bottles within our facilities to substantially reduce plastic waste and associated environmental impact.

SUPPORT FOR URBAN GREEN SPACES AND COMMUNITY BIODIVERSITY

We have supported small-scale biodiversity enhancement projects, including wetland protection and marine conservation in the Western Province in partnership with credible environmental conservators including the Marine Environment Protection Authority. These initiatives are designed to increase community resilience, support local flora and fauna, and raise environmental awareness.

We recognise the importance of ecosystem restoration in enhancing climate resilience and carbon sequestration.

- Mangrove restoration: An effort to restore coastal mangrove ecosystems that serve as critical carbon sinks while protecting against tidal erosion and storm surges.

" Shift from plastic to glass: Transitioning from plastic to glass bottles within our facilities to substantially reduce plastic waste and associated environmental impact."

NATURE-POSITIVE STAFF AWARENESS INITIATIVES

An awareness programme empowers our employees to take ownership of climate action. Topics include understanding of climate change, the changes in climate over the period and causes and effects of climate change.

CORPORATE
GOVERNANCE AND RISK
MANAGEMENT

EXPONENTIAL STRATEGY

As we empower our nation, we ensure that our organisation is governed with the highest standards and ethics; every team and every stakeholder at First Capital Holdings perpetuate a common goal, heralded by a common purpose.

Risk Management Report

OUR RISK MANAGEMENT APPROACH

First Capital's risk management framework is a crucial element in enabling the execution of strategy. We are holistic and responsive in identifying material risks and in assessing threats and opportunities in the operating environment.

Risk objectives and risk culture
First Capital's embedded risk culture underpins risk objectives, shared values, conduct and practices central to decision making.

Refer Page 172

Risk framework
Risk management is Group-wide, applying to all entity levels and business units.

Refer Page 171

Risk appetite
We adhere to effective management of risks within board-approved risk appetite.

Refer Page 172 and 173

Risk governance
Our risk documents comprise governance frameworks, policies and procedures.

Refer Page 168

Risk management lifecycle

First Capital manages its risk universe through a responsive risk lifecycle embedding risk principles and processes in line with ISO-31000.

Governance: three lines of defence

Maintains a resilient risk oversight and accountability structure.

1 **Risk ownership:**
Design and implement effective risk management across business units and entities.

See page 170

2 **Direct, control and oversight:**
Risk and Compliance (R&C) facilitates risk management activities at Group level upholding risk principles.

3 **Risk assurance:**
Group internal audit provides assurance on the adequacy and effectiveness of risk management.

Risk universe
Our risk universe categorises risk as financial and non-financial risk.

We routinely scan our operating environment for changes to ensure we respond appropriately to risk and opportunity.

See page 170

Our material matters highlighted on page 51 recognise the importance of stakeholders and society at large and delivering sustainable value.

We manage our risks closely with our principal and emerging enterprise risks, shown on pages 174 and 182, being proactively identified and mitigated. We continue to deepen our understanding of the forces that shape our operating environment, from technology through to stakeholder expectations.

OUR RISK CONTEXT

We operate in an environment that is both challenging and constantly evolving.

The global economy is settled at a lower expected growth rate of 2.8% in CY2025. The World Bank opines that global and national level policy action is needed to enhance macroeconomic stability, reduce structural constraints, and address the effects of climate change to accelerate long-term growth and development. Heightened geopolitical tensions have led to increased global fragmentation and realignment, exacerbated by conflicts in Ukraine and the Middle East. The regional economy remained resilient despite trickle-down effects, reflecting growth of 5.8% supported by strong performance of India and recovery in Nepal, Bhutan, Pakistan and Sri Lanka. Potential downside risk to economic outlook include deceleration of external demand and social unrest.

In Sri Lanka, the External Debt Restructuring process was concluded in December 2024. Subsequent to the finalisation of International Sovereign Bonds restructuring, Fitch Ratings upgraded Sri Lanka's long-term foreign-currency rating to 'CCC+' from 'RD'(Restricted Default). The local-currency IDR was upgraded to 'CCC+' from 'CCC-'. Moody's upgraded the sovereign rating to Caa1 from Ca. Sovereign rating upgrades implicitly impact financial services sector ratings and thereby credit risk.

Having concluded the Presidential and Parliamentary elections successfully, policy certainty and economic and business confidence strengthened. Sri Lanka continued to adhere to the IMF macroeconomic reform agenda, further supporting economic optimism. The CBSL continued to ease monetary policy and inflation declined steadily. While liquidity conditions eased, both the government securities and equity markets exhibited volatility.

Regulatory reforms aimed at strengthening corporate governance of listed companies and market intermediaries as well as comprehensive requirements on data protection were focal compliance areas for the Group and core businesses.

Labour market dynamics following mass migration highlighted the necessity to attract and retain the right people with the talent and skills required to deliver First Capital's PERFORMANCE FIRST philosophy.

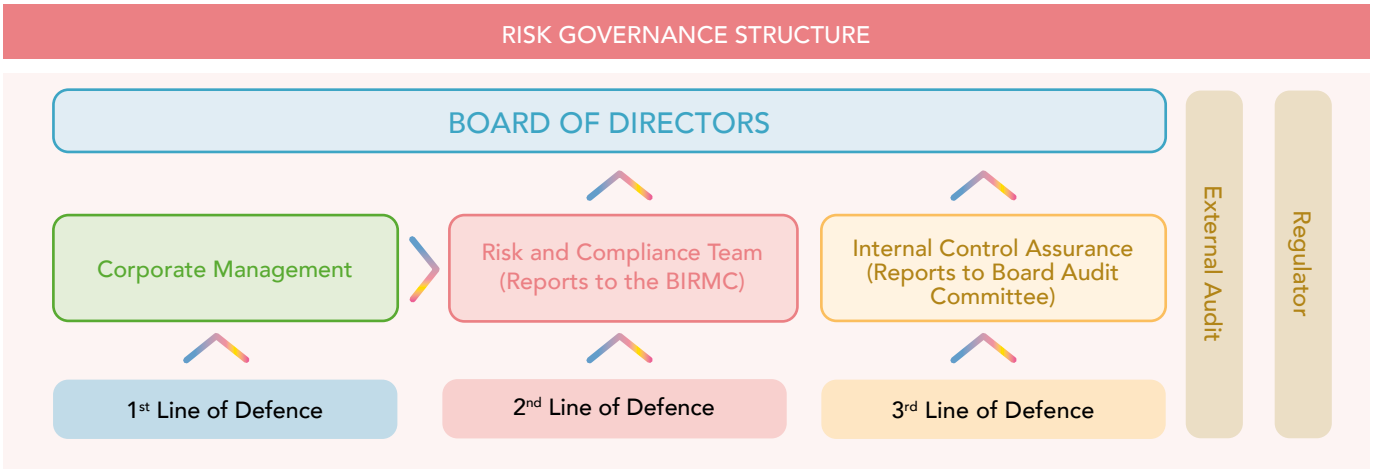
Technological trends advanced rapidly and the potential for integrating frontier technologies including AI into financial services posed both risks and opportunities for the Group. Cybersecurity threats and data breaches reflected an escalating trend in the financial services sector necessitating robust cybersecurity frameworks and multi-layered security measures for data protection.

Increased digitisation across the trade through post trade-value chain resulting in high system reliance highlighted the significance of system resilience.

Sri Lanka has issued SLFRS S1 and S2 Sustainability and Climate related disclosure standards, effective from January 1, 2025. These standards underscore the necessity to address and integrate ESG in business strategy, particularly in large corporates. First Capital supports Sri Lanka's net zero efforts in mitigating the impact of climate change and improving access to reliable energy sources. We recognise that our Group may be affected by climate risks either directly or indirectly through our relationships with clients, which could result in both financial and non-financial impacts. Informed by the evolving expectations of multiple regulators, we recognise the need to develop our approach to integrating ESG strategy and climate risk capabilities across core businesses.

RISK GOVERNANCE AT FIRST CAPITAL

Governance Hierarchy



ROLE OF THE BOARD

The role of the Board is to promote the long-term interests of First Capital, taking into account First Capital's specific and broader responsibilities to its stakeholders and the communities in which it operates. In accomplishing its role with respect to risk management, among the Board's key responsibilities are oversight of Management's operation of the Group's risk management framework and strategy, approving risk appetite, engagement with key regulators and defining a sound risk-conscious culture.

COMMITTEES IN RISK GOVERNANCE

During the reporting period the Enterprise Risk Management Committee (ERMC) was reconstituted and redesignated as the Board Integrated Risk Management Committee (BIRMC). The reconstitution facilitates a comprehensive approach to Group-wide risk management by integrating both operational and strategic risk factors.

In compliance with section 9 of the Listing Rules, the Nominations Committee was reconstituted and redesignated as the Nominations and Governance Committee. It undertakes an extended scope in risk governance in comparison to its predecessor.

Board Committees and Executive Committees fulfil their roles and responsibilities in view of risk management:

Board Committee	Roles And Responsibilities
Board Integrated Risk Management Committee (BIRMC)	The BIRMC monitors and oversees the Group's risk profile and the implementation of the risk framework approved by the Board.
Board Audit Committee (BAC)	The BAC 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)	The IALCO is critical to Group liquidity risk and financial stability. It determines the optimal asset and liability structure, enabling the Group to maintain an appropriately balanced liquidity and funding position under various scenarios.
Nominations and Governance Committee (NGC)	The NGC shapes governance policies on the Board and Committee composition and diversity, Board recruitment and drives board effectiveness through evaluations and education. The NGC is also responsible for succession planning of Directors and senior executives and the oversight of matters relating to corporate governance.

Executive Committee	Roles And Responsibilities
IT Steering Committee (ITSC)	The ITSC plays a crucial role in risk governance by ensuring that IT initiatives and priorities align with institutional business objectives and risk management policies. Is responsible for reviewing and making recommendations on Group-wide information security and cyber security.
Management Committee (MANCO)	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).

ROLE OF MANAGEMENT

The business unit and entity heads are responsible for the implementation of the risk management framework in their respective business unit.

They help embed risk management philosophy, promoting compliance with approved risk appetite levels. Business unit and entity heads allocate resources and set priorities for risk management activities. Risks are identified on an ongoing basis, and appropriate controls established promptly upon detection. All findings are reported at least once a month.

RISK AND COMPLIANCE DIVISION (R&C)

The R&C, which forms the second line of defence, is an independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to First Capital's material risks. The division designs and oversees the implementation of the risk management framework.

The R&C employs an integrated approach to risk analysis and management across Group entities. The R&C's assessment and monitoring of risks is a collaborative effort across the core businesses to ensure a detailed analysis takes place both at the individual and aggregate risk level.

OVERSIGHT PRINCIPLES OF R&C

- Independence: R&C is independent and is headed by the Chief Risk and Compliance Officer (GCRO) who directly reports to the Board with a secondary reporting line to the BIRMC and the BAC.
- Centralised risk management: The R&C's assesses risks from a Group-wide perspective.
- Approval of all new business activities: new businesses or activities, products, markets, and undertaking significant projects are consulted with the R&C. The R&C reviews and assesses risks and sets limits. Where appropriate, these limits are approved by the Board.
- Continuous assessment: The R&C continually reviews risks, accounting for changes in market conditions and developments.
- Frequent monitoring and reporting: the risk profile of First Capital with respect to all material risks is monitored by the R&C on an ongoing basis. Centralised systems exist to allow R&C to monitor financial risks daily. For the valuation of all positions and deals, daily revaluation factors are sourced, where possible, from independent market sources. Reporting on all material risks is provided to Senior Management, the Board and relevant Board Committees.

INTERNAL CONTROL ASSURANCE FUNCTION

The Internal Control Assurance function, operating as the third line of defense, provides independent assurance to the Board, its Committees and Management regarding:

- The design and operational effectiveness of risk and control systems
- Compliance with the financial and risk management framework
- Adequacy of policies, procedures, systems, and resources to manage material risks

GOVERNANCE OF INTERNAL CONTROL ASSURANCE

The Internal Audit Control Assurance function reports functionally to the BAC and maintains unrestricted access, including private meetings with the Committee, if required. The BAC is responsible for reviewing the Internal Audit Control Assurance function's objectives, scope, performance, fees and make sure the function is independent.

THREE LINES OF DEFENCE MODEL

First Capital's approach to risk management adopts the 'three lines of defence' model. The 'three lines of defence' sets risk ownership responsibilities functionally independent from oversight and assurance.

1	Design and implement an effective risk management function across the Group	Primary responsibility for day-to-day risk management lies with the business with the risk owner being the first line of defence. All staff throughout the Group are expected to manage risks in accordance with the risk management framework.
2	Facilitate risk management activities at an enterprise level and within different business units (and entities)	The R&C, the second line, is an independent function responsible for building and embedding risk frameworks, challenging the business units' inputs to, and outputs from, the Group's risk management, risk measurement and reporting activities.
3	Provide assurance on the adequacy and effectiveness of risk management	Internal Audit, as the third line, provides independent and objective risk-based assurance on the compliance with, and effectiveness of, First Capital's financial and risk management framework.

OUR RISK UNIVERSE ENCOMPASSES FINANCIAL AND NON-FINANCIAL RISKS

FINANCIAL RISK

Financial risks comprises risks associated with unexpected changes in external markets, which pose financial implications.

- Interest rate risk
- Equity risk
- Credit risk
- Liquidity risk

NON-FINANCIAL RISK

Non-financial risks cover operational risks from inadequate or failed processes, people and systems as a result of internal or external factors.

- Regulatory and compliance risk
- Business continuity risk
- Reputation risk
- Strategic risk
- Information and cyber security risk
- Operational risk
- ESG risk

Emerging risks and risk themes

- Complexity in the regulatory landscape
- Developments in the technological landscape
- Talent and human capital challenges

The risks we manage are on pages 176-182

RISK MANAGEMENT FRAMEWORK

First Capital's risk management framework is the totality of systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk. A single risk management framework is applied appropriately throughout the Group at business unit and entity level.

In determining principal risks, we assess the potential for a risk to affect the resilience of financial performance across vacillating market cycles, regulatory obligations and compliance ability, our stakeholders, and the Group's reputational strength.

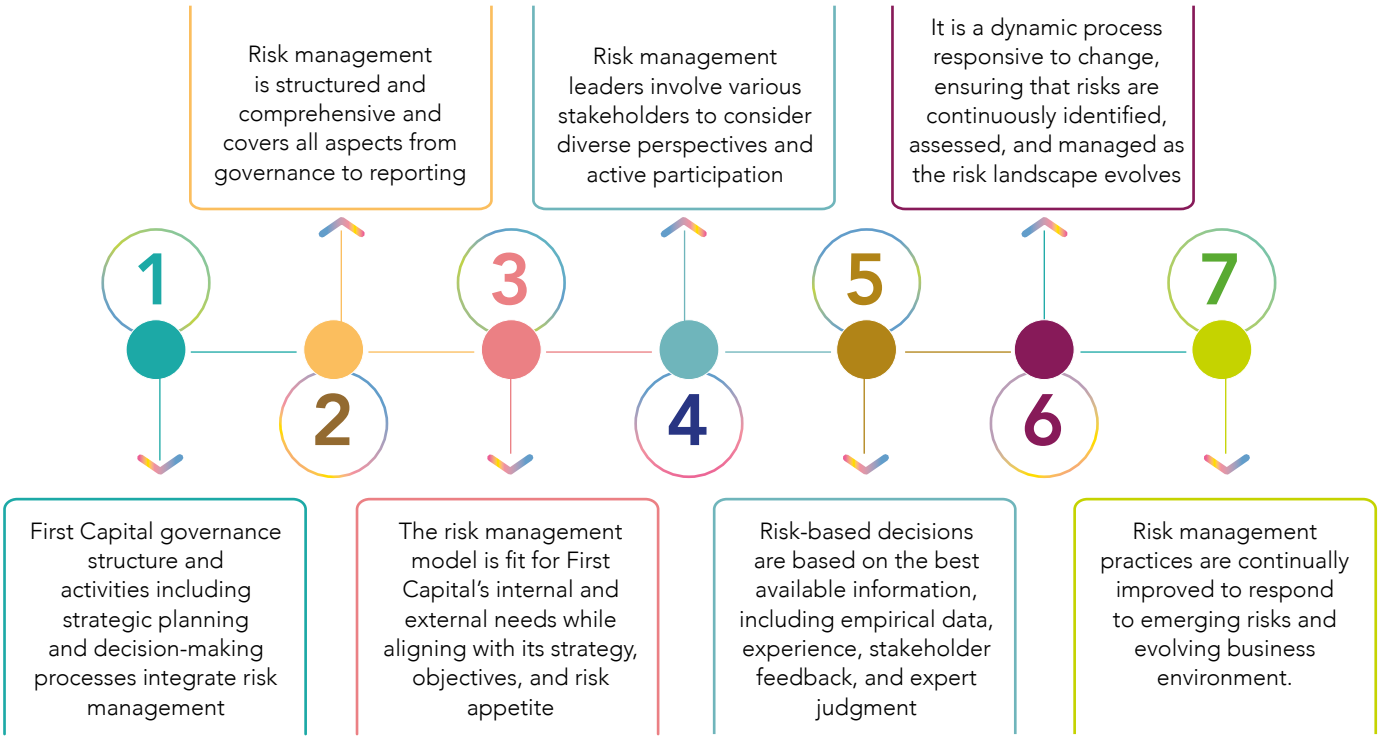
RISK MANAGEMENT OBJECTIVES

First Capital's risk management objectives are to:

- Embed the Group's risk culture
- Utilise an independent framework for identifying, evaluating, monitoring and mitigating risk
- Set, approve and monitor adherence to underlying risk parameters and limits across the Group
- Work within Board approved risk appetite
- Aggregate and monitor exposure across risks
- Give the Board reasonable assurance that the risks exposed to are identified and effectively managed
- Resource risk teams with appropriate expertise
- Support appropriate risk committees, as mandated by the Board
- Maintain compliance in relation to statutory and regulatory requirements

RISK MANAGEMENT PRINCIPLES

First Capital adopts stable and robust core risk management principles in line with the ISO 31000-2018 standard:



IDENTIFICATION

Identification of risks is mainly via the First line of defence. Risks are also identified by the environmental scans conducted by the R&C.

MONITORING AND REPORTING

The R&C proactively monitors risk tolerance limits for all risk categories. Findings are documented in the Risk Register - a comprehensive document that captures details of ongoing risk identification, assessment and treatment efforts. It is the main tool used to support risk reporting to risk committees and the Board.

THE ISO-31000 BASED RISK PROCESS

ASSESSMENT

Risk assessments are conducted by the First line of defence and the R&C to evaluate the scope and scale of the impact to the Group. Various analysis techniques, including stress testing and scenario analysis are performed. Risks are further analysed using the impact and likelihood matrix, to enable each risk category to be rated.

MITIGATION

Risk treatment is based on the Board-approved risk appetite and associated tolerance limits. Appropriate risk treatment measures are established to either mitigate, avoid, transfer or accept risk.

RISK CULTURE

First Capital takes pride in its strong embedded risk culture which reflects our vision, mission and value. The Board, assisted by the Board Integrated Risk Management Committee, is responsible for forming a view on First Capital's risk culture and the extent to which it supports the ability of First Capital to operate consistently within its risk appetite. The Board also identifies and monitors any necessary or desirable actions to change the risk culture.

First Capital's approach to maintaining a sound risk culture is based on:

Setting behavioural expectations

Senior Management, with oversight from the Board, set ethical behavioural expectations. Our corporate philosophy Performance First is complemented by our values. Having financial stewardship and fiduciary duty towards our clients, client interest precedes our own at all times. Staff are made aware that these principles must form the basis of all behaviours and actions in conducting business. These behavioural expectations are specified in the Board-approved Code of Conduct, which is actively promoted by Management and cascaded through the Group.

MONITORING, MEASURING AND REPORTING

First Capital monitors and measures its risk culture to gauge its effectiveness while promoting continuous improvement. Behavioural indicators (such as policies, code of conduct, limit and training breaches) are prepared by the R&C, and escalated where relevant, in accordance with the governance framework. Regular reports on risk culture are provided to Senior Management, the Board and relevant Board Committees. These mechanisms enable cultural alignment by providing continual feedback.

RISK APPETITE

Risk appetite is set by the Board as the degree and type of risk that First Capital is prepared to accept in pursuit of its strategy, giving consideration to the interests of its stakeholders.

Quantitative and qualitative risk appetite statements define the risk-taking settings of First Capital through risk appetite and risk tolerances. The R&C undertakes an independent review of First Capital's strategy and considers how risks identified could individually or in aggregate impact First Capital's risk profile and risk appetite. First Capital's risk appetite and tolerance settings are approved by the Board annually.

POLICIES

Policies are key tools for ensuring that risks taken are consistent with First Capital's risk appetite. They are designed to set out the principles that govern decision-making across First Capital.

STRESS TESTING

It is the Group's policy to regularly conduct multiple stress testing scenarios. These test extreme but plausible events and from that, assess and plan what can be done to mitigate the potential outcome.

Regulatory stress testing comprises interest rate stress testing focusing on how changes in interest rates impact the core capital adequacy ratio complemented by internal stress testing on interest rate and liquidity risk focused

CAPITAL POSITION

We aim to maintain a prudent capital adequacy position as measured by regulatory capital adequacy ratios. Where applicable, each Group entity must further comply with minimum capital requirements applicable to market intermediaries.

LIQUIDITY MANAGEMENT

We maintain a prudent approach to liquidity management in accordance with applicable internal limits. Each subsidiary must manage liquidity on a self-sufficient basis.

FINANCIAL SUSTAINABILITY

We aim to have sustainable and well-diversified earnings streams in order to navigate changing business cycles.

REPUTATION

We have **zero appetite** for compromising our legitimacy in the financial sector, our reputation or our sustainability.

REGULATORY COMPLIANCE

We maintain a **zero tolerance** stance for breaches of laws, regulations, and regulatory directives. Full compliance with all applicable legal and regulatory obligations is a foundational principle of our business operations and risk culture.

ETHICAL CONDUCT

We have **zero tolerance** for intentional illegal, unethical or dishonest behaviour. It is expected that every employee upholds the highest level of integrity and take accountability for their actions in line with our values and Code of Conduct.

ANTI-BRIBERY AND CORRUPTION

We have **zero tolerance** toward bribery and corruption. We are committed to conducting all business dealings with the highest standards of integrity, and we do not accept any form of facilitation payments, bribery, or unethical inducements under any circumstances.

DATA PROTECTION AND CYBERSECURITY

We have a **very low risk appetite** for threats to the confidentiality, integrity, or availability of client and institutional data. We are committed to protecting data through robust cybersecurity controls, proactive monitoring, and adherence to industry best practices and data protection regulations.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

We maintain a **low risk appetite** for activities that could negatively impact environmental sustainability, social responsibility, or good governance practices. The institution is committed to integrating ESG considerations into our business strategy, investment decisions, and internal operations, and expects the same from our stakeholders and partners.

See pages 214 to 217 of the Governance Report

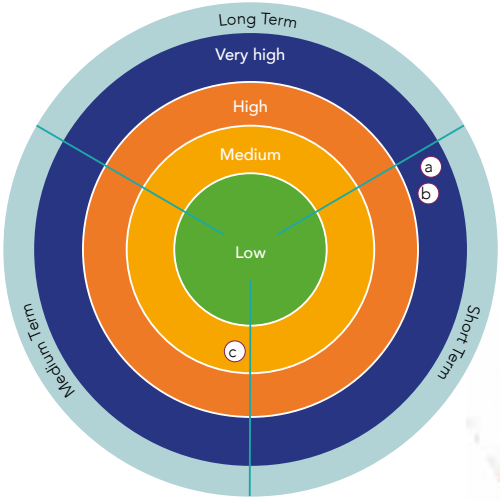
"Risk appetite is set by the Board as the degree and type of risk that First Capital is prepared to accept in pursuit of its strategy, giving consideration to the interests of its stakeholders. First Capital's risk appetite and tolerance settings are approved by the Board annually."

on changes in net capital after deducting collateral margins provided for repo borrowing.

Stress testing, including scenario analysis and sensitivity analysis, is a key tool that informs the calibration of First Capital's risk tolerances; provides insights into corporate strategy planning and budgeting process; testing and informing whether First Capital's strategy remains, and is forecast to remain, in line with its risk appetite.

OUR EMERGING ENTERPRISE RISKS

Our enterprise risks represent the top and emerging risks that could have a material impact on the ability of the group to achieve its strategic priorities and ambitions.



Emerging enterprise risks

(a) Complexity in the regulatory landscape and compliance risk

(b) Technological disruptions and cybersecurity risk

(c) Talent and human capital challenges

These risks are reflective of the internal and external operating environment as well as strategic ambitions. The emerging risks and material matters are collected in simultaneous and related processes to enable more informed and proactive decisions. Over time, these risks evolve as mitigation efforts mature, the factors that influence a risk change or as new risks emerge. This allows us to adapt and develop our risk management strategies to better support longer-term sustainability.

Refer page 51 for material matters and determination process.

EMERGING RISK THEMES

Complexity in the regulatory landscape

The Group faces a highly regulated environment which is now increasingly more complex from structural, governance, prudential and conduct perspectives.

Frequent changes in laws, taxes, and financial regulations means that the level of formal regulation applied to the Group increases as we seek to scale the business. Non-compliance can lead to reputational damage, penalties, sanctions and operational disruptions.

Links to principal risks

- Regulatory and compliance risk
- Reputational risk

Risk trend since FY2024:

Neutral

See page: 178

Developments in the technology landscape

Whilst significant opportunities exist due to the enhancements of the technology landscape, the Group is also required to keep pace with an evolving risk environment and advancements in cybercrime and fraud techniques.

Adequate technology investments, resourcing levels and skills are needed to operate a digital business given the current exponential growth in technological change and speed of take-up of new technologies.

Links to principal risks

- Technology risk
- Information security and cyber risk
- Operational Risk

Risk trend since FY2024:

Increased

See page: 180

Talent and human capital challenges

The evolving nature of work, coupled with talent shortages in critical areas like technology, risk management, and finance, pose a significant risk to the Group's ability to execute strategy.

Shifting employee expectations, such as work-life balance and career development, require First Capital to adopt highly people centric HR practices to remain competitive in attracting and retaining top talent. With the influx of Gen Z and Gen Alpha into the workforce, understanding how to attract and retain talent in this demographic is a growing priority for First Capital.

Links to principal risks	Risk trend since FY2024:
• Operational risk	Increased

See page : 181

PRINCIPAL RISKS - PROFILE AND OPPORTUNITY MATRIX

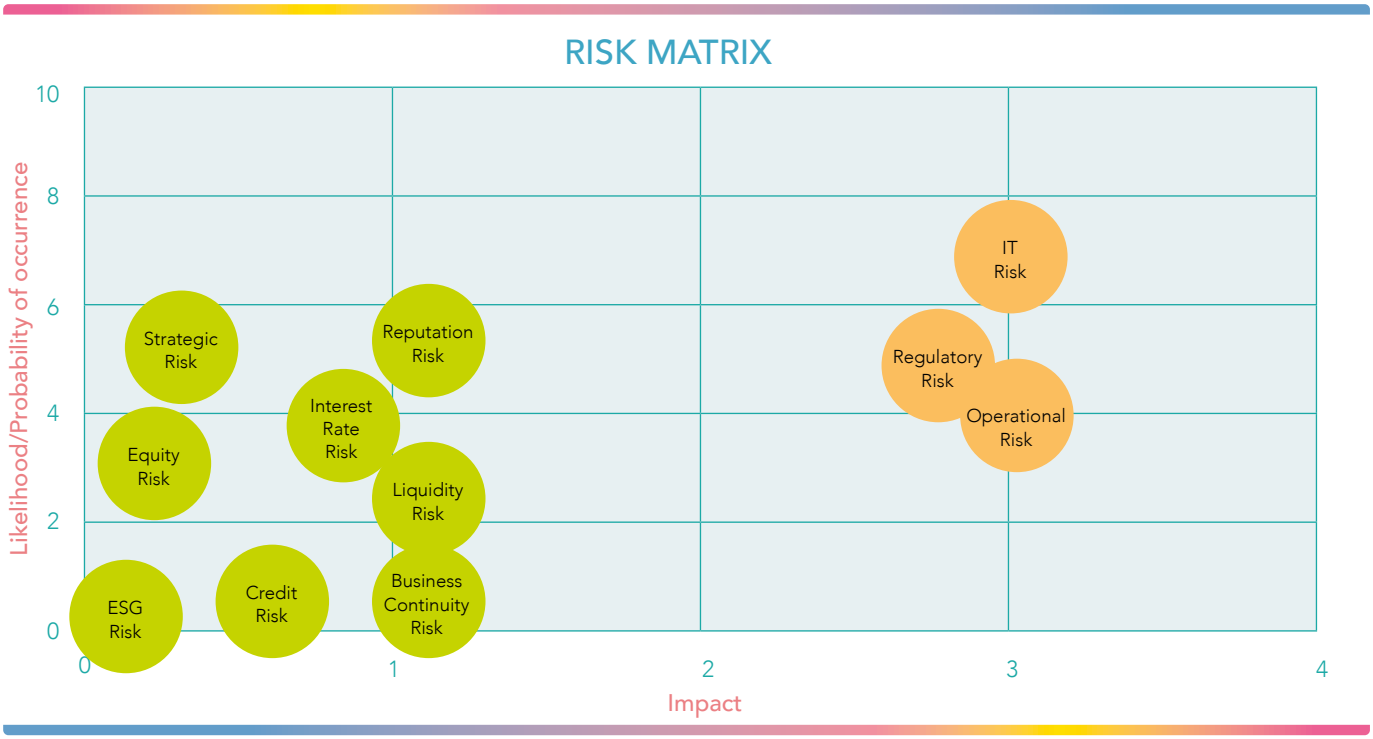
Risk and Opportunity Matrix

The Risk and Opportunity Matrix serves as a key tool in the Group's enterprise risk management framework, enabling a structured and consistent approach to assessing, classifying, and prioritising risks across all business units.

The matrix applies standardised impact and likelihood ratings to each risk, ensuring that assessments are objective, comparable, and aligned with risk appetite. It also provides interpretative guidance to foster uniformity in risk evaluation across the Group.

Risk ratings are reviewed periodically and updated in response to material changes in internal or external operating conditions. Factors influencing updates include changes in market volatility, regulatory developments, technological disruptions, and shifts in business exposure.

Based on the assessed ratings, each risk is mapped within the matrix below, with its position indicating the severity of impact and probability of occurrence. This allows the Group to take a proactive and proportionate response to risk mitigation and opportunity capture.



Interest Rate Risk - Potential losses to the Group's government securities portfolio owing to adverse rate movements			
Risk Context for FY2025	The successful completion of the External Debt Restructuring (EDR) in FY2024 reduced underlying uncertainties and the accommodative monetary policy stance, low inflation expectations, positive macroeconomic recovery and improved liquidity contributed to a downward trend in rates.		
Impact to FCH Group	Scale - 🟠	Probability - 🟢	Risk Score - 🟢
Monitoring and Mitigation	Advanced forecasting models to improve the accuracy of predicting interest rate movements in order to proactively respond to changing market conditions.		
	Formally documented the interest rate risk management framework inducing the stress testing model and the governance structure.		
	Capability of in-house research division to provide reliable forecasts on interest rate movements.		
Opportunities derived and the Group's response	Leveraged the Group's research and forecasting capabilities to capitalise on optimal rate movements to grow the Treasury bond portfolio at the start of the financial year, to substantially bolster income growth for the current financial year.		
Link to strategy and opportunities	**Committee oversight** • BIRMC, BAC, IALCO	**Link to six capitals**	

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			
Risk Context for FY2025	Performance in the equity market varied in terms of capital gains, volatility, and foreign participation. Share price indices showed an upward trend until mid-CY2024 before starting to decline due to uncertainties related to the election cycle. Foreign participation in the secondary market reflected net outflows.		
Impact to FCH Group	Scale - 🟢	Probability - 🟢	Risk Score - 🟢
Monitoring and Mitigation	Continuous monitoring of key equity market performance indicators such Beta, PBV ratio, PE ratio etc.		
	Capability of inhouse research division to provide reliable forecasts on equity market trends.		
Opportunities derived and the Group's response	Capitalised on the market timing, volatility and improved performance to actively engage in equity market investments during the year.		
Link to strategy and opportunities	**Committee oversight** • BIRMC, BAC, IALCO	**Link to six capitals**	

Credit Risk - Potential losses owing to the failure of borrowers and issuers of corporate debt instruments to settle their dues in a timely manner			
Risk Context for FY2025	Improvements in the real sector, despite rigidities in the labour market, have gradually softened financial sector credit risk. Improved profitability in the non-financial corporate sector has led to a marked improvement in overall creditworthiness and hence a decline in credit risk. Adjustments in the sovereign rating will lead to an automatic adjustment in the ratings of the major financial services institutions. The enhancement of long-term or short-term credit ratings could decrease borrowing costs and improve access to capital markets. The enhancement in the Group's respective entities' long-term or short-term credit ratings could decrease borrowing costs and enhance market access.		
Impact to FCH Group	Scale - ●	Probability - ●	Risk Score - ●
Monitoring and Mitigation	Selective engagement in corporate debt securities based on stringent analysis of the credit customers' worthiness.		
	Frequent analysis of quality and value of collaterals.		
Opportunities derived and the Group's response	The overall improvement in creditworthiness has enabled the Group to selectively expand its corporate debt investment portfolio with higher confidence in issuer performance. Favourable movements in sovereign ratings have opened up opportunities to secure funding at lower costs and enter into new structured debt arrangements with improved terms.		
Link to strategy and opportunities	**Committee oversight** • BIRMC, BAC, IALCO	**Link to six capitals** 	

Liquidity Risk - Potential losses as a result of inadequate cash flows to conduct daily operations and meet regulatory obligations			
Risk Context for FY2025	Average Weighted Call Money Rate (AWCMR) remained closer to the lower bound of the standing rate corridor, reflecting improved liquidity conditions within the domestic money market from 1QFY2025, facilitating a more conducive environment in terms of rupee liquidity for the financial sector.		
Impact to FCH Group	Scale - ●	Probability - ●	Risk Score - ●
Monitoring and Mitigation	Expanded the stress testing model to assess the Treasury department's ability to manage and maintain sufficient liquidity amid adverse market conditions or unexpected events.		
	Formally documented the liquidity risk management framework inducing the stress testing model and the governance structure.		
Opportunities derived and the Group's response	Capitalised on the enhanced liquidity in the market to negotiate additional facilities to enhance the contingency funding position for the Group and its subsidiaries.		
Link to strategy and opportunities	**Committee oversight** • BIRMC, BAC, IALCO	**Link to six capitals** 	

Regulatory and Compliance Risk - Potential losses owing to non-compliance with regulations			
Risk Context for FY2025	The compliance framework and governance structures were changed to meet expansive regulations in view of corporate governance of listed companies and market intermediaries, anti-money laundering (AML) and data protection laws. In view of post-trade regulations, securities operations in equity transited to a T+2 (T2) settlement cycle.		
Impact to FCH Group	Scale - 🟠	Probability - 🟢	Risk Score - 🔵
Monitoring and Mitigation	Continuous and ongoing monitoring of regulatory requirements by the R&C and reporting to the Board to ensure timely compliance.		
	Automation of compliance monitoring requirements of Group business units against stress testing of regulatory thresholds. Streamlining of equity back-office operations to meet T2 settlements.		
Opportunities derived and the Group's response	The evolving regulatory landscape has enabled the Group to enhance its compliance posture through strategic investments in automation and digitalisation, leading to greater operational efficiency and risk mitigation. Implementation of the new AML system has allowed the Group to streamline client onboarding and monitoring processes, improving turnaround times and regulatory responsiveness. By proactively aligning with the new CSE Corporate Governance Rules and Personal Data Protection Act, the Group strengthened stakeholder trust and positioned itself as a market leader in ethical and transparent operations.		
Link to strategy and opportunities	**Committee oversight** • BIRMC, BAC, NGC	**Link to six capitals**	

Business Continuity Risk - Potential losses owing to business disruptions attributed to the failure of back end systems or inadequate human resources			
Risk Context for FY2025	Positive business sentiment and economic optimism resulting from macroeconomic recovery and political transition supporting stability and continued reform.		
Impact to FCH Group	Scale - 🟢	Probability - 🟢	Risk Score - 🟢
Monitoring and Mitigation	Conducting routine BCP Drills in the presence of an independent observer to provide additional assurances.		
	A robust Board-approved human capital strategy aimed at attracting and retaining the best in-class team.		
	Implementing IT infrastructure to facilitate remote working under secured environment.		
	Implementing and maintaining a strong succession and back-up plan.		
Opportunities derived and the Group's response			
Link to strategy and opportunities	**Committee oversight** • BIRMC, AC	**Link to six capitals**	

Reputation Risk - potential or actual damage to First Capital's image which may impair business profitability and sustainability			
Risk Context for FY2025	Operating model changes encompassing retail-led strategies in selected core businesses mainly through digital channels increase system reliance and in turn potential loss from service failure and technology events.		
Impact to FCH Group	Scale - ●	Probability - ●	Risk Score - ●
Monitoring and Mitigation	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.		
Opportunities derived and the Group's response	The strategic shift towards operating model changes embedding a strong retail drive in selected core businesses enabled the Group to leverage client feedback more effectively through enhanced client relationship management systems, leading to service improvements and deeper client relationships. Increased reliance on digital channels provided an opportunity to standardise client experiences across platforms, promoting brand consistency and reliability. Continuous service monitoring and proactive complaint management allowed the Group to identify service gaps early and improve turnaround times, reinforcing stakeholder confidence.		
Link to strategy and opportunities	**Committee oversight** • BIRMC	**Link to six capitals** 	

Strategic Risk - Potential losses owing to actual results being significantly different from the strategy and business plan			
Risk Context for FY2025	Delays to the dependency on external service providers (mainly the system vendors).		
Impact to FCH Group	Scale - ●	Probability - ●	Risk Score - ●
Monitoring and Mitigation	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.		
Opportunities derived and the Group's response	The delays caused by external service providers created a window to re-evaluate vendor relationships and renegotiate service-level agreements, ensuring stronger accountability and performance benchmarks going forward. The Group used the period of delay to refine internal project management processes, enabling greater agility and preparedness for future implementations. Strengthened collaboration between internal teams and vendors fostered knowledge transfer and capability building, reducing long-term dependency on third-party expertise.		
Link to strategy and opportunities	**Committee oversight** • BIRMC	**Link to six capitals** 	

Information and Cybersecurity Risk - Potential losses arising as a result of the loss of information due to external or internal breach of IT systems			
Risk Context for FY2025	Continued and increased trend in cybercrime targeting financial institutions.		
Impact to FCH Group	Scale - ●	Probability - ●	Risk Score - ●
Monitoring and Mitigation	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.		
	Continuous education was provided to staff on cyber security risks.		
Opportunities derived and the Group's response	The heightened cybersecurity threat landscape prompted the Group to invest in advanced security infrastructure, strengthening its overall technology resilience and competitive positioning. Regular VAPT exercises and risk assessments created opportunities to benchmark security maturity against global standards, fostering continuous improvement and proactive risk mitigation. Increased focus on cybersecurity led to enhanced employee awareness and training programmes, building a more risk-conscious culture and reducing internal vulnerabilities. Strengthened incident response and business continuity planning has positioned the Group to respond swiftly to potential cyber incidents, limiting impact and maintaining stakeholder trust.		
Link to strategy and opportunities	**Committee oversight** • BIRMC	**Link to six capitals** 	

Operational Risk - Potential losses owing to flawed and failed systems, policies, processes or events that disrupt business operations.			
Risk Context for FY2025	Incidents and near-misses identified as a consequence of the increased business and transaction volumes and customer onboarding. There were no material incidents reported during the year.		
Impact to FCH Group	Scale - 🟠	Probability - 🔵	Risk Score - 🟠
Monitoring and Mitigation	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.		
Opportunities derived and the Group's response	The identification of incidents and near-misses, despite the absence of material losses, provided the Group with a valuable opportunity to enhance operational controls and strengthen preventive measures. Increased transaction volumes and customer onboarding facilitated process optimisation and automation initiatives, improving operational efficiency and scalability. Regular risk assessments and gap analyses led to the refinement of internal policies and escalation protocols, reinforcing the Group's operational resilience.		
Link to strategy and opportunities	**Committee oversight** • BIRMC	**Link to six capitals**	

ESG Risk - is defined as 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.			
Risk Context for FY 2025	Sri Lanka has issued SLFRS S1 and S2 Sustainability and Climate related disclosure standards, effective from January 1, 2025. These standards underscore the necessity to address and integrate ESG in business strategy, particularly in large corporates. There is an ongoing discourse regarding the economy's decarbanisation goals and energy transition. Extreme weather conditions continue to manifest globally with increased frequency and intensity. We are informed by regulatory standards on governance and climate action in charting the course of First Capital's ESG action.		
Impact to FCH Group	Scale - 🟢	Probability - 🟢	Risk Score - 🟢
Monitoring and Mitigation	Board focus 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.		
Opportunities derived and the Group's response	The introduction of SLFRS S1 and S2 standards provided the Group with a timely opportunity to integrate ESG principles more strategically into business planning and disclosures, strengthening transparency and long-term value creation. The global emphasis on ESG opens avenues to attract sustainability-focused investors and capital, enhancing the Group's access to responsible investment funding. By aligning with globally recognised reporting frameworks (IR, GRI, SASB, and UN SDGs), the Group has been able to demonstrate leadership in ESG compliance and differentiate itself in the financial sector.		
Link to strategy and opportunities	**Committee oversight** • BIRMC	**Link to six capitals** 	

Our Approach to Sustainability

At First Capital, sustainability is a fundamental enabler of our long-term vision: "To improve the lives of all Sri Lankans through financial solutions." This purpose guides our efforts to foster inclusive economic growth, environmental stewardship and governance excellence across all areas of our business.

EMPOWERING COMMUNITIES THROUGH FINANCIAL LITERACY

A core pillar of our sustainability approach is our commitment to financial education and inclusion. We recognise that financial literacy is foundational to individual empowerment, economic resilience and national development. Leveraging our expertise in capital markets, we channel significant resources each year into public education initiatives, ranging from community workshops and seminars to digital campaigns and knowledge-sharing platforms.

Our aim is to democratise access to financial knowledge, enabling individuals and communities to make informed investment decisions and engage in responsible financial practices. By doing so, we are not only cultivating a generation of financially literate investors, but also helping to build a more equitable and economically empowered society across Sri Lanka.

EXPANDING OUR SUSTAINABILITY FOCUS: ENVIRONMENT AND SDG ALIGNMENT

In recent years, First Capital has deepened its commitment to environmental sustainability by integrating responsible practices into daily operations and long-term strategy. We recognise the urgent need to address climate change and to adopt low-carbon, resource-efficient approaches throughout our value chain.

Guided by the United Nations Sustainable Development Goals (UN SDGs), we have begun aligning our social and environmental initiatives with global sustainability priorities. SDG integration serves as a framework to amplify the impact of our work across important relevant areas including financial inclusion, climate action, social equity, education and empowerment and sustainable economic development.

By mapping our actions to selected SDGs, we ensure that our sustainability strategy is purpose-driven, measurable and globally relevant, contributing meaningfully to both national progress and international sustainability goals.

EMBEDDING ESG DISCLOSURE: FROM BASELINE TO SLFRS S1 AND S2 ALIGNMENT

In FY2025, First Capital took foundational steps to embed climate and sustainability considerations into Group-level reporting and governance. To prepare for compliance and ensure data-driven decision-making, we engaged KPMG to conduct a detailed gap analysis of our current ESG disclosures, benchmarked against SLFRS S1 and S2 and the SASB framework. This analysis identified material disclosure gaps and has guided enhancements to internal ESG systems, performance metrics and governance processes.

A Group-wide emissions baseline covering Scope 1 and 2 emissions and selected Scope 3 categories excluding financed emissions was established. This provides the foundation for structured emissions tracking, internal materiality thresholds and future climate risk disclosures.

We recognise that integrating ESG into our strategy and operations is an ongoing journey. The following challenges and strategic responses outline our current readiness and path forward:

Key Challenge	Strategic Response
Difficulty in gathering and standardising climate-related data	Internal systems are being developed to track emissions, energy usage and physical/transition risks. A Group-wide baseline emissions measurement establishes the foundation for long-term tracking.
Defining KPIs and sustainability metrics	Sustainability performance is being aligned with material SDGs. Work is underway to define clear KPIs across Group entities, prioritising disclosure standards such as SLFRS S1 and S2 and SASB.
Achieving Group-wide ESG integration	Cross-functional governance is being strengthened with formalised internal accountability structures. The Board retains primary oversight of ESG matters.
Measuring emissions and setting materiality thresholds	In FY2025, a third party expert was engaged to establish a baseline emissions framework covering Scope 1 and 2 emissions, alongside Scope 3 emissions excluding financed emissions. This baseline will inform internal materiality thresholds and support the development of sector-relevant benchmarks for future climate disclosures.
Quantifying financial impact of climate risks	Scenario analysis and stress testing of climate linked financial impacts are to be developed by Risk and Compliance and monitored by BIRMC.

STAKEHOLDER INSIGHT: ADDRESSING CLIMATE AND ESG TRANSPARENCY

In a rapidly evolving financial and regulatory environment, we recognise the critical importance of understanding and addressing First Capital's climate impact, both in how we operate and in how we serve the economy at large.

In FY2025, we commissioned our first comprehensive measurement of operational greenhouse gas (GHG) emissions across Scopes 1, 2, and selected Scope 3 categories. This baseline marks a foundational step in enhancing our climate awareness, improving data transparency and preparing for broader climate-related financial disclosures.

We are transparent in stating that this assessment currently excludes financed emissions, the most material source of climate impact for any financial institution. As we evolve our sustainability maturity, we have initiated internal workstreams to build data systems, governance structures and partnerships needed to measure and disclose these emissions in line with benchmark practices.

Our role as a financial intermediary positions us uniquely to support the transition to a low-carbon economy. As such, we are committed to developing a credible climate strategy, one that is aligned with international frameworks and is relevant to the local context in which we operate. We look forward to working with clients, regulators, and stakeholders to embed climate risk awareness into our decision-making and to contribute meaningfully to long-term value creation.

MAPPING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate change is not only a systemic challenge to the global financial system but also a material consideration in how we operate, invest and advise. As a full-spectrum non-bank capital markets group with operations across Government Securities, Corporate Finance Advisory and Corporate Dealing Securities, Asset Management and Stock Brokering, we are both directly and indirectly exposed to the complex financial, regulatory and reputational dynamics of climate risk.

In FY2025, First Capital completed the establishment of a GHG emissions baseline (Scope 1 and 2, and select Scope 3) and formalised ESG oversight at Board level, reflecting a key milestone in our sustainability governance journey. While financed emissions are not yet measured, capacity-building is underway to strengthen our readiness for disclosure alignment with international expectations.

Our approach to identifying and managing climate-related risks and opportunities (CRROs) is guided by the evolving requirements under SLFRS S2: Climate-related Disclosures and other best practices. We are intending to embed climate considerations progressively into our governance frameworks, risk processes, capital allocation decisions and product innovation.

The following disclosures outline qualitative climate-related risks and opportunities (CRROs) that may materially influence FCH's financial performance, strategic direction and stakeholder expectations, tailored to our diversified business model and regulatory context.

Time Horizons for Assessment

Horizon	Years	Application in Strategy and Risk
Short Term	0–2 years	Regulatory compliance, operational resilience, initial ESG integration
Medium Term	3–5 years	Business model adaptation, Deepen ESG integration, product innovation, client engagement on ESG
Long Term	Beyond 5 years	Strategic positioning, alignment with net-zero goals, sustainable finance leadership

HOW WE ARRIVED AT OUR CRROs

Our identification of CRROs reflects a structured process aligned to emerging global and local standards. Given FCH's position as a diversified exposure we have taken a tailored approach, guided by:

The disclosure requirements of SLFRS S2, mapped to our reporting and governance maturity

SASB Investment Banking and Asset Management & Custody sector standards

KPMG-led ESG readiness and gap assessments, covering data, governance and scenario planning

A review of macro financial climate dynamics, especially around sovereign credit, investor sentiment and regulatory shifts

Internal materiality assessments involving key personnel from risk, compliance, operations and strategy functions

KEY FACTORS TRIGGERING CLIMATE RISK FOR FCH

The Group faces indirect and operational exposures to climate-related risks through the following channels:

Climate-Linked Market and Macroeconomic Volatility

As an integrated financial solutions provider, FCH is exposed to macro-financial climate shocks including:

- Fiscal pressure from disaster recovery
- Sovereign or corporate credit rating volatility
- Changes in investor sentiment due to ESG-linked capital flow reallocations

These risks directly affect government securities, corporate advisory and portfolio valuations.

Physical Climate Risks to Operational Continuity

Extreme weather events (e.g., urban flooding, extended heatwaves) may:

- Disrupt access to key offices and digital infrastructure
- Affect client servicing and trading uptime
- Increase insurance costs and facility management needs

Business units most affected include Government Securities, Stockbroking and shared digital platforms used across the Group.

Evolving Climate-Related Regulatory Requirements

FCH must align with rising expectations under:

- SLFRS S2 (climate disclosure)
- International ESG benchmarks (GRI, SASB)

These drive compliance costs, data system upgrades, and Board-level ESG integration across all business lines especially Asset Management and Corporate Finance Advisory.

Stakeholder Expectations and Competitive Positioning

Clients, investors and partners increasingly demand:

- ESG integrated investment products
- Transparent disclosures on climate risk exposure and resilience
- Demonstrable progress on net-zero and SDG-linked outcomes

Failure to meet these expectations could affect mandate retention, market trust, and product innovation competitiveness.

CLIMATE-RELATED RISKS AND IMPLICATIONS

FCH's climate-related risk exposure arises from both systemic and operational sources, reflecting our capital markets role and sectoral interactions.

The CRROs disclosed are a foundational reflection at both enterprise level and business-line specific exposure level and will be refined and reviewed as part of our broader materiality process, going forward.

Risk Type	Description	Examples Relevant to FCH	Strategic Implications	Time Horizon
Acute Physical Risk	Sudden, extreme weather events (e.g. floods, storms, heatwaves) impacting physical infrastructure and operations.	Flooding or storm damage at key offices and branches; Power outages affecting systems Access challenges for staff during weather-induced city infrastructure failures.	Upgrade of physical infrastructure resilience Strengthened BCP and data redundancy Migration to cloud-based systems and remote work readiness.	Short to Medium
Chronic Physical Risk	Gradual, long-term shifts in climate patterns such as higher temperatures, sea-level rise, or rainfall variability affecting resource use and infrastructure.	Increased energy costs for cooling; Water supply strain; Macroeconomic stress linked to agricultural disruption, supply chain breakdowns, or regional displacement-each with potential effects on sovereign and corporate credit ratings, investor sentiment and capital flows.	Enhance environmental efficiency (lighting, cooling, solar) Scenario modelling of macro climate shocks on portfolio and business model resilience.	Medium to Long
Transition Risk – Regulatory	Exposure to evolving ESG disclosure and compliance frameworks, such as SLFRS S1 and S2, and other local/ global ESG assurance standards.	New requirements for climate-related disclosures, climate stress testing, ESG integration in business and ESG audit readiness across all units.	ESG capability-building Board-level integration of ESG duties System upgrades for ESG traceability and integrated reporting.	Short to Medium
Transition Risk – Market	Market preference shifts toward ESG-screened products and transparent ESG practices among institutional and retail clients.	Loss of mandates due to weak ESG filters; Low ratings on ESG performance from independent agencies.	Redesign of product offerings Strengthened ESG mandates in Asset Management and Corporate Finance Advisory New ESG-compliant AUM targets.	Medium

Risk Type	Description	Examples Relevant to FCH	Strategic Implications	Time Horizon
Transition Risk – Technology	Inadequate readiness in ESG data management, disclosure systems and integration of digital ESG platforms.	Gaps in data pipelines for Scope 3 inclusive of financed emissions; Gaps in ESG data integration across CRM, portfolio management, research and deal evaluation platforms affecting both advisory and asset management operations.	System enhancement roadmap (data assurance, audit trail readiness) ESG flag integration in digital workflow platforms.	Short to Medium
Liability Risk	Legal or regulatory exposure from inaccurate climate disclosures, mislabelled ESG products, or lack of documentation.	Incomplete due diligence on climate-linked products; greenwashing risk in sustainability-linked bond offerings; poor audit trail of ESG advisory mandates.	ESG-linked legal risk mitigation Enhanced documentation and disclaimers ESG inclusion in advisory and product governance frameworks.	Medium
Reputational Risk	Stakeholder or market perception of inaction, misstatement or lagging ESG performance relative to peers.	Brand exposure due to weak sustainability integration in advisory mandates; Media coverage of low ESG ratings; Exclusion from ESG fund criteria.	ESG communications strategy Increased transparency and third-party ESG assurance Engagement with ESG rating providers and clients.	Medium
Systemic Macroeconomic Risk	Broader climate-induced macroeconomic volatility affecting sovereign ratings, fiscal stability, capital flows and monetary policy.	Lower demand or investor confidence in government securities during climate-linked fiscal stress; Increased spreads due to sovereign risk downgrades.	Climate-risk weighted asset and portfolio evaluation Integration into risk appetite and sovereign debt strategy.	Medium to Long
Human Capital Risk	Gaps in ESG expertise across business functions; insufficient internal capacity to manage increasing ESG disclosure and product design complexity.	Low ESG knowledge among frontline advisory or product teams; Lack of ESG roles in risk, legal or core business functions; Talent attraction difficulty in sustainability.	ESG training framework Cross-functional ESG scorecarding Role-specific upskilling and succession planning for ESG capacity.	Short to Medium

A Four-Faceted Framework for Strategic Readiness

Governance Integration	Climate risk governance at FCH is evolving in line with global best practice and SLFRS S2 requirements. • ESG oversight is anchored at Board level • An ESG Sponsor interacts with the Management, bringing ESG matters directly to the Board • Board training on ESG governance and scenario oversight will be scheduled as part of institutional capacity-building.
Risk Management	We are expanding our risk management framework to recognise climate risk as a cross cutting theme influencing financial, operational and reputational exposure. Key Enhancements in Progress: • Business continuity protocols upgraded to factor in acute weather-related disruptions • Cyber and operational redundancy enhancements to support resilience under extreme weather stress • ESG criteria in procurement and infrastructure decisions, including energy-efficient retrofits and vendor screening • Macroeconomic climate-linked volatility embedded into credit risk monitoring and sovereign exposure assessments
Strategic Forecasting	As part of our SLFRS S2 preparedness, we will be initiating scenario based stress testing to examine how climate-linked risks could affect strategy and financial performance. Scenario Priorities: • Market volatility in government securities and corporate credit under 1.5°C and 2°C climate pathways. • Rising operating costs from insurance, utilities, or ESG compliance eroding capital efficiency • Reputational or client attrition risks under delayed ESG alignment in Corporate Finance Advisory and Asset Management mandates • Indirect climate-linked fiscal stress impacting sovereign and corporate ratings — key to our portfolio and advisory strategies These models will guide capital allocation, risk appetite calibration and disclosure planning from FY2026 onwards.
Data Infrastructure and Capacity Building	Recognising that climate integration must be evidence-based, FCH is building out its ESG data architecture across all business units. Key Actions Underway: • GHG baseline (Scope 1, 2, select Scope 3) established to inform footprint reduction priorities • ESG metrics are being integrated into internal dashboards and performance scorecards • Staff training on SLFRS S1 andS2 underway across teams • Financed emissions flagged as a disclosure gap, with full Scope 3 • Leveraging our digital-first model to automate ESG data pipelines and support traceable, auditable disclosures.

By aligning our CRRO disclosures with global best practices and integrating insights from leading financial institutions, FCH aims to enhance transparency, meet stakeholder expectations and capitalise on opportunities in the transition to a sustainable economy.

CLIMATE-RELATED OPPORTUNITIES FOR FCH

Opportunity Area	Application to Business Model
Sustainable Finance Products	Development and distribution of green bonds, sustainability-linked products and ESG-focused investment funds to meet growing market demand.
ESG Integration in Advisory	Incorporating ESG considerations into financial advice and investment strategies to attract clients seeking sustainable investment options.
Climate Risk Analytics	Utilising advanced analytics to assess and manage climate risks in investment portfolios, enhancing risk-adjusted returns.
Client Engagement on ESG	Providing clients with insights and tools to understand and improve their ESG performance, strengthening client relationships.
Operational Efficiency	Implementing energy-efficient practices and technologies to reduce operational costs and carbon footprint.
Thought Leadership in ESG	Positioning FCH as a leader in sustainable finance through research, publications and participation in industry initiatives.

LOOKING AHEAD

Managing climate-related risks and opportunities is a strategic imperative at First Capital. As ESG regulation continues to evolve and climate finance reshapes capital markets we aim to lead responsibly across our financial services value chain.

Over the next reporting cycles, we will:

- Deepen climate risk assessments across all our business lines, including sovereign credit exposures, advisory mandates and portfolios
- Initiate climate-linked scenario testing aligned with SLFRS S2, focusing on financial impacts to asset management, trading and advisory outcomes
- Engage stakeholders across capital markets - clients, regulators, investors, to shape relevant ESG standards
- Embed ESG into internal decision-making, by scaling up cross-functional awareness, training and role-specific accountability
- Strengthen emissions reporting, expanding beyond Scope 1 and 2 to financed emissions methodologies for capital market portfolios

MAXIMISING POSITIVE IMPACT

Translating Purpose into Performance: ESG Strategy and Initiatives

To operationalise our sustainability vision, First Capital has adopted a structured ESG approach, guided by internationally recognised frameworks such as the GRI and SASB. Our ESG strategy is built around four core pillars- Sustainable Financial Solutions, Responsible Entity, Community Engagement, and Conserving the Environment, each of which is aligned with relevant SDGs and governed through Board oversight.

Conserving the Environment (Aligned with GRI 302, 305; SASB: Environmental Footprint; SDGs: 7, 12, 13, 14, 15)

Ongoing Initiatives

- GHG Emissions Testing and energy audits to manage operational carbon footprint
- Mangrove plantation programme to protect coastal ecosystems and sequester carbon footprint
- Coconut Tree Planting contributing to land restoration and biodiversity

- Paperless operations including e-KYC, digital boardrooms and internal digitisation efforts

Planned Initiatives

- 40KW Solar Power Plant at Deal Place (FY2025/26) to shift toward renewable energy sources
- Expand internal climate awareness campaigns and integrate climate risk disclosures under SLFRS S2

Responsible Entity (Aligned with GRI 102, 205; SASB: Business Ethics, Risk Governance; SDGs: 8, 16)

Ongoing Initiatives

- Code of Conduct, Whistleblower Programme and Anti-Bribery and Corruption Policy enforced
- Compliance with national regulations and voluntary ESG standards

Planned Enhancements

- Integration of SLFRS S1 and S2 into the Risk Governance Framework
- Establishment of a sustainability dashboard and quarterly reporting on key ESG metrics
- Inclusion of ESG KPIs in remuneration policies to align executive incentives

Community Engagement (Aligned with GRI 401–404; SASB: Human Capital, Community Relations; SDGs: 1, 3, 4, 5, 10, 11)

Ongoing Initiatives

- Financial Literacy Programmes, university outreach and internship opportunities.
- Flexible work arrangements, professional development schemes and partnerships with CIMA, CFA, and Room to Read
- Gender Equality Advocacy such as the #FinPowerHer series
- CSR Support for education, health, and culture

Planned Initiatives

- Continuation of Financial Literacy Programmes
- Women Entrepreneurship Programmes enabling inclusive economic growth
- Women in Leadership Development Programme to advance internal equity
- Digital Device Donations to rural schools to bridge the education access gap
- Quarterly Meal Donations and zero food waste campaigns
- Water Purification System Donations to underserved public institutions

Sustainable Financial Solutions (Aligned with GRI 203; SASB: Access and Affordability, Innovation; SDGs: 8, 9, 12)

Ongoing Initiatives

- Enhanced transparency through disclosures and responsible selling across all financial products in keeping with applicable regulatory norms
- Client education and stakeholder engagement aligned to sustainable finance practices

Planned Initiatives

- Facilitation of Green Bond Issuance to drive capital toward environmentally aligned projects
- Development of ESG-integrated financial solutions addressing affordability and inclusivity in underserved markets

MEASURING WHAT MATTERS

In line with GRI and SASB principles of materiality and stakeholder inclusiveness, we track our ESG performance through:

Key Metrics: GHG emissions (Scope 1 and 2 emissions, along with Scope 3 emissions excluding financed emissions) energy usage, gender representation, training hours, whistleblower cases, and community investment

Targets: Emissions reduction goals, financial inclusion KPIs, Diversity and Inclusion benchmarks and impact assessments of outreach efforts

Assurance: External verification of sustainability disclosures annually

SDG PRIORITISATION FRAMEWORK

Aligning Impact with Purpose and Materiality

As we progress on our sustainability journey, FCH is adopting a strategic approach to the United Nations Sustainable Development Goals (UN SDGs).

Led by the ESG Sponsor's guidance and based on a review of our core business impacts stakeholder expectations and material ESG topics, we have prioritised a focused set of SDGs going forward to make the most meaningful and measurable contributions.

PRIORITISED SDGS AND ALIGNMENT WITH BUSINESS ACTIVITIES

Priority SDG	Relevance	Material ESG Topics
SDG 4: Quality Education	Supporting human capital development internally and externally	Education, skills development, training
SDG 5: Gender Equality	Commitment to a diverse and equitable workforce and customer base	Diversity, inclusion, financial empowerment
SDG 8: Decent Work and Economic Growth	Central to our business as a financial institution supporting inclusive economic growth and ethical employment	Employment practices, economic empowerment, fair labour
SDG 9: Industry, Innovation and Infrastructure	Role in financing infrastructure and promoting innovation in financial services	Innovation, digital access, inclusive infrastructure
SDG 10: Reduced Inequalities	Enabling financial inclusion for underserved and marginalised communities	Inclusive access, HR equity, community investment
SDG 13: Climate Action	Financial sector's role in mobilising capital toward a low-carbon future	Climate finance, energy efficiency, emissions

Supporting SDGs

We will continue to support activities aligned with other SDGs as part of our broader sustainability commitments, including:

SDG	Example Contributions
SDG 1: No Poverty	Financial inclusion through secure investment platforms
SDG 3: Good Health and Well-Being	Health checkups, fitness initiatives, counselling and mental wellness programmes
SDG 6: Clean Water and Sanitation	Donation of water tanks and purification systems
SDG 7: Affordable and Clean Energy	Future solar power project
SDG 12: Responsible Consumption	Waste reduction, digital transformation, e-KYC, Recycling
SDG 14 and 15: Life Below Water / Life on Land	Mangrove and tree planting, wildlife conservation
SDG 16 and 17: Governance and Partnerships	Code of conduct, ABC policy, SDG training, institutional alliances

INTEGRATING ESG

ESG Scorecard

Strategic Pillar	Key Focus Area	Performance Indicator	FY2025	FY2024
Sustainable Financial Solutions	Financial Inclusion	Digital adoption rate	52%	Not implemented
	Financial literacy	Social media reach	51,095	15,568
		Website visits	378,000	53,788
	Reporting readiness	SLFRS S1/S2 roadmap	Roadmap initiated	N/A
Responsible Entity	Ethical governance	Board independence (%)	62.5%	40.0%
	Board gender diversity	Female directors (%)	37.5%	20.0%
	Executive incentives	ESG KPIs in remuneration	Inclusion of volunteerism in performance appraisal - In development	Not implemented
	Transparency and standards	GRI/SDG/SASB alignment	Expanded, Cross-mapped	Partial
Community Engagement	Workforce diversity	Female workforce (%)	35.2%	41.0%
		Females in management (% of managerial workforce)	15.0%	17.0%
		New female recruits (% of total recruits)	54.0%	40.0%
	Pay equity	Senior leadership gender pay ratio (F:M)	0.84 : 1.00	0.88 : 1.00
	Learning and development	Total training hours	4,981	2,993
		Total training cost (Rs. Mn)	15	7.1
		Average training cost (Rs.)	102,867	57,967
	Inclusion and wellbeing	Parental leave return (female)	100%	N/A
		12-mo retention post-parental leave	100%	N/A
Conserving the Environment	Climate impact	Scope 1 emissions (tCO_2e)	55.8	N/A
		Scope 2 emissions (tCO_2e)	73.7	N/A
		Scope 3 emissions (excluding financed emissions) (tCO_2e)	180.4	N/A
	Operational emissions	Electricity consumption (kWh)	158,518	69,743
		Business air travel emissions (tCO_2e)	4.47	Not measured
		Water consumption	1,421	Not measured
		Municipal (m^3)		
		Bottled	40	Not measured

TRANSITIONAL DISCLOSURE GRID – SLFRS S1 AND S2

SLFRS S1 & S2 Disclosure Alignment Grid

Disclosure Area	SLFRS S1/S2 Requirement	FCH Current Position	Gap Identified	Planned Enhancements	Financial Relevance
Governance – Board	S1.27, S2.6: Board oversight roles, ESG ToR, Board skills	ESG Sponsor at Board; ESG Risk reported by Risk and Compliance to BIRMC	TORs do not explicitly reflect ESG/SRRO roles; ESG training not institutionalised	Codify ESG duties in Board/committee charters Establish structured Board ESG learning plan	ESG-linked risk governance and capital trust
Governance – Management	S1.27(b), S2.6(b): Management oversight and ESG controls	ESG is coordinated by selected team members but roles not defined well; Coordination with the Board appointed ESG Sponsor for prioritisation of ESG matters; ESG discussed in some executive committees	ESG roles not reflected in job descriptions; ESG not integrated with internal audit, compliance	Assign ESG accountabilities Integrate ESG data into combined assurance Document ESG controls and escalation pathways	Internal control assurance; Operational readiness
Strategy	S1.30–35, S2.10–13: Description of risks, timeframes, value chain	Time horizons defined; Foundational CRROs mapped qualitatively	No financial linkage; no trade-off or value chain impact model	Quantify climate impact on AUM, placements, advisory	Enterprise value, Margin optimisation, Client mix
Risk Management	S1.32–34, S2.14–16: Identification, prioritisation, risk processes	Climate risks classified (physical/ transition); Stress testing to be developed	No integrated SRRO risk register; ESG not embedded into Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRI) or onboarding	Develop SRRO register- Embed ESG flags into product review and KRI dashboards- Link to ERM and Board reporting	Controls cost, Capital adequacy
Scenario Analysis	S1.41, S2.15: Describe resilience to climate scenarios	Commitment to scenario testing in FY2026	No SLFRS-aligned scenarios yet; Resilience not financially modelled	Develop 1.5°C, 2°C scenarios- Model impact on P&L, AUM, capital flows- Feed into capital planning cycle	Forecast stress impacts, investor confidence

Disclosure Area	SLFRS S1/S2 Requirement	FCH Current Position	Gap Identified	Planned Enhancements	Financial Relevance
Metrics & KPIs	S1.36–38, S2.27–30: Metrics and methodologies	Scope 1 & 2 and Scope 3 (excluding financed emissions) baseline set; ESG KPIs under development	No Scope 3 financed emissions data; No ESG linked performance or product metrics	Disclose Scope 1 & 2 (FY2026)- Start Scope 3 and financed emissions- Add KPIs (e.g., % green origination, ESG deal share)	Revenue tracking, assurance readiness
Targets	S2.31–34: ESG-related targets	Net-zero operational GHG targeted in the medium term; Dashboard in development	No short-term or product-linked targets; No tie in to incentives	Add interim milestones- Link targets to executive KPIs- Set goals by product line (e.g., % of ESG-labelled AUM)	Target-setting discipline; ESG-aligned compensation
Financed Emissions	S2.36–38: Scope 3 and financed emissions	Roadmap in development; Financed emissions acknowledged as a material gap	No method adopted; Lack of vendor/ assurance partnerships	Adopt PCAF methodology- Prioritise carbon-intensive flows- Partner with data providers for baseline estimation	Investor ratings, regulatory perception, risk premiums
Anticipated Financial Effects	S1.34–40, S2.16–26: Financial effects of risks/opportunities	Foundational climate-related risk-opportunity mapping	No narrative on impact to revenue, cost, capital; No value-at-risk model	Add financial narrative per risk/ opportunity- Quantify risk exposure, e.g., AUM sensitivity, margin drag- Align with capital allocation process	Disclosure maturity, investor value perception
Remuneration Linkage	S1.27(v), S2.6(v): ESG in remuneration and incentives	No ESG-related variable pay currently disclosed Volunteerism to be incorporated	ESG not included in scorecards or incentive structures as yet	Integrate ESG KPIs into executive scorecards- Disclose ESG weightings in annual bonus plans	Behavioural alignment, ESG strategy execution
Data Integrity and Assurance	S1.25–26: Control environment and data assurance	Combined assurance model under design; ESG added to Integrity and Assurance scope	No control mapping for ESG disclosures; No third-party assurance yet	Document data flow controls- Embed ESG into risk and audit charters	Assurance quality, report credibility
Disclosure Maturity	Transition reliefs; phased reporting readiness	Disclosure roadmap defined for 2025–2028	Limited quantitative data; currently <50% SLFRS compliance	Leverage transition relief (e.g., Scope 3 deferral)- Phase disclosures per SLFRS S1/S2 guidance- Include roadmap in annual disclosures	Report comparability, audit trail alignment

SASB Index

ALIGNMENT WITH SASB

We have indexed below, disclosures related to the two sectors of the 77 defined by SASB that are most closely aligned to our mix of core businesses: Investment Banking and Brokerage (FN-IB) and Asset Management and Custody Activities (FN-AC).

We do not currently disclose all metrics included in the standards for these sectors. Since the standards for each industry are based on U.S. laws and regulations and systems, some metrics are not applicable to First Capital, which is domiciled in Sri Lanka. However, we strive to disclose information that is consistent with the purpose and content of each relevant metric to the extent possible.

We are committed to providing investors with useful, relevant and meaningful sustainability information within the context of our businesses, and may evolve our disclosure on these topics over time.

Topic	SASB Code(s)	Response Summary	Page Reference	Alignment Status
Employee Diversity and Inclusion	FN-AC-330a.1, FN-IB-330a.1	Disclosed gender/ethnicity data but not fully in line with SASB format	136	Partially Aligned
ESG Integration in Advisory/ Investment	FN-IB-410a.3, FN-AC-410a.2	Sustainability Policy adopted; incorporation in design phase	183-194	In Progress
ESG Revenue	FN-IB-410a.1	No ESG revenue split yet; no underwriting conducted	-	In Progress
Business Ethics - Whistleblowing	FN-IB-510a.2, FN-AC-510a.2	Group-wide whistleblower policy in place and disclosed	214	Fully Aligned
Legal Provisions / Conduct	FN-IB-510a.1, FN-AC-510a.1	Disclosed qualitative review, no provisions required	151	Fully Aligned
Professional Integrity Cases	FN-IB-510b.2	No mediation/arbitration cases	151	Partially Aligned
Professional Integrity Approach	FN-IB-510b.4	Strong policy and conduct alignment with local rules	128	Fully Aligned
Stress Testing and Capital Planning	FN-IB-550a.2	Monthly scenario testing; qualitative input used	405	Partially Aligned
G-SIB Score	FN-IB-550a.1	Not applicable to non-systemic Sri Lankan intermediaries	-	Not Applicable
ESG in AUM	FN-AC-410a.1	No ESG-labelled portfolios or categories yet	-	In Progress
Total Custody Assets	FN-AC-000.B	Not applicable as we do not act in the capacity of custodians	-	Not Applicable

Corporate Governance

RAJENDRA THEAGARAJAH
Chairman

"At First Capital the Board's governance philosophy asserts that while we pursue a PERFORMANCE FIRST mindset, the long-term interests of our clients supersede any short-term economic gains to the Group. Our professionals are empowered to provide objective, conflict-free investment and advisory solutions - a key differentiator in an increasingly integrated and complex financial services landscape"

OUR GOVERNANCE OUTCOMES

Chairman's Statement on Corporate Governance

FY2025 marked a period of significant progress in strengthening First Capital's governance ecosystem, against a backdrop of evolving regulatory expectations and increasing stakeholder scrutiny. Guided by the Code of Best Practice on Corporate Governance 2023 issued by the CA Sri Lanka, and achieving full compliance with Section 9 of the CSE Listing Rules, the Board placed sharp focus on embedding governance practices that are fit for purpose, future ready and strategically aligned.

Governance Philosophy

At First Capital the Board's governance philosophy asserts that while we pursue a PERFORMANCE FIRST mindset, the long-term interests of our clients supersede any short-term economic gains to the Group. Our professionals are empowered to provide objective, conflict-free investment and advisory solutions - a key differentiator in an increasingly integrated and complex financial services landscape. Alongside our inclusive growth vision, a value-driven culture and ethical leadership, this governance model is core to sustaining long-term stakeholder value.

Subsidiary Governance: Balancing Independence and Strategic Alignment

In FY2025, we recalibrated our subsidiary governance framework to enhance transparency, accountability, and strategic alignment across the Group. While First Capital Holdings PLC acts as the governance anchor, subsidiary Boards operate with clear independence, supported by refreshed Board compositions and distinct Subsidiary Heads.

A key milestone was the legal segregation of our Corporate Advisory business, fulfilling regulatory requirements and minimising potential conflicts of interest. The Board remains satisfied with the shared services model across risk and compliance, finance, HR, administration and technology allowing for optimal resource deployment and enhanced cross-entity oversight.

ESG at the Core

The integration of Environmental, Social, and Governance (ESG) considerations remains a central focus of the Board's oversight. We believe that a resilient and purpose-led financial services provider must embed sustainability into every facet of its strategic agenda.

An Independent Non-Executive Director was invited to champion the ESG agenda in the Boardroom. Under this ESG Sponsor's guidance, we have prioritised nine UN Sustainable Development Goals (SDGs) for the ensuing year, from a broader set of ESG initiatives and have accelerated our commitment to setting a baseline emissions measurement.

During the year, we engaged external advisors to quantify our emissions baseline and assess alignment with SLFRS S1 and S2, recognising these standards as the foundation for transparent sustainability reporting in the years ahead.

Board Renewal and Diversity

FY2025 was a year of significant Board renewal aligning with the CSE Listing Rules. The Board was reconstituted to ensure a balanced mix of Executive, Non-Executive Non-Independent and Independent Non-Executive Directors, enhancing oversight and effectiveness. All Board sub-committees, including Audit, Related Party Transactions Review, Remuneration, and Nomination and Governance Committee were reconstructed. Further, the Nomination Committee was reconstituted by incorporating relevant functions and responsibilities related to Governance and renamed as Nominations and Governance Committee.

I welcome the newly appointed Independent Non-Executive Directors - Kuda Herath, Rachini Rajapaksa, Dilendra Wimalasekere, Inoshini Perera, who have joined me on the Board, bringing a diversity of experience across industries and governance disciplines. These appointments were made based on a structured evaluation of the Board's skills matrix and diversity profile, conducted by the Nominations and Governance Committee.

Following the Board's annual evaluation, I am confident that the Board possesses the requisite skills, experience, and diversity to guide First Capital through its next phase of strategic evolution.

Strengthening Risk Governance

In response to the increasing complexity of risk vectors, from climate and regulatory changes to technological disruption, the Board established the Board Integrated Risk Management Committee (BIRMC), replacing the previous enterprise risk function.

The BIRMC is mandated with comprehensive oversight of Group-wide risks, elevating our risk governance to a level on par with sector benchmarks. The Board believes that centering risk as a strategic enabler is critical to building resilience in the face of systemic uncertainties.

In conclusion, the Board remains committed to continuous improvement in governance-ensuring that our frameworks not only comply with regulatory standards but also inspire trust, uphold transparency and enhance the long-term resilience of the Group.

Declaration

As Chairman of the Board, I wish to confirm that the 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.
Mr. Rajendra Theagarajah
Chairman

5 June 2025

APPROACH TO GOVERNANCE

Governance Philosophy

At First Capital, governance is not only a foundation for compliance but a strategic enabler that supports sustainable value creation, risk-informed decision-making, and long-term stakeholder trust. Our governance philosophy is grounded in the following principles:

- Pursuing strategic opportunities within the Board approved risk framework, ensuring a balanced approach to growth and resilience;
- Cultivating a proactive risk culture across the Group, encouraging anticipation and early identification of risks to support better strategic and operational decisions;
- Fostering transparency and accountability across all levels of the Group reinforcing trust with internal and external stakeholders;
- Governance practices that reflect the interests of a wide range of stakeholders, including shareholders, clients, employees, regulators and the broader community, reinforcing our social licence to operate and contributing to broader corporate legitimacy;
- Implementing effective controls to mitigate financial loss or reputational damage arising from misconduct, regulatory breaches, or operational failures;
- Embedding ethical business practices across all core business areas, fortifying our value-driven culture;
- Evolving our governance framework in line with emerging best practices, changing regulatory landscapes and global governance standards to remain relevant and forward-looking.

First Capital's governance framework not only supports the acceleration of our strategy but also ensures that we are well-positioned to deliver and protect sustainable, shared value in an increasingly complex and fast-changing world. Our governance structure is deliberately designed to provide clear segregation of duties, ensuring effective decision-making that aligns with the principles of accountability, transparency, fairness, and integrity.

The Board of Directors, as our highest governing body, oversees and anchors this governance framework, managing the appointment of sub committee members and Key Management Personnel (KMP). The Board regularly reviews our governance framework to reflect necessary enhancements in alignment with First Capital's evolving growth strategy.

Our approach to corporate governance enables integrated thinking and decision-making, balancing the achievement of our strategic priorities over time and reconciling the interests of the Group, stakeholders and society by creating and protecting sustainable shared value and guarding against value erosion in the short, medium and long term.

As an integral part of the social and communal networks in which we operate and on which we depend for our licence to operate, we recognise our duties as a listed company and a responsible corporate citizen to act in a manner that benefits all our communities.

VISION

VALUES

STRATEGY

STRATEGIC PRIORITIES

IMPACT ON CAPITALS

Our Board-approved governance framework is fully integrated into the Group's operations, providing a structured foundation for responsive decision-making and fostering a culture of accountability and responsible conduct.

The Code of Best Practice on Corporate Governance 2023 (the Code) serves as the cornerstone of our governance model. Its principles are embedded across our governance structures, enabling us to uphold the fundamental tenets of sound corporate governance: an ethical culture, good performance, effective control, and legitimacy.

Through consistent application of our governance framework, we aim to:

- Pursue strategic opportunities within the Board approved risk framework, maintaining a prudent balance between risk and return.
- Implement robust controls to prevent financial loss or reputational damage resulting from misconduct or unethical behaviour.
- Reinforce our legitimacy as a responsible corporate citizen, enhancing the relationships and resources we rely on today for the future benefit of the Group, our clients, employees, stakeholders, and broader society.

See page 209 Board Considerations and Links to Capitals

KEY EMBEDDED MANDATES

To satisfy various compliance reporting requirements, the disclosure requirements of the following corporate reporting and regulatory frameworks and guides, among others, are considered when reporting.

FCH GROUP CORPORATE GOVERNANCE FRAMEWORK

INTERNAL ASSURANCE

EXTERNAL ASSURANCE

Regulatory

- Companies Act No. 7 of 2007 (as amended)
- Securities and Exchange Commission Act No. 19 of 2021 and rules promulgated thereunder including: Market Intermediary Rules as published under Gazette Extraordinary No. 2271/09 dated 15 March 2022; and the Collective Investment Scheme Code (CIS Code) published under Gazette Extraordinary 2278/2 dated 7 May 2022
- Local Treasury Bills Ordinance No. 8 of 1923 and amendments
- Registered Stock and Securities Ordinance No.07 of 1937 and amendments
- Trading Participant Rules and Central Depository Systems Rules issued by the CSE for Stockbrokers
- Prevention of Money Laundering Act No. 5 of 2006
- Financial Transaction Reporting Act No. 6 of 2006 (as amended) and any directions and circulars issued under the Act
- Inland Revenue Act No. 24 of 2017 (as amended)
- Value Added Tax Act No. 14 of 2002 (as amended)
- Listing Rules of the Colombo Stock Exchange (CSE Listing Rules)
- The Sri Lanka Accounting and Auditing Standards Act No 15 of 1995
- The Shop and Office Employees Act No. 19 of 1954 (as amended)
- Personal Data Protection Act No. 09 of 2022
- Anti-Corruption Act No. 9 of 2023
- Other applicable regulations

Voluntary

- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023 (CA Sri Lanka)
- International <IR> Framework of the International Integrated Reporting Council
- Guideline for presentation of Annual Reports""Non-Financial Reporting Guideline" issued by CA Sri Lanka
- GRI Universal Standards
- Sustainability Accounting Standards Board (SASB) Standards
- Guideline on IT Governance for Directors by Task Force Committee of CA Sri Lanka
- Gender Parity Reporting Framework of CA Sri Lanka
- Guide on communicating sustainability issued by the CSE
- United Nations (UN) Sustainable Development Goals (SDGs)
- Principle of the UN Global Compact
- Transparency checklist issued by Transparency International Sri Lanka

Internal

- Articles of Association
- Board Charter
- Board-approved TORs of Sub-Committees
- Board-approved policies on governance, risk and operational aspects
- Board approved Conduct Framework

GOVERNANCE FRAMEWORK

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 of Directors

Level 1 Governance

Remuneration Committee

Investment, Asset and Liability Committee

Board Integrated Risk Management Committee

Board Audit Committee

Related Party Transactions Review Committee

Nominations and Governance Committee

Level 2 Governance

Managing Director/ CEO

Key Management Personnel (KMP)

Level 3 Governance

Internal Audit

External Audit

VALUE CREATION THROUGH CORPORATE GOVERNANCE

The Board upholds high standards of corporate governance, ensuring transparency, robust performance oversight, effective controls, and integrity, all within a framework of sound ethical culture. The Code is the foundation of our corporate governance framework. The governance objectives established by the Board align closely with the principles outlined in the Code. This report demonstrates how the Board has applied these principles to steer the Group's strategic direction, approve supporting policies and plans, and ensure effective accountability and monitoring mechanisms are in place.

INSPIRING
transparency, accountability and trust in managing our stakeholder relationships

See pages 48 to 49 for Stakeholder engagement

DELIVERING
a positive societal impact on the industry, economy, communities and the environment through business activities

See pages 62 to 63 Value Creation Model

COMPLIANCE
with applicable regulatory and governance standards

See pages 220 to 284 for Compliance Status

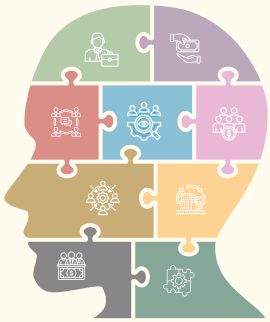
EMBEDDING
an ethical and risk-aware culture that recognises that the trust of our stakeholders support corporate legitimacy

See page 241Code of Conduct and pages 148 to 149 on Trust and Reciprocity

THIS IS ACHIEVED THROUGH THE FOLLOWING

- Internal controls
- External regulations

PRINCIPLES OF GOVERNANCE



Priciple A: Directors
Establishes the foundation for effective Board leadership. Emphasises collective responsibility, the role of the Chairman and CEO, and the importance of Board composition, independence, appointment procedures, and performance evaluation.

Principle B: Directors' Remuneration
Outlines principles to ensure that Director and executive remuneration is fair, aligned with performance, and transparent. Includes guidance on the role and independence of the Remuneration Committee.

Principle C: Relations with Shareholders
Encourages active engagement with shareholders, facilitating equal access to information and promoting shareholder participation in decision-making, including voting rights at general meetings.

Principle D: Accountability and Audit
Focuses on financial reporting integrity, internal controls, risk management, and the independence and effectiveness of the Audit Committee. Includes whistleblower protection and policies on ethical conduct, bribery, and corruption.

Principle E: Institutional Investors
Calls for responsible engagement by institutional investors, encouraging them to exercise their ownership rights and evaluate governance practices when making investment decisions.

Principle F: Other Investors
Emphasises the fair treatment and empowerment of minority shareholders, promoting equitable access to information and encouraging feedback on governance matters.

Principle G: Internet of Things and Cybersecurity
Encourages Boards to understand and oversee the integration of IoT technologies.

Principle H: ESG Risks and Opportunities
Emphasizes the importance of identifying, assessing, and managing ESG risks and opportunities

Principle I: Special Considerations for Listed Entities
Outlines additional governance expectations for listed companies, including adherence to enhanced disclosure requirements,

BOARD OF DIRECTORS

With extensive collective experience across various industries and disciplines First Capital's Board members offer invaluable insights, critical analysis, and innovative perspectives.

Deep insight of market trends, regulatory landscapes, ESG and emerging technologies enables the Board to anticipate challenges and capitalise on opportunities, driving sustainable growth and competitive advantage.

The Board provides independent and objective judgement, and constructively challenges and monitors executive management's delivery of strategy within the approved framework and risk appetite agreed by the Board.

Rajendra Theagarajah Chairman and Independent Non-Executive Director	**Manjula Mathews** Deputy Chairperson and Non-Independent, Non-Executive Director	**Dilshan Wirasekara** Managing Director/Chief Executive Officer
APPOINTED		
QUALIFICATIONS		
• Fellow Member – Chartered Institute of Management Accountants (CIMA), UK • Fellow Member – Institute of Chartered Accountants of Sri Lanka • MBA – Cranfield School of Business, UK	• Fellow Member – Chartered Institute of Management Accountants (CIMA), UK • MBA – University of Cambridge, UK	Executive Education – INSEAD Business School, Fontainbleu, France Alumnus – Association for Overseas Technical Scholarship (AOTS), Japan
PROFILE IN SUMMARY		
Rajendra Theagarajah is a seasoned banking professional with over 36 years of experience in the financial services sector across the United Kingdom and Sri Lanka. He served as CEO of three licensed commercial banks in Sri Lanka and has played a significant role in shaping the country's banking and regulatory frameworks.	Manjula Mathews brings over 30 years of experience across finance, marketing, and general management in both Sri Lanka and the UK. She has held senior leadership and governance roles within several listed entities and is also actively engaged in global non-profit work.	Dilshan Wirasekara is a capital markets specialist with over 25 years of experience in banking, investment management, and corporate finance. Since joining First Capital in 2013, he has played a pivotal role in transforming it into a fully integrated financial services provider.
KEY STRENGTHS		
• Deep expertise in banking and financial regulation • Proven leadership in corporate governance, Basel III implementation, and strategic policy advocacy • Recognised for regional thought leadership and contribution to financial sector development • Strong track record in institutional leadership and stakeholder engagement	• Strategic business leadership across financial services • Capital market transactional experience • Deep involvement in corporate governance and sustainability initiatives • Strong advocacy for social impact and philanthropic engagement	• Capital market strategy and product innovation • Investment advisory and deal structuring with global Development Finance Institutions • Leadership in integrated financial services
EXTERNAL DIRECTORSHIPS:		
• Independent Director–Carson Cumberbatch PLC • Chairman – Janashakthi Finance PLC • Member – Stakeholders Engagement Committee, Central Bank of Sri Lanka • Senior Visiting Fellow – Pathfinder Foundation	• Director – Janashakthi Limited • Board Member – Habitat for Humanity International (Global) • Chair – Habitat for Humanity Sri Lanka • Custodian – Alzheimer's Association of Sri Lanka	• Chairman – Colombo Stock Exchange

Rajendra Theagarajah Chairman and Independent Non-Executive Director	**Manjula Mathews** Deputy Chairperson and Non-Independent, Non-Executive Director	**Dilshan Wirasekara** Managing Director/Chief Executive Officer
APPOINTED		
PREVIOUS ROLES:		
• CEO – Three licensed commercial banks in Sri Lanka • Chairman – Sri Lanka Banks Association, Asian Banks Association, Lanka Financial Services Bureau • Board Member – Colombo Stock Exchange, Lanka Clear, Sri Lanka Institute of Directors • Chairman – Ceylon Chamber of Commerce (2017–2019) • Conferred Chairman Emeritus, Asian Banks Association (2022)	• Managing Director & Chairperson – Dunamis Capital PLC and subsidiaries • Finance Director – Janashakthi Insurance PLC • Lecturer and Counsellor – Colombo Theological Seminary	• General Manager – Softlogic Capital PLC • Head of Treasury – Nations Trust Bank PLC • Multiple award winner in international asset-liability management competitions

Ramesh Schaffter Non-Independent, Non-Executive Director	**Kuda Herath** Independent Non-Executive Director	**Inoshini Perera** Independent Non-Executive Director
APPOINTED		
QUALIFICATIONS:		
• Fellow Member – Chartered Institute of Management Accountants (CIMA), Sri Lanka • Associate Member – Chartered Institute of Marketing (CIM), UK	• BSc in Applied Chemistry – University of Kingston, London	• Master's in Finance – University of Cambridge, UK • BSc in Economics (First Class Honours) – London School of Economics and Political Science, UK
PROFILE IN SUMMARY:		
With over 30 years in finance and marketing, Mr. Schaffter is a respected corporate leader and social entrepreneur. He is known for his work in corporate leadership, nonprofit governance, and as a motivational speaker.	Kuda Herath has over 28 years of experience in the FMCG sector, holding leadership positions in multinational and local corporates. He has driven significant growth and transformation in sales, marketing, and M&A initiatives.	Inoshini Perera brings extensive international and local experience in investment banking, consultancy, and corporate banking. She has held senior roles in global financial institutions and now supports strategy and policy initiatives through independent consultancy.
KEY STRENGTHS:		

Ramesh Schaffter Non-Independent, Non-Executive Director	**Kuda Herath** Independent Non-Executive Director	**Inoshini Perera** Independent Non-Executive Director
APPOINTED		
• Strategic leadership in finance and insurance sectors • Capital market transactional experience • Passion for social entrepreneurship and community engagement • Strong communication and stakeholder engagement skills • Civic and community engagement	• Consumer business leadership and operational execution • Strategic M&A in FMCG sector • Environmental sustainability and public-private collaboration	• Expertise in M&A and financial advisory • Global capital market insights and regulatory understanding • Strong analytical and strategic thinking
EXTERNAL DIRECTORSHIPS:		
• Managing Director/Group CEO – Janashakthi Limited • Director – Janashakthi Insurance PLC, Kelsey Developments PLC, Janashakthi Finance PLC, Serendib Land PLC	• Independent Non-Executive Director – Central Finance Company PLC	• Independent Consultant and Director – Verité Research
PREVIOUS ROLES:		
• President – Habitat for Humanity Sri Lanka • Board Member – World Vision Sri Lanka • Co-founder – Swarga TV and Christian Arts Foundation (Chraft)	• Executive Director – A. Baur & Co. (Private) Ltd. • COO – Consumer Business, Sunshine Holdings PLC • Member – Environmental Cell, Ceylon Chamber of Commerce (1996–2001)	• Vice President – M&A Advisory, Bank of America (UK) • Associate Director – KPMG (Singapore) • Senior Roles – Standard Chartered Bank (Sri Lanka)

Rachini Rajapaksa Independent Non-Executive Director	**Dilendra Wimalasekere** Independent Non-Executive Director
APPOINTED	
QUALIFICATIONS:	
• Fellow Member – Chartered Institute of Management Accountants (CIMA), UK • Chartered Financial Analyst (CFA) – CFA Institute, USA	• BA in Business Economics – College of Wooster, USA • Entrepreneur Development – MIT "Birthing of Giants" Programme
PROFILE IN SUMMARY:	
Rachini Rajapaksa is a highly accomplished finance professional with over 30 years of experience in fund management and financial leadership. She has significantly contributed to the development of the CFA community in Sri Lanka.	Dilendra Wimalasekere is a tech entrepreneur with over 25 years of experience building global IT and digital services businesses. His companies serve a wide international clientele, including Fortune 500 companies.

Rachini Rajapaksa Independent Non-Executive Director	**Dilendra Wimalasekere** Independent Non-Executive Director
APPOINTED	
KEY STRENGTHS:	
• Expertise in fund management and financial governance • Pioneering leadership in CFA education and advocacy • Strong background in financial reporting and audit oversight	• Digital transformation and global technology operations • Start-up mentoring and innovation strategy • Cross-industry business leadership and entrepreneurship
EXTERNAL DIRECTORSHIPS:	
• Independent Director – Nations Trust Bank PLC, Lanka Bond House Ltd, Sri Lanka Accounting and Auditing Standards Monitoring Board • Director – Asset Machinery & Equipment (Private) Ltd, Asset Enterprises (Private) Ltd • Advisory Committee Member – Tennyson & Vinitha Rodrigo Trust	• Founder – Eureka Technology Partners, 24/7 Techies, ReapDigital • Mentor – Google for Startups Accelerator • Advisory Board Member – SLAASCOM
PREVIOUS ROLES:	
• Senior Fund Manager – Ceybank Asset Management Ltd • CFO – IBM Sri Lanka & Bangladesh • Founding Member and Past President – CFA Society Sri Lanka	• Board Director and Treasurer – AMCHAM Sri Lanka

BOARD SIZE AND COMPOSITION (PRINCIPLES A.5, A.5.1, A.5.2, A.10)

First Capital's Board comprises one Executive Director and seven Non-Executive Directors, five of whom (comprising 62.5% of the Board) are Independent Non-Executive Directors.

This structure ensures balanced oversight, providing diverse industry perspectives that challenge decisions constructively, safeguarding shareholder interests and the overall health of the Group.

The size of the Board, totalling eight members, is considered appropriate for the Group.

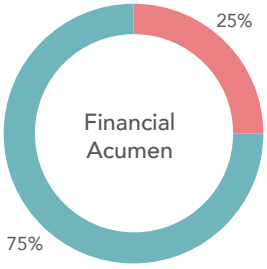
Of the Non-Executive member of the Board, the following Directors have been assessed as Independent:

Independent Non-Executive Directors
Rajendra Theagarajah - Chairman
Kuda Herath
Inoshini Perera
Rachini Rajapaksa
Dilendra Wimalsekere

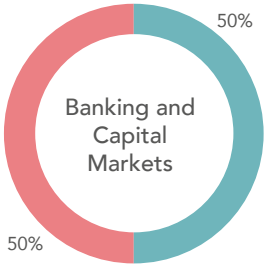
The Company's Independent Directors meet the criteria for determining independence as per the Listing Rules of the CSE.

BOARD SKILLS DIVERSITY

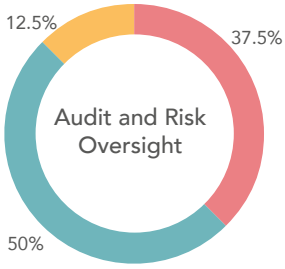
The Board is committed to maintaining a balanced composition that reflects a diverse mix of skills, experience, tenure, and perspectives aligned with the Company's strategic direction and stakeholder expectations. The matrix below illustrates the collective capabilities of the Board, mapped against key skill areas identified as critical for effective governance and long-term value creation.



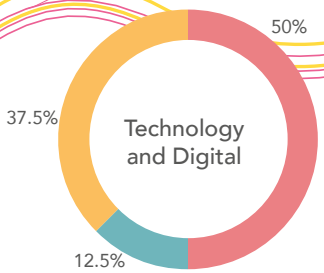
Demonstrates advanced proficiency in financial analysis, capital structuring, and risk-return evaluation-core to strategy and oversight. Offers critical insight into balance sheet optimisation, pricing models and portfolio performance, with the ability to interrogate complex financials and guide strategic capital decisions.



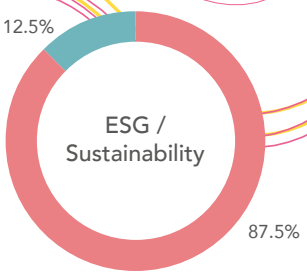
Brings deep financial industry insight, financial acumen, capital allocation deal making expertise and insight into regulatory and market dynamics. Particularly valuable for navigating economic cycles and funding strategies.



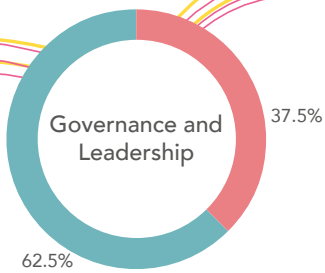
Critical for ensuring robust internal controls, financial integrity, and effective risk management practices. Supports the Board's role in overseeing audit functions and enterprise risk frameworks.



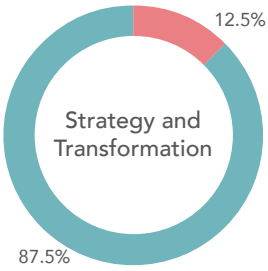
Provides insight into digital innovation, cybersecurity, data strategy, and emerging technologies—essential for driving operational efficiency and future-ready business models.



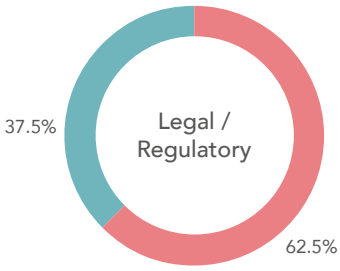
Ensures integration of environmental, social, and governance priorities into core decision-making, addressing stakeholder expectations and long-term value creation.



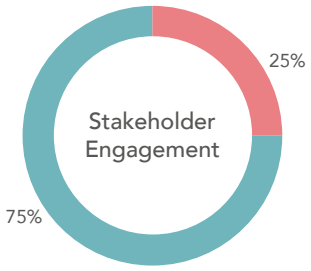
Supports strong board functioning, ethical leadership, and effective oversight by drawing on experience in corporate governance, boardroom dynamics, and executive leadership.



Enables the Board to assess and guide long-term strategy, business model evolution and transformational initiatives necessary for sustainable growth and competitiveness.



Offers legal acumen and familiarity with regulatory compliance, helping the Board navigate complex legal landscapes and uphold corporate accountability.



Reflects the ability to engage constructively with shareholders, employees, communities, regulators, and other stakeholders, safeguarding reputation and reinforcing trust.

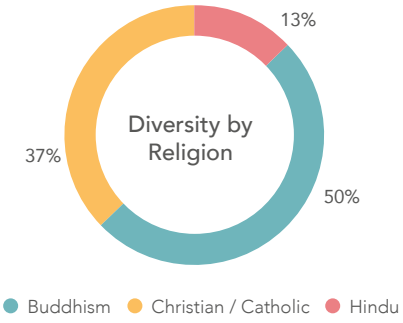
Substantial (25+ yrs) Moderate (15–24 yrs) Limited (<15 yrs)

GENDER ETHNIC AND RELIGIOUS DIVERSITY

The Board is committed to fostering a diverse and inclusive environment reflective of First Capital's culture. Diversity extends beyond skills and experience to encompass ethnicity and gender.

The Board comprised 37.5% female representation at year-end. Key Board committees, including the Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC) and Related Party Transactions Review Committee (RPTRC) are chaired by female Directors. The Board remains vigilant in integrating gender diversity targets into succession planning initiatives and is satisfied with current progress.

The ethnic mix comprises Sinhala and Tamil, representing 62.5% and 37.5% of the Board, respectively.

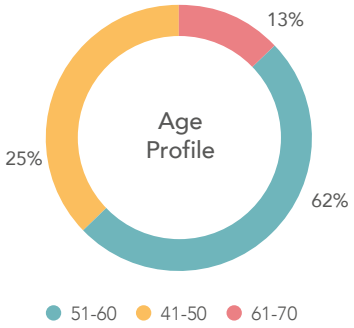


AGE PROFILE

Director's ages and age profile are provided below:

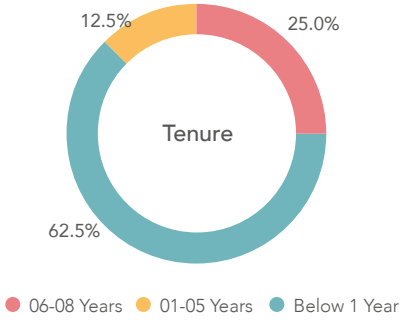
Name	Age
Rajendra Theagarajah	67
Manjula Mathews	57
Kuda Bandara Herath	58
Inoshini Perera	41
Rachini Rajapaksa	57
Ramesh Schaffter	55
Dilshan Wirasekara	50
Dilendra Wimalsekere	51

The Board's age profile favours the 51-60 age Group.



TENURE

While the Board's average tenure of is relatively low due to recent refreshment efforts, this renewal strengthens the Board's independence and injects diverse, contemporary perspectives aligned with First Capital's evolving strategic priorities. Notably, three directors bring valuable firm-specific insight within the 1-5 and 6-8 year tenure ranges, ensuring continuity and institutional knowledge. The addition of five newly appointed independent directors further enhances oversight capabilities, promotes fresh thinking, and supports long-term value creation.



DIRECTOR APPOINTMENT, RE-ELECTION, AND RESIGNATION (PRINCIPLES A.7, A.8)

Appointments of Non-Executive Directors comply with our Articles of Association and CSE Listing Rules, emphasising candidates' professional expertise, integrity and reputation.

Directors serve staggered terms, with one-third retiring annually, eligible for re-election based on tenure. The Articles of Association call for one third of the Non-Executive Directors to retire at each Annual General Meeting (AGM) and the Directors who retire are those who have served for the longest period after their appointment / re-appointment. The provisions of the Articles further stipulates that a Director appointed to fill a casual vacancy on the Board is eligible to offer himself / herself for re-election by shareholders at the next AGM.

First Capital has established formal procedures on Board appointments and re-elections in compliance with Section 9 of the CSE Listing Rules. These procedures overseen by the Nomination and Governance Committee (NGC), rigorously assess independence and suitability under prescribed "fit and proper" criteria alongside Board balance considerations. (Principles A.1.5, A.5.3, A.5.4, A.5.5). The Group's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfied the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

The Board confirms that the organisation has fully complied with the Corporate Governance Rules set out in the Listing Rules of the CSE

ROLE OF THE BOARD (PRINCIPLE A.1.2)

The Board, as the apex governance authority, operates in accordance with its formally defined Terms of Reference (TOR) outlined in the Board Charter. In line with the Charter, the Board holds collective accountability to stakeholders for the sound management of the Group, in alignment with established principles of good governance.

As part of its mandate, the Board sets the strategic direction of the Group by defining its short, medium and long-

MATTERS RESERVED EXPRESSLY FOR BOARD CONSIDERATION

- Setting the Group Vision, Missions and Values
- Overseeing the development of Group strategy in line with the Group vision and reviewing and approving strategic plans
- Approving all major capital investments/ expansions
- Approving the appointment/ removal of Board Directors, Board sub Committee Members, and Company Secretary
- Reviewing and updating Remuneration of Directors
- Approval of all principal regulatory filings on time
- Evaluating the performance of the Managing Director/CEO against achievement strategic objectives
- Approving the Succession Plan for Executive Directors
- Reviewing and updating as needed the Board Charter, Board Sub Committee TOR's, governance structures, policies and procedures

term objectives. It also ensures that the necessary resources including capital investments and human capital are allocated effectively to support the achievement of these objectives.

In its role as the primary custodian of Group-wide activities, the Board of First Capital Holdings PLC retains exclusive authority to review and approve specific matters deemed material to the Group's governance and performance.

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS (PRINCIPLE A.1.2)

Directors commit adequate time and effort to fulfil their roles effectively, actively participating in Board meetings, contributing knowledge and independent judgment and engaging annually in Board evaluations.

SEPARATION OF ROLES: CHAIRMAN AND CEO (PRINCIPLES A.2, A.3)

The roles of Chairman and CEO remain distinct, ensuring no individual holds unchecked authority, preserving balanced governance. The Chairman oversees Board effectiveness while the CEO manages strategy execution and stakeholder engagement.

CHAIRMAN'S RESPONSIBILITIES

The Chairman leads the Board, facilitating effective meetings, clear communication and productive discussions. Responsibilities include setting meeting agendas, ensuring timely and clear information distribution, accurate meeting documentation and fostering an environment conducive to open dialogue and rigorous debate. The Chairman also drives the Board's self-assessment process to enhance performance continually.

- Sets the ethical tone for the Board and Group
- Leads the Board and ensures its effective functioning
- Setting the agenda for each Board meeting to ensure that all key and appropriate issues are discussed by the Board in a timely manner, while taking cognizance of the matters proposed by other Directors, members of various sub-committees or the Company Secretary
- Create an environment to ensure the Board collectively and Directors, individually can perform their roles effectively
- Promotes a culture of openness and encouraging constructive debates and challenges, between Non-Executive Directors regarding Board matters so as to fully contribute to the effective functioning of the Board
- Provides leadership the process for self-assessment to generate meaningful feedback to further improve the effectiveness of the Board
- Builds and maintains stakeholder trust and confidence

MANAGING DIRECTOR/ CEO'S RESPONSIBILITIES

The Managing Director/ CEO operates with authority delegated by the Board, managing daily operations in line with Board-approved strategies and policies. Reporting directly to the Board, the CEO guides KMP and senior management, ensuring strategic alignment and effective stakeholder engagement.

- Develops the Group's strategy and long-term plans for consideration and approval by the Board
- Establishes an operational structure for the Group which is appropriate for the execution of strategy
- Supports the Nomination and Governance Committee in its oversight role of succession planning for KMPs
- Reports to the Board on the performance of the group in line with approved risk appetite and its compliance with applicable laws and corporate governance principles
- Sets the tone for ethical leadership, creating an ethical environment and ensures a culture that is based on the Group's core values
- Acts as the face of the Company and engages with shareholders and other material stakeholders including clients, regulators and employees on an ongoing basis.

BOARD MEETINGS (PRINCIPLES A.1.1, A.1.6, A.1.7, A.6, A.10)

Regularly scheduled monthly meetings, supplemented as required, ensure strategic oversight. Board meetings feature comprehensive preparation, clear agendas, detailed documentation, and active Director participation. Directors can request additional agenda items or clarity on meeting materials to ensure informed decision-making.

MODE OF BOARD MEETINGS

Board meetings may be hosted as physical, virtual or hybrid meetings in accordance with the Articles of Association.

BOARD MEETINGS AND GOVERNANCE PROCESSES

The Board convenes at least once a month, with additional meetings held as and when required to address emerging matters. Attendance at Board meetings is mandatory for all Directors. Participation is limited to Board members, with the Company Secretary in attendance to formally record the proceedings. However, Key Management Personnel (KMPs) and external experts may be invited to attend specific meetings or agenda items, particularly to present on matters related to Group strategy, risk, and opportunities.

PLANNING AND PREPARATION OF BOARD MEETINGS

Board meetings are scheduled well in advance according to a pre agreed annual meeting calendar, developed by the Company Secretary in consultation with the Chairman. The agenda for each meeting is set by the Chairman, with assistance from the Company Secretary. Finalised agendas and a comprehensive Board pack containing all relevant documentation, are circulated to Directors at least seven (07) working days prior to each meeting. All materials are also made accessible via a secure digital portal, enabling Directors to review them remotely.

Directors may submit written requests to the Chairman to include additional items on the agenda. If a Director finds any part of the Board documentation insufficient or unclear, they are entitled to request additional information or clarification, which the relevant KMP is required to provide in a timely manner.

In instances where a Director is unable to attend a meeting, they are expected to review the Board materials in advance and communicate their views and comments to the Chairman, ensuring these can be conveyed to the Board during deliberations.

In the reporting period, the Board met X times, with all meetings marked by strong attendance, active engagement, and constructive, open dialogue.

DIRECTOR TRAINING AND DEVELOPMENT

Regular director education sessions ensure relevance and strategic insight.

Continuous professional development of Directors is encouraged, with training expenses covered by the Group. Regular workshops address emerging regulatory and industry developments, supplemented by comprehensive orientation programs for new Directors.

Directors Training – FY2025

Programme Focus	No. of Directors who participated
Anti-bribery and anti-corruption	1
Market Misconducts and regulatory background	8
Information Technology and Information Security Risk	8
Board Leadership Refresher	1
Anti-Money Laundering and Countering the Financing of Terrorism	1

EVALUATING BOARD PERFORMANCE (PRINCIPLE A.9)

The Board collectively evaluates its performance and functional effectiveness on an annual basis. A formal process to evaluate Board effectiveness has been instituted in keeping with the CSE Listing Rules. This annual evaluation process is mandatory for all Board members and is designed to assess performance, composition and collective effectiveness. The evaluation forms and questionnaires have been finalised and implementation will commence during the current financial year.

EVALUATING THE PERFORMANCE OF THE MD/CEO (PRINCIPLE A.11)

The performance of the Managing Director/CEO is evaluated annually by the Board, based on a set of pre-agreed performance criteria that are directly linked to the Group's strategic roadmap. The outcome of this evaluation serves as the basis for determining remuneration adjustments.

BOARD SUB COMMITTEES (PRINCIPLES B.2, D.3, D.4, D.5)

Board Sub Committees are essential to supporting the Board in executing its oversight responsibilities effectively. The Board has established following Sub-Committees to this end. During the financial year, the Board reviewed and formally approved the TOR for each Committee. These TORs clearly define the scope of work, duties and responsibilities, and the roles of the Committee Chair and members, in alignment with the CSE Listing Rules.

Board Audit Committee (Pages 288-289)

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

Board Integrated Risk Management Committee (Pages 291-292)

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

Related Party Transactions Review Committee (Pages 293-294)

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

Remuneration Committee (Page 289)

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

Composition of the Committee:

Dilendra Wimalasekere – *Independent Non-Executive Director (Chairman)*

Rajendra Theagarajah – *Independent-Non-Executive Director*

Ramesh Schaffter –*Non-Independent-Non-Executive Director*

Meeting Frequency	Semi-annually

Nominations and Governance Committee (Pages 295-296-)

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 Bandara 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

Investment, Asset and Liability Committee (Pages 297-298)

Purpose: Reviewing investment related analysis, liquidity positions and risks and approving investment decisions of the Group in the best interest of shareholders.

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

EXECUTIVE COMMITTEES

While Board Committees focus on oversight and strategic direction, the execution of policies, strategic initiatives, and operational risk management is delegated to a set of Executive Committees composed of senior management. These Committees play a critical role in translating Board-level guidance into action, ensuring that business activities are effectively monitored and aligned with First Capital's objectives, regulatory obligations, and risk appetite. The following Executive Committees are integral to this governance and management framework:

Executive Committees	
Management Committee (MANCO)	**IT Steering Committee (ITSC)**
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.

BALANCING OUR VALUE OUTCOMES AND PROVIDING EFFECTIVE OVERSIGHT

The Board and its Committees considered the following key value creation items alongside the standard agenda according to their mandates.

Focal Area	Impacted Capitals	Key Board Considerations	
Client-centricity	Intellectual Capital Manufactured Capital Social and Relationship Capital	• The Board monitored the Group's strategic and digital transformation initiatives, regularly reviewing client onboarding, KYC and AML/CFT control effectiveness, along with complaint management processes. • In relation to operating model changes, the Board highlighted Client Experience (CX) as a differentiator and appreciated the executive management's focus on measuring CX to facilitate focused oversight in the medium-term.	• The Board reviewed the revised Client Complaint Handling Policy and management's commitment in addressing data privacy and compliance with the Personal Data Protection Act. • The Data protection policy was reviewed by the BIRMC and implementation was delayed due to the Government announcement of amendments to the Act. The processes are already in place.
Employee Focus	Human Capital Social and Relationship Capital	• Progress on transformation targets and results from employee engagement surveys were reviewed alongside succession planning and talent management initiatives.	• The Board considered the strategic manner in which the Great Place to Work® certification and ratings are utilised to guide a strong internal culture and employee satisfaction. • The Whistle Blowing Policy was revised and approved by the Board.
Risk and Conduct	Intellectual Capital Social and Relationship Capital	• Periodic risk management reports were reviewed, assessing overall risk impacts, sovereign risk and credit metrics. • Material resource allocation and outsourcing arrangements were approved, internal audit findings addressed and significant conduct and reputational matters evaluated.	• The BIRMC was restructured to replace the former Enterprise Risk Management Committee reflecting the Group's commitment to robust risk governance and ethical business conduct across all functions.

Focal Area	Impacted Capitals	Key Board Considerations	
Operational Excellence	Intellectual Capital Manufactured Capital Social and Relationship Capital	• Considered the Group's approach to institutional resilience pertaining to systems, processes and controls. • Reviewed the monthly Group technology reports and received updates on key technology priorities. See pages 278 to 284 for further details on IT Governance and related Board considerations.	• The Board noted the Group's shift in focus towards emerging/frontier technologies such as AI, automation and data analytics and further refinement of digitisation strategies.
Financial Outcomes	Financial Capital	• Annual financial plans, budgets, statements, liquidity, capital adequacy and dividend declarations were rigorously assessed and approved. • The Board conducted periodic reviews of financial forecasts and quarterly financial performance reports, providing strong oversight of the Group's financial health and performance trajectory.	
Societal Impact	Social and Relationship Capital Natural Capital	• The Board reviewed and discussed ESG and sustainability matters, with emphasis on the defining a fit-for-purpose governance framework.	• An Independent Non-Executive Director was invited to champion the ESG agenda in the Boardroom. The ESG Sponsor interacted regularly with the Board to effectively embed ESG strategy and issues in the Board's broader business and strategic debate. The intended approach to prioritise sustainability initiatives was reported to the Board.

BOARD SUCCESSION PLANNING

Succession planning is structured, transparent and supports the continuous renewal of Board and executive leadership. This forms part of the Group's ongoing commitment to ensuring Board continuity, leadership renewal, and alignment with long-term strategic priorities.

Oversight of Board succession planning is vested in the NGC, which is responsible for regularly reviewing the composition, tenure, skill diversity, and independence of the Board. The Committee also evaluates potential successors against a forward-looking capability framework that aligns with First Capital's strategic ambitions, stakeholder expectations, and regulatory obligations.

See pages 295 to 396 for the Nomination and Governance Committee Report

INDEPENDENCE ASSESSMENT

Director independence assessments occur annually against criteria defined in section 9.8.3 of the CSE Listing Rules. The NGC has conducted an independence determination of each Independent Director based on the Directors' declaration and other information available to the Committee. The Directors determined as Independent are set out on page 206.

RISK MANAGEMENT AND INTERNAL CONTROL (PRINCIPLE D.2)

Risk oversight is a key Board responsibility, involving regular evaluation of risk management frameworks supported by the Audit and Enterprise Risk Management Committees. The Board annually reviews the adequacy of internal controls to match the complexity and scale of operations.

INSTILLING ETHICAL CONDUCT (PRINCIPLE D.6)

The Board and executive management actively set a culture of integrity and accountability, ensuring fair treatment of clients, ethical decision-making, and doing business responsibly. Governance structures are robust, facilitating effective oversight of conduct and culture.

The NGC oversees adherence to the Group's values and Code of Conduct for Directors and employees (Code of Conduct). It also monitors initiatives aimed at achieving positive impacts

and oversees stakeholder engagement activities, ensuring material issues receive appropriate attention from both Board and management.

The NGC reviews periodic conduct reports addressing significant matters at the Group and entity level. Concurrently, the BAC monitors the implementation of remedial actions identified in Regulatory audit reports and internal audit reports, ensuring adherence to regulatory and legislative requirements.

The Board remains committed to transparency, integrity, and fairness in all decision-making, embedding accountability at both the individual and collective levels.

CODE OF CONDUCT (PRINCIPLE D.6)

The Code of Conduct sets out clear expectations regarding the culture, values and behaviours required of all employees and Directors. It reinforces our commitment to integrity and accountability. Our ethical framework covers several conduct areas:

- 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.

Policies and standards across the Group adhere strictly to the Code of Conduct, ensuring compliance with all relevant laws. The Group maintains confidential mechanisms for reporting unethical or unlawful behaviour.

There are no waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the Company.

First Capital maintains a rigorous ethical framework, embedding the Anti-Bribery and Corruption Policy and Whistleblowing Policy into operations.

- **Anti-Bribery and Corruption Policy (Principle D.6.1)**

This policy outlines strict prohibitions against bribery, kickbacks, gifts, and facilitation payments in the course of conducting business. It applies unconditionally to all Directors and employees of 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 the Group's behalf are made aware of these standards and are required to align with the provisions of the policy.

- **Political Party Contributions**

The Group maintains a policy of not funding political parties within Sri Lanka as embedded in the Anti-Bribery and Corruption Policy.

- **Whistleblowing Policy (Principle D.6.4)**

Our 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.

The policy is readily accessible via the Group's intranet. Under section 9.2.2 of the CSE Listing Rules, we publicly disclose the existence of key governance policies and provide details of their implementation, thereby ensuring transparency and enabling informed stakeholder engagement. A summary of policies and their implementation status is available at: https://firstcapital.lk/wp-content/uploads/2024/10/Policy-Summary-2.pdf.

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

MANAGING CONFLICTS OF INTEREST (PRINCIPLE A.10)

Directors must transparently disclose actual or potential conflicts of interest. Such disclosures undergo scrutiny by the Group's RPTC, with any material issues escalated to the Board. Directors abstain from discussions involving their interests.

DEALINGS IN SECURITIES (PRINCIPLE D.6.1)

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

SUBSIDIARY GOVERNANCE

Group subsidiaries have adopted the Group's subsidiary governance framework which seeks to demonstrate that there is sufficient mechanisms and corporate governance guidelines across all the Group's subsidiaries. In adopting the framework, the Board ensures that there are adequate governance structures and processes in place to contribute to the effective supervision of subsidiary companies, taking into consideration the regulatory jurisdiction and applicable norms, nature, size and complexity of the different risks facing the Group and its subsidiaries.

In alignment with the SEC minimum governance requirements, the Board approved changes to the composition of subsidiary Boards. These changes were introduced to preserve the independence of subsidiary Boards from the parent and other Group entities thus

avoiding potential conflicts of interest, strengthen oversight at the subsidiary level, and promote consistency in governance practices across the Group. This initiative reinforces the Group's commitment to high standards of corporate conduct and accountability throughout all entities.

FIRST CAPITAL POLICY SUITE (PRINCIPLE I)

In accordance with Rule 9.2.1 of the Listing Rules issued by the CSE, First Capital has established and/or refined the following policies which are detailed below. Under section 9.2.2 of the CSE Listing Rules, we disclose the policies in existence alongside the details of their implementation.

(a) Policy on the matters relating to the Board of Directors

Established on 13 September 2024 with the Board's approval, this policy illustrates the matters related to Board structure and diversity, appointment and re-election process, Fitness of directors, roles and responsibilities, performance evaluation process and Board Meetings.

(b) Policy on Board Committees

Established on 14 June 2024 with the Board's approval, this policy stands as a general guideline for Board sub-committees. It covers the corporate governance requirement relating to sub-committees, outcomes, and TORs of sub-committees.

(c) Policy on Corporate Governance, Nominations and Re-election

Established on 12 July 2024 with the approval of the Board, this policy outlines the procedures and principles that govern corporate governance, as well as the nomination, election, and re-election of directors within the Company.

(d) Policy on Remuneration

Established on 12 July 2024 with the approval of the Board, this policy addresses the remuneration structure along with the principles and framework governing compensation of Executive and Non-Executive Directors, as well as employees of the Company.

(e) Policy on trading in listed securities of the Company

The policy on trading in listed securities of the Company was established on 13 September 2024 with the Board's approval. It is intended to ensure compliance with statutory and regulatory requirements when dealing in the Company's listed securities.

It also aims to inform Insiders who may possess or become aware of any sensitive non-public material information related to the Company and its business. Additionally, the policy outlines the process for market announcements, the responsibilities of company officers regarding these matters and the compliance requirements and consequences for non-compliance related to insider trading and disclosure.

(f) Policy on Risk management and Internal controls

The latest version of the Policy on Risk Management (Risk Management Framework) was approved by the Board on 15 December 2023. This policy defines the company's risk appetite, outlines principles for managing risks, details the Risk Management Framework, and describes the processes for risk management, risk assessment, key risk exposure frameworks, and emerging risks.

The latest version of the Policy on Internal Controls (Delegated Authority Manual) received approval from the Board on 15 March 2024. This policy encompasses the principles of delegation of authority, the structure of delegation, capital expenditure, recommendations, consultations, approvals, payments, and levels of delegation.

(g) Policy on Relations with Shareholders and Investors

This policy was established on 12 August 2024, with the approval of the Board. It outlines the communication mechanisms with shareholders and investors to ensure transparency, accountability, and the timely dissemination of information.

Additionally, it emphasises the importance of transparency, timely communication, voting procedures, and designated contacts for shareholder and investor inquiries. The policy also establishes a process to ensure that all Directors are informed of major issues and shareholder concerns.

(h) Policy on Environmental, Social and Governance Sustainability

Established on 26 May 2023, with the approval of the Board, this policy outlines the Company's commitment to sustainability and its strategy for achieving it. Additionally, it highlights the importance of stakeholder engagement and details the procedures used to assess performance in this area.

(i) Policy on Control and Management of Company Assets and Shareholder Investments

Established on 14 June 2024 with the approval of the Board, this policy sets forth guidelines for the control and management of company assets and shareholder investments, ensuring transparency, accountability and the maximisation of shareholder value.

The policy outlines procedures for the acquisition, utilisation, disposal, and reporting of company assets and investments, aligning with the Company's strategic objectives and regulatory requirements.

(j) Policy on Corporate Disclosures

This policy was established on 14 June 2024 with the approval of the Board. It outlines the regulatory framework for disclosing material information, encompassing both financial and non-financial aspects.

Additionally, it details the various forms of disclosures mandated by legislation and company internal strategies, as well as the responsibilities associated with providing this information.

(k) Policy on Whistleblowing

The policy on Whistleblowing was established on 30 January 2017 with the approval of the Board. This policy enables employees to report any illegal, fraudulent, or policy-violating actions. It details the process for raising concerns and outlines the basis and procedure for conducting investigations.

(l) Policy on Anti-Bribery and Corruption

This policy was established on 12 July 2024, with approval from the Board. It outlines the prohibited conduct that employees and Directors must avoid and emphasises their responsibilities in preventing, detecting, and reporting bribery and corruption in a timely manner.

Additionally, the policy addresses risk assessments, compliance procedures, reporting mechanisms in relation to bribery and corruption, and the consequences of non-compliance.

COMPLIANCE

The Board ensures compliance with laws, codes, and regulations, proactively monitoring requirements and adopting global best practices voluntarily to meet evolving regulatory landscapes. Compliance with regulatory requirements is actively governed, maintaining ethical standards integral to our culture.

ASSURANCE (PRINCIPLE D.3)

The BAC ensures that the Group applies a combined assurance model through a coordinated approach to all assurance activities. It reviews the plans and outputs of external and internal audit, as well as reports on compliance, and concludes on their adequacy to address all significant financial risks facing the business which could impair the integrity of information used for decision-making and external reporting.

The BAC is responsible for overseeing the performance of the internal audit function and adequacy of its resources. It reviews and approves the internal audit TOR and audit plan, and evaluates the independence, effectiveness and performance of the internal audit function and its compliance with its TOR. It also reviews significant issues raised during the internal audit processes and the adequacy of corrective action in response to such findings. In respect of the external auditors, the BAC reviews the independence of the external auditors, recommends their appointment to shareholders for approval, and oversees the external audit process

See pages 288 to 289 for Board Audit Committee Report

HR AND REMUNERATION GOVERNANCE (PRINCIPLE B.1

The Board oversees HR strategies, remuneration structures, and workplace policies, executed by the Remuneration Committee and HR leadership. Policies ensure compliance, attract talent, and foster employee development in line with strategic goals.

Remuneration policies are fair, transparent, and aligned with strategic outcomes and risk management, ensuring sustainable value creation. Remuneration disclosures, including of Directors undergo shareholder review annually.

No Director is involved in determining his/her own remuneration thus eliminating conflict of interest.

Succession planning for Directors and Key KMPs is overseen by the NGC, which reviews leadership continuity, Board composition and critical role pipelines. Succession planning for all other staff members remains the responsibility of the CEO.

The Board remains committed to continually enhancing our governance frameworks to deliver sustainable, long-term value creation for all stakeholders.

IT GOVERNANCE (PRINCIPLE G)

The Board sets the overall direction for IT governance by establishing clear objectives aligned with the Group's strategic priorities. It approves IT-related budgets and policies and actively monitors industry technology trends to ensure the Group remains competitive and resilient. The Board plays a central role in overseeing the acceleration of digital innovation, reinforcing First Capital's positioning as a digital-first financial services provider that is client-centric and responsive to evolving market needs.

Operational responsibility for IT governance resides with the Chief Technology Officer and Digital Officer (CTDO), who provides regular updates to the Board on cybersecurity, systems resilience, data management, and broader technology risk matters.

Remaining responsive to client expectations is a core imperative, and the Group recognises technology as a key enabler of differentiation and long-term value creation.

GOVERNANCE STRUCTURE AND COMMITTEES

IT governance at First Capital is supported through a multi-tiered governance framework:

- Board of Directors: Provides strategic oversight of IT, ensuring technology investments align with the Group's vision, risk appetite, and long-term value creation goals
- The BIRMC and the BAC: Assist the Board in monitoring IT-related risks, internal controls, compliance and the effectiveness of cybersecurity frameworks.
- IT Steering Committee: A dedicated management-level committee responsible for evaluating,

prioritising and tracking major IT and digital transformation initiatives. The Committee ensures that technology projects are aligned with business needs, adequately resourced and executed in line with strategic priorities. It serves as a key interface between operational execution and strategic oversight, escalating critical matters to the Executive Committee and the Board as required.

STRATEGIC ALIGNMENT AND LEADERSHIP OVERSIGHT

During the financial year, the Board reaffirmed its commitment to responsible IT governance by ensuring that information and technology management forms an integral part of overall strategy.

The CTDO works closely with the IT Steering Committee, which includes Heads of Group entities and support services, and regularly engages with the Board providing updates on IT strategy, emerging risks, cybersecurity posture and innovation initiatives. Major technology investments are subject to formal evaluation processes that consider business value, risk impact, compliance requirements, and sustainability.

TECHNOLOGY COST AND INVESTMENT

The Board maintained oversight of the Group's technology investments by reviewing and approving prioritised investments and technology cost forecasts. Progress on strategic IT initiatives was monitored periodically enabling the Board to assess delivery against timelines, alignment with strategic priorities and return on investment.

CYBERSECURITY AND INFORMATION SECURITY

The growing cybersecurity threat landscape has reinforced our investment in enhanced monitoring, threat detection, and response capabilities.

First Capital maintains a robust cybersecurity framework to safeguard its digital infrastructure and client data. The Group employs advanced security protocols and continuously monitors for potential threats to ensure the integrity and confidentiality of information. Regular assessments and updates to security measures are conducted to align with evolving cyber risks and regulatory requirements. This proactive approach underscores First Capital's commitment to protecting stakeholder interests and maintaining trust in its digital operations.

Regular penetration testing, employee awareness programmes, and real-time incident response frameworks have strengthened the Group's resilience to cyber threats. The Board receives periodic assurance on cyber risk management from internal and external auditors.

As part of our commitment to strengthening information security and aligning with global best practices, we commenced the process of aligning with ISO/IEC 27001 certification during the year. Vendor evaluation and selection were undertaken as key preparatory steps. The implementation project is currently underway and is expected to be finalised in the next financial year.

DATA GOVERNANCE AND PRIVACY

In FY2025, First Capital advanced its commitment to safeguarding data and strengthening cybersecurity resilience through a series of targeted initiatives and governance enhancements:

- Cybersecurity Uplift Programme: As part of our commitment to robust information security, we implemented a suite of advanced technologies, including Data Loss Prevention (DLP) and Mobile Device Management, following a structured data classification process. The suite enables secure registration and management of all endpoint devices accessing company systems, ensuring policy enforcement and access compliance. Additionally, we deployed Privileged Access Management (PAM) and Endpoint Detection and Response (EDR) solutions to enhance access controls, protect sensitive data, and proactively mitigate internal and external threats.

- Enhanced Data Governance: Strengthened system integrity and compliance through the implementation of full encryption protocols, centralised patch management and Conditional Access policies across the enterprise IT environment.

- Regulatory Preparedness: Commenced the ISO/IEC 27001 certification journey, with project completion expected in FY2026, demonstrating First Capital's forward-looking approach to aligning with international information security standards.

- Employee Awareness: Embedded a culture of cybersecurity awareness through continuous phishing simulations and data privacy training programmes aimed at cultivating responsible data handling and vigilance at all levels.

- Operational Resilience: Maintained a strong cybersecurity record, with no material data breaches or privacy incidents reported during FY2025 across the Group.

In line with emerging data protection compliance obligations under the local Data Protection Act, JXG plans to appoint a Chief Information Security Officer (CISO) at JXG level to strengthen oversight of cybersecurity and information security across all subsidiaries, including FCH. At the entity level, First Capital's Chief Risk and Compliance Officer (CRO) serves as the designated Data Protection Officer (DPO) in accordance with the Group's Personal Data Protection Policy.

ETHICAL AND RESPONSIBLE TECHNOLOGY USE

The Group is committed to responsible technology use, particularly in relation to client data, artificial intelligence, and algorithmic decision-making. Ethical considerations are incorporated into the design and deployment of new technologies, supported by policies that mandate fairness, transparency and accountability.

INNOVATION AND DIGITAL ENABLEMENT

As part of our digital transformation agenda, First Capital has launched and scaled several client-centric digital platforms across Asset Management, Stock Brokering and Government Securities. Emerging technologies such as AI, machine learning and robotic automation are being piloted in areas such as client onboarding and business operations. These initiatives are governed through formal innovation frameworks to balance agility with regulatory compliance and ethical use.

IT RISK MANAGEMENT

The Group has implemented a comprehensive IT risk management framework embedded into the Integrated Risk Management System. Regular IT audits, system access reviews, business continuity tests and disaster recovery simulations are conducted to maintain operational resilience. IT-related risks are escalated to the Board by the BIRMC which plays a central role in overseeing technology-related risks as part of the Group's broader non-financial risk management framework. The committee also ensures that technology governance aligns with the Group's risk appetite and supports long-term value creation.

The BAC is responsible for providing assurance over the integrity and effectiveness of the Group's IT control environment. This includes evaluating internal audit findings on IT risks, data protection, cybersecurity and compliance with regulatory and governance standards. The BAC reviews reports on IT controls, considers risk incidents or deficiencies, and ensures that appropriate corrective actions are implemented.

The Board evaluated the Group's technology risk profile from a non-financial risk perspective. Key strategic initiatives were closely monitored to ensure they contribute to a strengthened risk posture over the medium term. Regular updates were received on the effectiveness of the Group's information security and cyber risk frameworks, enabling the Board to assess how well technology-related risks are being managed across the organisation.

ASSURANCE

The Board engaged with internal and external audit insights to gain an independent perspective on the adequacy of controls within the technology environment.

For details on Board Considerations See page 209.

SUSTAINABILITY GOVERNANCE AND REPORTING (PRINCIPLE H)

As a leading financial institution, the Group recognises its significant role in supporting sustainable and inclusive economic growth. ESG considerations, including ethics, culture, environmental impacts, and social responsibility, are deeply integrated into strategic decision-making. The Board holds primary responsibility for ESG oversight.

The Board prioritises sustainable operations and oversees the integration of sustainability into strategic planning. Reporting aligns with global standards like GRI, IIRC, SASB and UN SDGs and is preparing proactively for SLFRS S1 and S2 disclosure.

RESPONSIBLE CORPORATE CITIZENSHIP (PRINCIPLE H)

The Board is dedicated to ensuring the Group operates as a responsible corporate citizen. In setting the Group's strategy, the Board evaluates a broad range of environmental, social and economic matters to support long-term value creation. The Board continuously monitors the Group's activities against strategic sustainability priorities to maintain corporate legitimacy.

SHAREHOLDER RELATIONS AND COMMUNICATION (PRINCIPLE C.1, C.2, E & F)

Engagement frameworks approved by the Board facilitate continuous and meaningful dialogue with stakeholders, capturing their insights and feedback effectively.

To ensure the Board remains informed of key shareholder interests and concerns, the Company has formalised its approach through the Policy on Relations with Shareholders and Investors, which has been approved and adopted by the Board. This policy outlines the principles and procedures governing our engagement with shareholders and is publicly accessible via the Company's website, reinforcing our commitment to transparency and accountability.

As part of the policy framework, clear contact points and communication channels have been established to facilitate effective and timely dialogue with shareholders. In accordance with the policy, 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.

Timely and accurate shareholder communication is central to our approach, ensuring full compliance with regulatory disclosure requirements. Information is readily accessible on our website, with structured channels provided for stakeholder queries. The

AGM remains an essential platform for direct shareholder engagement, ensuring transparent dialogue.

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. All such information is also made available on the corporate website - www.firstcapital.lk

Shareholders who have concerns regarding information published by the Group, are encouraged to make formal written representations to the contact point given on page 501.

THE ANNUAL GENERAL MEETING (PRINCIPLE E, F)

The Annual General Meeting (AGM) serves as a key platform to facilitate one-on-one contact with the shareholders. Following the conclusion of each financial year, the Board decides on the AGM date, while the notice of the AGM, the Annual Report. Financial statements and any other resolutions to be tabled at the AGM together with the voting procedures, are circulated to shareholders no less than fifteen (15) working days prior to the AGM, in keeping with the CSE Listing Rules. The next AGM for the FCH Group is scheduled to be held on 30 June 2025.

Shareholders attending the meeting physically or online are able to view the meeting, vote and ask questions at the allocated time. The Board ensures that shareholders were also given the opportunity to submit questions ahead of the AGM, with all questions being carefully considered and answered individually by the Board chairman, the Managing Director/CEO and other members of the Board and executive management.

SHAREHOLDERS' RIGHTS AND VOTING

First Capital is committed to ensuring that all holders of the same class of shares issued by the Company are treated equitably. The Article of Association conforms to the principle of one share - one vote and one dividend. Our Articles provide for multiple classes of shares, with shares in each class having the same rights. At present, there is only one class of shares issued, comprising ordinary voting shares which rank pari passu, having equal rights and privileges with respect to voting and other distributions.

Corporate elections including the AGM are facilitative of shareholder voting. Shareholders may vote at a shareholder meeting by attending in person. Most shareholders, however, vote by "proxy" without being present in person.

Corporate elections may be held in person, virtually through online platform or as a hybrid meeting where certain attendees attend physically while others may attend virtually.

ROLE OF THE COMPANY SECRETARY (PRINCIPLE A.1.4)

The Company Secretary plays a critical role in supporting the Board and is responsible, inter alia, for serving as a central source of guidance and advice to the Board on its duties and responsibilities, adherence to sound corporate governance practices and compliance with applicable procedures, statutes and regulations.

All Directors have full access to the professional services and advice of the Company Secretary across all aspects of the Board's mandate and the Group's operations. In accordance with good governance principles, the appointment and removal of the Company Secretary is a matter reserved for the Board.

The performance of the Company Secretary is evaluated annually as part of the Board evaluation process. The latest assessment confirmed that Janashakthi Corporate Services Limited, serving as the FCH Group's Company Secretary:

- Is competent, suitably qualified and experienced;
- Possesses the necessary skills, knowledge, and governance expertise to advise the Board effectively;
- Maintains an arm's length relationship with the Board and individual Directors; and
- Has discharged her responsibilities effectively during the year under review.

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 A.1.1 Frequency of Board meetings	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. 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.	Complied	Board meetings are held on a monthly basis. The last Board meeting was held on 17 March 2025 (FY 2024/25). 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 proprietary 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 32 to 35), 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.
	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board Contd.	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 Board Audit Committee. 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.
	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board Contd.	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 recognises the importance of including principles of sustainability and ESG opportunities in corporate strategy, decisions, and activities. Principles of Integrated Reporting framework are being followed when finalising Annual Reports.
	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 Board Audit Committee. 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 309 to 313 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
	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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	Janashakthi Corporate Services Limited 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 nominations committee to the Board of Directors and Key Management Personnel (KMP).	Complied	Appropriate insurance covers are available for the Directors, KMPs.
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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 • Nomination and Governance Committee • Investment, Asset, and liabilities Committee • Board Integrated Risk Management Committee
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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 26 to 31). Relevant training is being provided/arranged if such requirements are identified at Board or Sub-committee levels (Page 288 to 298). The 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 CEO are two separate posts held by two different competent personnel.
A.3 Chairman's Role A.3.1	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:		
	The agenda for board meetings is developed in consultation with the CEO, Directors and the company secretary taking into considerations matters relating to strategy, performance, recourse allocation, risk management and compliance.	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.3 Chairman's Role A.3.1	Sufficiently detailed information of matters included in the agenda should be provided to Directors in timely manner.	Complied	Reports and analysis related to matters are being tabled in timely manner to provide Directors adequate time to review and discuss.
	All Directors are made aware of their duties and responsibilities and the board and committee structures through which it will operate in discharging its responsibilities.	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.
	The effective participation of both Executive and Non-executive Directors is secured; all Directors are encouraged to make an effective contribution, within their respective capabilities for the benefit of the Company.	Complied	The Board includes Directors with diverse knowledge and expertise and their contribution to the subject matters are being obtained.
	All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda.	Complied	IT infrastructure is being provided to facilitate this requirement.
	A balance of power between Executive and Non-Executive Directors is maintained.	Complied	The Board composition reconstituted during the year opting more Executive Directors to stand in the subsidiary companies to improve the balance. Such Executive Directors also attend Board meetings as regular invitees. Two of the Non-Executive Directors are Non-independent. Please refer the Director list and details on pages 26 to 31.
	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.
	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 26 to 31.
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 caliber 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.
	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 26 to 31).
	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/ A.5.3/ A.5.4/ A.5.5/ A.5.6 Independent Directors	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 26 to 31.

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 Contd,	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).
	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	Independency of the Board of Directors is being periodically evaluated.
	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. 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.	Not Applicable	
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
A.5.7/ A.5.8 Senior Independent Director (SID) Contd.	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 meeting is being properly recorded.
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.	Complied	Agenda and the papers are being tabled at least a week prior to the meeting and minutes are being 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.		
A.7.1 Nomination Committee	A 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 NGC 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 comprises 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 Nomination Committee. In situations where a Senior Independent Director has been appointed, he/she should chair the Nomination Committee.	Conflicts with Listing Rules.	The Chairman of the Committee and the Chairman of the Company (Independent Non-Executive Director) are two different personnel to comply with the amended Listing Rule 9.3.3.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.7.2 Assessing Board Composition	The 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. 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 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.	Complied	The assessment is conducted by the NGC as required.
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 (KMP) and determine the training and development requirements for those identified for succession.	Complied	The succession plan for KMPs is reviewed by the NGC 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	Changes in Directorships are published on the CSE website immediately after such events along with the required set of information. An immediate disclosure to the CSE is made upon the appointment of new Directors.
A.7.5 Appointment to the Nomination Committee	The chairman and members of the nomination committee should be identified in the Annual Report. A separate section of the Annual Report should describe the work of the Nomination Committee including the process it has used in relation to Board appointments.	Complied	Please refer to nomination committee details in Pages 295 to 296.
A.7.6	Terms of Reference for Nomination Committee are set out in place.	Complied	Terms of Reference of the NGC 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	The Directors who resigned/retired during the year have given written communication to the Board.
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. 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 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.	Complied	The Board performance evaluation process in place and it consist of the required evaluation levels. Periodic 360-degree appraisal for the CEO and KMPs are being conducted with the assistance of an external service provider.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 NGC 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 210
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 26-31
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 • 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.	Substantially complied	Please refer Director list and details on Pages 26 to 31.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.11 Appraisal of the CEO	The Board should be required, at least annually, to assess the performance of the CEO.	Complied	The Board delegated this to the Remuneration Committee.
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.	Complied	The Remuneration 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.
B.2 Remuneration	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 26 to 31.
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.
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.	Complied	The Remuneration Committee decides the remuneration of the Executive Directors. The Committee has provisions to obtain professional advice if required.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	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.		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	Relevant remuneration surveys are being conducted by the Remuneration Committee to analyse the adequacy of the remuneration packages provided.
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.
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 Remuneration Committee. A standard and transparent evaluation methodology is being followed for all Executive Directors. Performance related element of the remuneration is being decided through a policy approved by the Board which is transparent.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.9 Executive share options	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.	Complied	
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 considers such information in decision making on the remuneration of the Directors.
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	A proper performance evaluation is conducted by the Company for Directors which is reviewed by the Remuneration Committee.
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	Board decides the remuneration of Non-Executive Directors.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 Page 290.
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 216 for the statement of remuneration policy.
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 page 290 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	A aggregate remuneration paid for year is mentioned on Note 12.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 - Janashakthi Corporate Services Limited.
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).
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.
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

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
C.3 Major and material transactions	Further to complying with the requirements under the Companies Act, 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 07 of 2007 and articles of association of the Company.	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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section 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.
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.	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	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.4 Directors report Contd.	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	
	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 300
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 page 302 while the Independent Auditor's report on pages 309 to 313 states the Auditor's responsibility for the Financial Statements. The statement on risk management and internal control is given on page 166 and 182.

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 70 to 90.
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	
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;	Complied	The Company has system capability to identify related party transactions. Such reports can be generated through the system.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.8 Related party transactions	• 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.		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	
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 166 - 182 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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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	
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 291 to 292.
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.
D.2.2.1 Review and Monitoring	The Board should ensure that an effective system of internal controls is establish 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 288- 289 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 288-289

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 Pages 166-182.
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	
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 pages 288-289.
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 288 to 289.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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 pages 291 to 292 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	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 pages 293-298 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: • 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.	Complied	The TOR of the Committee addresses the relevant requirements.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	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. • 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.		

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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 213
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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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 and Ethics. Disclosers should contain the types and numbers of violations and procedures followed in dealing with them.	Complied	Refer page from 14 to 17.
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 196 to 261.
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 196 to 261.
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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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.
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 cyber security 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.	Substantially complied	There is a dedicated team ensuring the IT Security aspect under Head of IT eventhough there is no designated Chief Information Security Officer. As per the IT Policy of the Company, periodic IT and cyber security audits are being conducted and it gives assurance to the same. The Company is in the process of recruiting a CISO.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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.
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	The Board and Key Management have given necessary awareness of sustainability and ESG aspects. The same is embedded when formulating the strategic plan.
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.	Substantially complied	
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.	Substantially complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
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 pages 50 to 57, material matters. Refer pages 48 to 49, stakeholder engagement
H.3 Governance framework	The Company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors.	Partially Complied	Matters are discussed at the Board level. A proper governance framework yet to be established.
H.3.1 Environmental Governance	Sustainability factors should be addressed through a process of environmental governance and social governance.	Partially Complied	
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.	Partially 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, especially for women. 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.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.3.1.2 Community Engagement Contd.	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. 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.	Partially Complied	
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.	Partially Complied	Refer pages 92 to 164.
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.	Partially Complied	
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	
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 page 182.

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.	Partially Complied	

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 183 to 195.
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 pages 196 to 261.
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	Partially Complied	Refer pages 183 to 195. For Environmental, Social and Governance refer page 182 Refer pages 483 to 486 for GRI Index

REPORT ON THE STATUS OF COMPLIANCE WITH SECTION 168 OF THE COMPANIES ACT NO. 07 OF 2007 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 322.
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 2025 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 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 317 form an integral part of this Report.
Section 168 (1) (c)	Auditors' Report on the Financial Statements of the Company.	Complied	Refer pages from 309 to 313 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 322 to 332.
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.

REFERENCE TO THE COMPANIES ACT	INFORMATION REQUIRED TO BE DISCLOSED AS PER THE COMPANIES ACT	STATUS OF COMPLIANCE	DETAILS/REFERENCE
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 343. Further, refer to the Remuneration Committee Report on page 290.
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 343.
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 395 to 397.
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 343.
Section 168 (1) (j)	Auditors' relationship or any interest with the Company.	Complied	Refer pages from 309 to 313 for Auditors' Report.
Section 168 (1) (k)	Acknowledgement of the contents of this Report/Signatures on behalf of the Board.	Complied	Refer page 317.

Statement of Compliance

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 polices were established. Please refer to pages 196 to 284 for the disclosure of policies related to Corporate Governance.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	N/A	N/A
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 196 to 284 for the disclosure of policies related to Corporate Governance.
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.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
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 288 to 298.
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 288 to 298.
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 pages 288 to 298 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.
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 (herein after 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 rational 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.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
	(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	Please refer page 178.
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 14 to 23.

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.	N/A	N/A
9.6.3	The Requirement for a SID (a), (b), (c), (d) and (e)	N/A	N/A
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.	N/A	N/A
9.7 Fitness of Directors and CEOs			
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall 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 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.

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 N/A	Refer pages from 208 to 210. N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied	Refer pages 26 to 29.
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	
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 herein and in the format in Appendix 9A, 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	Declarations from all directors were obtained and assessed.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
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 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: 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 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.	N/A	No alternate directors have been appointed to the Board as at reporting date.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.10 Disclosures relating to Directors			
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's 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. Details on the same are specified 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 Nominations and Governance Committee of the Entity.	Complied	Immediate market announcements related to new director appointments have been published on the CSE website accordingly.
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	Changes made to the composition of Board sub-committees have been duly published on the CSE website.
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: (a) Name, qualifications and brief profile; (b) The nature of his/her expertise in relevant functional areas; (c) Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) Whether Executive, Non-Executive and/or Independent Director;	Complied	Refer pages from 288 to 298.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
	(e) The total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) Number of Board meetings of the Listed Entity attended during the year; (g) Names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID (where applicable).		Refer pages from 288 to 298.
9.11 Nominations and Governance Committee			
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied	Please refer pages 290, 295 and 296.
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied	The procedures are outlined in the Policy on Matters relating to the Board of Directors and Policy on Corporate Governance, Nominations and Re-Elections.
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of Composition meetings.	Complied	TOR is in place.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.11.4	(1) The members of the Nominations and Governance Committee (NGC) shall; (a) Comprise 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 Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.	Complied	The NGC composition is constructed in line with the stipulated rules. Please refer pages 295 to 296.
9.11.5	Functions of the Nominations and Governance Committee	Complied	The NGC functionalities in line with the stipulated rules and Terms of Reference are established covering the requirements.
9.11.6	Disclosures in Annual Report: The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Complied	Please refer pages 295 to 296.
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 page 290.
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	

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
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 to the page 290.
9.12.7	Functions of Remuneration Committee	Complied	
9.12.8	The Annual Report should set out the following: (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, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied Complied Complied	Refer to the page 290. N/A Refer to the page 290.
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 to the pages from 288 to 289.
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 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 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 BAC composition is constructed in line with the stipulated rules. Refer pages from 288 to 289.
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
9.13.5	**Disclosures in Annual Report:**		
	(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.	Complied	Refer to the pages from 288 to 289.
	(2) The Audit Committee Report shall contain the following disclosures:	Complied	Refer to the pages from 288 to 289.
	(a) The names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of a group company).		
	(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable).		
	(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.		
	(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.		
	(e) Whether the Listed Entity has a formal Audit Charter.		
	(f) The manner in which internal audit assurance is achieved and a summary of the work of the internal audit function.		
	(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity.		
	(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;		

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
	(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 pages 293 to 294.
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 293 to 294.
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.	Complied	Terms and references cover all the required functions.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.14.3	(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.		
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 page 293 to 294 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	

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.14.9	Acquisition and disposal of assets from/to related parties	Complied	
9.14.10	Exempted related party transactions	Complied	
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	

Statement of Compliance

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	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	Substantially 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 defense 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

	Criteria	Description	Status of compliance
4	Resource Management		
4.1	Review and approve the IT budget and ensure effective resource allocation	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	Rigorous evaluation and optimisation of IT infrastructure to ensure growth, scalability, value, resilience, and cost-effectiveness	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	In progress. The Company is in the process of recruiting a CISO at Group level to make the IT security function Independent.
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
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
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

No.	Recommended practices	Status of compliance
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	

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 ?	In progress. Chief Risk Officer has been appointed as the DPO. Formal approval of the same is delayed due to Government announcement of further amendments to the Personal Data Protection Act No. 09 of 2022 (the Act)
4	What type of personal data the Company collect and where is it located ?	
	- type	The details have been provided in the Data Protection Policy which will be formally approved by the Company after the pending Government Announcement of the amendments to the Act.
	- 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	
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 ?	Yes
7	Does the Company have proper safeguards in place to protect the data ?	Yes
8	Does the Company transfer personal data across borders ?	No
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

No.	Checklist Item	Status/ Comments
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 the Data Protection policy)
14	Does the Company have a data privacy programme in place ?	In progress. This will be formally approved and implemented after the announcement of amendments to the Act.
15	Has the Company established a data breach notification process ?	In progress. This will be formally approved and implemented after the announcement of amendments to the Act.
16	Does the Company carry out awareness sessions and training for Directors and employees ?	Yes
17	Does the Company have a data destruction policy ?	In progress. This will be formally approved and implemented after the announcement of amendments to the Act.

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 Ensure that this officer has regular board access, sufficient authority, command of the subject matter, experience, and resources to fulfil these duties	In progress. The Company is in the process of recruiting a CISO at Group level to make the IT security function Independent.

Section	Requirement	Status/ Compliance
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
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	In progress. The Company is in the process of recruiting a CISO at Group level to make the IT security function Independent.

Section	Requirement	Status/ Compliance
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:	Complied
	* 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	
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 214.
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 214."
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?	We have implemented the policy in previous financial year and based on the guidelines, awareness and training should be provided to the employees and directors. Awareness for the employees has been conducted by the HR division and Risk and Compliance division.
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 214 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.

Adherence to the Requirements of Transparency International Sri Lanka

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 322.
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 322.
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 322.
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.
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 322 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 page 322 for details of consolidated subsidiaries.

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
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.
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 338.
26	Does the Company disclose its capital expenditure in Sri Lanka?	Yes. Please refer pages 371 to 376.
27	Does the Company disclose its pre-tax income in Sri Lanka?	Yes. Please refer pages 314 to 315.
28	Does the Company disclose its income tax in Sri Lanka?	Yes. Please refer page 314.
29	Does the Company disclose its community contribution (Corporate Social Responsibility programmes) in Sri Lanka?	Yes. Please refer page 343.
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 136 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

MS. RACHINI RAJAPAKSA

Chairperson- Board Audit Committee

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 financial reporting process, internal control systems, both the internal and external audit functions, and the Company's procedures for ensuring compliance with applicable laws, regulations, and any existing internal codes of conduct.

COMPOSITION

The Audit Committee 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 Audit Committee as of date are as follows.

- Ms. Rachini Rajapaksa - *Chairperson – Independent Non-Executive Director*
- Ms. Inoshini Perera – *Independent Non-Executive Director*
- Ms. Manjula Mathews – *Non-Independent Non-Executive Director*

Secretary to the Committee – Janashakthi Corporate Services Limited

Brief profiles of the members of the Board appointed Audit Committee are given on pages 26 to 31 of the Annual Report.

FUNCTIONS

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through:

- Overseeing management's conduct of the Group's financial reporting process and systems of internal accounting and financial controls;
- Monitoring the independence and performance of the Group's external auditors;
- Providing an avenue of communication among the external auditors, internal auditors, management and the Board; and
- Review the integrity and adequacy of Group's internal control process.

FINANCIAL REPORTING SYSTEM

The Committee reviewed the financial reporting system adopted by the Group with particular reference to the following;

- The preparation, presentation and adequacy of the disclosures in the Group's annual and interim financial statements in accordance with the Sri Lanka Accounting Standards, Listing Rules, the Companies Act No. 7 of 2007 and other applicable statutes.
- The underlying rationale and basis for the significant estimates and judgments to the financial statements.

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.

- Carrying Value of Investments in Group Companies
- Adequacy of Impairment provision in line with IFRS 9
- Tax related matters
- Disclosures related to Goodwill

INTERNAL AUDIT / CONSULTANCY SERVICE

The Internal Audit Advisory function of all subsidiaries has been outsourced to M/s. Ernst & Young and 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 2024/25 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

2026, subject to the approval of the shareholders at the Annual General Meeting. Furthermore, M/s KPMG has been the external auditors of the company for more than 20 years, and the rotation of the engagement partner taken place every 5 years.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the year under review, the Audit Committee assessed the Group's major financial risk exposures and evaluated the policies and 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.

The Committee was also updated on the Group's Incident and Near Miss Reporting Procedure, as well as the Whistleblowing Policy, both of which are designed to mitigate financial and reputational risks. Significant incidents reported through these mechanisms were escalated to, and deliberated at, the Board Integrated Risk Management Committee.

An internal system audit on goAML reporting at First Capital Equities (Pvt) Limited was conducted by M/s KPMG. The resulting report was presented to the Committee and thoroughly discussed. Similarly, the findings of the IT General Controls Review, also conducted by M/s KPMG, were tabled and reviewed. Following these discussions, the Committee underscored the importance of strengthening the Group's IT risk governance and emphasis the importance of recruiting a Chief Information Security Officer (CISO) at the Group level.

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. Further the Committee reviewed and recommended the Policy on Non-audit services engaged by external auditors presented by Compliance division for Board approval.

Furthermore, the Committee approved the appointment of M/s KPMG to carry out a gap analysis in relation to the new Sustainability Disclosure Standards (SLFRS S1 and S2), aligning the Group's reporting framework with emerging regulatory requirements.

The Board Audit Committee 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 audit committee 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 Audit Committee meetings are reported to the Board of Directors on a regular basis.

Regular Attendees by Invitation:

Mr. Dilshan Wirasekara (Managing Director/ CEO)	3/4
Mr. Mangala Jayashantha (Chief Financial Officer)	4/4
Ms. Harshanee Deshapriya (Head of Legal)	4/4
Mr. Kapila Perera (Chief Risk Officer)	4/4

(Sgd.)
Ms. Rachini Rajapaksa
Chairperson-Board Audit Committee

5 June 2025
Colombo

The attendance of the Members for the Audit Committee meetings during year 2024/25 is as follows.

Name	Membership Status	Attendance in 2024/25 (Attended/ Eligible to Attend)
Mr. Chandana de Silva *	Former Chairman	1/1
Ms. Rachini Rajapaksa **	Chairperson	3/3
Ms. Inoshini Perera ***	Member	3/3
Ms. Manjula Mathews ***	Member	3/3
Mr. Nishan Fernando ****	Former member	1/1
Mr. Ramesh Schaffter ****	Former member	0/1

Notes

* Mr. Chandana de Silva served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024.

** Ms. Rachini Rajapaksawas appointed to the Committee as Chairperson on 4 July 2024.

*** Ms. Inoshini Perera and Ms. Manjula Mathews were appointed to the Committee on 4 July 2024.

**** Mr. Nishan Fernando and Mr. Ramesh Schaffter served as the members of the Committee and stepped down from the Committee effective 28 June 2024 and 4 July 2024 respectively.

Remuneration Committee Report

MR. DILENDRA WIMALASEKERE

Chairman – Remuneration Committee

The Remuneration Committee was appointed by the Board of Directors of the Company. As at 31 March 2025, the Committee comprised following directors.

- Mr. Dilendra Wimalasekere - *Independent Non-Executive Director (Chairman)*
- Mr. Rajendra Theagarajah - *Independent Non-Executive Director*
- Mr. Ramesh Schaffter - *Non-Independent Non-Executive Director*

Janashakthi Corporate Services Limited serves as the Secretary to the Committee.

Brief profiles of the members of the Board appointed Remuneration Committee are given on pages 26 to 31 of the Annual Report.

SCOPE OF THE REMUNERATION COMMITTEE

The scope of the Remuneration Committee covers the Company's remuneration and benefits, competency development of employees, especially the key drivers of the business, and succession planning.

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. 285.8Mn.

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.

(Sgd.)
Mr. Dilendra Wimalasekere
Chairman – Remuneration Committee

5 June 2025

COMMITTEE MEETINGS

The Remuneration Committee convened two times during the period under review. The attendance of the Members for the Committee meetings during year 2024/25 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2024/25 (Attended/ Eligible to Attend)
Mr. Chandana de Silva *	Former Chairman	1/1
Mr. Dilendra Wimalasekere **	Chairman	1/1
Mr. Rajendra Theagarajah ***	Member	1/1
Mr. Ramesh Schaffter ***	Member	1/1
Mr. Nishan Fernando ****	Former Member	1/1
Ms. Manjula Mathews ****	Former Member	1/1

Notes

* Mr. Chandana de Silva served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024.

** Mr. Dilendra Wimalasekere was appointed to the Committee as Chairman on 4 July 2024.

***Mr. Rajendra Theagarajah and Mr. Ramesh Schaffter were appointed to the Committee on 4 July 2024.

**** Mr. Nishan Fernando and Ms. Manjula Mathews served as members of the Committee and stepped down from the Committee effective 28 June 2024 and 4 July 2024 respectively.

Board Integrated Risk Management Committee Report

MS. RACHINI RAJAPAKSA

Chairperson – Board Integrated Risk Management Committee

The Board Integrated Risk Management Committee (BIRMC) is responsible for establishing and maintaining a comprehensive risk governance and management system for identifying, assessing, monitoring, and managing risk to assist the First Capital Group's (FCG) Board and Corporate Management Team in overseeing risk in a dynamic business environment.

CHARTER OF THE COMMITTEE

The Board Integrated Risk Management Committee was reconstituted by the Board of Directors in March 2025, transitioning from the former Enterprise Risk Management Committee (ERMC) which was established in May 2012, in line with the "Code of Best Practice on Corporate Governance". The Board recognised the need for a more focused and integrated approach and as a result, the BIRMC was formalised as a Board subcommittee with a broadened scope and enhanced oversight responsibilities. The Committee Charter (Terms of Reference) was last reviewed and approved by the Board in March 2025.

COMPOSITION OF THE COMMITTEE

Name	Designation	Membership Status
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Chairperson
Ms. Inoshini Perera	Independent Non-Executive Director	Member
Mr. Dilshan Wirasekara	Managing Director/CEO	Member
Mr. Kapila Perera	Chief Risk Officer	Secretary

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Oversee the Group's integrated risk management framework, including processes for identifying, assessing, responding to, and reporting on significant risks.
- Ensure business management, the first line of defense takes ownership of risk management responsibilities and operates within the Group's defined risk appetite.
- Promote a robust risk culture across the organisation and ensure risk management is integrated into all strategic and operational activities.
- Regularly review the adequacy and effectiveness of the Group's risk management framework as the second line of defense and recommend updates to the Board of Directors.
- Work with business units to monitor risk exposures, regulatory compliance, and internal control activities.
- Recommend the risk ownership structure and related accountabilities for approval of the Board of Directors.
- Review the quarterly risk assessments and risk registers submitted by management.
- Approve and monitor training programs to enhance risk and compliance awareness across all levels of staff.
- Approve periodic regulatory compliance reports for approval of the Board of Directors.
- Provide support with resources such as tools and software products to monitor risk and compliance, engage external consultants where necessary, and training to upskill the risk division staff.

OTHER RESPONSIBILITIES OF THE COMMITTEE

The BIRMC also supports the Board of Directors in its oversight of compliance matters. It reviews the implementation and effectiveness of compliance programs, regulatory reporting processes, and internal policies. The Committee escalates issues of systemic risk or repeat findings to relevant Board subcommittees for further action, with a goal of improving enterprise-wide risk resilience.

COMMITTEE MEETINGS

The BIRMC (including ERMC) held 10 meetings during the financial year 2024/2025. The minutes and proceedings were submitted to the board of directors.

Board Integrated Risk Management Committee Report

ATTENDANCE

Name	Membership Status	Attendance in 2024/25
Mr. Nishan Fernando*	Former Chairman	02/02
Ms. Rachini Rajapaksa**	Chairperson	08/08
Mr. Dilshan Wirasekara	Member	10/10
Ms. Inoshini Perera***	Member	01/01
Mr. Tharusha Ekanayake****	Former Member	09/09
Mr. Mangala Jayashantha****	Former Member	09/09
Ms. Sujani Sellahewa****	Former Member	09/09
Mr. Kapila Perera	Secretary	10/10

Regular Attendees by Invitation:

Mr. Jaliya Wijeratne – Director/CEO – First Capital Equities (Pvt) Limited	10/10
Mr. Tharusha Ekanayake - Chief Operating Officer	01/01
Mr. Mangala Jayashantha - Chief Financial Officer	01/01
Ms. Sujani Sellahewa - EVP – Operations	01/01

Notes

* Mr. Nishan Fernando served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024, following the structural transition process.

** Ms. Rachini Rajapaksa was appointed to the ERMC as the Chairperson on 28 June 2024 and was subsequently appointed as Chairperson of the reconstituted BIRMC on 7 March 2025.

*** This member appointed to the BIRMC on 7 March 2025 in accordance with the revised Terms of Reference and restructured Committee composition

****These members stepped down from the Committee with effect from 7 March 2025, in line with the formal reconstitution of the Enterprise Risk Management Committee (ERMC) as the Board Integrated Risk Management Committee (BIRMC).

(Sgd.)

Ms. Rachini Rajapaksa
Chairperson – Board Integrated Risk Management Committee

5 June 2025
Colombo

Related Party Transactions Review Committee Report

MS. RACHINI RAJAPAKSA
Chairperson-Related Party Transactions Review Committee

The Related Party Transactions Review Committee 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:

- Ms. Rachini Rajapaksa - *Independent Non-Executive Director (Chairperson)*
- Ms. Inoshini Perera - *Independent Non-Executive Director*
- Ms. Manjula Mathews - *Non-Independent Non-Executive Director*

Brief profiles of the members of the Board appointed Related Party Transactions Review Committee are given on pages 26 to 31 of the Annual Report.

The Company Secretary functions as the Secretary to the Committee.

SCOPE

The Related Party Transactions Review Committee was formed by the Board to assist the Board in reviewing the Related Party Transactions (RPT) carried out by the Company.

The mandate of the Committee includes inter-alia the assurance of the following:

1. Developing and recommending for adoption by the Board of Directors of the Company and its subsidiaries, a RPT Policy which is consistent with the listing rules of the Colombo Stock Exchange (CSE).

2. Making immediate market disclosures on applicable RPT, as required by the Listing Requirements of the CSE.

3. Making appropriate disclosures on RPT in the Annual Report, as required by the Listing Requirements of the CSE.

POLICIES AND PROCEDURES

The Company has adopted a Related Party Transactions (RPTs) Policy in view of structuring the Company's policies and procedures to uphold good governance and in the best interests of the Company.

The Committee adopted policies and procedures for (a) reviewing the RPTs at each quarterly meeting, (b) identifying and reporting on recurrent and non-recurrent transactions to be in line with the applicable CSE Rules.

The Committee ensures that all transactions with related parties are in the best interests of all stakeholders, adequate transparency is maintained and are in compliance with the listing rules.

The Committee reviewed RPTs during the year and communicated its observations to the Board.

MEETINGS

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

Related Party Transactions Review Committee Report

The attendance at the Related Party Transactions Review Committee meeting during the year 2024/25 is as follows.

Name of Director	Membership Status	Attendance in 2024/25 (Attended/ Eligible to Attend)
Mr. Chandana de Silva*	Former Chairman	1/1
Ms. Rachini Rajapaksa**	Chairperson	3/3
Ms. Inoshini Perera***	Member	3/3
Ms. Manjula Mathews***	Member	3/3
Mr. Nishan Fernando****	Former Member	1/1
Mr. Ramesh Schaffter****	Former Member	0/1

Notes

* Mr. Chandana de Silva served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024.

* *Ms. Rachini Rajapaksa was appointed to the Committee as Chairman on 4 July 2024.

*** Ms. Inoshini Perera and Ms. Manjula Mathews were appointed to the Committee on 4 July 2024.

**** Mr. Nishan Fernando and Mr. Ramesh Schaffter served as members of the Committee and stepped down from the Committee effective 28 June 2024 and 4 July 2024 respectively.

DURING THE YEAR UNDER REVIEW

There were no non-recurrent related party transactions that exceeded the thresholds that required the immediate market disclosure, shareholder approval or disclosure in the Annual Report, as required under Section 9 of the Listing Requirements of the CSE.

There were no recurrent related party transactions that exceeded the thresholds that required the immediate market disclosure or shareholder approval as required under Section 9 of the listing requirements of the CSE. Recurrent related party transactions that require disclosure in the Annual Report are given in Note 43 of the Financial Statements.

DECLARATION BY THE BOARD OF DIRECTORS

A declaration by the Board of Directors relating to compliance under the listing rules is given on pages 299 to 301 of the Annual Report.

(Sgd.)
Ms. Rachini Rajapaksa
Chairperson-Related Party Transactions Review Committee

5 June 2025
Colombo

Nominations and Governance Committee Report

MR. KUDA HERATH

Chairman- Board Nominations and Governance Committee

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

Janashakthi Corporate Services Limited serves as the Secretary to the Committee.

The principal role of the Nominations and Governance Committee is to proactively manage the composition of the Board which is under the delegated authority of the Board of Directors of the Company. The Committee is also charged with oversight of succession plans for the Managing Director/ CEO.

CHARTER OF THE COMMITTEE

The Committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take relevant decisions, define and establish the nomination process for Non-Executive Directors (NEDs), lead the process of Board appointments and make recommendations to the Board on the appointment of Non-Executive Directors.

In addition, the Committee focuses on the following objectives in discharging its responsibilities:

- Review the composition of the Board and ensure that there is an appropriate balance between Executive and Non-Executive Directors.
- Assess the skills and knowledge required in the Board for the Board to discharge its duties effectively and strategically.
- Periodically assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for appointments.
- Identify and recommend suitable candidates for appointments to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment specifying clearly the expectations in terms of time commitment, involvement outside of the formal Board meetings, participation in committees, amongst others.
- Ensure that every appointee undergoes an induction to the Group.
- Ensure that the appointment of the Chairperson and the Executive Directors is a collective decision by the Board.
- Self-assessment of the Nominations and Governance Committee and its members.

RE-APPOINTMENTS / RE-ELECTIONS

One-third (1/3) of all directors, except the Managing Director/CEO and those appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and, being eligible, offer themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended the re-election of Ms. Manjula Mathews, Deputy Chairperson, at the Annual General Meeting to be held on 30th June 2025. She was initially appointed to the Board on 27th December 2022 and was re-appointed as a Director on 8th September 2023.

Mr. Rajendra Theagarajah, Ms. Inoshini Perera, Mr. Dilendra Wimalasekere, and Ms. Rachini Rajapaksa were appointed to the Board on 28th June 2024. Details of their directorships and other principal commitments are provided in their profiles on page [26 to 31). The Committees of the Company on which they serve are listed on page [288 to 298].

POLICIES

The Company's policies were reviewed during the year, and necessary amendments were incorporated. The Committee ensured that the updated policies were uploaded to the Company's website. Sub-Committee Charters and Terms of Reference were also reviewed and amended where necessary. The list of Company policies is provided on page [215 to 216) of the Report of the Board of Directors.

Nominations and Governance Committee Report

COMMITTEE MEETINGS

The Committee held two meetings during the year under review.

The attendance of the Members for the Committee meetings during year 2024/25 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2024/25 (Attended/ Eligible to Attend)
Mr. Nishan Fernando*	Former Chairman	-
Mr. Kuda Herath**	Chairman	2/2
Ms. Manjula Mathews	Member	2/2
Mr. Rajendra Theagarajah***	Member	2/2
Mr. Ramesh Schaffter****	Former Member	-

Notes

* Mr. Nishan Fernando served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024.

** Mr. Kuda Herath appointed to the Committee as Chairman on 4 July 2024.

*** Mr. Rajendra Theagarajah was appointed to the Committee on 4 July 2024.

**** Mr. Ramesh Schaffter served as the member of the Committee and stepped down from the Committee effective 4 July 2024.

COMMITTEE STRUCTURE DIVERSITY

Type of Directorship	Composition (%)
Non-Executive	100%
Executive	0%
Total	100%

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

THE YEAR AHEAD

The Committee will continue to review the skills and knowledge required by the Board, minimise key individual dependency risk and identify and groom suitable candidates to key positions of the organisation. The Committee will also ensure that the Company is in compliance with its stipulated framework and is in compliance with the regulations issued by the Colombo Stock Exchange (CSE) on Board composition.

CONCLUSION

The Committee continues to work closely with the Board of Directors in relation to the structure, size and composition of the Board ensuring diversity and balance of skills, knowledge and experience. The Committee is satisfied that the representation of skills, knowledge and experience on the Board is appropriate for the Company's current needs at Board level.

(Sgd.)
Mr. Kuda Herath
Chairman- Board Nominations and Governance Committee

5 June 2025
Colombo

Investment, Asset and Liability Committee Report

RAJENDRA THEAGARAJAH
Chairman- Investment Asset and Liability 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.

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 Rajapaksa	Independent Non-Executive Director	Member
Mr. Dilshan Wirasekara	Managing Director / CEO	Member

Janashakthi Corporate Services Limited serves as the Secretary to the Committee.

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Developing the investment strategy of the Group based on the strategic plan
- Review, Evaluate and approve Investment decisions relating to the investment strategy
- Ensure adherence to the regulatory and Internal compliance levels and policies in making investment and borrowing decisions
- Reviews the performance of the existing portfolios
- Advise and recommend investment decisions for the best interests of the group

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.

Investment, Asset and Liability Committee Report

The attendance of the Members for the Committee meetings during year 2024/25 is as follows.

Name of the Board Subcommittee Member	Membership Status	Attendance in 2024/25 (Attended/ Eligible to Attend)
Mr. Nishan Fernando*	Former Chairman	7/7
Mr. Rajendra Theagarajah**	Chairman	15/18
Mr. Dilshan Wirasekara	Member	23/25
Ms. Rachini Rajapaksa***	Member	18/18
Ms. Manjula Mathews	Member	22/25

Notes

* Mr. Nishan Fernando served as the Chairman of the Committee and stepped down from the Committee effective 28 June 2024.

** Mr. Rajendra Theagarajah was appointed to the Committee as Chairperson on 4 July 2024.

*** Ms. Rachini Rajapaksa was appointed to the Committee on 4 July 2024.

METHODOLOGY ADOPTED BY THE COMMITTEE

The committee evaluates the business environment and captures the changes in micro and macro factors in making decisions that will be best suited to the business unit prevailing under the given conditions. The committee would also instruct executive officers from time to time on investment paradigms for enhancing shareholder returns.

The committee meets bi-weekly to evaluate the strategy and risks associated with the future and past investment decisions. Also, the committee evaluated the progress of the investment decisions made by the committee in the past and measured the performance of the portfolios carried out by each business unit in the Group. The performance report of each business unit with key performance indicators is presented to the Investment Committee to make better decisions and to the evaluation of past decisions.

(Sgd.)
Rajendra Theagarajah
Chairman- Investment, Asset and Liability Committee

5 June 2025
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 2025 which were approved by the Directors on 5 June 2025.

REVIEW OF OPERATIONS

The Group reported profit after tax of Rs. 5,017 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 18 to 23 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 322 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. 7 of 2007.

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 2024/25 was Rs. 5,017 Mn compared to Rs. 10,156 Mn in the previous year. The segmental analysis is presented on pages 442 to 443 in the Notes to the Financial Statements.

INTEREST IN SHARES/ DIRECTORS DEALINGS IN SHARES

Refer page 454 for Directors/ Chief Executive Officer and their shareholdings as at 31 March 2025.

OTHER DIRECTORSHIP/ SIGNIFICANT POSITIONS OF DIRECTORS

Information on the Other Directorships/ significant positions of the present Directors of the Company are given on pages 26 to 29.

RELATED PARTY TRANSACTIONS

Related party transactions have been declared at meetings of the Directors and are detailed in Note 43 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 2024/25.

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

	2024/25 Rs.'000	2023/24 Rs.'000
Revenue	14,068,795	29,563,657
Profit before tax	6,685,254	16,309,294
Profit after tax	5,016,635	10,156,335
Total comprehensive income (TCI)	5,036,303	10,106,983
Attribution		
Equityholders of the parent	4,711,191	8,921,336
Non-Controlling interest	325,112	1,185,647
Total	5,036,303	10,106,983

The financial statements and related notes of the Company are set out on pages 314 to 444 of the Annual Report.

BOARD OF DIRECTORS

Directorate

The Directors of the Company as at 31 March 2025 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 Wimalasekere

- Mr. Nishan Fernando, the Chairman of First Capital Holdings PLC resigned from the Board with effect from, 28 June 2024.
- Mr. Chandana De Silva retired from the Board with effect from, 28 June 2024.
- Mr. Rajendra Theagarajah, Ms. Rachini Rajapaksa, Ms. Inoshini Perera and Mr. Dilendra Wimalasekere were appointed as Independent Non-Executive Directors to the Board of First Capital Holdings PLC with effect from, 28 June 2024.
- Mr. Rajendra Theagarajah was appointed as the Chairman of the Board of First Capital Holdings PLC.

The profiles of the Directors are given on pages 26 to 29 of the Annual Report.

DIRECTORS' INTERESTS

As required by the Companies Act, No. 7 of 2007, 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.

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 to the financial statements.

REMUNERATION AND FEES

Details of Directors' remuneration and fees are set out in Note 43.5 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 "Risk Management Report" on pages 166 to 182.

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 196 to 294 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.

DIVIDEND

The Board of Directors of First Capital Holdings PLC declared an interim dividend of Rs. 7.50 per share amounting to Rs. 3,037.5 Mn for 2024/25 (2023/24 - Rs. 17.25 per share).

MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on pages 325 to 332.

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 2024/25 have been presented in the Statement of Changes in Equity on pages 318 to 319 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 2025 was Rs. 227.5 Mn consisting of 405,000,000 ordinary shares.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, there were 8,960 registered shareholders. Share information and the twenty largest shareholders as at 31 March 2025 are listed on pages 452 to 453 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 449 to 450 of the Annual Report.

DEBT SECURITIES ISSUED

The details of debt securities issued by the Group and the Company are set out on pages 456 to 457 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 158 to 164 and approach to sustainability on pages 183 to 195 .

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 Messrs 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.

Messrs 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. 7 of 2007, a resolution proposing the re- appointment of Messrs 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 309 to 313 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 14 to 17, the Managing Director/CEO's Review on pages 18 to 23 and the Management Discussion and Analysis on pages 70 to 164.

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.

The Company not only enhances user experience but also modernises the industry 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 33rd Annual General Meeting of the Company will be held on 30 June 2025. The Notice convening the Meeting and the Agenda are given on page 498 of the Annual Report.

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

(Sgd.)
Janashakthi Corporate Services Limited
Secretaries

(Sgd.)
Dilshan Wirasekara
Managing Director/CEO

(Sgd.)
Rajendra Theagarajah
Chairman

5 June 2025
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 other statutes which are applicable in the preparation of financial statements. The financial statements comprise the Statements of Financial Position as at 31 March 2025, 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 2025 and
- The financial performance of the Company and the Group for the financial year ended 31 March 2025

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 2025 incorporated in this report have been prepared in accordance with the Companies Act, No. 7 of 2007, 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 309 to 313 of this Annual Report.

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.)
Janashakthi Corporate Services Limited
Secretaries

5 June 2025
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 among other duties. The function is further delegated to the Board Integrated Risk Management Committee 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 guidance from senior management, implements policies related to risk and control. The Risk and Compliance division are accountable to the Board for monitoring and providing assurance as to the effectiveness of internal controls. The Company has commissioned M/s EY and Janashakthi Group Internal Auditors, as the 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 and Janashakthi Group Internal Auditor as the internal consultant/auditor for all subsidiary companies and parent company respectively
- Board Audit Committee (BAC), Board Integrated Risk Management Committee (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 twelve audit reports and three management letters submitted by both internal and external auditors. 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 provide comfort to the senior management and the Board of Directors that staff at all functions are aware and conduct business transactions as per the rules and procedures.
- To maintain and ensure the data privacy, the Company conducted a Data Protection Impact Assessment, and the results have been escalated to the Board sub-committee, along with a suggestion to appoint a Data Protection Officer. Implementation was delayed due to the Government decision on bringing new changes to the Act.
- The Company's AML/CFT Policy was updated based on the improvement suggestions made by the Financial Intelligence Unit of CBSL and Internal Auditors.
- 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.
    - 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 KPMG.

- 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.
- Recognising the increasing reliance on mobile devices for business operations, we implemented a Mobile Device Management (MDM) solution for all end users. This solution provides centralised control over mobile devices, enabling us to enforce security policies, remotely wipe devices in case of loss or theft, and ensure compliance with our security standards.
- To protect against unauthorised access, sharing, or loss of sensitive data, a Data Loss Prevention (DLP) system was implemented across our network. The DLP system actively monitors and controls the movement of sensitive data, ensuring that it is not exposed or misused, either internally or externally.
- 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 following actions were taken by the Board to enhance the effectiveness of the Corporate Governance structure and risk management framework.
- The Company restructured the composition of the Board of Directors and Board sub-committees especially appointing new members to accelerate the independent decision making and governance oversight. Independence criteria of the existing Directors have been thoroughly assessed against the rules and governance best practices.
- The Board Nominations and Governance Committee restructured as Nomination and Governance Committee (NGC) by intensifying the scope and responsibilities of governance requirements.
- The Enterprise Risk Management Committee of the Company was reconstituted under the new name of the Board Integrated Risk Management Committee (BIRMC) as a formal Board sub-committee limiting the composition to the Board of Directors. New Board members were appointed to the Committee to improve the balance and expertise.

The Company has implemented 9 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 the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Relations with Shareholders and Investors
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Anti-Bribery and Corruption

Revised Policies

- Policy on Risk management and Internal controls
- Policy on Whistleblowing
- Policy on Environmental, Social and Governance Sustainability

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

5 June 2025
Colombo

FINANCIAL
INFORMATION

EXPONENTIAL ENRICHMENT

As a trailblazer in our industry, we continue to set the pace of innovation, and empower our stakeholders with the power of convenience and simplified banking at their fingertips, while ensuring their continued success.

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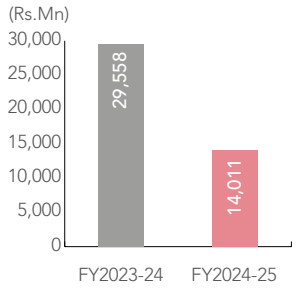
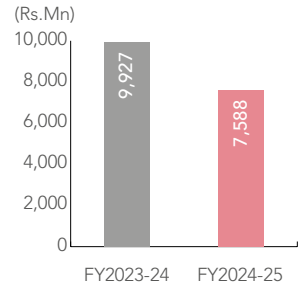
Financial Performance

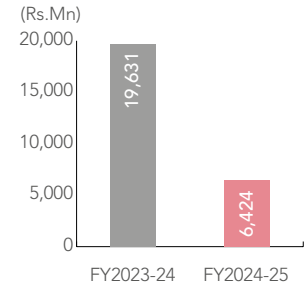
Direct income



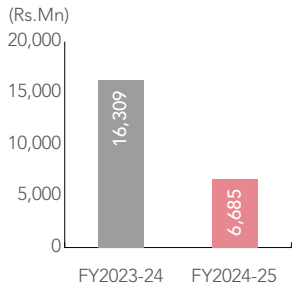
Direct expenses



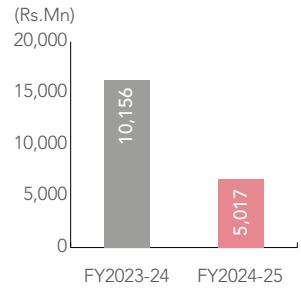
Net Trading Income



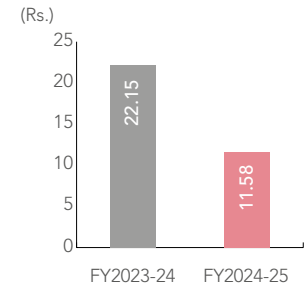
Profit before tax



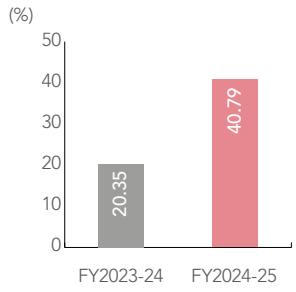
Profit for the year



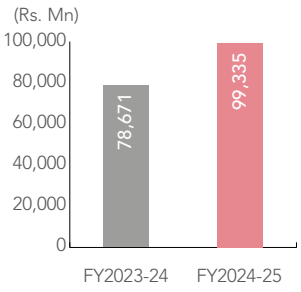
Basic earnings per share



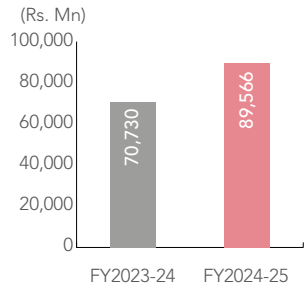
Cost to income ratio



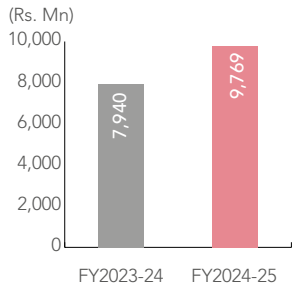
Total Assets



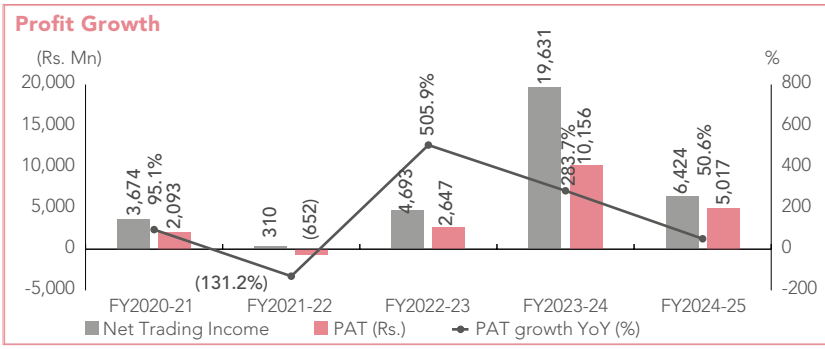
Total Liabilities



Total Equity



Profit Growth



Financial Calendar 2024/2025

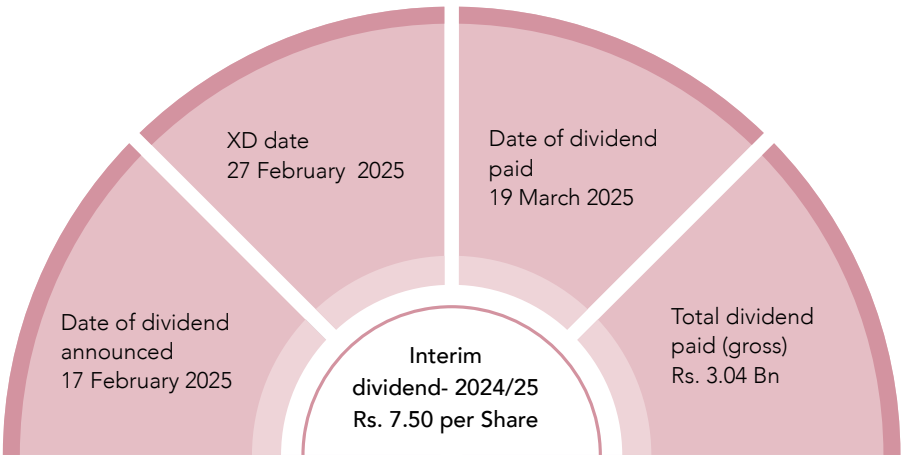
Annual General Meetings held/ to be held on	
For the Year 2023/2024	For the Year 2024/2025
28 June 2024	30 June 2025

Annual Report and Accounts signed/to be signed	
For the Year 2023/2024	For the Year 2024/2025
4 June 2024	5 June 2025

Interim Financial Statements	Submission to CSE
1st Quarter 2024/25 Interim Financial Report (Unaudited)	13 August 2024
2nd Quarter 2024/25 Interim Financial Report (Unaudited)	12 November 2024
3rd Quarter 2024/25 Interim Financial Report (Unaudited)	14 February 2025
4th Quarter 2024/25 Interim Financial Report (Unaudited)	27 May 2025

Annual Financial Statements	Submission to CSE
Annual Financial Statements for 2023/24 (Audited)	5 June 2024
Annual Financial Statements for 2024/25 (Audited)	6 June 2025

Dividend Calendar		
Dividend	Type of dividend	Amount per share (Gross) - LKR
2023/24	1st Interim dividend	12.25
2023/24	2nd Interim dividend	5.00
2024/25	Interim dividend	7.50



Independent Auditor's Report

KPMG
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TO THE SHAREHOLDERS OF FIRST CAPITAL HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

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 2025, 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 2025, 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 financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements 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.

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

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KPMG

1. Carrying amount of financial assets

Refer the material accounting policy in note 4.5 and explanatory notes 18, 19 and 20 to the financial statements.

Risk Description	Our Response
As at 31 March 2025, the Group's and the Company's financial assets portfolio consists of quoted and unquoted equity investments, debentures, investment in unit trusts, short term investments, corporate debt securities, treasury bills and treasury bonds measured at fair value and amortised cost amounted to Rs. 94,381 Mn and Rs. 11,632 Mn respectively. Further, these financial assets make up 95% and 53% of the Group's and Company's of total assets respectively. The Group's / Company's business operations are sensitive to market conditions hence the carrying amounts of its financial assets are considered an area of risk for the current financial year. Changes in macroeconomic factors, including market interest rates, could influence the Group's / Company's investment decision making processes, which could materially affect the carrying value of its financial assets as of the reporting date. Based on the above factors, we considered the carrying amount of 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 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 including market interest rates. • 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. • Evaluating the appropriateness of the impairment methodology adopted by the Group in accordance with SLFRS 9 and challenging the key assumptions and evaluating the reasonableness of the key judgments and methodology used by the management. • Obtaining and agreeing with the third-party confirmations for outstanding financial assets measured at fair value through profit or loss and amortised cost. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

KPMG

2. Recognition of direct income on financial assets

Refer to the material accounting policy in explanatory note 6 to the financial statements.

Risk Description	Our Response
As described in notes 6 and 7, the Group and Company has recognised a consolidated direct income of Rs. 14,011 Mn & Rs. 1,586 Mn during the year comprising of the gains/ losses on sales and interest income on financial assets amounted to Rs. 12,951 Mn and Rs. 1,369 Mn which constituted 92% (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 and is used as a basis for evaluating management performance. During the year, the Group's / Company's business operations were impacted by changes in the macroeconomic environment and policy decisions, resulting in significant change in direct income. These circumstances may create an incentive for management to recognise direct income in inappropriate accounting periods. Accordingly, we identified an inherent risk of manipulation in 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 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 accounting policies.

KPMG

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.

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 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. We have nothing to report in this regard.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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
5 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March,	Page No.	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Income	338	6	14,068,795	29,563,657	1,586,044	2,077,271
Direct income	338	7	14,011,457	29,558,233	1,586,047	2,077,268
Direct expenses	339	8	(7,587,743)	(9,926,864)	(1,220,898)	(1,887,035)
Net trading income			6,423,714	19,631,369	365,149	190,233
Other income/ (expense)	340	9	57,338	5,424	(3)	3
Gain on fair valuation of financial assets recognised through profit or loss - measured at fair value	340	10	2,795,620	568,548	1,706,437	428,202
Net trading income before operating expenses			9,276,672	20,205,341	2,071,583	618,438
Operating expenses						
Personnel expenses	342	11.1	(1,647,987)	(3,028,248)	(453,777)	(387,553)
Premises, equipment and establishment expenses	342	11.2	(231,575)	(117,808)	(41,060)	(16,461)
Other operating expenses	342	11.3	(763,840)	(850,615)	(78,942)	(66,347)
Reversal for impairment of financial assets at amortised cost	360	20.b	51,984	100,624	14,223	43,796
			(2,591,418)	(3,896,047)	(559,556)	(426,565)
Operating profit			6,685,254	16,309,294	1,512,027	191,873
Share of profit from equity accounted investee (net of tax)	367	24	-	-	3,159,264	8,832,996
Profit before tax	343	12	6,685,254	16,309,294	4,671,291	9,024,869
Income tax (expense)/ reversal	345	13.1	(1,668,619)	(6,152,959)	20,233	(54,356)
Profit for the year			5,016,635	10,156,335	4,691,524	8,970,513

For the year ended 31 March,	Page No.	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Actuarial loss on retirement benefit obligations	384	34	(4,232)	(18,814)	(5,537)	(3,983)
Loss on financial assets fair value through other comprehensive income	355	19.1 & 19.1.1.a	(12,370)	(36,182)	-	-
Revaluation of motor vehicle	389	39	35,000	-	35,000	-
Tax effect on other comprehensive income	345	13.1	1,270	5,644	1,661	1,195
Share of other comprehensive loss from equity accounted investees (net of tax)			-	-	(11,457)	(46,389)
Other comprehensive income/ (loss)			19,668	(49,352)	19,667	(49,177)
Total comprehensive income for the year			5,036,303	10,106,983	4,711,191	8,921,336
Profit attributable to:						
Equity holders of the parent			4,691,524	8,970,513	4,691,524	8,970,513
Non - controlling interests	390	41	325,111	1,185,822	-	-
			5,016,635	10,156,335	4,691,524	8,970,513
Total comprehensive income attributable to:						
Equity holders of the parent			4,711,191	8,921,336	4,711,191	8,921,336
Non - controlling interests	390	41	325,112	1,185,647	-	-
			5,036,303	10,106,983	4,711,191	8,921,336
Basic earnings per share (Rs.)	347	14	11.58	22.15	11.58	22.15

Figures in brackets indicate deductions.

The notes disclosed on pages 322 to 444 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March,	Page No.	Note	Group 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
ASSETS						
Cash at banks and in hand	348	16	1,143,148	178,382	693,270	76,453
Derivative financial assets	349	17	2,820	51,933	-	-
Financial assets recognised through profit or loss -measured at fair value	349	18	86,777,813	62,529,964	7,395,142	4,199,601
Financial assets - fair value through other comprehensive income	354	19	37,467	83,350	7,500	5,000
Financial assets at amortised cost	356	20	7,565,314	11,170,905	4,229,645	6,658,126
Amounts due from related companies	381	31	32	-	24,365	49,896
Trade and other receivables	364	21	2,063,649	3,686,573	214,056	2,045,044
Non - current assets held for sale	365	22	42,416	42,416	-	-
Taxes receivable	366	23	136,375	133,206	34,950	46,029
Investment in subsidiary	367	24	-	-	9,294,289	6,998,827
Deferred tax asset	368	25	515,896	151,457	86,435	9,216
Property, plant and equipment and right of use assets	371	26	908,315	518,957	64,641	27,151
Intangible assets	377	27	141,800	123,441	12,061	4,228
TOTAL ASSETS			99,335,045	78,670,584	22,056,354	20,119,571
LIABILITIES						
Bank overdrafts	348	16	226,379	1,533,643	86,764	1,280,713
Derivative financial liabilities	380	28	768	71,742	-	-
Securities sold under re-purchase agreements	380	29	73,109,134	50,051,368	-	-
Short term borrowings	380	30	8,009,985	5,488,529	8,509,733	5,646,043
Amounts due to related companies	381	31	34,004	2,375	10,203	13,579
Trade and other payables	381	32	3,929,792	6,069,759	1,394,987	2,410,319
Deferred tax liability	368	25	-	17,503	-	-
Taxes payable	366	23	909,158	3,033,571	-	-
Long term borrowings	383	33	1,201,241	1,602,001	1,201,241	1,602,001
Retirement benefit obligations	384	34	116,289	84,466	33,390	19,365
Borrowings on debentures	387	35	2,029,328	2,775,148	2,027,346	2,028,553
TOTAL LIABILITIES			89,566,078	70,730,105	13,263,664	13,000,573

As at 31 March,	Page No.	Note	Group		Company	
			31.03.2025	31.03.2024	31.03.2025	31.03.2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
EQUITY						
Stated capital	388	36	227,500	227,500	227,500	227,500
Risk reserve	388	37	2,764,757	2,492,889	2,764,757	2,492,889
Retained earnings			5,802,842	4,436,368	5,802,842	4,436,368
Fair valuation reserve	389	38	(37,409)	(37,759)	(37,409)	(37,759)
Revaluation reserve	389	39	35,000	-	35,000	-
Equity attributable to the equity holders of the parent			8,792,690	7,118,998	8,792,690	7,118,998
Non - controlling interests	390	41	976,277	821,481	-	-
TOTAL EQUITY			9,768,967	7,940,479	8,792,690	7,118,998
TOTAL EQUITY AND LIABILITIES			99,335,045	78,670,584	22,056,354	20,119,571
Net assets per share (Rs.)	403	47	21.71	17.58	21.71	17.58

Figures in brackets indicate deductions.

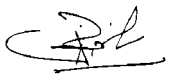
The notes disclosed on pages 322 to 344 form an integral part of these Consolidated Financial Statements.

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.

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

5 June 2025
Colombo

Consolidated Statement of Changes in Equity - Group

For the year ended 31 March 2025	Page No.	Note	Attributable to equity holders of parent							
			Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Revaluation Reserve	Total	Non-controlling Interest	Total Equity
			Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2023			227,500	1,497,150	4,586,330	(215,818)	-	6,095,162	585,671	6,680,833
Total comprehensive income for the year										
Profit for the year			-	-	8,970,513	-	-	8,970,513	1,185,822	10,156,335
Other comprehensive loss for the year			-	-	(12,995)	(36,182)	-	(49,177)	(175)	(49,352)
Total comprehensive income/ (loss) for the year			-	-	8,957,518	(36,182)	-	8,921,336	1,185,647	10,106,983
Transactions with equity holders										
Distribution to equity holders										
Dividend paid (2022/23)			-	-	(911,250)	-	-	(911,250)	-	(911,250)
Dividend paid (1st Interim - 2023/24)	348	15	-	-	(4,961,250)	-	-	(4,961,250)	-	(4,961,250)
Dividend declared (2nd Interim - 2023/24)	348	15	-	-	(2,025,000)	-	-	(2,025,000)	-	(2,025,000)
Dividend for shareholders with NCI* (1st Interim - 2023/24)	390	41	-	-	-	-	-	-	(655,060)	(655,060)
Dividend for shareholders with NCI* (2nd Interim - 2023/24)	390	41	-	-	-	-	-	-	(294,777)	(294,777)
Adjustment due to disposal (via amalgamation)	355	19.1.1	-	-	(214,030)	214,030	-	-	-	-
Loss on sale of FVTOCI Investments**	355	19.1.1.a	-	-	(211)	211	-	-	-	-
Total distribution to equity holders			-	-	(8,111,741)	214,241	-	(7,897,500)	(949,837)	(8,847,337)
Transfers to risk reserve	388	37	-	995,739	(995,739)	-	-	-	-	-
Balance as at 31 March 2024			227,500	2,492,889	4,436,368	(37,759)	-	7,118,998	821,481	7,940,479
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)	348	15	-	-	(3,037,500)	-	-	(3,037,500)	-	(3,037,500)
Dividend for shareholders with NCI* (2024/25)	390	41	-	-	-	-	-	-	(170,316)	(170,316)
Loss on sale of FVTOCI Investments**	355	19.1.1.a	-	-	(12,720)	12,720	-	-	-	-
Total distribution to equity holders			-	-	(3,050,220)	12,720	-	(3,037,500)	(170,316)	(3,207,816)
Transfers to risk reserve	388	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

* Non controlling interest
** Fair value through other comprehensive income

Figures in brackets indicate deductions.
The notes disclosed on pages 322 to 444 form an integral part of these consolidated financial statements.

Statement of Changes in Equity - Company

For the year ended 31 March 2025	Page No.	Note	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Revaluation Reserve	Total
			Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2023			227,500	1,497,150	4,586,330	(215,818)	-	6,095,162
Total comprehensive income for the year								
Profit for the year			-	-	8,970,513	-	-	8,970,513
Other comprehensive loss for the year			-	-	(12,995)	(36,182)	-	(49,177)
Total comprehensive income/ (loss)			-	-	8,957,518	(36,182)	-	8,921,336
Transactions with equity holders								
Distribution to equity holders								
Dividend paid (2022/23)			-	-	(911,250)	-	-	(911,250)
Dividend paid (1st Interim - 2023/24)	348	15	-	-	(4,961,250)	-	-	(4,961,250)
Dividend declared (2nd Interim - 2023/24)	348	15	-	-	(2,025,000)	-	-	(2,025,000)
Adjustment due to disposal (via amalgamation)	355	19.1.1	-	-	(214,030)	214,030	-	-
Loss on sale of FVTOCI Investments*	355	19.1.1.a	-	-	(211)	211	-	-
Total distribution to equity holders			-	-	(8,111,741)	214,241	-	(7,897,500)
Transfers to risk reserve	388	37	-	995,739	(995,739)	-	-	-
Balance as at 31 March 2024			227,500	2,492,889	4,436,368	(37,759)	-	7,118,998
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)	348	15	-	-	(3,037,500)	-	-	(3,037,500)
Loss on sale of FVTOCI Investments*	355	19.1.1.a	-	-	(12,720)	12,720	-	-
Total distribution to equity holders			-	-	(3,050,220)	12,720	-	(3,037,500)
Transfers to risk reserve	388	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

* Fair value through other comprehensive income

Figures in brackets indicate deductions.

The notes disclosed on pages 322 to 444 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 and 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,	Page No.	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Cash flows from operating activities						
Interest receipts and gains realised			13,763,771	29,214,940	1,581,931	2,066,610
Interest payments and other direct cost			(6,143,505)	(8,645,084)	(1,207,274)	(1,869,403)
Other receipts			55,472	5,103	-	3
Cash payments to employees and suppliers			(2,478,303)	(741,680)	(548,928)	(125,206)
Operating profit before changes in operating assets and liabilities			5,197,435	19,833,279	(174,271)	72,004
(Increase)/ Decrease in financial assets - fair value through profit or loss			(21,474,090)	(8,317,766)	(1,489,104)	(2,036,375)
(Increase)/ Decrease in financial assets - at amortised cost			3,750,791	455,951	2,446,820	2,793,567
(Increase)/ Decrease in trade and other receivables			1,392,924	(2,660,478)	1,830,988	(1,121,446)
(Increase)/ Decrease in amounts due from related companies			(32)	66	25,531	(99,418)
Increase/ (Decrease) in trade and other payables			(101,219)	(876,659)	1,007,486	19,981
Increase/ (Decrease) in amounts due to related companies			31,629	(2,277)	(3,376)	12,634
Increase/ (Decrease) in short term borrowings			2,503,278	(1,608,786)	2,848,099	(1,586,454)
Increase/ (Decrease) in securities sold under re-purchase agreements			21,612,656	2,454,580	-	-
Cash generated from/ (used in) operations			12,913,372	9,277,910	6,492,173	(1,945,507)
Tax paid	366	23	(3,962,337)	(2,651,963)	(44,246)	(80,433)
Gratuity paid	384	34	(1,653)	(4,200)	(1,653)	-
Net cash flows generated from/(used in) operating activities			8,949,382	6,621,747	6,446,274	(2,025,940)

For the year ended 31 March	Page No.	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Cash flows from investing activities						
Purchase of property, plant, equipment and intangible assets	371 & 377	26 & 27	(278,651)	(340,107)	(22,230)	(26,658)
Proceeds on sale of property, plant, equipment			1,950	321	63	-
Proceeds from disposal of financial assets - fair value through other comprehensive income	355	19.1.1.a	36,010	2,241	-	-
Investment in financial assets - fair value through other comprehensive income	356	19.2.1	(2,500)	(5,000)	(2,500)	(5,000)
Dividend receipts			154,470	42,101	852,345	6,200,769
Net cash flows generated from/ (used) in investing activities			(88,721)	(300,444)	827,678	6,169,111
Cash flows from financing activities						
Dividend paid (2022/23)			-	(911,250)	-	(911,250)
Dividend paid (2023/24)			(2,025,000)	(4,961,250)	(2,025,000)	(4,961,250)
Dividend paid (Interim - 2024/25)			(3,037,500)	-	(3,037,500)	-
Dividend paid to shareholders with non-controlling interest	390	41	(170,316)	(949,837)	-	-
Payment of dividend tax attributable to parent	345	13.1	(214,537)	(1,211,454)	-	-
Lease payment	382	32.1	(13,748)	(4,951)	(686)	(625)
Proceeds from long term borrowings	383	33	-	1,000,000	-	1,000,000
Repayment of long term borrowings	383	33	(400,000)	(300,000)	(400,000)	(300,000)
Redemption of listed debentures	387	35	(727,530)	-	-	-
Net cash flows used in financing activities			(6,588,631)	(7,338,742)	(5,463,186)	(5,173,125)
Net increase / (decrease) in cash and cash equivalents for the year			2,272,030	(1,017,439)	1,810,766	(1,029,954)
Cash and cash equivalents at the beginning of the year			(1,355,261)	(337,822)	(1,204,260)	(174,306)
Cash and cash equivalents at the end of the year			916,769	(1,355,261)	606,506	(1,204,260)

Figures in brackets indicate deductions.

The notes disclosed on pages 322 to 444 form an integral part of these financial statements.

Notes to the Financial Statements

1. REPORTING ENTITY

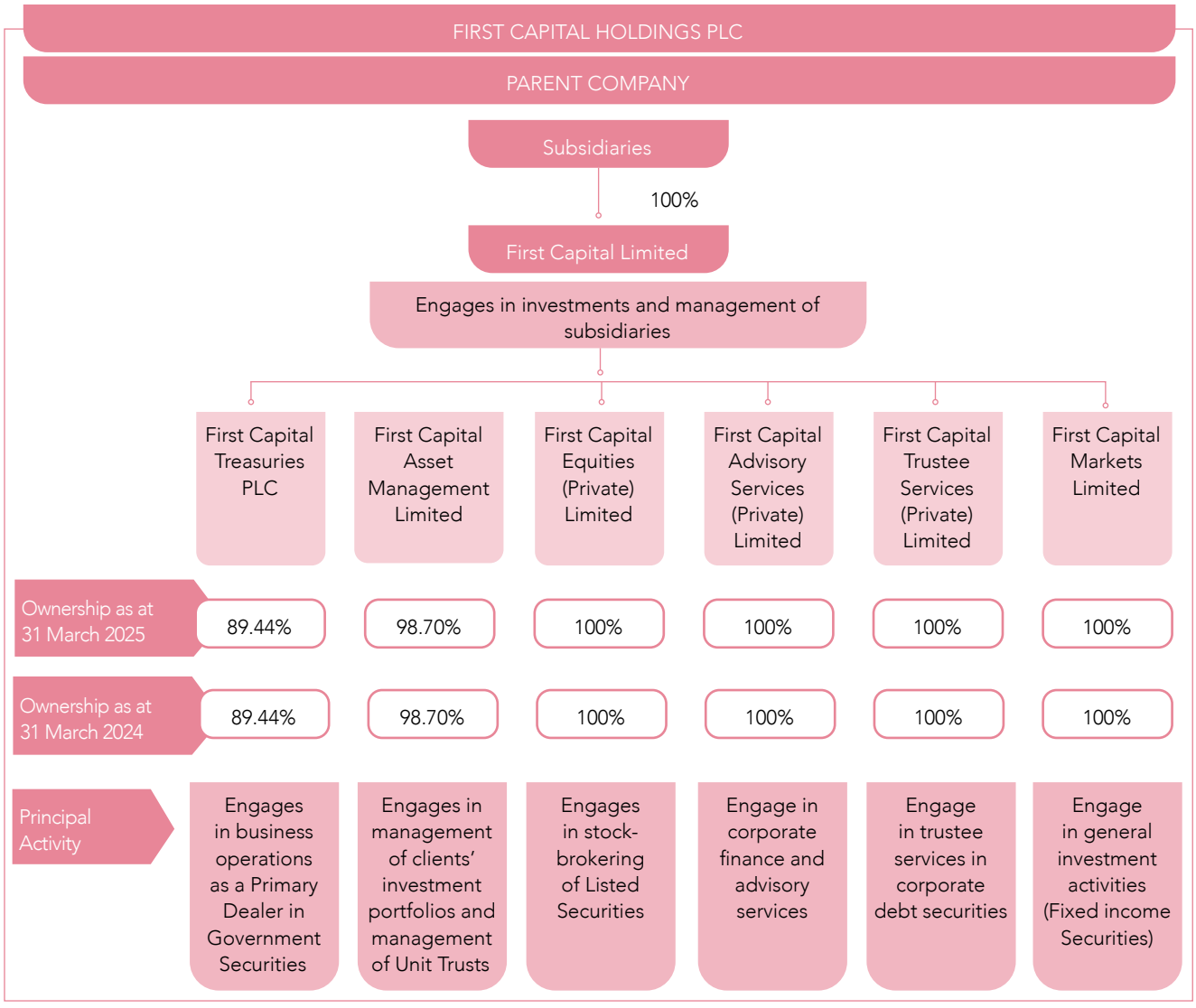
First Capital Holdings PLC ("the Company/ FCH") is a public limited liability company incorporated and domiciled in Sri Lanka on 23 March 1992. The registered office and place of business of the Company is No. 2, Deal Place, Colombo 03. The shares of the Company have a primary listing on the Colombo Stock Exchange. The staff strength of the Group was as follows.

As at 31 March,	2025	2024
Group	145	122

Corporate information is presented in the inner back cover of this Annual Report.

The Consolidated Financial Statements for the year 2024/25 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).

1.1 Principal Activities of the Company and Group



The registered office and place of business of subsidiary companies is No. 2, Deal Place, Colombo 03.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka.

Presented in compliance with the requirements of the Companies Act No. 7 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

These SLFRSs and LKASs are available at the website of CA Sri Lanka www.casrilanka.com.

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

Details of the Group's Material Accounting Policies followed during the year are given in Notes 4 to 53 on pages 325 to 444.

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 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 Directors' Responsibility" (SODR) and the certification on the Statement of Financial Position on pages 316 to 317 (ARoBOD), 299 to 301 (SODR), 302 (SOFP).

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company as at 31 March 2025 comprises of –

- The Statement of Profit or Loss and Other Comprehensive Income (SOCI) providing information on the performance for the year under review (Refer pages 314 to 315).
- Statement of Financial Position (SOFP) providing the information on the financial position of the Company and the Group as at the year end (Refer pages 316 to 317).
- 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 318 to 319).
- 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 pages 320 to 321).
- Notes to the Financial Statements, which comprise of the Accounting Policies and other explanatory notes and information (Refer pages 322 to 444).

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 2025 (including the comparative figures) were authorised for issue by the Board of Directors in accordance with the resolution on 5 June 2025 (Financial Statements of the Group for the year ended 31 March 2024, were approved by the Board of Directors on 4 June 2024).

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.

Category	Basis of Measurement	Note	Page Numbers
Investment in subsidiaries	Equity method of accounting	Note 24	367
Derivative financial assets/ liabilities	Fair value	Note 17 & 28	349 & 380
Financial assets measured at fair value through profit or loss (FVTPL)	Fair value	Note 18	349
Financial assets measured at fair value through other comprehensive income (FVTOCI)	Fair value	Note 19	354
Financial assets at amortised cost	Amortised cost	Note 20	356
Motor vehicle	Fair value	Note 26	374
Right of use of assets	Discounted future lease rental payments	Note 26	374
Financial liabilities	Amortised cost		379
Retirement benefit obligations	Projected unit credit method	Note 34	384

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 has been rounded to the nearest thousand unless indicated otherwise.

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 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.

Critical Accounting Estimate/Judgment	Disclosure Note	Page Numbers
Going concern	Note 3	325
Classification of financial instruments	Note 4.5.2	327-328
Non-current assets held for sale	Note 22	365-366
Fair value of financial instruments	Note 2.6.6	325
Useful lives of intangible assets	Note 27	377-379
Useful lives of property, plant and equipment	Note 26	371-376
Retirement benefit obligation	Note 34	384-386
Deferred taxation	Note 25	368-371
Impairment losses on financial assets	Note 4.5.7 and 20	329 and 356
Provisions for liabilities, commitments and contingencies	Note 2.6.8	325

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 and 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 & 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

As per LKAS 1 "Presentation of Financial Statements" (LKAS 1) and amendments to the LKAS 1 on " Disclosure Initiative" which was effective from 1 January 2016, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

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

2.9 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 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 indicated.

4.1 New and Amended Standards and Interpretations

The amendment to Accounting Standards LKAS 1, LKAS 7, SLFRS 16 and LKAS 21 do not have a material effect 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.

Index of Material Accounting Policy Information

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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 322.

4.3.3 Unconsolidated Structured Entities

The Group manages and administrates 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./ LKR) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the mid 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.

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

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.

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.

4.5.8.1 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 1 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)

Advance Income Tax (AIT) which has similar attributes to the Withholding Tax has been re-introduced with the introduction of Inland Revenue (Amendment) Act No. 45 of 2022 effecting from 1 January 2023. 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 or credits. Interest received on interest bearing foreign currency accounts, "Special Deposit Accounts" and Diplomatic accounts are exempted from AIT. Withholding Tax has been re-introduced on Services Fees paid to Individuals and the Rent paid any person under the Inland Revenue (Amendment) Act No. 45 of 2022 effecting from 01 January 2023. If any individual including a sole proprietorship is paid with a service

related fees as provided under the Section 85 - (1C) of the Inland Revenue (Amendment) Act No. 45 of 2022, the Withholding Tax agent or the service recipient has to deduct Withholding Tax at the rate of 5% on the total gross amount if such payment exceeds LKR 100,000 per calendar month. Withholding Tax has re-introduced on Rent expenses paid to any person if such aggregate gross rent income surpasses or equal to LKR 100,000 for a calendar month at the rate of 10%. WHT on interest payments has been revised to 10% with effect from 1 April 2025.

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, the Group has adopted the two standards on a voluntary and limited basis, as the Group is gearing 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.

The 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 pages 183 to 195 for more information).

2025/26	2026/27	2027/28
1st Reporting Period (1 April 2025 – 31 March 2026) • Comply with SLFRS S1 & S2 (sustainability and climate-related risks and opportunities). • Disclose scope 1 & 2 emissions	2nd Reporting Period (1 April 2026 – 31 March 2027) • Provide comparative information on SLFRS S1 & S2 (sustainability and climate-related risks and opportunities) • Disclose scope 1 & 2 emissions	3rd Reporting Period (1 April 2027 – 31 March 2028) • Fully comply with SLFRS S1 & S2. • Provide Comparative information for all sustainability-related risks and opportunities. • Report Scope 3 emissions, including financed emissions.

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 BIRMC meets quarterly 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 407 to 427.

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 1 April 2025. 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 significant impact on the Group's financial statements.

5.1 New accounting standards effective for annual reporting periods.

High Impact	●
Moderate Impact	●
No Impact	●

5.1.1 New accounting standards effective for annual reporting periods beginning on or after 1 January 2025

New SLFRS / amendment to the existing SLFRS/ LKAS	Summary of the requirements/ Objectives	Possible impact to the Financial Statements	Impact on the Financial Statements
Amendments to SLFRS 16 - Lease Liability in a Sale and Leaseback	The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. These narrow-scope amendments to the requirements for sale and leaseback transactions in SLFRS 16 Leases explain how an entity accounts for a sale and leaseback after the date of the transaction.	This could particularly impact sale and leaseback transactions, where the lease payments include variable payments that do not depend on an index or a rate. The Group/Company has not entered into sale and lease back transactions during the year and the lease liabilities are disclosed in Note 32.1 on pages 382 to 383.	●

New SLFRS / amendment to the existing SLFRS/ LKAS	Summary of the requirements/ Objectives	Possible impact to the Financial Statements	Impact on the Financial Statements
Amendments to LKAS 7 and SLFRS 7 - Supplier Finance Arrangements	Objective of the new disclosures is to provide information about Supplier Finance Arrangements (SFAs) that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.	The new disclosures include: • Terms and conditions of SFAs; • Carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented; • Carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers; • Range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements; • Non-cash changes in the carrying amounts of financial liabilities • Access to SFA facilities and concentration of liquidity risk with finance providers. • The amendment does not have a material impact on the Financial Statements of the Company due to non-availability of supplier finance arrangements.	
Amendments to LKAS 21 - Lack of exchangeability	These disclosures might include: • nature and financial impacts of the currency not being exchangeable; spot exchange rate used; • estimation process; and • risks to the Company because the currency is not exchangeable	Provide new disclosures to help users assess the impact of using an estimated exchange rate on the Financial Statements. The amendment is not expected to have a material impact on the Financial Statements of the Group's / Company's since the Company has not entered into transactions in terms of the currencies that have lack of exchangeability.	

5.1.2 New accounting standards effective for annual reporting periods beginning on or after 1 January 2026

New SLFRS / amendment to the existing SLFRS/ LKAS	Summary of the requirements/ Objectives	Possible impact to the Financial Statements	Impact on the Financial Statements
Amendments to SLFRS 9 and SLFRS 7 - Contracts Referencing Nature dependent Electricity (previously Power Purchase Agreements) Early application of the amendments is permitted.	Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance.	Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements. The amendments include: • Clarifying the application of the 'own-use' requirements; • Permitting hedge accounting if these contracts are used as hedging instruments; and • Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.	
Amendments to SLFRS 9, Financial Instruments and SLFRS 7, Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	Clarify financial assets and financial liabilities are recognised and derecognised at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date. The amendments specify: • when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date; • how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and • new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.	Amendments provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Derecognition of financial liabilities • Derecognition of financial liabilities settled through electronic transfers. Classification of financial assets • Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – 'SPPI test') • Contractual terms that change the timing or amount of contractual cash flows • Financial assets with non-recourse features. • Investments in contractually linked instruments. Disclosure • Investments in equity instruments designated at fair value through other comprehensive income • Contractual terms that could change the timing or amount of contractual cash flows. The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.	

5.1.3 New accounting standards effective for annual reporting periods beginning on or after 1 January 2027

New SLFRS / amendment to the existing SLFRS/ LKAS	Summary of the requirements/ Objectives	Possible impact to the Financial Statements	Impact on the Financial Statements
SLFRS 19 Subsidiaries without Public Accountability: Disclosures	The objective of this standard is to specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other SLFRS Accounting Standards. An eligible subsidiary that applies SLFRS 19 is required to apply the requirements in other SLFRS Accounting Standards for recognition, measurement and presentation requirements. For disclosure requirements, it applies SLFRS 19 instead of the disclosure requirements in other SLFRS Accounting Standards, except in specified circumstances.	In accordance with SLFRS 18 Presentation and Disclosure in Financial Statements, an entity applying SLFRS 19 is not required to provide a specific disclosure required by SLFRS 19 if the information resulting from that disclosure would not be material. An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in SLFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.	

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	
For the year ended 31 March,	Note	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Direct income	7	14,011,457	29,558,233	1,586,047	2,077,268
Other income/ (expense)	9	57,338	5,424	(3)	3
		14,068,795	29,563,657	1,586,044	2,077,271

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 SOCI 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 SOCI 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 Group 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 SOCI.

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 SOCI.

Accounting Policy

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;

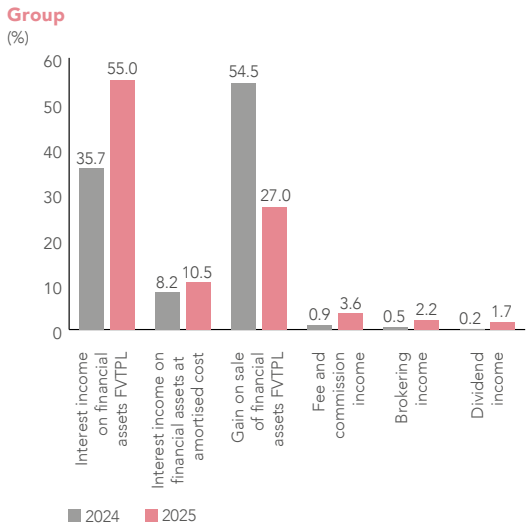
(iv) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and

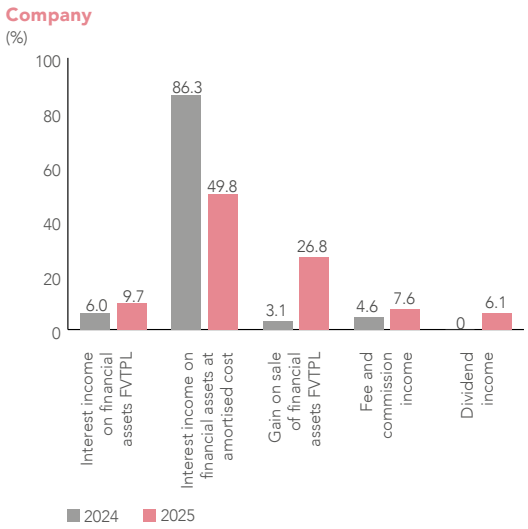
(v) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability 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.

7 DIRECT INCOME

For the year ended 31 March,	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Interest income on financial assets recognised through profit or loss - measured at fair value	7,709,431	10,548,343	153,387	125,603
Interest income on financial assets at amortised cost	1,454,592	2,422,336	790,298	1,791,839
Gain on sale of financial assets recognised through profit or loss - measured at fair value	3,786,777	16,119,148	425,377	64,927
Fee and commission income	505,093	261,294	120,085	94,899
Brokering income	310,537	158,386	-	-
Dividend income	245,027	48,726	96,900	-
	14,011,457	29,558,233	1,586,047	2,077,268

7.1 Direct Income





7.2 Timing of income recognition

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income generated at a point in time	4,445,040	16,360,607	642,362	159,826
Income generated over the period	9,566,417	13,197,626	943,685	1,917,442
	14,011,457	29,558,233	1,586,047	2,077,268

8 DIRECT EXPENSES

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest expenses on re-purchase agreements	6,175,441	7,848,017	-	906
Interest expenses on corporate debt securities	998,599	1,674,174	905,263	1,653,843
Interest expenses on listed debentures	287,909	305,668	212,298	214,607
Brokerage cost	48,367	30,771	2,989	2,327
Other direct expenses	77,427	68,234	100,348	15,352
	7,587,743	9,926,864	1,220,898	1,887,035

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 SOCI 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/ (EXPENSES)

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gain/ (Loss) on disposal of property, plant and equipment	1,866	339	(3)	-
Miscellaneous income	55,472	5,085	-	3
	57,338	5,424	(3)	3

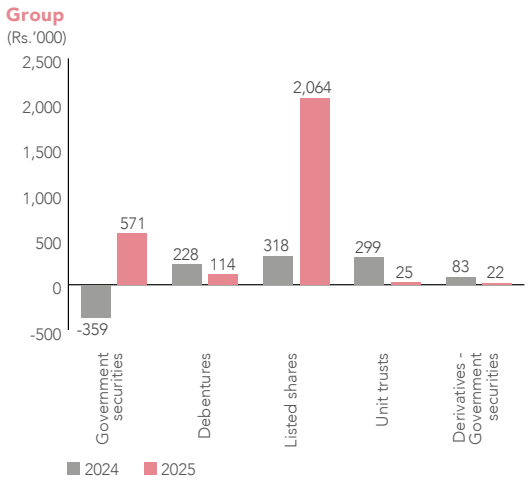
10 GAIN/ (LOSS) ON FAIR VALUATION OF FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE

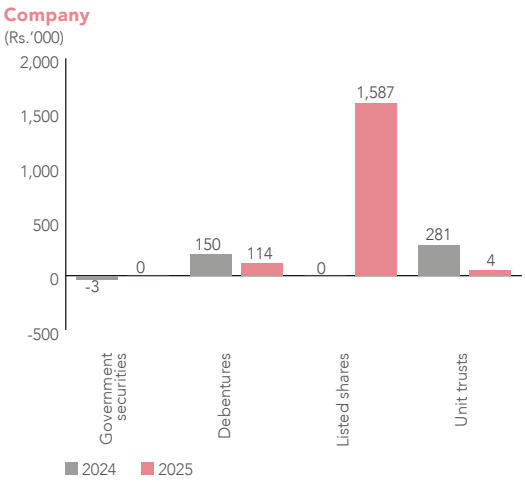
Accounting Policy

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 SOCI. 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 SOCI.

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Government securities	570,851	(358,566)	-	(2,561)
Debentures	113,694	228,247	114,639	150,240
Listed shares	2,063,767	317,660	1,587,466	-
Unit trusts	25,446	298,624	4,332	280,523
Derivative financial instruments - Government securities	21,862	82,583	-	-
	2,795,620	568,548	1,706,437	428,202

Gain/ (loss) on fair valuation of financial investments has been accounted for in accordance with the SLFRS 9.





11 OPERATING EXPENSES

Accounting Policy

Expenses Recognition

Expenses are recognised in the SOCI on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the SOCI 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 OPERATING EXPENSES (CONTD.)

11.1 Personnel expenses

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Salaries		406,271	361,329	59,754	66,912
Bonus		928,873	2,358,026	339,773	293,606
Employer's contribution to EPF & ETF		62,490	55,767	9,104	10,190
Retirement benefit cost	34	23,177	16,789	4,845	2,670
Commission		47,186	19,699	-	-
Other personnel expenses		179,990	216,638	40,301	14,175
		1,647,987	3,028,248	453,777	387,553

11.2 Premises, equipment and establishment expenses

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Building maintenance		57,926	58,247	6,243	4,904
Depreciation and amortisation		135,850	35,226	11,218	9,136
Electricity		8,628	5,822	989	695
Miscellaneous expenses		29,171	18,513	22,610	1,726
		231,575	117,808	41,060	16,461

11.3 Other operating expenses

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Professional services expenses		134,717	72,879	23,025	11,662
Sales promotion expenses		55,181	123,406	20,633	39,540
Value added taxation on financial services	11.3.1	271,245	469,210	-	-
Social security contribution levy on financial services	11.3.1	37,673	62,954	-	-
Communication and information technology expenses		121,748	82,203	11,275	5,969
Travelling expenses		13,873	12,493	3,266	5,030
Fund transfer charges/ bank charges		28,699	23,829	5,463	4,508
Specific allowance for impairment of trade and other receivables		161	54	93	-
Miscellaneous expenses/ (reversals)		100,543	3,587	15,187	(362)
		763,840	850,615	78,942	66,347

11.3.1 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 on Financial Services (VATFS)

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 & 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% (2023/24-18%).

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% (2023/24-2.5%).

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Value added tax on financial services	271,245	469,210	-	-
Social security contribution levy on financial services	37,673	62,954	-	-
	308,918	532,164	-	-

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	
		2025	2024	2025	2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Directors' emoluments		345,265	601,228	285,775	580,751
Auditors' remuneration - Audit services		3,335	3,020	750	680
Auditors' remuneration - Other services		7,263	4,787	3,696	1,835
Salaries		406,271	361,329	59,754	66,912
Depreciation of property, plant and equipment and right of use assets	26	128,348	29,922	8,499	7,467
Amortisation of intangible assets	27	7,502	5,328	2,719	1,692
Employer's contribution to EPF & ETF		62,490	55,767	9,104	10,190
Retirement benefit cost	34	23,177	16,789	4,845	2,670
Legal fees		16,712	4,514	454	-
Donations		15,030	1,422	15,003	213
Specific allowance for impairment of trade and other receivables		161	54	93	-
Reversal for impairment of financial assets at amortised cost	20.b	(51,984)	(100,624)	(14,223)	(43,796)

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 342.

13 TAXATION

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 SOCI or SOCE.

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 substantially 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 2024/25 and 2023/24 by applying the income tax rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

Applicable income tax rates

The applicable income tax rates of the Company and the subsidiary companies for the years 2024/25 and 2023/24 are as follows;

Name of the Company	2024/25	2023/24
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

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Recognised in Profit or Loss					
Current tax expenses	13.3	(1,545,572)	(5,011,143)	(12,980)	(48,249)
Over/ (under) provision for taxes	23	(289,182)	66,510	(42,345)	2,720
Deferred tax recognised/ (expense)	25.1	380,672	3,128	75,558	(8,827)
Taxes on dividend (at 15%)		(214,537)	(1,211,454)	-	-
		(1,668,619)	(6,152,959)	20,233	(54,356)
Recognised in Other Comprehensive Income					
Deferred tax assets recognised during the year	25.1	1,270	5,644	1,661	1,195
		(1,667,349)	(6,147,315)	21,894	(53,161)

13.2 Effective tax rate

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Effective tax rate (excluding deferred tax)	13.4 & 13.5	30.65%	37.75%	1.18%	0.50%
Effective tax rate	13.4 & 13.5	24.94%	37.69%	(0.47%)	0.59%

13 TAXATION (CONTD.)

13.3 Reconciliation of accounting profit to income tax

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit before taxation	6,685,254	16,309,294	4,671,291	9,024,869
Less : Exempted income	(2,821,082)	(441,090)	(5,246,998)	(8,832,996)
Add : Disallowable expenses	1,588,479	695,538	674,886	(20,650)
Less : Allowable expenses	(258,008)	(97,737)	(55,914)	(10,390)
Add : Assessable charge on depreciable assets	1,368	-	-	-
Adjusted profit for the year	5,196,011	16,466,005	43,265	160,833
Add: Other Income	30,914	26,251	-	-
Add: Adjusted business losses	-	183,601	-	-
Total statutory income	5,226,925	16,675,857	43,265	160,833
Tax loss claimed during the year	(89,900)	(2,062)	-	-
Taxable income	5,137,025	16,673,795	43,265	160,833
Income tax expense				
Tax at 30%	(1,545,572)	(5,011,143)	12,980	(48,249)
	(1,545,572)	(5,011,143)	(12,980)	(48,249)

13.4 Reconciliation of accounting profit/(loss) to income tax

Group

For the year ended 31 March,	2025		2024	
	%	Rs. '000	%	Rs. '000
Profit before tax		6,685,254		16,309,294
Tax using the Company's domestic tax rate	30.00%	2,005,576	30.00%	4,892,788
Tax impact on exempted income	(12.59%)	(841,860)	(0.76%)	(123,322)
Tax impact on disallowable expenses	7.13%	476,544	1.28%	208,661
Tax impact on allowable expenses	(1.17%)	(77,402)	(0.18%)	(29,321)
Tax impact on assessable charge on depreciable Assets	0.01%	410	-	-
Tax impact on other income	0.14%	9,274	0.05%	7,875
Tax impact on adjusted business losses	-	-	0.34%	55,080
Tax impact on tax loss claimed during the year	(0.41%)	(26,970)	(0.004%)	(619)
Taxes on dividend	3.21%	214,537	7.43%	1,211,454
Over/ (under) provision in respect of the previous year	4.33%	289,182	(0.41%)	(66,510)
Effective tax rate (excluding deferred tax)	30.65%	2,049,291	37.75%	6,156,087
Deferred tax asset recognised/ (reversed) during the year	(5.71%)	(381,942)	(0.06%)	(8,772)
Income tax expense recognised in the Income Statement at the average effective income tax rate	24.94%	1,667,349	37.69%	6,147,315

13.5 Reconciliation of accounting profit/(loss) to income tax

Company

For the year ended 31 March,	2025		2024	
	%	Rs. '000	%	Rs. '000
Profit before tax		4,671,291		9,024,869
Tax using the Company's domestic tax rate	30.00%	1,401,387	30.00%	2,707,461
Tax impact on exempted income	(33.70%)	(1,574,099)	(29.37%)	(2,649,900)
Tax impact on disallowable expenses	4.33%	202,466	(0.07%)	(6,195)
Tax impact on allowable expenses	(0.36%)	(16,774)	(0.03%)	(3,117)
Over/ (under) provision in respect of the previous year	0.91%	42,345	(0.03%)	(2,720)
Effective tax rate (excluding deferred tax)	1.18%	55,325	0.50%	45,529
Deferred tax asset recognised during the year	(1.65%)	(77,219)	(0.09%)	7,632
Income tax expense recognised in the Income Statement at the average effective income tax rate	(0.47%)	(21,894)	0.59%	53,161

13.6 Accumulated tax losses

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	438,454	252,491	-	-
Loss incurred during the year	-	183,601	-	-
Loss utilised during the year	(89,900)	(2,062)	-	-
Adjustment with respect of previous year	(348,554)	4,424	-	-
Balance at the end of the year	-	438,454	-	-

14 EARNINGS PER SHARE (EPS)

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.

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit attributable to equity holders of the parent (Rs. '000)	4,691,524	8,970,513	4,691,524	8,970,513
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.)	11.58	22.15	11.58	22.15

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 is recognised as a liability and deducted from equity when it is approved by the Company's Board of Directors in accordance with the Articles of Association of the Company.

Dividend declared from recorded profit

For the year ended 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Dividend declared per share (Rs.)	7.50	17.25	7.50	17.25
Number of ordinary shares	405,000,000	405,000,000	405,000,000	405,000,000
Total dividend for the year (Rs.)	3,037,500,000	6,986,250,000	3,037,500,000	6,986,250,000

Dividend declared from recorded profit

The Board of Directors paid a total dividend of Rs. 7.50 per share for the financial year 2024/25 (2023/24 - total dividend of Rs.17.25 per share). Please refer Note 40.

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 audited 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

As at,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash in hand	49.3.1	293	294	-	-
Cash at banks	49.3.1	1,142,855	178,088	693,270	76,453
		1,143,148	178,382	693,270	76,453

16.2 Unfavourable cash and cash equivalent balances

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank overdraft	226,379	1,533,643	86,764	1,280,713
	226,379	1,533,643	86,764	1,280,713

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

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Forward sale contracts	2,814	1,944	-	-
Forward purchase contracts	6	49,989	-	-
	2,820	51,933	-	-

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 SOCI.

Following assets represent FVTPL,

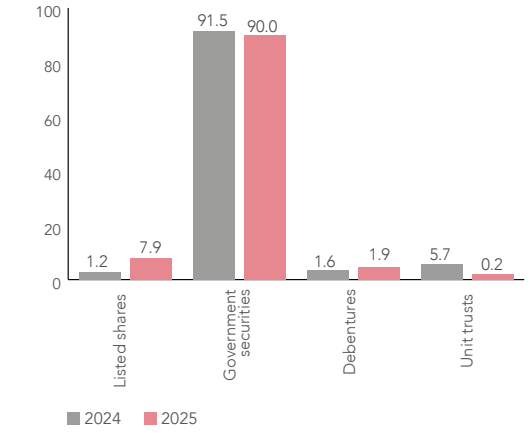
- Investment in government securities
- Investment in debentures
- Investment in listed shares
- investment in unit trusts

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL) (CONTD.)

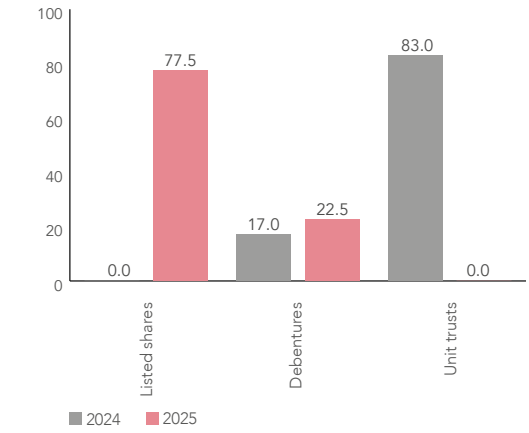
The quoted equity securities are valued using the market prices published by the Colombo Stock Exchange (CSE). Sri Lanka Government Securities are valued based on the market rates published by the Central Bank of Sri Lanka (CBSL). Investment in debentures are measured at fair value based on the recent 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.

		Group		Company	
As at,		31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Listed shares	18.1	6,824,915	732,052	5,728,621	-
Government securities	18.2	78,107,520	57,193,661	-	-
Debentures	18.3	1,666,521	1,018,254	1,666,521	713,320
Unit trusts	18.4	178,857	3,585,997	-	3,486,281
		86,777,813	62,529,964	7,395,142	4,199,601

Group



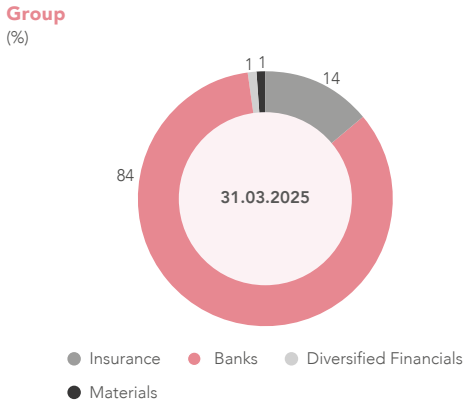
Company

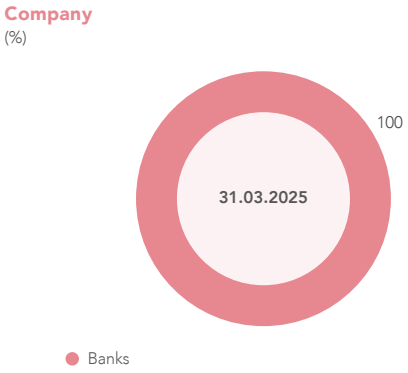


18.1 Listed shares - Group

As at,	Security Code	No. of shares		Fair Value		Cost	
		31.03.2025	31.03.2024	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Janashakthi Insurance PLC	JINS.N0000	13,099,471	13,099,471	964,121	573,757	324,708	324,708
National Development Bank PLC	NDB.N0000	284,565	1,325,139	30,449	90,109	25,606	119,941
Janashakthi Finance PLC	BFN.N0000	2,138,299	2,138,299	41,055	17,962	32,671	32,671
Dipped Products PLC	DIPD.N0000	1,103,063	1,103,063	60,669	33,533	63,597	63,597
Access Engineering PLC	AEL.N0000	-	738,552	-	16,691	-	17,725
Hatton National Bank PLC	HNB.N0000	7,600,000	-	2,318,000	-	1,736,172	-
Commercial Bank of Ceylon PLC	COMB.N0000	14,829,629	-	2,187,370	-	1,416,326	-
Sampath Bank PLC	SAMP.N0000	9,985,725	-	1,223,251	-	988,657	-
Total				6,824,915	732,052	4,587,737	558,642

Global Industry Classification Standard (GICS) Industry Composition





18.1 Listed shares - Company

As at,	Security Code	No. of shares		Fair Value		Cost	
		31.03.2025	31.03.2024	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Hatton National Bank PLC	HNB.N0000	7,600,000	-	2,318,000	-	1,736,172	-
Commercial Bank of Ceylon PLC	COMB.N0000	14,829,629	-	2,187,370	-	1,416,326	-
Sampath Bank PLC	SAMP.N0000	9,985,725	-	1,223,251	-	988,657	-
Total				5,728,621	-	4,141,155	-

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL) (CONTD.)

18.2 Government securities - Group

As at,	Market Value		Face Values	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Treasury bills	729,308	18,227,996	758,525	18,633,283
Treasury bonds	77,378,212	38,965,665	74,367,333	37,009,308
	78,107,520	57,193,661	75,125,858	55,642,591

The company did not have Government Securities Portfolio as of 31 March 2025 and 31 March 2024.

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.

	Group			
	Market Value		Face Values	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Treasury bills	695,792	13,605,361	724,073	13,923,141
Treasury bonds	76,676,775	37,145,268	73,822,960	35,066,565
	77,372,567	50,750,629	74,547,033	48,989,706

The company did not have borrowings on re-purchase agreements as of 31 March 2025 and 31 March 2024.

18.3 Debentures

		Group		Company	
As at,		31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Listed debentures	18.3.1	1,666,521	777,624	1,666,521	713,320
Unlisted debentures	18.3.2	-	240,630	- `	-
		1,666,521	1,018,254	`1,666,521	713,320

18.3.1 Listed Debentures

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Note 18.3.1.a		Note 18.3.1.a	
LOLC Holdings PLC	483,871	397,599	483,871	397,599
Asia Asset Finance PLC	307,901	315,721	307,901	315,721
Siyapatha Finance PLC	286,870	-	286,870	-
Vallibel Finance PLC	587,879	-	587,879	-
Softlogic Capital PLC	-	64,304	-	-
	1,666,521	777,624	1,666,521	713,320

18.3.1.a Listed Debentures as 31 March 2025

Group/ Company	Number of Debentures	Invested Date	Maturity Date	Coupon Rate	Issuer Credit Rating	Fair Value Rs. '000
LOLC Holdings PLC	4,783,000	24 February 2021	24 February 2031	12.00%	A	483,871
Asia Asset Finance PLC	2,826,500	20 August 2021	20 August 2026	14.18%	A+	307,901
Siyapatha Finance PLC	2,500,000	6 June 2024	6 June 2029	13.20%	A	286,870
Vallibel Finance PLC	5,424,100	22 November 2024	22 November 2029	13.37%	BBB	587,879
						1,666,521

18.3.2 Unlisted Debentures

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Kelsey Homes (Pvt) Limited	-	240,630	-	-
	-	240,630	-	-

18.4 Investment in unit trusts

		Group		Company	
As at,		31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
First Capital Money Market Fund	18.4.1	140,882	3,525,395	-	3,486,281
First Capital Equity Fund	18.4.2	37,975	60,602	-	-
		178,857	3,585,997	-	3,486,281

18.4.1 Investment in First Capital Money Market Fund

As at,	31.03.2025			31.03.2024		
	No. of Units	Unit Price	Fair Value Rs. '000	No. of Units	Unit Price	Fair Value Rs. '000
Group						
First Capital Holdings PLC	-	-	-	1,148,143.45	3,036.45	3,486,281
First Capital Asset Management Limited	42,002.46	3,354.14	140,882	12,881.85	3,036.45	39,114
			140,882			3,525,395
Company						
First Capital Holdings PLC	-	-	-	1,148,143.45	3,036.45	3,486,281
			-			3,486,281

18 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS -MEASURED AT FAIR VALUE (FVTPL) (CONTD.)

18.4.2 Investment in First Capital Equity Fund

As at,	31.03.2025			31.03.2024		
	No. of Units	Unit Price	Fair Value	No. of Units	Unit Price	Fair Value
			Rs. '000			Rs. '000
Group						
First Capital Asset Management Limited	11,796.71	3,219.12	37,975	26,535.70	2,283.79	60,602
			37,975			60,602

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.

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,		Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Equity investments in Nation Lanka Finance PLC	19.1	29,967	78,350	-	-
Equity investments in Lanka Rating Agency Limited	19.2	7,500	5,000	7,500	5,000
		37,467	83,350	7,500	5,000

19.1. Listed shares - Group

As at,	Note	Security Code	No. of shares 31.03.2025	No. of shares 31.03.2024	Fair Value 31.03.2025 Rs. '000	Fair Value 31.03.2024 Rs. '000	Cost 31.03.2025 Rs. '000	Cost 31.03.2024 Rs. '000
Nation Lanka Finance PLC	19.1.1	CSF.N0000	149,836,063	261,167,368	29,967	78,350	65,583	114,313

19.1.1 Investment in Nation Lanka Finance PLC

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Balance at the beginning of the year		78,350	116,773	-	-
Investment sold during the year	19.1.1.a	(48,730)	(2,452)	-	-
Reversal of fair valuation loss on sold financial assets FVTOCI		15,330	-	-	-
Loss on fair valuation of financial assets FVTOCI		(14,983)	(35,971)	-	-
Balance at the end of the year		29,967	78,350	-	-

First Capital Limited (FCL) held 8,270,077 ordinary shares acquired at Rs. 40 per share in Kanrich Finance Limited (KFL) which was equivalent to 10% stake and the said investment is classified under Financial assets measured at fair value through other comprehensive income. On 31 July 2023, Nation Lanka Finance PLC (NLF) amalgamated with KFL and the Shares held by FCL were converted to 266,770,806 number of Shares of NLF adopting a Share Exchange Ratio of 10,000 shares of KFL, 322,573.5456 shares of NLF in the business amalgamation. The shares were listed on Colombo Stock Exchange on 31 August 2023. As of 31 March 2025, FCL holds 149,836,063 (31 March 2024 - 261,167,368) ordinary shares of NLF.

The Group designated the investment shown above as equity securities at FVTOCI since these equity securities represent investment that the Group intends to hold on medium term basis.

Due to the amalgamation of KFL and NLF, the recorded loss in fair value has been recognised as realised loss. Further, no deferred tax asset has been recognised due to the irrecoverable nature of losses incurred before the amalgamation.

19.1.1.a Loss on sale of Shares of Nation Lanka Finance PLC

For the year ended 31 March,	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Net sales proceeds	36,010	2,241	-	-
Cost of the investment sold	(48,730)	(2,452)	-	-
Loss on sale	(12,720)	(211)	-	-

Strategic investments were disposed during 2025, and Rs. 12,720 was the transfer from cumulative gain or loss within equity relating to these investments.

19.2 Unlisted shares - Group/ Company

As at,	Note	No. of shares 31.03.2025	No. of shares 31.03.2024	Fair Value 31.03.2025 Rs. '000	Fair Value 31.03.2024 Rs. '000	Cost 31.03.2025 Rs. '000	Cost 31.03.2024 Rs. '000
Lanka Rating Agency Limited	19.2.1	7,500,000	5,000,000	7,500	5,000	7,500	5,000

19.2.1 Equity investments in Lanka Rating Agency Limited

During the financial year 2023/24, First Capital Holdings PLC (FCH) made a strategic investment by acquiring ordinary shares worth of Rs. 5 Mn of Lanka Rating Agency Limited (LRA). In the financial year 2024/25, FCH further increased its investment by acquiring an additional ordinary shares worth of Rs. 2.5 Mn. The total investment amounts to 7.5 Mn ordinary shares, representing an equity stake of 4.98%, for a total consideration of Rs. 7.5 Mn.

	Group		Company	
For the year ended 31 March,	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	5,000	-	5,000	-
Investment during the year	2,500	5,000	2,500	5,000
Balance at the end of the year	7,500	5,000	7,500	5,000

Fair value of equity investment in Lanka Rating Agency Limited is based on the price to book value approach (PBV of 1 time).

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, "financial assets at amortised cost" are subsequently measured at amortised cost using the Effective Interest Rate (EIR), less impairment allowance, except when the Group designates financial assets at amortised cost 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 SOPL. The losses arising from impairment are recognised in the SOPL as "Impairment of financial assets at amortised cost".

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.

20 FINANCIAL ASSETS AT AMORTISED COST (CONTD.)

Accounting Policy

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 or a security because of financial difficulties

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.

Accounting Policy

Debt and Other Instruments

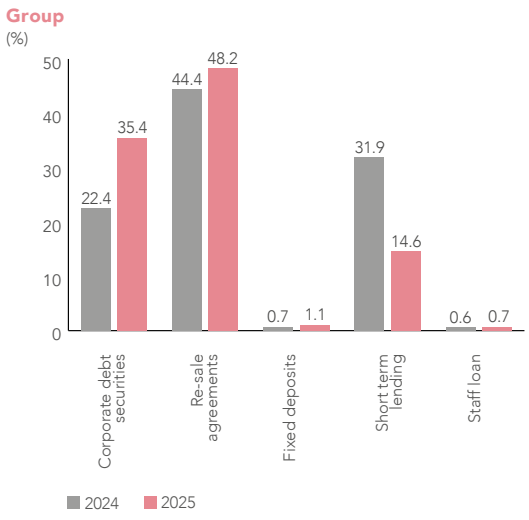
In line with the requirements of SLFRS 9, the Group applies the amortised cost method to measure financial instruments for which an entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

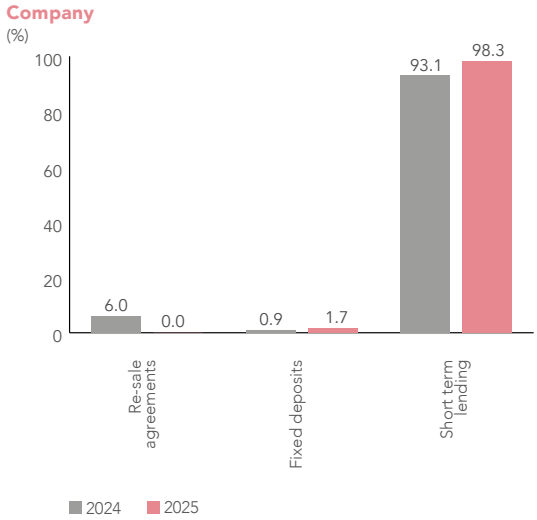
- Principle is the fair value of the instrument at initial recognition.
- Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk 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	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Corporate debt securities	20.1	2,679,793	2,511,063	-	-
Investments under re-sale agreements	20.2	3,647,847	4,961,570	-	400,405
Investments in fixed deposits	20.3	83,559	73,786	72,003	58,041
Short term lending	20.4	1,100,159	3,561,533	4,157,642	6,199,680
Staff loans		53,956	62,953	-	-
		7,565,314	11,170,905	4,229,645	6,658,126





20 FINANCIAL ASSETS AT AMORTISED COST (CONTD.)

20.b (Provision)/ Reversal for impairment of financial assets at amortised cost

For the year ended,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Corporate debt securities	20.1.1	(71)	777	-	212
Investments in fixed deposits	20.3.2	4	6	2	5
Short term lending	20.4.1	52,051	99,841	14,221	43,579
		51,984	100,624	14,223	43,796

20.1 Corporate debt securities

As at,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Investment in commercial papers		1,821,348	2,275,639	-	-
Investment in securitised papers		-	235,660	-	-
Investment in trust certificates		858,752	-	-	-
Provision for impairment	20.1.1	(307)	(236)	-	-
		2,679,793	2,511,063	-	-

20.1.a Securities pledged as Collateral

Investment in commercial papers classified as financial assets at amortised cost amounting to Rs. 228Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as of 31 March 2025 (31 March 2024- Rs. 1,102Mn).

Investment in trust certificates classified as financial assets at amortised cost amounting to Rs. 810Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as of 31 March 2025 (31 March 2024- Nil).

Investment in securitised papers classified as financial assets at amortised cost amounting to Rs. 199Mn have been pledged as collateral for re-purchase agreements and margin facility entered into by the Group as of 31 March 2025.

The company did not have borrowings on re-purchase agreements as of 31 March 2025 and 31 March 2025.

20.1.1 Movement in provision for expected credit loss on corporate debt securities

As at,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at the beginning of the year		(236)	(1,013)	-	(212)
(Provision)/ Reversal for the year	20.1.1.b	(71)	777	-	212
Balance as at the end of the year	20.1.1.a	(307)	(236)	-	-

20.1.1.a Group - This represents expected loss on corporate debt securities classified as "Stage 1" amounting to Rs. 307,018 (2024 - "Stage 1"- Rs. 235,860) in accordance with SLFRS 9.

20.1.1.b Movement in Impairment during the year

	Group		Company	
For the year ended 31 March,	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Stage 1				
Balance as at 1 April	(236)	(1,013)	-	(212)
Net impairment (provision)/ reversal for the year	(71)	777	-	212
Balance as at 31 March	(307)	(236)	-	-

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

		Group		Company	
As at,		31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Government securities	20.2.a & 20.2.b	3,304,664	4,759,451	-	400,405
Corporate debt securities		343,183	202,119	-	-
		3,647,847	4,961,570	-	400,405

20.2.a Securities received as collateral by the Group

	Group			
	Market Value		Face Values	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Treasury bills	747,337	1,196,154	756,000	1,217,000
Treasury bonds	3,012,781	4,060,822	2,571,073	3,435,945
	3,760,118	5,256,976	3,327,073	4,652,945

20.2.b Securities received as collateral by the Company

	Company			
	Market Value		Face Values	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Treasury bonds	-	434,895	-	421,200
	-	434,895	-	421,200

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. 3,314 Mn has been repledged for the borrowings (repos) as at 31 March 2025 and the Group is required to return the said collateral to the respective counterparties with the settlement of outstanding (reverse repos).

20.3 Investments in fixed deposits

As at,	Note	Group 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Fixed deposits	20.3.1	88,559	78,790	77,003	63,043
Provision for impairment	20.3.2	(5,000)	(5,004)	(5,000)	(5,002)
		83,559	73,786	72,003	58,041

20.3.1 Group investments in fixed deposits amounting to Rs. 74Mn (Company - Rs. 72Mn) have been pledged as collateral for banking facilities (As at 31 March 2024 - Group Rs. 60Mn, Company - Rs. 53Mn).

20.3.2 Movement in provision for expected credit loss on fixed deposits

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Balance as at the beginning of the year		(5,004)	(5,010)	(5,002)	(5,007)
(Charge) /Reversal for the year	20.3.2.b	4	6	2	5
Balance as at the end of the year	20.3.2.a	(5,000)	(5,004)	(5,000)	(5,002)

20.3.2.a Group

This represents expected loss on investment in fixed deposits classified as "Stage 1" and "Stage 3" amounting to Rs. 77 and Rs. 5,000,000 (2024 - "Stage 1" - Rs. 4,318 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. 64 and Rs. 5,000,000 (2024 - "Stage 1" - Rs. 1,812 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 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Stage 1				
Balance as at 1 April	(4)	(10)	(2)	(7)
Net impairment reversal for the year	4	6	2	5
Balance as at 31 March	-	(4)	-	(2)
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 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Short term lending (gross)		1,208,554	3,721,979	4,157,926	6,214,185
Provision for impairment	20.4.1	(108,395)	(160,446)	(284)	(14,505)
		1,100,159	3,561,533	4,157,642	6,199,680

20.4.1 Movement in provision for expected credit loss on short term lending

For the year ended 31 March,	Note	Group 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Balance as at the beginning of the year		(160,446)	(260,287)	(14,505)	(58,084)
(Charge)/ Reversal for the year		52,051	99,841	14,221	43,579
Balance as at the end of the year	20.4.1.a	(108,395)	(160,446)	(284)	(14,505)

20.4.1.a Group

This represents expected loss on short term lending classified as "Stage 1", and Stage 3" amounting to Rs. 5,274,642, and Rs. 103,119,677 respectively (2024 - "Stage 1" - Rs. 26,075,905 "Stage 2" - Rs. 16,249,863 and "Stage 3" - Rs. 118,119,678) in accordance with SLFRS 9.

Company

This represents expected loss on short term lending classified as "Stage 1" amounting to Rs. 283,914 (2024 - "Stage 1"- Rs. 6,023,667 and "Stage - 2" - Rs. 8,481,450) in accordance with SLFRS 9.

20.4.1.b Movement in Impairment during the year

For the year ended 31 March,	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Stage 1				
Balance as at 1 April	(26,077)	(55,235)	(6,024)	(8,113)
Net impairment reversal for the year	20,802	29,158	5,740	2,089
Balance as at 31 March	(5,275)	(26,077)	(284)	(6,024)
Stage 2				
Balance as at 1 April	(16,250)	(86,933)	(8,481)	(49,971)
Net impairment reversal for the year	16,250	70,683	8,481	41,490
Balance as at 31 March	-	(16,250)	-	(8,481)
Stage 3				
Balance as at 1 April	(118,119)	(118,119)	-	-
Net impairment reversal for the year	14,999	-	-	-
Balance as at 31 March	(103,120)	(118,119)	-	-

21 TRADE AND OTHER RECEIVABLES

As at,	Note	Group		Company	
		31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Trade receivables	21.1	616,821	537,457	-	-
Other receivable	21.2	1,446,828	3,149,116	214,056	2,045,044
		2,063,649	3,686,573	214,056	2,045,044

21.1 Trade receivables

As at,	Note	Group		Company	
		31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Margin trading debtors	21.1.a	-	-	-	-
Stock broking debtors	21.1.b	616,821	537,457	-	-
		616,821	537,457	-	-

21.1.a Margin trading debtors

As at,	Group		Company	
	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Margin trading debtors	63,508	63,508	-	-
Less : provision for impairment	(63,508)	(63,508)	-	-
	-	-	-	-

21.1.b Stock broking debtors

As at,	Group		Company	
	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Stock broking debtors	616,821	537,457	-	-
Less : provision for impairment	-	-	-	-
	616,821	537,457	-	-

21.2 Other receivable

As at,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Rent deposit		20,360	20,216	429	429
Dividend receivable		96,900	2,650	96,900	2,025,037
Deposit with CSE and CDS		11,000	11,788	-	-
Advance paid for land and premises	45	77,300	77,300	-	-
Fee receivable		52,279	43,786	-	342
Prepayment		52,040	31,521	9,079	5,321
Investment maturity proceeds receivable	21.2.1	-	2,534,825	-	-
Advance paid for building		-	230,000	-	-
Advance paid for software development		110,385	21,485	9,724	3,913
Advance paid for building renovation		-	62,639	-	-
Guarantee claims receivables		170,937	80,030	87,020	-
Receivable on account of staff wefare fund		827,333	-	-	-
Miscellaneous		28,294	32,876	10,904	10,002
		1,446,828	3,149,116	214,056	2,045,044

21.2.1 Investment maturity proceeds receivable

This amount includes the maturity proceeds receivable from the Government of Sri Lanka for Treasury Bill investments of First Capital Treasuries PLC (subsidiary)

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 NON-CURRENT ASSETS HELD FOR SALE (CONTD.)

22.1

As at,	Note	Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	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,		31.03.2025	31.03.2024
	No. of shares	Rs. '000	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. 58.94Mn 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	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tax receivable	23.1	136,375	133,206	34,950	46,029
Tax payable	23.2	909,158	3,033,571	-	-

23.1 Taxes receivables

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	133,206	36,415	46,029	-
Under provision with respect to previous year	(51,737)	-	(42,345)	-
Payment made during the year	121,889	842	44,246	-
Provision/ (reversal) for income tax	(66,983)	95,949	(12,980)	46,029
Balance at the end of the year	136,375	133,206	34,950	46,029

23.2 Taxes payables

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April	3,033,571	746,012	-	34,905
(Over)/ under provision for the previous year	237,446	(66,510)	-	(2,721)
Provision for the year	1,478,589	5,006,874	-	48,249
Payment made during the year	(3,840,448)	(2,652,805)	-	(80,433)
Balance at the end of the year	909,158	3,033,571	-	-

24 INVESTMENT IN SUBSIDIARY - COMPANY

Accounting Policy

Investment in subsidiaries is 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 SOCI outside operating profits.

As at,	No. of shares		Value of shares	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
			Rs. '000	Rs. '000
Investment in subsidiary - Company				
First Capital Limited				
Balance at the beginning of the year	11,700,005	11,700,005	6,998,827	4,412,989
Share of profit during the year	-	-	3,159,264	8,832,996
Share of other comprehensive loss during the year	-	-	(11,457)	(46,389)
Dividend received	-	-	(852,345)	(6,200,769)
Balance at the end of the year	11,700,005	11,700,005	9,294,289	6,998,827
Holding percentage	100%	100%	100%	100%

25 DEFERRED TAXATION

Accounting Policy

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 & 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 assets

For the year ended 31 March	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Balance at 1 April		151,457	125,182	9,216	16,848
Transferred from deferred tax liabilities	25.2	(17,503)	(7,533)	-	-
Recognised in other comprehensive income	13.1	1,270	4,323	1,661	1,195
Recognised/ (expense) in statement of profit and loss	13.1	380,672	29,485	75,558	(8,827)
Balance as at 31 March	25.3	515,896	151,457	86,435	9,216

Deferred tax asset is recognised by considering 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 in accordance with the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto The deferred tax asset has been computed on the basis of 30%.

Accounting Policy

Deferred Tax Liabilities

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.

25.2 Deferred tax liabilities

For the year ended 31 March,	Note	Group 2025 Rs. '000	Group 2024 Rs. '000	Company 2025 Rs. '000	Company 2024 Rs. '000
Balance at 1 April		17,503	-	-	-
Transferred from deferred tax assets		-	(7,533)	-	-
Transferred to deferred tax assets		(17,503)	-	-	-
Recognised in statement of profit and loss	13.1	-	26,357	-	-
Recognised in other comprehensive income	13.1	-	(1,321)	-	-
Balance as at 31 March		-	17,503	-	-

25 DEFERRED TAXATION (CONTD.)

25.3 The provision for deferred tax is attributable to the following;

As at,	Note	31.03.2025 (Taxable)/ Deductible temporary difference Rs. '000	31.03.2025 Tax effect Rs. '000	31.03.2024 (Taxable)/ Deductible temporary difference Rs. '000	31.03.2024 Tax effect Rs. '000
Group - Deferred tax assets					
On property, plant and equipment		(117,466)	(35,240)	(4,896)	(1,469)
On leasehold assets	25.3.1	6,025	1,808	382	115
On provision for impairment of financial assets		65,426	19,628	117,231	35,169
On deferred bonus		1,649,378	494,813	-	-
On retirement benefit obligations		116,289	34,887	59,049	17,715
On accumulated tax losses		-	-	333,089	99,927
		1,719,652	515,896	504,855	151,457
Group - Deferred tax liabilities					
On property, plant and equipment		-	-	(66,043)	(19,813)
On leasehold assets	25.3.1	-	-	(17,716)	(5,315)
On retirement benefit obligations		-	-	25,417	7,625
		-	-	(58,342)	(17,503)
Company - Deferred tax assets					
On property, plant and equipment		(46,073)	(13,822)	(3,536)	(1,061)
On provision for impairment of financial assets		283	85	14,507	4,352
On retirement benefit obligations		33,390	10,017	19,366	5,810
On leasehold assets	25.3.2	340	102	382	115
Deferred staff bonus		300,177	90,053	-	-
		288,117	86,435	30,719	9,216

Deferred tax asset has not been recognised in respect of the Group's tax losses as at 31 March 2024 amounting to Rs. 105.4 Mn due to the uncertainty in claiming such losses as a result of tax assessments raised (Company - Nil). Further, there were no tax losses available for recognition as at 31 March 2025.

25.3.1 Deferred tax on leasehold assets (Group)

As at,	31.03.2025		31.03.2024	
	Net balance	Tax effect	Net balance	Tax effect
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Right of use asset				
First Capital Holdings PLC	689	207	1,148	344
First Capital Equities (Pvt) Ltd	143,324	42,997	159,409	47,823
	144,013	43,204	160,557	48,167
Lease liability				
First Capital Holdings PLC	1,029	309	1,530	459
First Capital Equities (Pvt) Ltd	149,009	44,703	141,693	42,508
	150,038	45,012	143,223	42,967
Net deferred tax asset/ (liability) on leasehold assets	6,025	1,808	(17,334)	(5,200)

25.3.2 Deferred tax on leasehold assets (Company)

As at,	31.03.2025		31.03.2024	
	Net balance	Tax effect	Net balance	Tax effect
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Right of use asset	689	207	1,148	344
Lease liability	1,029	309	1,530	459
Net deferred tax asset on leasehold assets	340	102	382	115

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.

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (CONTD.)

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:

Type of asset	Life time (Years)	Per annum
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.

Accounting Policy

Depreciation expenses

Depreciation expenses have 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.

Property, plant and equipment and right of use assets - Group

2024/25	Land	Building	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Right of Use Assets	Total
	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	174,719	663,479
Additions during the year	177,200	92,800	131,052	-	81,738	-	-	482,790
Adjustment on revaluation	-	-	-	-	-	(21,900)	-	(21,900)
Disposals during the year	-	-	(556)	(6,527)	(2,278)	-	-	(9,361)
Increase from revaluation	-	-	-	-	-	35,000	-	35,000
As at 31 March 2025	177,200	92,800	391,977	4,695	273,402	35,215	174,719	1,150,008
Accumulated depreciation								
As at 1 April 2024	-	-	78,315	10,254	24,401	22,115	9,437	144,522
Charge for the year	-	3,093	56,092	244	49,269	-	19,650	128,348
Adjustment on revaluation of property, plant and equipment	-	-	-	-	-	(21,900)	-	(21,900)
Disposals during the year	-	-	(490)	(6,508)	(2,279)	-	-	(9,277)
As at 31 March 2025	-	3,093	133,917	3,990	71,391	215	29,087	241,693
Carrying values								
As at 31 March 2025	177,200	89,707	258,060	705	202,011	35,000	145,632	908,315

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (CONTD.)

Property, plant and equipment and right of use assets - Group

2023/24	Land	Building	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/ Revalued								
As at 1 April 2023	-	-	105,054	10,295	26,849	22,115	8,575	172,888
Additions during the year	-	-	157,072	990	176,811	-	170,305	505,178
Disposals during the year	-	-	(645)	(63)	(9,718)	-	(4,161)	(14,587)
As at 31 March 2024	-	-	261,481	11,222	193,942	22,115	174,719	663,479
Accumulated depreciation								
As at 1 April 2023	-	-	65,146	10,108	26,441	22,091	5,242	129,028
Charge for the year	-	-	13,794	208	7,540	24	8,356	29,922
Disposals during the year	-	-	(625)	(62)	(9,580)	-	(4,161)	(14,428)
As at 31 March 2024	-	-	78,315	10,254	24,401	22,115	9,437	144,522
Carrying values								
As at 31 March 2024	-	-	183,166	968	169,541	-	165,282	518,957

The land referred to above is located in No. 02, Deal Place, Colombo 03. The fair valuation of the land as of 31 March 2025 is Rs. 208Mn (Extent of Land - 10.4 Perches).

The motor vehicle, owned by First Capital Holdings PLC, was valued by an independent valuer, De Silva Motor Engineers (Pvt) Ltd., to determine its fair value as of 28 March 2025. The valuer considered market evidence in assessing the fair value of the motor vehicle. As a result of the revaluation, the Company recorded a revaluation surplus of Rs. 35 Mn in other comprehensive income, which was accumulated in equity under the revaluation reserve. This valuation module considered unobservable inputs; hence, the motor vehicle has been categorized within Level 3 of the fair value hierarchy as per SLFRS 13.

The Company had initially adopted the cost model in accordance with LKAS 16, and the carrying amount of the motor vehicle was Nil as of the revaluation date under the cost model.

Based on the assessment of potential impairment carried out by the Group as at 31 March 2025, no provision was required to be made in the Financial Statements (Provision for impairment losses as at 31 March 2024 - Nil).

Group's property, plant and equipment included fully-depreciated assets having a gross amount of Rs. 82.9Mn as at 31 March 2025 (2024 Rs. 150.4Mn).

There were no capitalised borrowing costs relating to the acquisition of property, plant and equipment during the year (2024 - Nil).

There were no restrictions on the title of the property, plant and equipment as at 31 March 2025 (2024 - Nil).

There were no items of property, plant and equipment pledged as security as at 31 March 2025 (2024 - Nil).

There were no temporary idle items of property, plant and equipment as at 31 March 2025 (2024 - Nil).

Property, plant and equipment and right of use assets - Company

2024/25	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Right of Use Assets	Total
	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	2,945	65,852
Additions during the year	9,816	-	1,863	-	-	11,679
Adjustment on revaluation	-	-	-	(21,900)	-	(21,900)
Disposals during the year	(139)	(153)	-	-	-	(292)
Revaluation surplus	-	-	-	35,000	-	35,000
As at 31 March 2025	48,417	-	3,977	35,000	2,945	90,339
Accumulated depreciation						
As at 1 April 2024	14,280	153	1,139	21,900	1,853	39,325
Charge for the year	7,887	-	453	-	159	8,499
Adjustment on revaluation	-	-	-	(21,900)	-	(21,900)
Disposals during the year	(73)	(153)	-	-	-	(226)
As at 31 March 2025	22,094	-	1,592	-	2,012	25,698
Carrying values						
As at 31 March 2025	26,323	-	2,385	35,000	933	64,641

26 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS (CONTD.)

Property, plant and equipment and right of use assets - Company

2023/24	Office Equipment	Furniture	Fixtures and Fittings	Motor Vehicles	Right of Use Assets	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost						
As at 1 April 2023	25,565	153	1,089	21,900	2,921	51,628
Additions during the year	13,175	-	1,025	-	648	14,848
Disposals during the year	-	-	-	-	-	-
As at 31 March 2024	38,740	153	2,114	21,900	3,569	66,476
Accumulated depreciation/ Impairment losses						
As at 1 April 2023	7,865	141	923	21,876	1,053	31,858
Charge for the year	6,415	12	216	24	800	7,467
Disposals during the year	-	-	-	-	-	-
As at 31 March 2024	14,280	153	1,139	21,900	1,853	39,325
Carrying values						
As at 31 March 2024	24,460	-	975	-	1,716	27,151

Based on the assessment of potential impairment carried out by the Company as at 31 March 2025, no provision was required to be made in the Financial Statements (2024 - Nil).

Company's property, plant and equipment included fully-depreciated assets having a gross amount of Rs. 5.6Mn as at 31 March 2025 (2024 - Rs. 12.6Mn).

There were no capitalised borrowing costs relating to the acquisition of property, plant and equipment during the year (2024 - Nil).

There were no restrictions on the title of the property, plant and equipment as at 31 March 2025 (2024- Nil).

There were no items of property, plant and equipment pledged as security as at 31 March 2025 (2024 - Nil).

There were no temporary idle items of property, plant and equipment as at 31 March 2025 (2024 - Nil).

27 INTANGIBLE ASSETS - GROUP

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.

2024/25	Software	Business License	Goodwill	Total	
		(Note 27.1)	(Note 27.2)	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Gross value					
Balance as at 1 April	68,457	28,800	80,872	178,129	171,905
Additions during the year	25,861	-	-	25,861	6,224
Balance as at 31 March	94,318	28,800	80,872	203,990	178,129
Amortisation/ Impairment losses					
Balance as at 1 April	54,688	-	-	54,688	49,360
Amortisation during the year	7,502	-	-	7,502	5,328
Balance as at 31 March	62,190	-	-	62,190	54,688
Carrying Values as at 31 March 2025	32,128	28,800	80,872	141,800	
Carrying Values as at 31 March 2024	13,769	28,800	80,872		123,441

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 31.03.2025 Rs. '000	Impairment provision 31.03.2025 Rs. '000	Carrying value 31.03.2025 Rs. '000	Carrying value 31.03.2024 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 2025.

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 15% (2023/24 - 18%) 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.

27 INTANGIBLE ASSETS - COMPANY

2024/25	Software	Total	
		2025	2024
	Rs. '000	Rs. '000	Rs. '000
Gross value			
Balance as at 1 April	15,929	15,929	12,969
Additions during the year	10,551	10,551	2,960
Balance as at 1 April	26,480	26,480	15,929
Amortisation			
Balance as at 1 April	11,701	11,701	10,009
Amortisation during the year	2,719	2,719	1,692
Balance as at 1 April	14,420	14,420	11,701
Carrying Values as at 31 March 2025	12,061	12,061	
Carrying Values as at 31 March 2024	4,228		4,228

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 fair value or 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 (CONTD.)

Accounting Policy

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 fair value including the effects of changes in the credit risk of the liability in SOCI.

28 DERIVATIVE FINANCIAL LIABILITIES

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Forward purchase contracts	768	202	-	-
Forward sale contracts	-	71,540	-	-
	768	71,742	-	-

29 SECURITIES SOLD UNDER RE-PURCHASE AGREEMENTS

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Against government securities	71,475,370	48,082,062	-	-
Against corporate debt instruments	1,633,764	1,969,306	-	-
	73,109,134	50,051,368	-	-

30 SHORT TERM BORROWINGS

	Group		Company	
As at,	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Borrowings on corporate debt securities	4,506,779	3,075,498	5,707,480	3,233,012
Other short term borrowings	3,503,206	2,413,031	2,802,253	2,413,031
	8,009,985	5,488,529	8,509,733	5,646,043

31 AMOUNTS DUE FROM/ TO RELATED COMPANIES

As at,		Group		Company	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Amounts due from related companies	31.1	32	-	24,365	49,896
Amounts due to related companies	31.2	34,004	2,375	10,203	13,579

31.1 Amounts due from related companies

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Janashakthi Business Services (Private) Limited	32	-	-	2,869
First Capital Limited	-	-	-	4,593
First Capital Equities (Private) Limited	-	-	9,502	6,692
First Capital Treasuries PLC	-	-	7,097	29,974
First Capital Asset Management Limited	-	-	7,766	5,768
	32	-	24,365	49,896

31.2 Amounts due to related companies

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Janashakthi Limited	32,539	2,091	4,731	13,579
Janashakthi Business Services Limited	-	284	-	-
Janashakthi Insurance PLC	1,465	-	-	-
First Capital Limited	-	-	5,472	-
	34,004	2,375	10,203	13,579

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.

32 TRADE AND OTHER PAYABLES (CONTD.)

As at	Note	Group		Company	
		31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Trade payables		401,203	408,156	-	-
Accrued expenses		2,757,479	2,666,266	889,227	321,374
Advance against non-current assets held for sale		80,218	80,218	-	-
Statutory liabilities/ (refunds)		(5)	(44,901)	(41,696)	(44,160)
Dividend payable		212,714	2,409,928	208,979	2,124,705
WHT payable on dividend payment		327,773	386,313	327,773	-
Lease liabilities	32.1	150,038	143,223	1,029	1,530
Other liabilities		372	20,556	9,675	6,870
		3,929,792	6,069,759	1,394,987	2,410,319

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.

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.

32 TRADE AND OTHER PAYABLES (CONTD.)

32.1 Lease Liabilities

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	143,223	1,909	1,530	1,909
Interest charged	20,563	6,820	185	246
Lease liability recognised during the year	-	139,445	-	-
Lease payments during the period	(13,748)	(4,951)	(686)	(625)
Balance at the end of the year	150,038	143,223	1,029	1,530

32.2 Amounts Recognised in Profit or Loss

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Leases under SLFRS 16				
Interest on lease liabilities	(20,563)	(6,820)	(185)	(246)
Depreciation on right of use assets	(19,650)	(8,356)	(159)	(800)

32.3 Amounts Recognised in Statement of Cash Flows

As at,	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total cash outflow for leases	(13,748)	(4,951)	(686)	(625)

33 LONG TERM BORROWINGS - GROUP/ COMPANY

Bank	As at 01.04.2024	Facility obtained	Repayment		Accrued interest	As at 31.03.2025	Tenure of the Loan	Security offered
			Capital	Interest				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Hatton National Bank PLC	700,577	-	(200,000)	(59,295)	385	500,385	5 Years (Maturity - 29-04-2027)	Corporate guarantee of Janashakthi Limited
Seylan Bank PLC	901,424	-	(200,000)	(97,481)	856	700,856	5 Years (Maturity - 28-06-2028)	Corporate guarantee of First Capital Limited
Total	1,602,001					1,201,241		

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.

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	
	2024/25	2023/24	2024/25	2023/24
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance at the beginning of the year	84,466	53,063	19,365	-
Gratuity transfers at the beginning of the year	-	-	-	12,712
Adjusted balance at the beginning of the year	84,466	53,063	19,365	12,712
Amount recognised in profit or loss for the year				
Gratuity charge for the year	13,683	10,486	2,775	1,081
Interest charge for the year	9,494	6,303	2,070	1,589
Amount recognised in other comprehensive income for the year				
Actuarial loss for the year	4,232	18,814	5,537	3,983
Transfers made during the year	6,067	-	5,296	-
Benefits paid during the year	(1,653)	(4,200)	(1,653)	-
Balance at the end of the year	116,289	84,466	33,390	19,365

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:

	2024/25	2023/24
Expected annual average salary increment:	8.00%	8.00%
Discount rate / interest Rate:	11.50%	12.50%
Staff turnover factor:	12.00%	14.00%
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 11.50% p.a. (2024 - 12.50% 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 8% 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 RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

34.2 The expected Benefit Payout in the future years for Retirement Gratuity

As at,	Group		Company	
	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Up to 1 year	35	-	35	-
1 - 5 years	3,257	-	1,538	-
5 - 10 years	16,742	15,559	4,177	3,651
Over 10 years	96,255	68,907	27,640	15,714
Total	116,289	84,466	33,390	19,365

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 16.44 years (2023/24 -17 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, Group	31.03.2025 Sensitivity Rs. '000	31.03.2025 Approx. RBO Rs. '000	31.03.2024 Sensitivity Rs. '000	31.03.2024 Approx. RBO Rs. '000
Decrease in discount rate by 1%	6,956	123,245	4,800	89,267
Increase in discount rate by 1%	(6,478)	109,811	(4,500)	79,967
Increase in salary increment by 1%	7,122	123,411	4,960	89,426
Decrease in salary increment by 1%	(6,740)	109,549	(4,723)	79,743

As at, Company	31.03.2025 Sensitivity Rs. '000	31.03.2025 Approx. RBO Rs. '000	31.03.2024 Sensitivity Rs. '000	31.03.2024 Approx. RBO Rs. '000
Decrease in discount rate by 1%	1,744	35,134	1,101	20,466
Increase in discount rate by 1%	(1,625)	31,765	(1,032)	18,333
Increase in salary increment by 1%	1,785	35,175	1,137	20,503
Decrease in salary increment by 1%	(1,691)	31,699	(1,084)	18,282

RBO - Retirement Benefit Obligation

35 BORROWING ON DEBENTURES

As at,	Note	Group 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Balance at the beginning of the year		2,775,148	2,775,692	2,028,553	2,027,452
Accrual of interest		287,909	305,668	212,298	214,607
		3,063,057	3,081,360	2,240,851	2,242,059
Less: Settlement of interest (Coupon)		(306,199)	(306,212)	(213,505)	(213,506)
Less: Redemption		(727,530)	-	-	-
Balance at the end of the year	35.1	2,029,328	2,775,148	2,027,346	2,028,553

35.1 Debentures issued

As at,	Note	Group 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
First Capital Holdings PLC	35.1.1	2,029,328	2,028,553	2,027,346	2,028,553
First Capital Treasuries PLC	35.1.2	-	746,595	-	-
		2,029,328	2,775,148	2,027,346	2,028,553

35.1.1 Debentures issued by First Capital Holdings PLC (Company)

Total debentures represent 20,000,000 Rated, Senior, Unsecured, Redeemable 5 year (2021/2026) debentures at a face value of Rs. 100/- interest payable annually, which consist of 13,247,500 debentures at a rate of 10% and 6,752,500 debentures at a rate of weekly AWPLR + 2% (Cap of 12% and Floor of 9%).

The debentures are quoted on the Colombo Stock Exchange

Tenure	No. of Debentures	Face value 31.03.2025 Rs. '000	Carrying value 31.03.2025 Rs. '000	Carrying value 31.03.2024 Rs. '000	Allotment Date	Maturity Date	Rate of Interest	Frequency on interest
5 years	13,247,500	1,324,750	1,340,494	1,338,324	08-Feb-21	07-Feb-26	10% (AER - 10%)	Annually
5 years	6,752,500	675,250	686,852	690,229	08-Feb-21	07-Feb-26	Weekly AWPLR + 2% (Cap of 12% & Floor of 9%) `	Annually
	20,000,000	2,000,000	2,027,346	2,028,553				

35 BORROWING ON DEBENTURES (CONTD.)

35.1.2 Debentures issued by First Capital Treasuries PLC (Subsidiary)

The debentures represent 7,500,000 Rated, Subordinated, Unsecured, Redeemable 5 year (2020/2025) debentures at a face value of Rs. 100/- interest payable at a rate of 12.75% semi - annually.

The debentures are quoted on the Colombo Stock Exchange.

Tenure	No. of Debentures	Face value 31.03.2025 Rs. '000	Carrying value 31.03.2025 Rs. '000	Carrying value 31.03.2024 Rs. '000	Allotment Date	Maturity Date	Rate of Interest	Frequency on interest
5 years	7,500,000	-	-	764,042	30-Jan-20	30-Jan-25	12.75% (AER-13.16%)	Semi-annually
	7,500,000	-	-	764,042				

Inter-Company investments in Listed Debentures of First Capital Treasuries PLC, face value amounting to Rs. 22.5Mn including amortised interest cost has been eliminated as of 31 March 2024.

36 STATED CAPITAL

	Group		Company	
As at,	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 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 dividend 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 in the CSE 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 dividend as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

Refer share information section in pages 448 to 449 for more information on the composition of shares in issue as at 31 March 2025.

37 RISK RESERVE

	Group		Company	
As at,	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000
Balance at the beginning of the year	2,492,889	1,497,150	2,492,889	1,497,150
Transfers made during the year	271,868	995,739	271,868	995,739
Balance at the end of the year	2,764,757	2,492,889	2,764,757	2,492,889

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 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Balance at the beginning of the year		(37,759)	(215,818)	(37,759)	(215,818)
Loss on financial assets fair value through other comprehensive income		(12,370)	(36,182)	(12,370)	(36,182)
Adjustment due to amalgamation of FVTOCI Investments		-	214,030	-	214,030
Loss of sale of financial assets FVTOCI	19.1.1.a	12,720	211	12,720	211
Balance at the end of the year		(37,409)	(37,759)	(37,409)	(37,759)

The above reserve is relating to the First Capital Treasuries PLC's (subsidiary) equity investment in Lanka Financial Services Bureau Limited amounting to Rs. 2Mn (at cost), First Capital Limited's (subsidiary) equity investment in Nation Lanka Finance PLC (Previously known as Kanrich Finance Limited) amounting 331Mn (at cost) which is accounted for "Financial Assets - fair value through other comprehensive income." Carrying value of the said investments as at 31 March 2025 is 29.97Mn (31 March 2024 - 78.35Mn) and Investment in Lanka Rating Agency (Pvt) Ltd amounting to LKR 7.5Mn (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 31.03.2025 Rs. '000	Group 31.03.2024 Rs. '000	Company 31.03.2025 Rs. '000	Company 31.03.2024 Rs. '000
Balance at the beginning of the year	-	-	-	-
Surplus on revaluation of motor vehicle	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.

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.

The Board of Directors has declared first interim dividend of Rs. 7.25 per share for the financial year 2024/25 (2023/24 - first interim and second interim dividend of Rs. 12.25 and Rs. 5.00 per share respectively).

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 Interest

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 interest.

	Total		First Capital Treasuries PLC		First Capital Asset Management Limited	
As at 31 March,	2025	2`024	2025	2024	2025	2024
NCI percentage	11.93%	11.93%	10.64%	10.64%	1.29%	1.29%

As at 31 March,	2025	2024	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total assets	83,466,613	64,735,529	83,144,761	64,555,943	321,852	179,586
Total liabilities	74,148,195	56,964,512	74,023,433	56,876,575	124,762	87,937
Net assets	9,318,418	7,771,017	9,121,328	7,679,368	197,090	91,649
Net assets attributable to NCI	976,277	821,481	973,741	820,301	2,537	1,180

For the year ended 31 March,	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Revenue	11,250,674	26,826,629	10,837,803	26,598,738	412,871	227,891
Profit after tax	3,148,525	11,149,433	3,042,430	11,143,128	106,095	6,305
Other comprehensive income/ (loss)	(564)	(2,177)	90	(1,573)	(654)	(604)
Total comprehensive income	3,147,961	11,147,256	3,042,520	11,141,555	105,441	5,701
Profit attributable to NCI	325,111	1,185,822	323,745	1,185,741	1,366	81
Total comprehensive income attributable to NCI	325,112	1,185,647	323,755	1,185,574	1,357	73
Dividend paid/ declared to NCI	170,316	949,837	170,316	949,837	-	-
Net cash flows generated from/ (used in) operating activities	5,717,789	7,393,761	5,701,420	7,403,081	16,369	(9,320)
Net cash flows used in investing activities	(389,833)	(321,272)	(373,717)	(318,543)	(16,116)	(2,729)
Net cash flows used in financing activities (including dividend paid to NCI)	(5,120,760)	(7,079,400)	(5,120,760)	(7,079,400)	-	-
Net increase/(decrease) in cash and cash equivalents	207,196	(6,911)	206,943	5,138	253	(12,049)

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 First Capital Holdings PLC and First Capital Asset Management Limited	Management/ Performance fee received & receivable by First Capital Asset Management Limited
				Rs. '000	Rs. '000
First Capital Wealth Fund	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	-	2,959
First Capital Money Market Fund	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	140,882	302,383
First Capital Gilt -Edged Fund	The Unit Trust engages in investment in Government securities on behalf of its clients.	16 September 2014	First Capital Asset Management Limited	-	1,078
First Capital Fixed Income Fund	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	-	5,770
First Capital Equity Fund	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	37,975	9,109
First Capital Money Plus Fund	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	-	525

The carrying amounts of assets and liabilities held in unconsolidated structured entities by the Group and the Company are as follows.

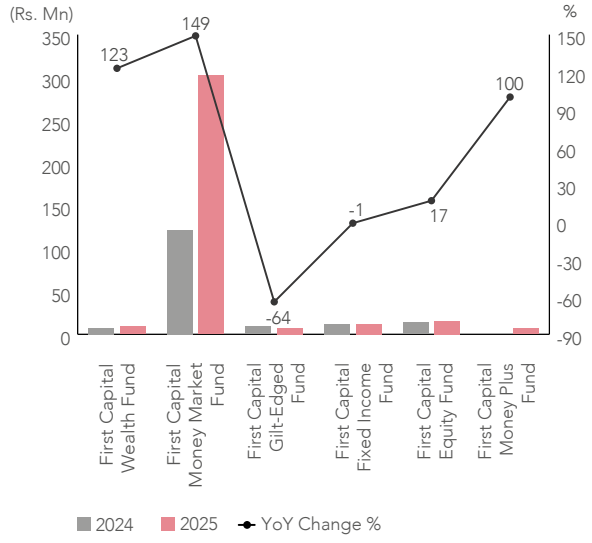
As at 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Financial assets recognised through profit or loss -measured at fair value	178,857	3,585,997	-	3,486,281
Financial assets at amortised cost	-	1,025,716	-	-
Trade and other receivables	51,496	25,515	-	-
	230,353	4,637,228	-	3,486,281
Liabilities				
Securities sold under re-purchase agreements	18,048,080	12,520,274	-	-
	18,048,080	12,520,274	-	-

Summarised financial performance of the above unit trusts for the year ended 31 March 2025 are as follows.

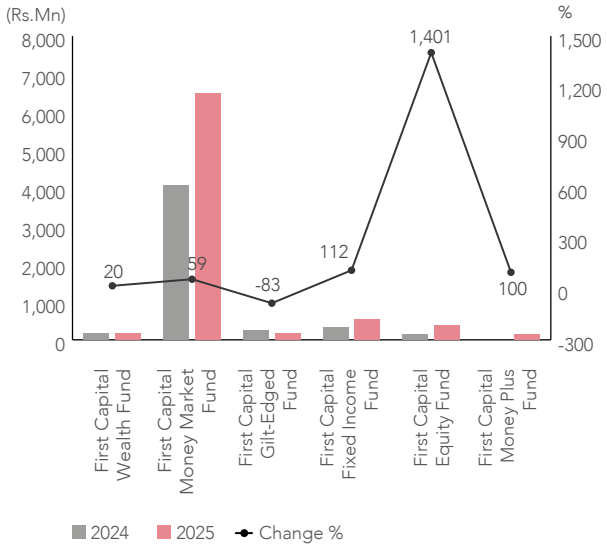
Name of the Fund	Income	Profit after tax for the year	Total Equity (Net Asset Value)	Net Asset per Unit
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
First Capital Wealth Fund	40,373	39,375	352,889	2,115
First Capital Money Market Fund	6,477,154	5,863,397	70,398,160	3,364
First Capital Gilt-Edged Fund	20,470	18,265	216,295	2,522
First Capital Fixed Income Fund	388,025	149,267	1,580,862	4,024
First Capital Equity Fund	241,409	211,964	712,243	3,268
First Capital Money Plus Fund	10,459	9,721	235,322	1,086

42 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTD.)

YoY Management fee income from Unit Trust Funds



YoY Unit Trust Funds' Performance (Income)



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 2025).

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 Wimalasekere
Janashakthi Limited	Parent	-	Director	-	Managing Director/ Group CEO	-	-	-	-
Janashakthi Insurance PLC	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Janashakthi Capital Limited	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Janashakthi Business Services (Private) Limited	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Janashakthi Corporate Services Limited	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Beckett Capital (Pvt) Ltd	Subsidiary of the Parent	-	-	-	Director	-	-	-	-
Orient Finance PLC*	Subsidiary of the Parent	Chairman	-	-	-	-	-	-	-
First Capital Limited	Subsidiary	Chairman	Deputy Chairperson	Managing Director/ CEO	Director	Director	Director	Director	Director
First Capital Asset Management Limited	Subsidiary	-	-	Managing 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	-	Director	Managing Director/ CEO	-	-	-	-	-
First Capital Advisory Services (Private) Limited	Subsidiary	-	-	Director	-	-	-	Director	-

*Mr. Prakash Schaffter represents as a director of Janashakthi Finance PLC is also a director of Janashakthi Limited (Ultimate Parent Company). The company has subsequently been renamed as Janashakthi Finance PLC.

43 RELATED PARTY DISCLOSURES (CONTD.)

Details related to the new appointments and resignations of directors during the year are as follows:

First Capital Holdings PLC

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Mr. Kuda Banda Herath	Independent Non-Executive Director	Director	29 April 2024
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Chairman	28 June 2024
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Director	28 June 2024
Ms. Inoshini Perera	Independent Non-Executive Director	Director	28 June 2024
Mr. Dilendra Wimalasekere	Independent Non-Executive Director	Director	28 June 2024
Resignation			
Mr. Nishan Fernando	Independent Non-Executive Director	Chairman	28 June 2024
Mr. Chandana Lal de Silva	Independent Non-Executive Director	Director	28 June 2024

First Capital Treasuries PLC

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Ms. Cilani Wijesinghe	Independent Non-Executive Director	Director	20 August 2024
Mr. Channa de Silva	Independent Non-Executive Director	Director	1 January 2025
Mr. Sachith Perera	Non-Independent Executive Director	Director/ CEO	1 January 2025
Resignation			
Mr. Chandana Lal de Silva	Independent Non-Executive Director	Director	28 June 2024

First Capital Limited

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Mr. Rajendra Theagarajah	Independent Non-Executive Director	Chairman	13 September 2024
Ms. Rachini Rajapaksa	Independent Non-Executive Director	Director	13 September 2024
Ms. Inoshini Perera	Independent Non-Executive Director	Director	13 September 2024
Mr. Dilendra Wimalasekere	Independent Non-Executive Director	Director	13 September 2024
Mr. Kuda Banda Herath	Independent Non-Executive Director	Director	13 September 2024
Mr. Ramesh Schaffter	Non- Independent Non- Executive Director	Director	13 September 2024
Resignation			
Mr. Nishan Fernando	Independent Non-Executive Director	Chairman	13 September 2024
Mr. Chandana Lal de Silva	Independent Non-Executive Director	Director	13 September 2024

First Capital Asset Management Limited

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Mr. Kuda Banda Herath	Independent Non-Executive Director	Director	22 October 2024
Resignation			
Mr. Nishan Fernando	Independent Non-Executive Director	Chairman	22 October 2024
Ms. Manjula Mathews	Non Independent Non-Executive Director	Deputy Chairperson	22 October 2024
Mr. Chandana de Silva	Independent Non-Executive Director	Director	22 October 2024

First Capital Equities (Private) Limited

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Ms. Cilani Wijesinghe	Independent Non-Executive Director	Chairman	5 November 2024
Mr. Jaliya Wijeratne	Non Independent Executive Director	Director/ CEO	5 November 2024
Mr. Dilendra Wimalasekere	Independent Non-Executive Director	Director	5 November 2024
Resignation			
Mr. Nishan Fernando	Independent Non-Executive Director	Chairman	5 November 2024
Ms. Manjula Mathews	Non Independent Non-Executive Director	Deputy Chairperson	5 November 2024
Mr. Chandana Lal de Silva	Independent Non-Executive Director	Director	5 November 2024
Dr. Nishan de Mel	Independent Non-Executive Director	Director	5 November 2024
Ms. Minette Perera	Independent Non-Executive Director	Director	5 November 2024

First Capital Advisory Services (Private) Limited

Name of the director	Nature of the directorship	Designation	Date of appointment/ resignation
Appointments			
Mr. Channa de Silva	Independent Non-Executive Director	Chairman	30 January 2025
Ms. Inoshini Perera	Independent Non-Executive Director	Director	30 January 2025
Mr. Dilshan Wirasekara	Non-Independent Non-Executive Director	Director	30 January 2025
Mr. Tharusha Ekanayake	Non-Independent Executive Director	Director/ CEO	30 January 2025
Resignation			
Mr. Nishan Fernando	Independent Non-Executive Director	Chairman	30 January 2025
Ms. Manjula Mathews	Non Independent Non-Executive Director	Director	30 January 2025

43 RELATED PARTY DISCLOSURES (CONTD.)

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.

43.2 Transactions with Parent Company

Nature of transaction	Group		Company	
	2024/25 Rs. '000	2023/24 Rs. '000	2024/25 Rs. '000	2023/24 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	419,769	1,065,641	-	-
Fee income	14,317	12,563	-	-
Brokerage income (stock broking)	-	8,066	-	-
Gain realised on sale of government securities	-	10,473	-	-
Interest expense	29	-	-	-
Administrative expenses	3,991	10,499	587	1,260
Corporate guarantee facility commission expenses	10,632	15,352	10,632	15,352
Corporate guarantee facility commission income	-	3,347	-	3,347
Statement of Changes in Equity				
Dividend paid & declared	1,762,704	5,195,534	1,762,704	5,195,534
Statement of Financial Position				
Amounts due to related companies	32,539	2,091	4,731	13,579
Amounts due from related companies	-	-	-	-
Short term lending	-	3,640,894	-	-
Investment in unit trust	203,360	29,586	-	-
Benefit accrued/ earned in unit trust	36,949	1,291	-	-
Transactions relating to Corporate Guarantees				
Corporate guarantee provided	-	838,006	-	838,006
Corporate guarantee received	1,250,000	2,050,000	1,250,000	2,050,000

43.3 Transactions with Subsidiaries

Nature of transaction	Group		Company	
	2024/25	2023/24	2024/25	2023/24
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	-	-	783,636	1,752,143
Fee income	-	-	25	7,540
Interest expense	-	-	15,663	25,177
Brokerage expense (stock broking)	-	-	22,282	-
Dividend receipts	-	-	852,345	6,200,769
Corporate guarantee facility commission income	-	-	16,575	2,629
Corporate guarantee facility commission charges	-	-	43,161	-
Commitment Fee	-	-	7,485	7,515
Management Fee	-	-	96,000	80,000
Administration Expenses	-	-	22,909	5,314
Administration Income	-	-	9,790	8,021
Statement of Financial Position				
Short term lending	-	-	4,157,926	6,214,185
Amounts due to related companies	-	-	5,472	-
Amounts due from related companies	-	-	24,365	47,027
Borrowing on commercial papers	-	-	195,126	157,513
Transfer of right of use assets	-	-	-	4,752
Retirement benefit obligation transfers	-	-	-	12,712
Securities purchased under re-sale agreements (Against government securities)	-	-	-	400,405
Transactions relating to Corporate Guarantees				
Corporate guarantee provided	-	-	1,800,000	250,000
Corporate guarantee received	-	-	4,600,000	2,200,000

43 RELATED PARTY DISCLOSURES (CONTD.)

43.4 Transactions with other related companies

Nature of transaction	Group		Company	
	2024/25	2023/24	2024/25	2023/24
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	143,449	49,209	-	-
Fee income	7,596	323	-	-
Brokerage income (stock broking)	13,114	8,286	-	-
Benefit accrued from investment in unit trust	25,446	298,624	4,332	280,523
Gain on redemption on units	22,012	65,837	19,250	64,927
Gain realised on sale of government securities	6,262	671,940	-	-
Allocation of personnel expenses	31,529	61,780	3,783	10,794
Dividend income	148,040	34,714	-	-
Interest expense	2,013,636	1,469,899	65,246	134,984
Administrative charges	7,402	5,718	647	203
Secretarial fees	2,563	1,660	586	648
Retirement benefit obligation transfers	5,295	-	5,295	-
Performance fee (portfolio management and unit trust)	30,830	-	-	-
Management fee (portfolio management and unit trust)	340,942	100,920	-	-
Statement of Changes in Equity				
Dividend paid	759,013	506,009	759,013	506,009
Statement of Financial Position				
Securities purchased under re-sale agreements (against government securities)	47,711	1,495,635	-	-
Securities purchased under re-sale agreements (against corporate debt securities)	1,973	-	-	-
Securities sold under re-purchase agreements (against government securities)	18,054,428	399,027	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	47,579	-	-	-
Borrowing on listed debentures	10,119	264,783	10,119	10,102
Borrowing on commercial papers	633,105	640,538	633,105	640,538
Management fee receivable (portfolio management)	3,749	1,975	-	-
Management fee receivable (unit trust)	40,868	25,515	-	-
Receivable from unit trust	-	898	-	-
Amounts due from related companies	32	-	-	2,869
Amounts due to related companies	1,465	284	-	-
Investment in unit trust	4,003,584	5,249,078	-	3,486,280
Benefit accrued/ earned in unit trust	336,445	554,937	-	-
Funds under management (portfolio management)	26,827,563	27,288,399	-	-
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.

Transaction with Key Management Personnel and their close family members are disclosed below.

Nature of transaction	Group		Company	
	2024/25 Rs. '000	2023/24 Rs. '000	2024/25 Rs. '000	2023/24 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income				
Interest income	138,859	51,460	-	-
Gain/ (Loss) on sale of government securities	(24,494)	-	-	-
Brokerage income (stock brokering)	1,385	1,319	-	-
Management fee income (portfolio management)	3,825	6,697	-	-
Interest expense	4,207	11,166	-	-
Emoluments paid	345,265	601,228	285,775	580,751
Benefit accrued from investment in unit trust	16,993	40,094	-	-
Statement of Changes in Equity				
Dividend paid/ declared	15	8,163	15	8,027
Statement of Financial Position				
Management fee receivable (portfolio management)	508	706	-	-
Lending	7,822	-	-	-
Trade debtor (stock brokering)	3,023	-	-	-
Securities sold under re-purchase agreements (against government securities)	25,723	30,550	-	-
Securities sold under re-purchase agreements (against corporate debt securities)	2,775	-	-	-
Securities purchased under re-sale agreements (against government securities)	136,272	520,544	-	-
Investments in unit trust	352,154	104,868	-	-
Funds under management (portfolio management)	1,083,144	1,100,312	-	-

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.

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 (FCH) / First Capital Limited (FCL)	Company/ Subsidiary	Short term lending granted by FCH to FCL	4,157,926	30%	Short term lending made at commercial terms.

44 CONTINGENT LIABILITIES

Accounting Policy

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.

There were no material contingent liabilities as at the reporting date, which requires disclosure in the financial statements, other than those disclosed below.

Company

(a) First Capital Holdings PLC (the Company) has provided corporate guarantees on account of banking facilities obtained by First Capital Limited (subsidiary) and First Capital Treasuries PLC (subsidiary) amounting to Rs. 800 Mn and Rs. 1 Bn respectively.

(b) The company's appeal against the assessment on VAT on financial services amounting to LKR 21 Mn (2016/17) is heard at the Tax Appeals Commission. The appeal against the assessment on VAT on financial services of LKR 233 Mn related to 2017/18 is contested at the Court of Appeal. Further, the Department of Inland Revenue (IRD) raised assessments on VAT on financial services for 2019/20 and 2020/21 amounting to Rs. 431Mn. The appeal proceedings have not been concluded yet.

Group

(c) First Capital Limited's appeal against the assessment of VAT on financial services (2012/13) amounting to Rs. 9.3 Mn is heard at the Court of Appeal. The subsidiary's appeals against assessments on VAT on financial services (2013/14, 2014/15) amounting to Rs. 99.3 Mn were determined by the Tax Appeals Commission reducing the total value of assessments to Rs. 43 Mn (original assessment – Rs. 99.3 Mn) during year 2023/24. These have been referred to the Court of Appeal. The IRD also filed counter appeals against the determinations made by the Tax Appeals Commission. The hearing of appeals/counter appeals has not been concluded yet. Further, the IRD issued assessments on VAT on financial services for 2019/20 and 2020/21 amounting to Rs. 130 Mn to the subsidiary. The appeal proceedings are in progress.

The Appeals against the above assessments (b and c) have been duly submitted. Based on the tax consultant's opinion, the Board of Directors of the Company is of the view that no 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 a material 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 2025.

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 sale and purchase agreement to acquire a property (land and premises) for a consideration of Rs. 382Mn and an advance of Rs. 77.3Mn 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 legal proceedings are in progress.

Other Commitments

There value of forward purchase contracts (Government Securities) as at 31 March 2025 is Rs. 1,340Mn (31 March 2024 - Rs. 14,517Mn) and the value of forward sales contracts (Government Securities) as at 31 March 2025 is Rs. 11Mn (31 March 2024 - Rs. 7,093Mn).

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 that require disclosures/ adjustments to these financial statements except for the following.

(a) In April 2025, First Capital Treasuries PLC (subsidiary) issued Listed, Rated, Subordinated, Unsecured, Redeemable debentures of 30 Mn (par value of Rs. 100/- each) and raised funds amounting to Rs. 3 Bn (Tier II capital funds).

47 NET ASSETS VALUE PER SHARE

	Group		Company	
As at 31 March,	2025	2024	2025	2024
Amount used as the Numerator:				
Total equity attributable to equity holders of the parent (LKR '000)	8,792,690	7,118,998	8,792,690	7,118,998
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 (LKR)	21.71	17.58	21.71	17.58

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:

As at 31 March,	Group		Company	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Bank overdrafts	226	1,534	87	1,281
Securities sold under re-purchase agreements	73,109	50,051	-	-
Short term borrowings	8,010	5,489	8,510	5,646
Long term borrowings	1,201	1,602	1,201	1,602
Borrowing on listed debentures	2,029	2,775	2,027	2,029
Total equity	9,769	7,940	8,793	7,119
Total capital employed	94,344	69,391	20,618	17,677

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
Prior to 1 January 2022	Rs. 1.0Bn
1 January 2022 to 31 December 2022	Rs. 2.0Bn
From 1 January 2023 onwards	Rs. 2.5Bn

The Company's compliance status in relation to minimum core capital and risk weighted capital adequacy ratio is as follows;

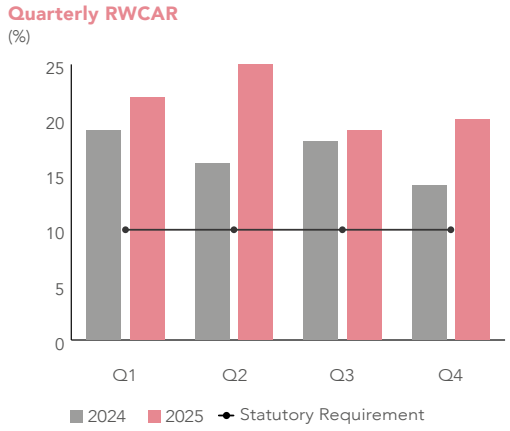
Compliance requirement	Status as at 31 March 2025	Status as at 31 March 2024
Minimum core capital of Rs. 2.5 Bn	Rs.8.3Bn	Rs.7.7Bn
Risk weighted capital adequacy ratio of 10%	15.55%	22.76%

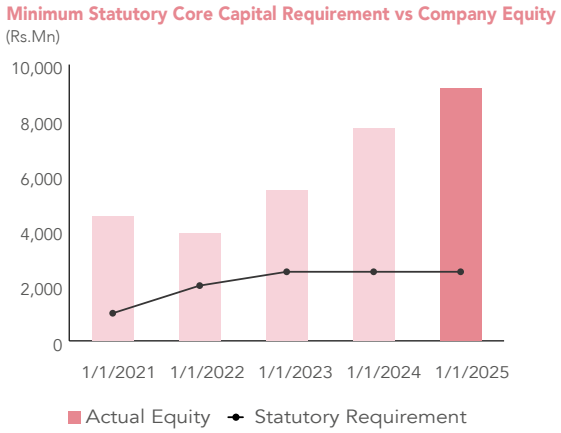
48.1.1 Sensitivity analysis of Risk Weighted Capital Adequacy Ratio (RWCAR)

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	13.71%
	+100Bps	15.34%
Other assets	+10%	14.46%
	-10%	14.53%

Quarterly movement of RWCAR and graphical analysis of minimum statutory core capital requirement with the Company total equity are as follows.





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. 27.7Mn
Investment manager	Rs. 27.7Mn

48 FINANCIAL RISK MANAGEMENT (CONTD.)

48.1.2.1 The company is complied with the minimum equity capital requirement and the status of equity capital is as follows;

As at 31 March,	2025 Rs. Mn	2024 Rs. Mn
Total equity capital	197	92

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,	2025 Rs. Mn	2024 Rs. Mn
Total equity capital	358	287
Capital adequacy ratio of 1.2%	2.73%	4.16%

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%	2.60%
	-5%	2.88%
Counterparty Risk	0.5%	2.73%
	-0.5%	2.73%

48.1.4 First Capital Advisory Services (Pvt) Limited (subsidiary)

First Capital Advisory Services (Pvt) Limited, 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.

Corporate finance advisor	Rs. 7.5 Mn

48.1.4.1 The company is complied with the minimum equity capital requirement and the status of equity capital is as follows;

As at 31 March,	2025 Rs. Mn	2024 Rs. Mn
Total equity capital	25	6.8

48.2 Measurement of gearing of the Group/ Company

The Group'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 Group monitors capital on the basis of the following gearing ratio:

Debt to equity ratio

As at 31 March,	Group		Company	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Debt*	84,576,067	61,450,689	11,825,084	10,557,311
Equity	9,768,967	7,940,479	8,792,690	7,118,998
Debt to equity ratio (times)	8.66	7.74	1.34	1.48

*Interest-bearing liabilities are considered here as debt.

49 FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risk via financial instruments.

- 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 an Board Intergrated 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.

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 FINANCIAL RISK MANAGEMENT (CONTD.)

49.2.1 Maturity Analysis of the Financial Assets and Financial Liabilities

Group - As at 31 March 2025	Carrying Amount	On Demand	Up to 3 Months	3 Months to 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets								
Cash at banks and in hand	1,143,148	1,143,148	-	-	-	-	-	1,143,148
Derivative financial assets	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 as at 31 March 2025	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 liabilities	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 as at 31 March 2025	88,212,863	11,810,637	26,202,371	49,414,148	967,717	169,990	134,726	88,699,589

Group - As at 31 March 2024	Carrying Amount	On Demand	Up to 3 Months	3 Months to 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets								
Cash at banks and in hand	178,382	178,382	-	-	-	-	-	178,382
Derivative financial assets	51,933	49,140	2,793	-	-	-	-	51,933
Financial assets recognised through profit or loss - measured at fair value	62,529,964	4,318,049	14,319,955	4,267,072	13,755,557	24,348,816	1,520,515	62,529,964
Financial assets - fair value through other comprehensive income	83,350	-	-	-	83,350	-	-	83,350
Financial assets at amortised cost	11,170,905	-	11,042,930	70,438	20,709	2,973	33,855	11,170,905
Other financial assets (Trade receivables - Net)	537,457	-	453,938	83,519	-	-	-	537,457
Total as at 31 March 2024	74,551,991	4,545,571	25,819,616	4,421,029	13,859,616	24,351,789	1,554,370	74,551,991
								-
Liabilities								
Bank overdrafts	1,533,643	1,533,643	-	-	-	-	-	1,533,643
Derivative financial liabilities	71,742	32,401	39,341	-	-	-	-	71,742
Securities sold under repurchase agreements	50,051,368	-	35,278,869	14,645,932	120,876	5,691	-	50,051,368
Short term borrowings	5,488,529	-	5,164,928	403,798	-	-	-	5,568,726
Amounts due to related companies	2,375	2,375	-	-	-	-	-	2,375
Other financial liabilities (Trade payables - Net)	5,728,347	5,728,347	-	-	-	-	-	5,728,347
Long term borrowings	1,602,001	-	300,085	287,500	1,193,985	336,575	-	2,118,145
Borrowings on debentures	2,775,148	-	47,682	1,012,295	2,213,505	-	-	3,273,482
Total as at 31 March 2024	67,253,153	7,296,766	40,830,905	16,349,525	3,528,366	342,266	-	68,347,828

49.2.2 Liquidity analysis of trade creditors of First Capital Equities (Pvt) Ltd (Subsidiary)

This is the liquidity risk, If fails to meet its contractual obligations towards the stockbroking creditors of the First Capital Equities (Pvt) Ltd (Subsidiary).

As at 31 March,	2025		2024	
	Rs. '000	%	Rs. '000	%
Up to 30 days	284,472	71%	376,830	92%
31 to 90 days	89,407	22%	7,702	2%
91 to 180 days	9,883	3%	13,590	3%
Over 180 days	17,441	4%	10,034	3%
	401,203	100%	408,156	100%

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49.2.3 Maturity Analysis of the Financial Assets and Financial Liabilities

Company - As at 31 March 2025	Carrying Amount	On Demand	Up to 3 Months	3 Months to 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	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 as at 31 March 2025	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
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 as at 31 March 2025	12,944,197	1,204,848	8,495,682	2,693,757	806,595	105,580	-	13,306,462

Company - As at 31 March 2024	Carrying Amount	On Demand	Up to 3 Months	3 Months to 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets								
Cash at banks and in hand	76,453	76,453	-	-	-	-	-	76,453
Financial assets recognised through profit or loss - measured at fair value	4,199,601	3,486,281	-	-	315,721	-	397,599	4,199,601
Financial assets - fair value through other comprehensive income	5,000	-	-	-	5,000	-	-	5,000
Financial assets at amortised cost	6,658,126	6,199,680	456,195	2,251	-	-	-	6,658,126
Amounts due from related companies	49,896	49,896	-	-	-	-	-	49,896
Total as at 31 March 2024	10,989,076	9,812,310	456,195	2,251	320,721	-	397,599	10,989,076
Liabilities								
Bank overdrafts	1,280,713	1,280,713	-	-	-	-	-	1,280,713
Trade and other payables	2,454,479	2,454,479	-	-	-	-	-	2,454,479
Short term borrowings	5,646,043	-	5,242,245	403,798	-	-	-	5,646,043
Long term borrowings	1,602,001	-	300,085	287,500	1,193,985	336,575	-	2,118,145
Borrowings on debentures	2,028,553	-	-	214,090	2,213,505	-	-	2,427,595
Amounts due to related companies	13,579	13,579	-	-	-	-	-	13,579
Total as at 31 March 2024	13,025,368	3,748,771	5,542,330	905,388	3,407,490	336,575	-	13,940,554

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.

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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.

As at 31 March,	Rating	Rating Agency	Group		Company	
			2025	2024	2025	2024
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank of Ceylon PLC	AA-	Fitch	3,215	19,407	336	339
Commercial Bank of Ceylon PLC	AA-	Fitch	575,698	11,697	573,221	11,611
DFCC Bank PLC	A	Fitch	15	15	5	-
Hatton National Bank PLC	AA-	Fitch	138,113	92,441	116,946	57,894
National Development Bank PLC	A	Fitch	2,045	6,117	2,027	6,088
Nations Trust Bank PLC	A	Fitch	741	1,842	6	3
Pan Asia Bank Corporation PLC	BBB	Fitch	154	102	-	-
People's Bank PLC	AA-	Fitch	407	624	315	11
Sampath Bank PLC	AA-	Fitch	182,999	26,528	-	-
Seylan Bank PLC	A+	Fitch	230,715	14,528	414	507
Total Exposure to Credit Risk			1,134,102	173,301	693,270	76,453
Central Bank of Sri Lanka			8,753	4,787	-	-
Cash in hand			293	294	-	-
Cash and Cash Equivalents			1,143,148	178,382	693,270	76,453

49.3.2 Credit Quality by Class of Financial Assets

Group - As at 31 March 2025	Note	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		7,570,896	-	108,120	7,679,016
Other financial assets (Trade receivables)	49.3.2.1	616,821	-	63,508	680,329
Total financial assets		8,187,717	-	171,628	8,359,345

Group - As at 31 March 2024	Note	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		7,787,042	3,470,325	79,225	11,336,592
Other financial assets (Trade receivables)	49.3.2.1	537,457	-	63,508	600,965
Total financial assets		8,324,499	3,470,325	142,733	11,937,557

49.3.2.1 Credit risk on trade receivables

This is the risk of financial loss to the Group, if a stock broking debtors fails to meet its contractual obligations towards the First Capital Equities (Pvt) Ltd (Subsidiary).

As at 31 March,	2025		2024	
	Rs. '000	%	Rs. '000	%
Up to 30 days	382,377	62%	423,931	79%
31 to 90 days	214,296	35%	30,007	6%
91 to 180 days	5,637	1%	59,901	11%
Over 180 days	14,511	2%	23,618	4%
	616,821	100%	537,457	100%

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

Company - As at 31 March 2024	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	6,672,633	-	5,000	6,677,633
Total financial assets	6,672,633	-	5,000	6,677,633

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49.3.3 Credit quality analysis of financial investments

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

As at 31 March 2024		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	-	61,953,112	-	61,953,112	400,405	-	-	400,405
Debt instruments having credit ratings**									
AA+ to A+	Low risk	-	-	-	-	-	-	-	-
A to BBB-	Medium risk	-	3,288,687	-	3,288,687	-	713,320	-	713,320
Below BBB-	High risk	-	-	-	-	-	-	-	-
Fixed deposits									
AA+ to A+	Low risk	-	-	-	-	-	-	-	-
A to BBB-	Medium risk	-	78,786	-	78,786	-	-	-	-
Below BBB-	High risk	-	-	-	-	-	-	-	-
Unit Trust**									
Government securities*	Risk free	-	2,744,329	-	2,744,329	-	2,713,881	-	2,713,881
AA+ to A+	Low risk	-	59,793	-	59,793	-	59,130	-	59,130
A to BBB-	Medium risk	-	721,273	-	721,273	-	713,270	-	713,270
Below BBB-	High risk	-	-	-	-	-	-	-	-
		-	68,845,980	-	68,845,980	400,405	4,199,601	-	4,600,006

* 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.

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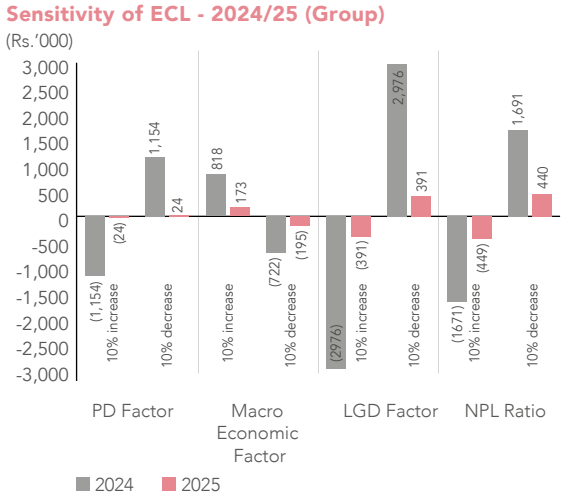
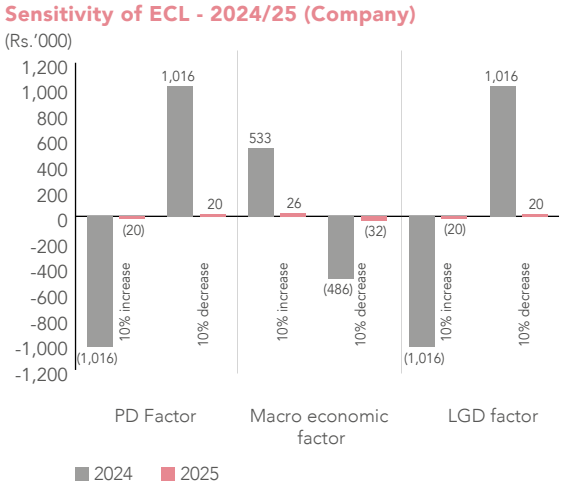
49.3.4 Sensitivity of ECL to future economic conditions

The Group has estimated the impairment provision on financial investments as at 31 March 2025, subject to various assumptions. The following table demonstrates the sensitivity of the impairment provision of the Group as at 31 March 2025 and 2024 to a feasible change in the following variables assuming all other variables remain constant.

Sensitivity of ECL

As at 31 March,	Group				Company			
	2025		2024		2025		2024	
	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	(24)	(34)	(1,154)	(1,649)	(20)	(29)	(1,016)	(1,451)
10% decrease	24	34	1,154	1,649	20	29	1,016	1,451
Increase/ decrease in macro economic variables:								
1% increase	173	247	818	1,169	26	37	533	762
1% decrease	(195)	(279)	(722)	(1,032)	(32)	(46)	(486)	(694)
Increase/ decrease in LGD :								
10% increase	(391)	(559)	(2,976)	(4,251)	(20)	(29)	(1,016)	(1,451)
10% decrease	391	559	2,976	4,251	20	29	1,016	1,451
Increase/ decrease in NPL Ratio :								
10% increase	(449)	(641)	(1,671)	(2,387)	Nil	Nil	Nil	Nil
10% decrease	440	629	1,691	2,416	Nil	Nil	Nil	Nil





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 2025	Cash at Banks and in Hand	Derivative Financial assets	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

Group - As at 31 March 2024	Cash at Banks and in Hand	Derivative Financial liabilities	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	24,818	51,933	57,193,661	4,766,388	-	-	-	62,036,800
Corporate	153,270	-	5,336,303	6,391,394	83,350	81,992	-	12,046,309
Others	294	-	-	13,123	-	455,465	-	468,882
Total	178,382	51,933	62,529,964	11,170,905	83,350	537,457	-	74,551,991

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Company - As at 31 March 2025	Cash at Banks and in Hand	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Amounts due from related companies	Total Financial Assets
	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

Company - As at 31 March 2024	Cash at Banks and in Hand	Financial Assets - FVTPL	Financial Assets at amortised cost	Financial Assets - FVTOCI	Amounts due from related companies	Total Financial Assets
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sector Wise Breakdown						
Government	351	-	-	-	-	351
Corporate	76,102	4,199,601	6,658,126	5,000	49,896	10,988,725
Others	-	-	-	-	-	-
Total	76,453	4,199,601	6,658,126	5,000	49,896	10,989,076

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	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Government securities				
Treasury bonds	77,378,212	38,965,665	-	-
Treasury bills	729,308	18,227,996	-	-
	78,107,520	57,193,661	-	-
Debentures				
Diversified financials	1,379,651	713,320	1,379,651	713,320
Banks finance and insurance	286,870	-	286,870	-
Insurance	-	64,304	-	-
Unlisted	-	240,630	-	-
	1,666,521	1,018,254	1,666,521	713,320

As at 31 March,	Group		Company	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Listed Shares				
Insurance	964,121	573,757	-	-
Banks	5,759,070	90,109	5,728,621	-
Capital goods	-	16,691	-	-
Diversified financials	41,055	17,962	-	-
Materials	60,669	33,533	-	-
	6,824,915	732,052	5,728,621	-
Unit trusts				
Licensed unit trusts	178,857	3,585,997	-	3,486,281
	178,857	3,585,997	-	3,486,281
Total financial assets at FVTPL	86,777,813	62,529,964	7,395,142	4,199,601
Fixed deposits				
Licensed commercial banks	83,559	73,786	72,003	58,041
	83,559	73,786	72,003	58,041
Corporate debt securities				
Diversified financials	2,113,629	1,269,885	-	-
Insurance	566,164	1,005,534	-	-
Others	-	235,644	-	-
	2,679,793	2,511,063	-	-
Loans				
Others	1,154,115	3,624,486	4,157,642	6,199,680
	1,154,115	3,624,486	4,157,642	6,199,680
Investments under re-sale agreements				
Investment banking & brokerage	-	-	-	400,405
Banks	228,301	220,147	-	-
Insurance	-	469,920	-	-
Others	3,419,546	4,271,503	-	-
	3,647,847	4,961,570	-	400,405
Total financial assets at amortised cost	7,565,314	11,170,905	4,229,645	6,658,126
Equity investments				
Diversified financials	29,967	78,350	-	-
Others	7,500	5,000	7,500	5,000
	37,467	83,350	7,500	5,000
Total exposure	7,602,781	11,255,255	4,237,145	6,663,126

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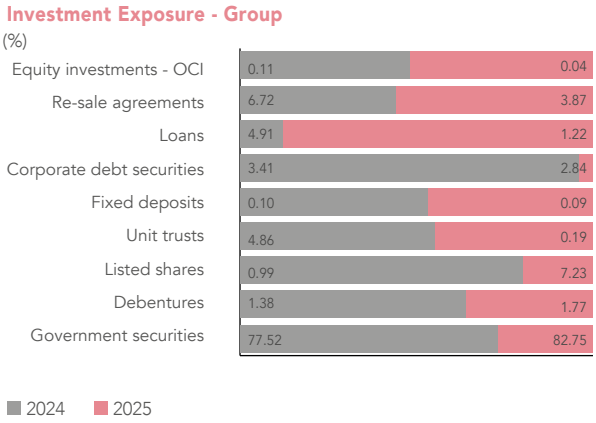
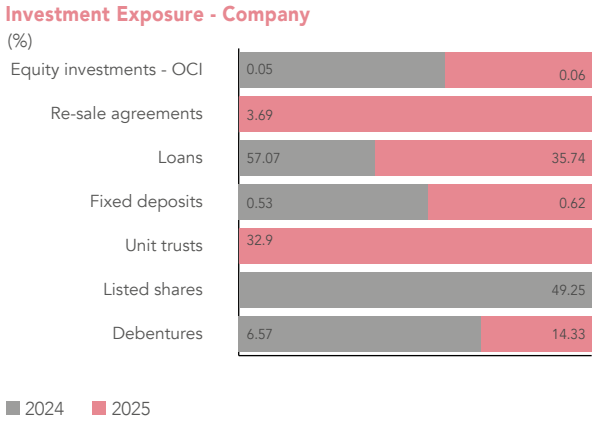
49.4.1.a Exposure to investment concentration risk and diversification of investment portfolio contd.





49.4.2 Portfolio diversification of listed equity investments which were recognised at FVTPL (Sector analysis)

Listed Shares - Group

As at,	GICS - Industry Group	31.03.2025 Amount Rs. '000	%	31.03.2024 Amount Rs. '000	%
Janashakthi Insurance PLC	Insurance	964,121	14.13%	573,757	78.38%
National Development Bank PLC	Banks	30,449	0.45%	90,109	12.31%
Janashakthi Finance PLC	Diversified Financials	41,055	0.60%	17,962	2.45%
Dipped Products PLC	Materials	60,669	0.89%	33,533	4.58%
Access Engineering PLC	Capital Goods	-	-	16,691	2.28%
Hatton National Bank PLC	Banks	2,318,000	33.96%	-	-
Commercial Bank of Ceylon PLC	Banks	2,187,370	32.05%	-	-
Sampath Bank PLC	Banks	1,223,251	17.92%	-	-
Total		6,824,915	100.00%	732,052	100.00%

Listed Shares - Company

As at,	GICS - Industry Group	31.03.2025 Amount Rs. '000	%	31.03.2024 Amount Rs. '000	%
Hatton National Bank PLC	Banks	2,318,000	40.47%	-	-
Commercial Bank of Ceylon PLC	Banks	2,187,370	38.18%	-	-
Sampath Bank PLC	Banks	1,223,251	21.35%	-	-
Total		5,728,621	100.00%	-	-

GICS - Global Industry Classification Standard

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.

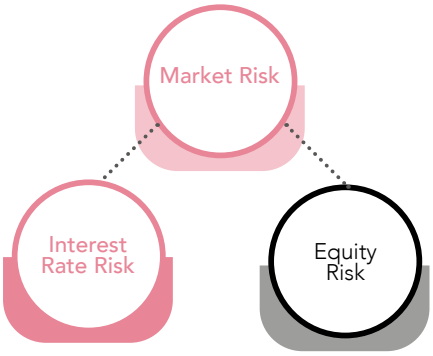
49.6 Market Risk

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.

Market risk principally arises on the Group's equity investments, interest-bearing financial assets and financial liabilities. Market risk comprises three types of risks are given below;

Management of market risk includes the following elements:

- The operational authority for managing market risk is vested with the Investment, Asset and Liability Committee (IALCO).
- Interest rate risk is managed within the approved limits by the IALCO.



49 FINANCIAL RISK MANAGEMENT (CONTD.)

49.6.1 Interest rate risk

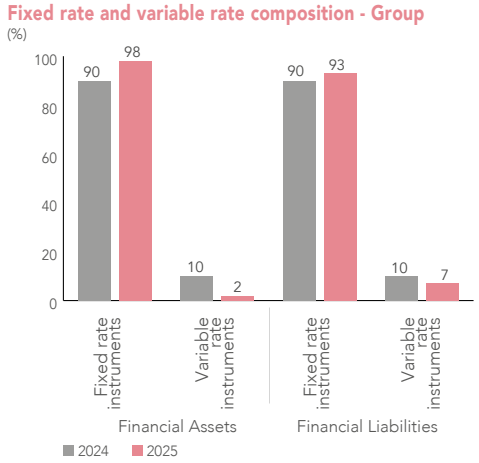
The interest rate profile of the Group's interest-bearing financial instruments are as follows:

For the year ended 31 March,	Group Carrying Amount 2025 Rs. '000	Group Carrying Amount 2024 Rs. '000	Company Carrying Amount 2025 Rs. '000	Company Carrying Amount 2024 Rs. '000
Fixed rate instruments				
Financial assets recognised through profit or loss -measured at fair value				
Investment in government securities	78,107,520	57,193,661	-	-
Investment in debentures	1,358,620	702,533	1,358,620	397,599
	79,466,140	57,896,194	1,358,620	397,599
Financial assets at amortised cost				
Investment in commercial papers	1,821,344	2,275,419	-	-
Investment in securitised papers	-	235,644	-	-
Investment in trust certificates	858,449	-	-	-
Investment in fixed deposits	83,559	73,786	72,003	58,041
Securities purchase under re-sale agreements	3,647,847	4,961,570	-	400,405
Staff loans	53,956	62,953	-	-
	6,465,155	7,609,372	72,003	458,446
Total fixed rate financial assets	85,931,295	65,505,566	1,430,623	856,045
Financial liabilities				
Securities sold under re-purchase agreements	73,109,134	50,051,368	-	-
Borrowings on corporate debt securities	4,506,779	3,075,498	5,707,480	3,233,012
Borrowings on debentures	1,341,235	2,084,919	1,339,253	1,338,324
	78,957,148	55,211,785	7,046,733	4,571,336
Total fixed rate financial liabilities	78,957,148	55,211,785	7,046,733	4,571,336

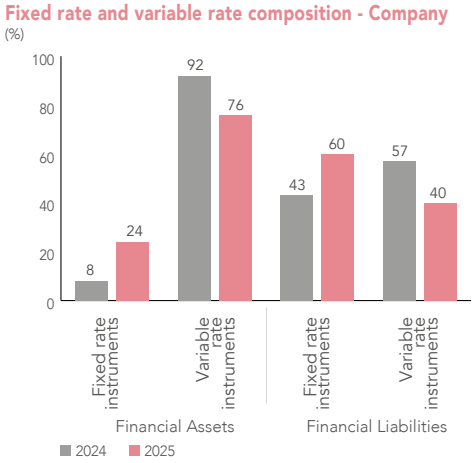
49.6.1 Interest rate risk

For the year ended 31 March,	Group Carrying Amount 2025 Rs. '000	Group Carrying Amount 2024 Rs. '000	Company Carrying Amount 2025 Rs. '000	Company Carrying Amount 2024 Rs. '000
Variable rate instruments				
Financial assets recognised through profit or loss -measured at fair value				
Derivative assets	2,820	51,933	-	-
Investment in debentures	307,901	315,721	307,901	315,721
Investment in unit trust	178,857	3,585,997	-	3,486,281
	489,578	3,953,651	307,901	3,802,002
Financial assets at amortised cost				
Short term lending	1,100,159	3,561,533	4,157,642	6,199,680
	1,100,159	3,561,533	4,157,642	6,199,680
Total variable rate financial assets	1,589,737	7,515,184	4,465,543	10,001,682
Financial liabilities				
Derivative liabilities	768	71,742	-	-
Bank overdrafts	226,379	1,533,643	86,764	1,280,713
Short term borrowings	3,503,206	2,413,030	2,802,253	2,413,031
Long term borrowings	1,201,241	1,602,001	1,201,241	1,602,001
Borrowings on debentures	688,093	690,229	688,093	690,229
	5,619,687	6,310,645	4,778,351	5,985,974
Total variable rate financial liabilities	5,619,687	6,310,645	4,778,351	5,985,974

Fixed rate and variable rate composition - Group



Fixed rate and variable rate composition - Company



49 FINANCIAL RISK MANAGEMENT (CONTD.)

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

2024/25	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				
Government securities	2,091,269	(2,019,673)	1,463,888	(1,413,771)
Investment in debentures	48,855	(46,529)	34,199	(32,570)
	2,140,124	(2,066,202)	1,498,087	(1,446,341)
Financial assets at amortised cost				
Investment in commercial papers	(187)	187	(131)	131
Investment in trust certificates	(1,689)	1,682	(1,182)	1,177
Investment in fixed deposits	(836)	836	(585)	585
Securities purchase under re-sale agreements	(36,478)	36,478	(25,535)	25,535
Staff loan	(540)	540	(378)	378
	(39,730)	39,723	(27,811)	27,806
Financial liabilities				
Securities sold under re-purchase agreements	(151,844)	151,844	(106,291)	106,291
Borrowings on corporate debt securities	(4,535)	4,510	(3,175)	3,157
Borrowings on debentures	(10,558)	10,381	(7,391)	7,267
	(166,937)	166,735	(116,857)	116,715

Fixed rate instruments - Company

2024/25	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	48,855	(46,529)	34,199	(32,570)
	48,855	(46,529)	34,199	(32,570)
Financial assets at amortised cost				
Investment in fixed deposits	(720)	720	(504)	504
	(720)	720	(504)	504
Financial liabilities				
Borrowings on corporate debt securities	(4,535)	4,535	(3,175)	3,175
Borrowings on debentures	(10,558)	10,381	(7,391)	7,267
	(15,093)	14,916	(10,566)	10,442

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

2024/25	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	28,664	(27,601)	20,065	(19,321)
Investment in debenture	1,139	(1,131)	797	(792)
Investment in unit trust	(3,198)	3,198	(2,239)	2,239
	26,605	(25,534)	18,623	(17,874)
Financial assets at amortised cost				
Short term lending	869	(869)	608	(608)
	869	(869)	608	(608)
Financial liabilities				
Derivative liabilities	(12,107)	11,609	(8,475)	8,126
Borrowings on debentures	(5,357)	5,268	(3,750)	3,688
	(17,464)	16,877	(12,225)	11,814

49 FINANCIAL RISK MANAGEMENT (CONTD.)

Variable rate instruments - Company

2024/25	Profit or loss		Equity, net of tax	
	1% Decrease	1% Increase	1% Decrease	1% Increase
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Variable rate instruments				
Financial assets recognised through profit or loss -measured at fair value				
Investment in debenture	1,139	(1,139)	797	(797)
Financial assets at amortised cost				
Short term lending	(1,046)	1,046	(732)	732
Financial liabilities				
Borrowings on debentures	(5,357)	5,268	(3,750)	3,688

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.

Financial assets recognised through profit or loss -measured at fair value - Group

Listed Shares	GICS - Industry Group	Type of classification	2024/25 Impact on PBT		2023/24 Impact on PBT	
			+10%	-10%	+10%	-10%
Janashakthi Insurance PLC	Insurance	FVTPL	96,412	(96,412)	57,376	(57,376)
National Development Bank PLC	Banks	FVTPL	3,045	(3,045)	9,011	(9,011)
Janashakthi Finance PLC	Diversified Financials	FVTPL	4,106	(4,106)	1,796	(1,796)
Dipped Products PLC	Materials	FVTPL	6,067	(6,067)	3,353	(3,353)
Hatton National Bank PLC	Banks	FVTPL	231,800	(231,800)	-	-
Commercial Bank of Ceylon PLC	Banks	FVTPL	218,737	(218,737)	-	-
Sampath Bank PLC	Banks	FVTPL	122,325	(122,325)	-	-
			682,492	(682,492)	71,536	(71,536)

Financial assets recognised through other comprehensive income - Group

Listed Shares	GICS - Industry Group	Type of classification	2024/25 Impact on OCI		2023/24 Impact on OCI	
			+50%	-50%	+50%	-50%
Nation Lanka Finance PLC	Diversified Financials	FVTOCI	14,984	(14,984)	39,175	(39,175)

Financial assets recognised through profit or loss -measured at fair value - Company

Listed Shares	GICS - Industry Group	Type of classification	2024/25 Impact on PBT		2023/24 Impact on PBT	
			+10%	-10%	+10%	-10%
Hatton National Bank PLC	Banks	FVTPL	231,800	(231,800)	-	-
Commercial Bank of Ceylon PLC	Banks	FVTPL	218,737	(218,737)	-	-
Sampath Bank PLC	Banks	FVTPL	122,325	(122,325)	-	-
			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.

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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
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 & 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 classified under level 2 in the fair value hierarchy are listed debenture with no market trades and valuations are based on comparable government securities' yields for these instruments even though such instruments are listed.

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 31.03.2025		As at 31.03.2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets measured at fair value				
Derivative financial assets	2,820	2,820	51,933	51,933
Financial assets recognised through profit or loss - measured at fair value	86,777,813	86,777,813	62,529,964	62,529,964
Financial assets - fair value through other comprehensive income	37,467	37,467	83,350	83,350
	86,818,100	86,818,100	62,665,247	62,665,247
Financial assets not measured at fair value				
Cash at banks and in hand	1,143,148	1,143,148	178,382	178,382
Financial assets at amortised cost	7,565,314	7,565,314	11,170,905	11,170,905
Amounts due from related companies	32	32	-	-
Trade receivables	616,821	616,821	537,457	537,457
	9,325,315	9,325,315	11,886,744	11,886,744
Total financial assets	96,143,415	96,143,415	74,551,991	74,551,991
Financial liabilities measured at fair value				
Derivative financial liabilities	768	768	71,742	71,742
	768	768	71,742	71,742
Financial liabilities not measured at fair value				
Bank overdrafts	226,379	226,379	1,533,643	1,533,643
Amounts due to related companies	34,004	34,004	2,375	2,375
Trade and other payables	3,602,024	3,602,024	5,728,347	5,728,347
Securities sold under re-purchase agreements	73,109,134	73,307,931	50,051,368	50,260,785
Short term borrowings	8,009,985	8,009,985	5,488,529	5,488,529
Long term borrowings	1,201,241	1,201,241	1,602,001	1,602,001
Borrowings on debentures	2,029,328	1,997,624	2,775,148	2,689,061
	88,212,095	88,379,188	67,181,411	67,304,741
Total financial liabilities	88,212,863	88,379,956	67,253,153	67,376,483

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

Company	As at 31.03.2025		As at 31.03.2024	
	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	7,395,142	7,395,142	4,199,601	4,199,601
Financial assets - fair value through other comprehensive income	7,500	7,500	5,000	5,000
	7,402,642	7,402,642	4,204,601	4,204,601
Financial assets not measured at fair value				
Cash at banks and in hand	693,270	693,270	76,453	76,453
Amounts due from related companies	24,365	24,365	49,896	49,896
Financial assets at amortised cost	4,229,645	4,229,645	6,658,126	6,658,126
	4,947,280	4,947,280	6,784,475	6,784,475
Total financial assets	12,349,922	12,349,922	10,989,076	10,989,076
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bank overdrafts	86,764	86,764	1,280,713	1,280,713
Amounts due to related companies	10,203	10,203	13,579	13,579
Trade and other payables	1,108,910	1,108,910	2,454,479	2,454,479
Short term borrowings	8,509,733	8,509,733	5,646,043	5,646,043
Long term borrowings	1,201,241	1,201,241	1,602,001	1,602,001
Borrowings on debentures	2,027,346	1,997,624	2,028,553	1,951,871
	12,944,197	12,914,475	13,025,368	12,948,686
Total financial liabilities	12,944,197	12,914,475	13,025,368	12,948,686

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 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
Financial liabilities measured at fair value					
Derivative financial liabilities					
Forward purchase contracts	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	-	-	73,307,931	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

50 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

Group - As at 31 March 2024	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	49,989	49,989	-	-	49,989
Forward sale contracts	1,944	1,944	-	-	1,944
	51,933	51,933	-	-	51,933
Financial assets recognised through profit or loss -measured at fair value					
Investment in government securities	57,193,661	57,193,661	-	-	57,193,661
Investment in debentures	1,018,254	-	1,018,254	-	1,018,254
Investment in unit trust	3,585,997	-	3,585,997	-	3,585,997
Investment in listed shares	732,052	732,052	-	-	732,052
	62,529,964	57,925,713	4,604,251	-	62,529,964
Financial assets - fair value through other comprehensive income	83,350	-	-	83,350	83,350
	62,665,247	57,977,646	4,604,251	83,350	62,665,247
Financial assets not measured at fair value					
Cash at banks and in hand	178,382	-	-	178,382	178,382
Financial assets at amortised cost	11,170,905	-	-	11,170,905	11,170,905
Trade receivables	537,457	-	-	537,457	537,457
	11,886,744	-	-	11,886,744	11,886,744
Total financial assets	74,551,991	57,977,646	4,604,251	11,970,094	74,551,991
Financial liabilities measured at fair value					
Derivative financial liabilities					
Forward purchase contracts	202	202	-	-	202
Forward sale contracts	71,540	71,540	-	-	71,540
	71,742	71,742	-	-	71,742
Financial liabilities not measured at fair value					
Bank overdrafts	1,533,643	-	-	1,533,643	1,533,643
Amounts due to related companies	2,375	-	-	2,375	2,375
Trade and other payables	5,728,347	-	-	5,728,347	5,728,347
Securities sold under re-purchase agreements	50,051,368	-	-	50,260,785	50,260,785
Short term borrowings	5,488,529	-	-	5,488,529	5,488,529
Long term borrowings	1,602,001	-	-	1,602,001	1,602,001
Borrowings on debentures	2,775,148	-	2,689,061	-	2,689,061
	67,181,411	-	2,689,061	64,615,680	67,304,741
Total financial liabilities	67,253,153	71,742	2,689,061	64,615,680	67,376,483

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 recognised through profit or loss - measured at fair value					
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.)

Company - As at 31 March 2024	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 debentures	713,320	-	713,320	-	713,320
Investment in unit trust	3,486,281	-	3,486,281	-	3,486,281
	4,199,601	-	4,199,601	-	4,199,601
Financial assets - fair value through other comprehensive income	5,000	-	-	5,000	5,000
	4,204,601	-	4,199,601	5,000	4,204,601
Financial assets not measured at fair value					
Cash at banks and in hand	76,453	-	-	76,453	76,453
Amounts due from related companies	49,896	-	-	49,896	49,896
Financial assets at amortised cost	6,658,126	-	-	6,658,126	6,658,126
	6,784,475	-	-	6,784,475	6,784,475
Total financial assets	10,989,076	-	4,199,601	6,789,475	10,989,076
Financial liabilities measured at fair value	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	1,280,713	-	-	1,280,713	1,280,713
Amounts due to related companies	13,579	-	-	13,579	13,579
Trade and other payables	2,454,479	-	-	2,454,479	2,454,479
Short term borrowings	5,646,043	-	-	5,646,043	5,646,043
Long term borrowings	1,602,001	-	-	1,602,001	1,602,001
Borrowings on debentures	2,028,553	-	1,951,871	-	1,951,871
	13,025,368	-	1,951,871	10,996,815	12,948,686
Total financial liabilities	13,025,368	-	1,951,871	10,996,815	12,948,686

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
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.
Unit Trusts	The fair values are based on the Net Asset Values published by the respective unit trusts (Note 42).	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 of 1 time) (Note 19.2.1).	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 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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.

2024/25	Debentures	Unit Trust	Equity Securities (Financial assets - FVTOCI)	Total
	(Note 50.2)	(Note 18.4)	(Note 19.2.1)	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2024	1,018,254	3,585,997	5,000	4,609,251
Purchase	250,000	2,023,838	2,500	2,276,338
Sales/ Maturities/ Redemptions	(304,934)	(5,456,424)	-	(5,761,358)
Interest accrued (net of coupon receipt)	21,493	-	-	21,493
Gain/ (Loss) on fair valuation of financial investments	7,557	25,446	-	33,003
Transferred to level 1	(397,599)	-	-	(397,599)
Balance as at 31 March 2025	594,771	178,857	7,500	781,128

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.

2024/25	Debentures	Unit Trust	Equity Securities (Financial assets - FVTOCI)	Total
	(Note 50.2)	(Note 18.4)	(Note 19.2.1)	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2024	713,320	3,486,281	5,000	4,204,601
Purchase	250,000	1,663,833	2,500	1,916,333
Sales/ Maturities/ Redemptions	-	(5,150,114)	-	(5,150,114)
Interest accrued (net of coupon receipt)	21,493	-	-	21,493
Gain on fair valuation of financial investments	7,557	-	-	7,557
Transferred to level 1	(397,599)	-	-	(397,599)
Balance as at 31 March 2025	594,771	-	7,500	602,271

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.

2024/25	(-) 1% Decrease	(-) 2% Decrease	(+) 1% Increase	(+) 2% Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Asia Asset Finance PLC	1,139	2,286	(1,131)	(2,253)
LOLC Holdings PLC	20,027	41,220	(18,939)	(36,858)
Siyapatha Finance PLC	8,298	16,966	(7,947)	(15,560)
Vallibel Finance PLC	19,391	39,713	(18,512)	(36,192)
	48,855	100,185	(46,529)	(90,863)

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

2024/25	(-) 1% Decrease	(-) 2% Decrease	(+) 1% Increase	(+) 2% Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Money Market Fund	(2,818)	(5,636)	2,818	5,636
First Capital Equity Fund	(380)	(760)	380	760
	(3,198)	(6,396)	3,198	6,396

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 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

51 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (CONTD.)

Group - As at 31 March 2024	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	62,529,964	-	-	62,529,964	62,529,964
Derivative financial assets	51,933	-	-	51,933	51,933
Financial assets - FVTOCI	-	-	83,350	83,350	83,350
	62,581,897	-	83,350	62,665,247	62,665,247
Financial assets not measured at fair value					
Cash at banks and in hand	-	178,382	-	178,382	178,382
Financial assets at amortised cost	-	11,170,905	-	11,170,905	11,170,905
Trade receivables	-	537,457	-	537,457	537,457
	-	11,886,744	-	11,886,744	11,886,744
Total financial assets	62,581,897	11,886,744	83,350	74,551,991	74,551,991
Financial liabilities measured at fair value					
Derivative financial liabilities	71,742	-	-	71,742	71,742
	71,742	-	-	71,742	71,742
Financial liabilities not measured at fair value					
Bank overdrafts	-	1,533,643	-	1,533,643	1,533,643
Amounts due to related companies	-	2,375	-	2,375	2,375
Trade and other payables	-	5,728,347	-	5,728,347	5,728,347
Securities sold under re-purchase agreements	-	50,051,368	-	50,051,368	50,260,785
Short term borrowings	-	5,488,529	-	5,488,529	5,488,529
Long term borrowings	-	1,602,001	-	1,602,001	1,602,001
Borrowings on debentures	-	2,775,148	-	2,775,148	2,689,061
	-	67,181,411	-	67,181,411	67,304,741
Total financial liabilities	71,742	67,181,411	-	67,253,153	67,376,483

51 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (CONTD.)

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

51 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS (CONTD.)

Company - As at 31 March 2024	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	4,199,601	-	-	4,199,601	4,199,601
Financial assets - FVTOCI	-	-	5,000	5,000	5,000
	4,199,601	-	5,000	4,204,601	4,204,601
Financial assets not measured at fair value					
Cash at banks and in hand	-	76,453	-	76,453	76,453
Amounts due from related companies	-	49,896	-	49,896	49,896
Financial assets at amortised cost	-	6,658,126	-	6,658,126	6,658,126
	-	6,784,475	-	6,784,475	6,784,475
Total financial assets	4,199,601	6,784,475	5,000	10,989,076	10,989,076
Financial liabilities not measured at fair value					
Bank overdrafts	-	1,280,713	-	1,280,713	1,280,713
Amounts due to related companies	-	13,579	-	13,579	13,579
Trade and other payables	-	2,454,479	-	2,454,479	2,454,479
Short term borrowings	-	5,646,043	-	5,646,043	5,646,043
Long term borrowing	-	1,602,001	-	1,602,001	1,602,001
Borrowings on debentures	-	2,028,553	-	2,028,553	1,951,871
	-	13,025,368	-	13,025,368	12,948,686
Total financial liabilities	-	13,025,368	-	13,025,368	12,948,686

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.

For the year ended 31 March,	Primary Dealer		Corporate Finance	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net trading income	4,671,818	18,704,762	1,138,732	519,060
Other income/ (expense)	54,239	8,752	4,456	6
Gain/ (Loss) on financial assets FVTPL	626,919	(307,629)	2,147,443	863,857
Operating expenses	(880,910)	(2,367,845)	(1,170,432)	(1,247,473)
(Provision)/ Reversal for impairment	-	-	51,774	102,825
Operating profit/ (loss)	4,472,066	16,038,040	2,171,973	238,275
Taxation	(1,429,636)	(4,894,912)	55,886	(23,467)
Profit/(Loss) for the year	3,042,430	11,143,128	2,227,859	214,808
Other comprehensive income/ (loss)	90	(1,573)	32,049	(45,663)
Total comprehensive income/ (loss)	3,042,520	11,141,555	2,259,908	169,145

As at 31 March,	Primary Dealer		Corporate Finance	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Total assets	83,144,761	64,555,943	24,264,170	28,732,524
Total liabilities	74,023,433	56,876,575	15,154,350	21,425,203
Net assets	9,121,328	7,679,368	9,109,820	7,307,321

For the year ended 31 March,	Primary Dealer		Corporate Finance	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net cash flows generated from/ (used) in operating activities	5,701,420	7,403,081	7,717,017	(1,459,362)
Net cash flows generated from/ (used) investing activities	(373,717)	(318,543)	382,742	6,823,246
Net cash flows generated from/ (used) in financing activities	(5,120,760)	(7,079,400)	(5,476,248)	(6,388,019)
Net cash flow generated from/ (used) during the year	206,943	5,138	1,923,511	(1,024,135)

Primary Dealer - This represents primary dealer operations in Government Securities.

Corporate Finance - This denotes corporate finance advisory services and investments.

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).

Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
2025	2024	2025	2024	2025	2024	2025	2024
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
412,871	227,891	412,676	256,265	(212,383)	(76,609)	6,423,714	19,631,369
-	43	295	132	(1,652)	(3,509)	57,338	5,424
21,113	18,102	-	-	145	(5,782)	2,795,620	568,548
(281,415)	(238,432)	(304,980)	(225,949)	(5,665)	83,028	(2,643,402)	(3,996,671)
-	-	-	-	210	(2,201)	51,984	100,624
152,569	7,604	107,991	30,448	(219,345)	(5,073)	6,685,254	16,309,294
(46,474)	(1,299)	(37,726)	(22,433)	(210,669)	(1,210,848)	(1,668,619)	(6,152,959)
106,095	6,305	70,265	8,015	(430,014)	(1,215,921)	5,016,635	10,156,335
(654)	(604)	552	(1,512)	(12,369)	-	19,668	(49,352)
105,441	5,701	70,817	6,503	(442,383)	(1,215,921)	5,036,303	10,106,983

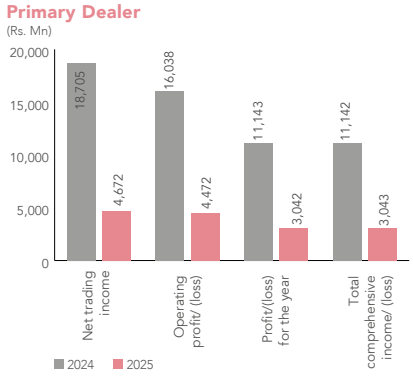
Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
2025	2024	2025	2024	2025	2024	2025	2024
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
321,852	179,586	1,342,364	1,033,620	(9,738,102)	(15,831,089)	99,335,045	78,670,584
124,762	87,937	984,519	746,592	(720,986)	(8,406,202)	89,566,078	70,730,105
197,090	91,649	357,845	287,028	(9,017,116)	(7,424,887)	9,768,967	7,940,479

Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
2025	2024	2025	2024	2025	2024	2025	2024
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
16,369	(9,320)	250,085	116,199	(4,035,509)	571,149	8,949,382	6,621,747
(16,116)	(2,729)	(81,630)	20,149	-	(6,822,567)	(88,721)	(300,444)
-	-	(13,063)	(50,568)	4,021,440	6,179,245	(6,588,631)	(7,388,742)
253	(12,049)	155,392	85,780	(14,069)	(72,173)	2,272,030	(1,017,439)

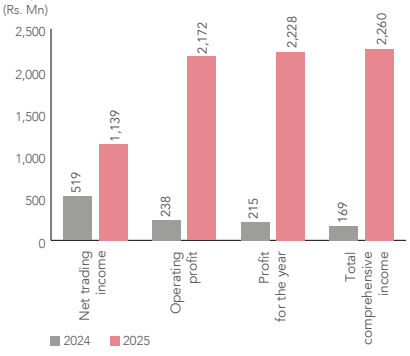
52 SEGMENT REPORTING (CONTD.)

Divisional Performance

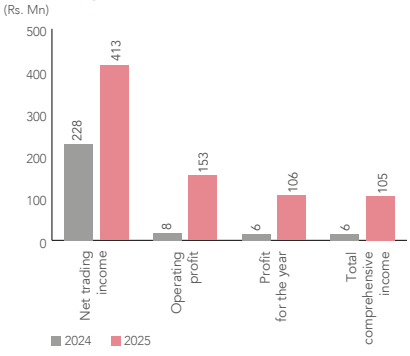
Primary Dealer



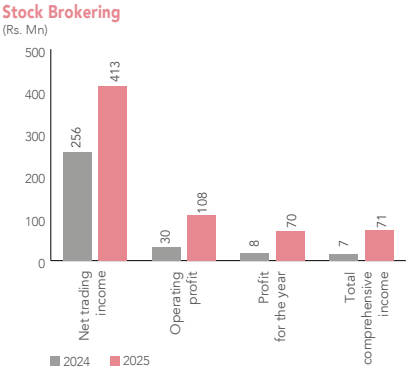
Corporate Finance



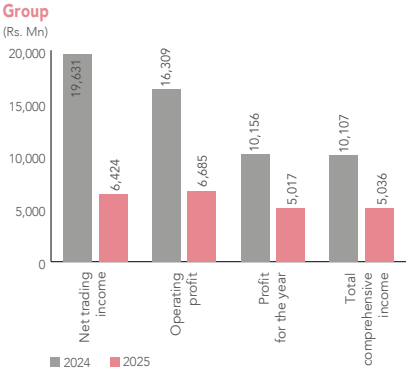
Asset Management



Stock Brokering



Group



53. COMPARATIVE INFORMATION

The presentation and classification of Notes to the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

SUPPLEMENTARY
INFORMATION

EXPONENTIAL SERVICE

As we reflect on our exponential journey of progress, we make note of the innovative processes, transformative business operations and the novelty in client communications that have led us to sustained growth in the year under review.

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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

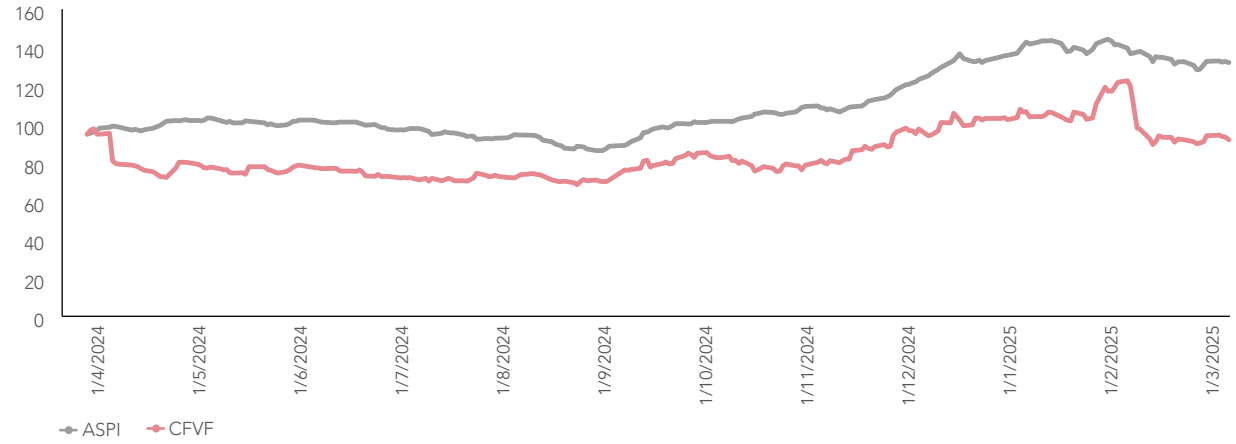
2 CSE PERFORMANCE

2.1 PERFORMANCE OF TOP 5 SECTORS BASED ON INDEX VALUE

Sector	Index Value		Change %
	31/03/2025	31/03/2024	
Banks	1,325.17	839.21	57.91%
Food & Staples Retailing	2,776.90	2,075.65	33.78%
Capital Goods	1,845.93	1,579.63	16.86%
Food Beverage & Tobacco	1,665.98	1,185.51	40.53%
Consumer Durables & Apparel	2,052.14	1,589.80	29.08%

2.2 CSE Vs FCH Index Chart

ASPI Vs FCH 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 posted mixed results during the year under review, influenced by divergent monetary policy shifts, geopolitical tensions, and uneven growth outlooks. The S&P 500 gained around 7%, driven by recovering corporate earnings in the technology and AI sectors. In contrast, the Euro Stoxx 50 rose a modest 4%, reflecting economic stagnation and inflationary pressures in the Eurozone. Asian equities were mixed, with the Japan's Nikkei 225 falling by 11% whilst Hang Seng Index recorded a growth of 36.5%.

3.2 Performance of the Colombo Stock Exchange

The Colombo Stock Exchange experienced a modest gain during the year ended 31 March 2025 period with ASPI gaining by 37% and S&PSL 20 index gaining 41%. Moreover, ASPI hit an all-time high of 17,322 in February 2025 whilst the S&PSL20 index recorded an all-time high of 5,202 points in January 2025. The modest gains recorded during the period were predominantly driven by the growth in corporate profitability driven by recovering economy whilst business margins were also benefited by continuous slowdown in inflation, reduction in electricity tariffs and conclusion of debt restructuring.

3.3 Performance of the FCH Share

The First Capital Holdings share price remained less volatile during the period under review and closed the year flat, losing marginally 1.4%. Nearly bottom out policy rates and reduced movement in treasury bill and bond rates thinned out trading gains for the period and resulted with reduced price volatility during the period compared to the financial year 2023/24. The First Capital Holdings share reached a high of LKR 46.4 per share during February 2025 and reached the lowest of LKR 26.4 per share during September 2024.

4 DISTRIBUTION OF SHAREHOLDING

	31 March 2025				31 March 2024			
	Shareholders		Holding		Shareholders		Holding	
No. of Shares held	Number	%	Number	%	Number	%	Number	%
1-1,000	2,936	32.78	875,051	0.23	2,283	28.50	714,034	0.18
1,001 - 10,000	4,980	55.58	13,087,729	3.23	4,685	58.47	11,863,276	2.93
10,001 - 100,000	952	10.62	27,137,372	6.70	947	11.82	27,381,482	6.76
100,001 - 1,000,000	81	0.90	19,917,741	4.91	87	1.09	22,484,195	5.55
Over 1,000,000	11	0.12	343,982,107	84.93	10	0.12	342,557,013	84.58
Total	8,960	100.00	405,000,000	100.00	8,012	100.00	405,000,000	100.00

5 ANALYSIS OF SHAREHOLDING

	31 March 2025				31 March 2024			
	Shareholders		Holding		Shareholders		Holding	
Category of Shareholders	Number	%	Number	%	Number	%	Number	%
Individuals	8,711	97.22	60,086,436	14.84	7,715	96.29	56,591,203	13.97
Institutions	249	2.78	344,913,564	85.16	297	3.71	348,408,797	86.03
Total	8,960	100.00	405,000,000	100.00	8,012	100.00	405,000,000	100.00
Resident	8,938	99.75	404,401,847	99.85	7,990	99.73	403,875,359	99.72
Non-Resident	22	0.25	598,153	0.15	22	0.27	1,124,641	0.28
Total	8,960	100.00	405,000,000	100.00	8,012	100.00	405,000,000	100.00

6 PUBLIC SHARE HOLDING

For the year ended 31 March,	2025	2024
Number of shares held by the public	68,769,040	68,295,708
Percentage held by the public	16.98%	16.86%
Float adjusted market capitalisation	2,400,039,496	2,349,372,355

Number of public shareholders as at 31 March 2025 is 8952.

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

	2024/25 Rs.	2023/24 Rs.	2022/23 Rs.	2021/22 Rs.	2020/21 Rs.
Highest	46.40	60.50	41.00	49.50	64.70
Lowest	26.40	25.50	29.00	30.70	22.10
Year-end	34.90	34.40	31.80	31.00	54.50

8 SHARE TRADING DETAILS

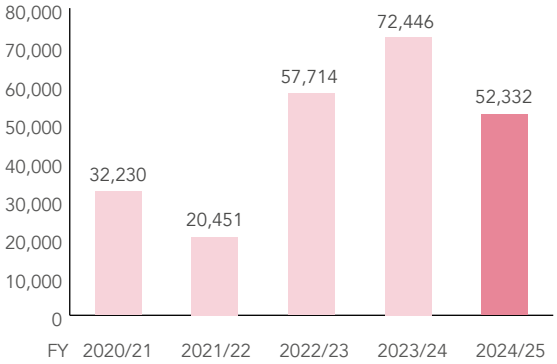
	2024/25	2023/24	2022/23	2021/22	2020/21
Number of transactions	52,332	72,446	57,714	20,451	32,230
Number of shares traded	94,677,972	235,518,075	205,843,267	15,296,586	30,562,114
Value of shares traded (Rs.)	3,453,609,663	9,432,656,661	5,065,789,919	727,084,953	1,615,462,031
Market capitalisation (Rs.)	14,134,500,000	13,932,000,000	12,879,000,000	3,138,750,000	5,518,125,000

Share Price Movement

(Rs.)

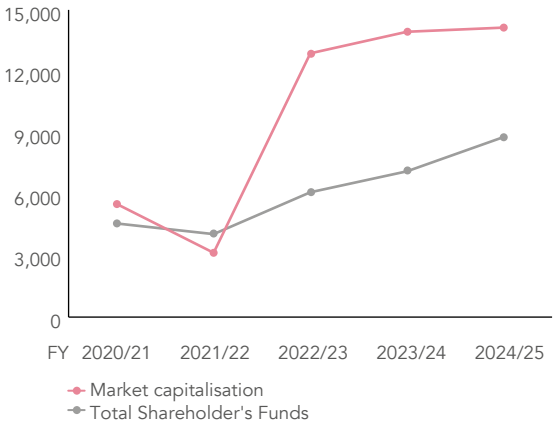
Number of transactions

(No.)



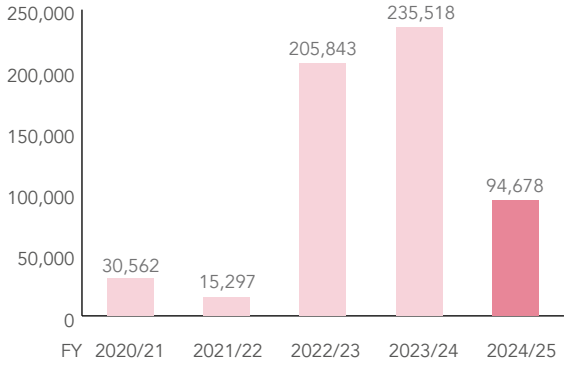
Market Capitalisation vs Shareholder's Funds

(Rs.Mn.)



Number of shares traded

(No.)



9 INFORMATION OF FIRST CAPITAL HOLDINGS PLC'S MARKET CAPITALISATION AND SHAREHOLDER'S FUNDS

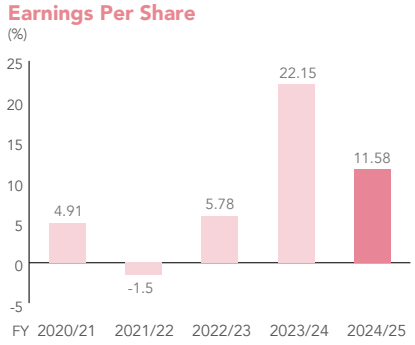
	First Capital's Market Capitalisation	Shareholder's Funds
2025	14,134,500	8,792,690
2024	13,932,000	7,118,998
2023	12,879,000	6,095,162
2022	3,138,750	4,050,675
2021	5,518,125	4,570,067

10 KEY SHAREHOLDERS RETURN INDICATORS

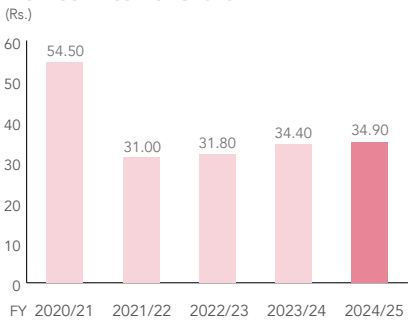
For the year ended 31 March,	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000
Earnings Per Share	11.58	22.15	5.78	(1.50)	4.91
Market Price Per Share	34.90	34.40	31.80	31.00	54.50
Net Assets Per Share	21.71	17.58	15.05	10.00	11.29
Return On Equity	58.97%	135.77%	46.16%	(14.11%)	47.88%
Total Shareholder's Funds	8,792,690	7,118,998	6,095,162	4,050,675	4,570,067

2021 - 2022 Market Price per share- Before the subdivision of shares
2023 - 2025 Market Price per share- After the subdivision of shares

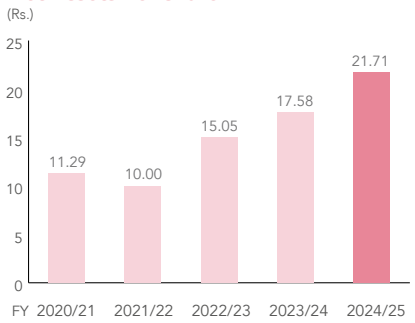
Earnings Per Share



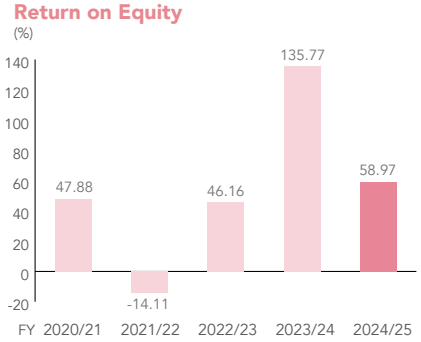
Market Price Per Share



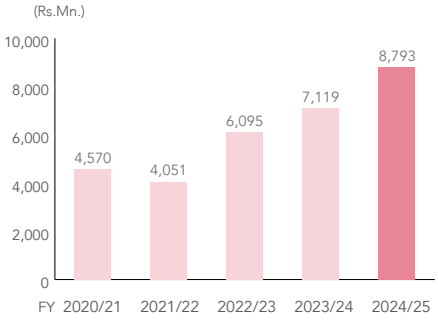
Net Assets Per Share



Return on Equity



Total Shareholder's Funds



11 TOP TWENTY SHAREHOLDERS

		Name of the Share Holder	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

Name of the Share Holder			No. of Shares as at 31 March 2024	Holding (%)
1	1.1	Seylan Bank PLC/ Janashakthi Limited	101,600,000	25.09
	1.2	Janashakthi Limited Account No.1	77,212,141	19.06
	1.3	Seylan Bank PLC/ Janashakthi Limited (Collateral)	35,988,960	8.89
	1.4	Pan Asia Banking Corporation PLC/ Janashakthi Limited	13,000,000	3.21
	1.5	Commercial Bank of Ceylon PLC/ Janashakthi Limited	7,191,500	1.78
2		Seylan Bank PLC/ Janashakthi Insurance PLC	101,201,799	24.99
3		Mr. A. J. Tissera	2,716,950	0.67
4		Dr. S. N. Samarasinghe	1,300,000	0.32
5		Deutsche Bank AG-National Equity Fund	1,235,463	0.31
6		Mr. A. D. Edussuriya	1,110,200	0.27
7		Mr. W. A. P. D. M. Wickramatunga	877,500	0.22
8		Mr. N. D. Kurukulasuriya	835,344	0.21
9		Mr. M. C. Pushpakumara	615,085	0.15
10		DFCC Bank PLC / M. S. F. Haqque & S. I. Haqque	600,000	0.15
10		Mr. E. P. G. Dimuthu	600,000	0.15
10		Sandwave Limited	600,000	0.15
13		Seylan Bank PLC / W. D. N. H. Perera	507,375	0.13
14		Mr. C. L. De Silva	473,332	0.12
14		Mr. R. C. De Silva	473,332	0.12
14		Mrs. S. T. Wettimuny	473,332	0.12
17		Assetline Finance Limited / J. A. S. Priyantha	450,000	0.11
18		DFCC Bank PLC / W. Jinadasa	448,800	0.11
19		Mr. D. N. P. Rathnayake	439,314	0.11
20		Mrs. P. M. Tissera	434,000	0.11
			350,384,427	86.55
		Others	54,615,573	13.45
		Total	405,000,000	100.00

12 DIRECTORS SHAREHOLDING INCLUDING CEO

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
Mr. Rajendra Theagarajah ***	Nil
Ms. Rachini Rajapaksa ***	Nil
Ms. Inoshini Perera ***	Nil
Mr. Dilendra Wimalasekere ***	Nil

* Resigned with effect from 28 June 2024

** Retired with effect from 28 June 2024

***Appointed with effect from 28 June 2024

	No. of Shares 31.03.2024
Mr. Nishan Fernando	Nil
Mr. Dilshan Wirasekara	Nil
Mr. Ramesh Schaffter	Nil
Ms. Manjula Mathews	Nil
Mr. Chandana de Silva	473,332
Mr. Kuda Banda Herath**	N/A
Ms. Minette Perera*	N/A
Dr. Nishan de Mel*	N/A
Mr. Prakash Schaffter (Alternate director to Mr. Ramesh Schaffter)***	N/A

* Resigned with effect from 1 January 2024

** Appointed with effect from 29 April 2024

*** Resigned with effect from 8 January 2024

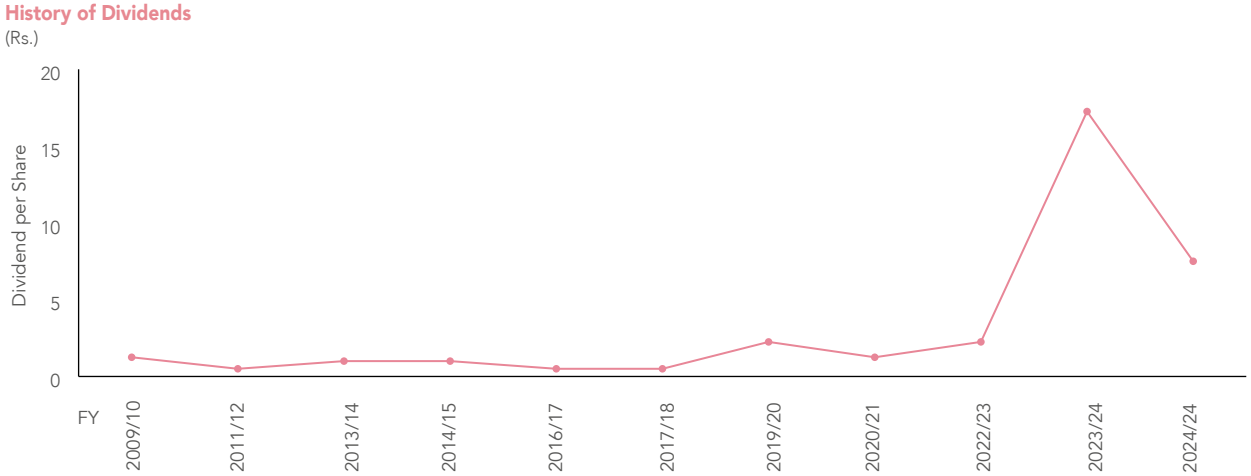
13 HISTORY OF DIVIDENDS

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 (LKR)*	Number of Shares* ('000)	Total Dividend (Rs. '000)
February 2025	Cash dividend	Interim	2024/25	7.50	405,000	3,037,500
April 2024	Cash dividend	2nd Interim	2023/24	5.00	405,000	2,025,000
October 2023	Cash dividend	1st 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	2nd 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



Information on Listed Debentures

1 INFORMATION ON LISTED DEBENTURES

1.1 First Capital Holdings PLC

Date of Allotment	Type	Frequency on interest payment	No. of Debentures issued and allotted*	Face Value Rs. '000	Rate of Interest	Tenure	Date of Maturity
8 February 2021	Type A (Fixed Rate)	Annually	13,247,500	1,324,750	10% (AER - 10%)	5 years	7 February 2026
8 February 2021	Type B (Floating Rate)** "	Annually	6,752,500	675,250	Weekly AWPLR + 2%	5 years	7 February 2026
Total			20,000,000	2,000,000			

* Listed, Rated, Senior, Unsecured, Redeemable Debentures.
** This reflects a Cap of 12% and Floor of 9%.

2 OBJECTIVES OF THE DEBENTURE ISSUE

2.1 Objectives of the Listed Debentures Issue of First Capital Holdings PLC

- To Invest in Listed Debt (35% of the total funds raised)
- To Invest in Unlisted Debt (50% of the total funds raised)
- To Invest in Listed Equities on the CSE (15% of the total funds raised)

Status of achievement of the objectives related to the Company's Listed Debenture Issue to raise Rs. 2Bn is presented below.

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. Investment in Listed Debt	700,000	12-month from the date of allotment	700,000	35%	700,000	100%	-
2. Investment in Unlisted Debt	1,000,000	12-month from the date of allotment	1,000,000	50%	1,000,000	100%	-
3. Investment in Listed Equities	300,000	12-month from the date of allotment	300,000	15%	300,000	100%	-

3 MARKET VALUE

3.1 First Capital Holdings PLC

Debentures with 5 year maturity have not been traded during the year ended 31 March 2025. Hence, par value is recognised as its market value. Hence, yield to maturity on trade done is also not applicable.

5 year fixed rate (10% p.a. payable annually)	2024/25	2023/24
Highest price	-	-
Lowest price	-	-
Last traded price	-	-

5 year floating rate (Weekly AWPLR + 2% p.a payable annually)	2024/25	2023/24
Highest price	-	-
Lowest price	-	-
Last traded price	-	-

Debenture Interest Yield (last traded)	2024/25	2023/24
Type A - 5 year fixed rate (10 % p.a. payable annually)	N/A	N/A
Type B - 5 year floating rate (Weekly AWPLR + 2% p.a payable annually)	N/A	N/A

Yield of comparable Government Securities (%)	As at 31-03-2025	As at 31-03-2024
Treasury bond (maturity - 1 February 2026)	8.24%	10.93%

4 DEBT RELATED RATIOS

4.1(i) Debt Ratios - Group (Consolidated)

	As at 31-03-2025	As at 31-03-2024
Debt/equity ratio (times)	8.66	7.74
Quick asset ratio (times)	1.17	1.28
Interest cover (times)	1.90	2.66

4.1(ii) Debt Ratios - Company (First Capital Holdings PLC)

	As at 31-03-2025	As at 31-03-2024
Debt/equity ratio (times)	1.34	1.48
Quick asset ratio (times)	1.41	1.44
Interest cover (times)	5.18	5.83

5 CREDIT RATING DESCRIPTION

5.1 First Capital Holdings PLC

Lanka Rating Agency Limited (“the Rating Agency”) has upgraded the Entity Rating of First Capital Holdings PLC (the Company) to “A+” with a “stable outlook"" from "A" with ""positive outlook.” The Rating agency has also upgraded the Issue Rating of “A” (pronounced “single A”) for the Company’s Senior Unsecured Redeemable Debentures to "A+" with a "stable outlook"and maintained “A1” (pronounced “single A one”) for its Commercial Papers, with a change from “positive outlook" to "stable outlook".

5.2 First Capital Treasuries PLC

Lanka Rating Agency Limited (“the Rating Agency”) has upgraded the Entity Rating of First Capital Treasuries PLC (the Company) to “A+” with ""stable outlook" from “A” with "positive outlook".

Quarterly Results

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 2024/25 AND 2023/24 - GROUP

For the period	2024/25			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2024	30.09.2024	31.12.2024	31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income	3,760,327	2,536,210	4,428,106	3,344,152
Direct income	3,752,139	2,529,976	4,422,005	3,307,337
Direct expenses	(1,835,149)	(1,905,968)	(2,165,266)	(1,681,360)
Net trading income	1,916,990	624,008	2,256,739	1,625,977
Other income	8,188	6,234	6,101	36,815
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	(789,551)	130,775	3,529,196	(74,800)
	1,135,627	761,017	5,792,036	1,587,992
Operating expenses				
Administrative expenses	(282,566)	(305,191)	(1,003,765)	(558,395)
Sales and distribution expenses	(1,204)	(1,242)	(10,726)	(42,010)
Other operating expenses	(45,711)	(63,292)	(247,182)	(82,118)
(Provision)/Reversal impairment of financial assets at amortised cost	21,842	12,295	(64,395)	82,242
	(307,639)	(357,430)	(1,326,068)	(600,281)
Profit before tax	827,988	403,587	4,465,968	987,711
Income tax expense	(246,135)	(88,058)	(837,710)	(496,716)
Profit/(Loss) for the period	581,853	315,529	3,628,258	490,995
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial (gain)/ loss on defined benefit plans	-	-	-	(4,232)
Gain/ (Loss) on financial assets fair value through other comprehensive income	6,597	277	-	(19,244)
Gain on revaluation of motor vehicle	-	-	-	35,000
Tax effect on other comprehensive income	-	-	-	1,270
Other comprehensive income for the period	6,597	277	-	12,794
Total comprehensive income/ (loss) for the period	588,450	315,806	3,628,258	503,789
Profit/ (Loss) attributable to:				
Equity holders of the parent	532,099	303,146	3,428,190	428,089
Non - controlling interest	49,754	12,383	200,068	62,906
	581,853	315,529	3,628,258	490,995
Total comprehensive income/ (loss) attributable to:				
Equity holders of the parent	538,696	303,423	3,428,190	440,882
Non - controlling interest	49,754	12,383	200,068	62,907
	588,450	315,806	3,628,258	503,789

	2023/24			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2023	30.09.2023	31.12.2023	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	6,183,724	11,773,384	5,773,372	5,833,177
	6,183,079	11,771,636	5,773,127	5,830,391
	(2,718,085)	(2,049,594)	(2,822,949)	(2,336,236)
	3,464,994	9,722,042	2,950,178	3,494,155
	645	1,748	245	2,786
	1,515,607	1,906,397	(1,661,939)	(1,191,517)
	4,981,246	11,630,187	1,288,484	2,305,424
	(659,631)	(1,842,193)	(307,100)	(504,012)
	(14,338)	(18,344)	(17,003)	(73,721)
	(212,662)	(172,776)	(96,165)	(78,727)
	13,277	19,278	5,092	62,978
	(873,354)	(2,014,035)	(415,176)	(593,482)
	4,107,892	9,616,152	873,308	1,711,942
	(1,299,673)	(2,831,782)	(1,110,060)	(911,444)
	2,808,219	6,784,370	(236,752)	800,498
	-	-	-	(18,814)
	-	(10,057)	-	(26,125)
	-	-	-	-
	-	-	-	5,644
	-	(10,057)	-	(39,295)
	2,808,219	6,774,313	(236,752)	761,203
	2,517,525	6,094,782	(327,302)	685,508
	290,694	689,588	90,550	114,990
	2,808,219	6,784,370	(236,752)	800,498
	2,517,525	6,084,725	(327,302)	646,388
	290,694	689,588	90,550	114,815
	2,808,219	6,774,313	(236,752)	761,203

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - 2024/25 AND 2023/24 - COMPANY

For the period	2024/25			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2024	30.09.2024	31.12.2024	31.03.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income	279,371	282,012	307,791	716,870
Direct income	279,328	282,012	307,791	716,916
Direct expenses	(267,997)	(282,126)	(345,712)	(325,063)
Net trading income/ (expense)	11,331	(114)	(37,921)	391,853
Other income/ (expense)	43	-	-	(46)
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	(5,503)	271,269	1,745,187	(304,516)
	5,871	271,155	1,707,266	87,291
Operating expenses				
Administrative expenses	(41,932)	(59,356)	(127,535)	(224,954)
Sales and distribution expenses	5,796	6,451	(12,247)	(41,060)
Other operating expenses	(1,085)	(2,491)	(2,129)	(73,237)
(Provision)/Reversal for impairment of financial assets at amortised cost	8,302	(479)	470	5,930
	(28,919)	(55,875)	(141,441)	(333,321)
Operating profit/ (loss)	(23,048)	215,280	1,565,825	(246,030)
Share of profit/ (loss) from equity accounted investee (net of tax)	553,646	105,717	1,871,362	628,539
Profit/ (Loss) before tax	530,598	320,997	3,437,187	382,509
Income tax (expense)/ reversal	1,501	(17,851)	(8,997)	45,580
Profit/(Loss) for the period	532,099	303,146	3,428,190	428,089
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial loss on defined benefit plans	-	-	-	(5,537)
Revaluation of motor vehicle	-	-	-	35,000
Tax effect on other comprehensive income	-	-	-	1,661
Share of other comprehensive income/(loss) from equity accounted investee (net of tax)	6,597	277	-	(18,331)
Other comprehensive income/(loss) for the period	6,597	277	-	12,793
Total comprehensive income/ (loss) for the period	538,696	303,423	3,428,190	440,882

	2023/24			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2023	30.09.2023	31.12.2023	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	777,887	565,610	400,651	333,123
	777,887	565,610	400,649	333,122
	(641,498)	(455,803)	(424,049)	(365,685)
	136,389	109,807	(23,400)	(32,563)
	-	-	2	1
	29,161	144,945	118,142	135,954
	165,550	254,752	94,744	103,392
	(37,975)	(176,129)	(141,120)	(71,451)
	(1,223)	(2,078)	(1,275)	(34,964)
	(23,514)	(12,215)	15,310	16,272
	23,113	9,281	(18,894)	30,297
	(39,599)	(181,141)	(145,979)	(59,846)
	125,951	73,611	(51,235)	43,546
	2,438,919	6,045,710	(298,194)	646,561
	2,564,870	6,119,321	(349,429)	690,107
	(47,345)	(24,539)	22,127	(4,599)
	2,517,525	6,094,782	(327,302)	685,508
	-	-	-	(3,983)
	-	-	-	-
	-	-	-	1,195
	-	(10,057)	-	(36,332)
	-	(10,057)	-	(39,120)
	2,517,525	6,084,725	(327,302)	646,388

STATEMENT OF FINANCIAL POSITION - 2024/25 AND 2023/24 - GROUP

As at,	2024/25			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2024 Rs. '000	30.09.2024 Rs. '000	31.12.2024 Rs. '000	31.03.2025 Rs. '000
ASSETS				
Cash at banks and in hand	132,789	107,553	432,395	1,143,148
Derivative financial assets	111,718	84,659	4,750	2,820
Financial assets recognised through profit or loss - measured at fair value	70,496,014	82,886,394	74,807,156	86,777,813
Financial assets - fair value through other comprehensive income	65,233	65,233	65,233	37,467
Financial assets at amortised cost	18,867,897	19,283,532	15,836,547	7,565,314
Amounts due from related companies	15,057	15,503	15,672	32
Trade and other receivables	1,007,616	1,095,289	1,542,847	2,063,649
Non - current assets held for sale	42,416	42,416	42,416	42,416
Taxes receivable	161,203	172,535	75,105	136,375
Deferred tax asset	133,847	143,291	608,656	515,896
Property, plant and equipment and right of use assets	511,946	588,616	591,223	908,315
Intangible assets	123,769	125,367	131,536	141,800
TOTAL ASSETS	91,669,505	104,610,388	94,153,536	99,335,045
LIABILITIES				
Bank overdrafts	1,124,755	1,051,690	1,432,575	226,379
Derivative financial liabilities	25,167	40,011	155,375	768
Securities sold under re-purchase agreements	69,881,622	79,628,044	63,246,801	73,109,134
Short term borrowings	4,962,603	9,368,870	9,276,772	8,009,985
Amounts due to related companies	20,110	22,567	24,945	34,004
Trade and other payables	1,015,688	910,577	2,092,662	3,929,792
Taxes payable	1,756,724	356,607	1,194,999	909,158
Deferred tax liability	13,723	14,063	-	-
Long term borrowings	1,401,206	1,401,094	1,201,310	1,201,241
Retirement benefit obligations	88,917	91,444	95,855	116,289
Borrowings on debentures	2,850,061	2,880,687	2,959,249	2,029,328
TOTAL LIABILITIES	83,140,576	95,765,654	81,680,543	89,566,078
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,534,358	2,544,540	2,712,104	2,764,757
Retained earnings	4,924,407	5,217,370	8,477,997	5,802,842
Fair valuation reserve	(28,571)	(28,294)	(28,294)	(37,409)
Revaluation reserve	-	-	-	35,000
Equity attributable to the equity holders of the parent	7,657,694	7,961,116	11,389,307	8,792,690
Non- controlling interest	871,235	883,618	1,083,686	976,277
TOTAL EQUITY	8,528,929	8,844,734	12,472,993	9,768,967
TOTAL EQUITY AND LIABILITIES	91,669,505	104,610,388	94,153,536	99,335,045

	2023/24			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2023	30.09.2023	31.12.2023	31.03.2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	1,822,421	95,294	201,478	178,382
	40,048	541,587	32,608	51,933
	43,132,759	61,442,402	92,544,877	62,529,964
	116,773	111,716	109,475	83,350
	9,488,076	10,809,952	11,532,135	11,170,905
	66	66	66	-
	1,130,825	1,312,370	1,180,074	3,686,573
	42,416	42,416	42,416	42,416
	62,147	180,136	205,755	133,206
	123,244	171,825	197,805	151,457
	50,595	48,441	220,073	518,957
	122,643	123,099	123,479	123,441
	56,132,013	74,879,304	106,390,241	78,670,584
	1,566,301	1,508,350	1,570,854	1,533,643
	215,104	596,784	208,710	71,742
	32,165,977	41,342,712	77,999,755	50,051,368
	5,252,168	5,822,425	7,016,808	5,488,529
	7,342	11,669	13,458	2,375
	2,737,228	2,667,094	2,735,554	6,069,759
	1,821,428	3,841,067	3,627,487	3,033,571
	-	-	-	17,503
	884,320	800,799	700,853	1,602,001
	53,822	54,968	57,907	84,466
	2,850,521	2,881,321	2,959,802	2,775,148
	47,554,211	59,527,189	96,891,188	70,730,105
	227,500	227,500	227,500	227,500
	1,741,272	2,320,163	2,396,174	2,492,889
	5,948,483	11,250,344	5,885,570	4,436,368
	(215,818)	(11,845)	(11,634)	(37,759)
	-	-	-	-
	7,701,437	13,786,162	8,497,610	7,118,998
	876,365	1,565,953	1,001,443	821,481
	8,577,802	15,352,115	9,499,053	7,940,479
	56,132,013	74,879,304	106,390,241	78,670,584

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2024/25 AND 2023/24 - COMPANY

As at,	2024/25 Quarter 1 30.06.2024 Rs. '000	Quarter 2 30.09.2024 Rs. '000	Quarter 3 31.12.2024 Rs. '000	Quarter 4 31.03.2025 Rs. '000
ASSETS				
Cash at banks and in hand	58,424	23,814	120,597	693,270
Financial assets recognised through profit or loss - measured at fair value	2,826,271	4,106,179	7,484,759	7,395,142
Financial assets - fair value through other comprehensive income	7,500	7,500	7,500	7,500
Financial assets at amortised cost	6,435,457	8,801,584	7,694,866	4,229,645
Amounts due from related companies	18,848	33,600	20,458	24,365
Trade and other receivables	23,036	22,070	35,333	214,056
Taxes receivable	57,146	56,180	1,568	34,950
Investment in subsidiary	7,559,069	7,665,062	9,536,425	9,294,289
Deferred tax asset	10,717	6,746	64,413	86,435
Property, plant and equipment and right of use assets	25,056	27,353	26,643	64,641
Intangible assets	3,776	3,323	8,549	12,061
TOTAL ASSETS	17,025,300	20,753,411	25,001,111	22,056,354
LIABILITIES				
Bank overdrafts	783,163	799,645	1,250,956	86,764
Short term borrowings	4,968,561	8,343,891	8,767,961	8,509,733
Amounts due to related companies	18,162	19,201	21,828	10,203
Trade and other payables	95,567	74,564	159,768	1,394,987
Taxes payable	-	-	-	-
Long term borrowings	1,401,206	1,401,094	1,201,310	1,201,241
Retirement benefit obligations	20,284	19,189	19,813	33,390
Borrowings on debentures	2,080,663	2,134,711	2,190,168	2,027,346
TOTAL LIABILITIES	9,367,606	12,792,295	13,611,804	13,263,664
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,534,358	2,544,540	2,712,104	2,764,757
Retained earnings	4,924,407	5,217,370	8,477,997	5,802,842
Fair valuation reserve	(28,571)	(28,294)	(28,294)	(37,409)
Revaluation reserve	-	-	-	35,000
TOTAL EQUITY	7,657,694	7,961,116	11,389,307	8,792,690
TOTAL EQUITY AND LIABILITIES	17,025,300	20,753,411	25,001,111	22,056,354

	2023/24			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30.06.2023 Rs. '000	30.09.2023 Rs. '000	31.12.2023 Rs. '000	31.03.2024 Rs. '000
	24,308	25,533	84,115	76,453
	662,937	2,424,134	4,296,288	4,199,601
	-	5,000	5,000	5,000
	10,470,506	8,752,323	7,306,323	6,658,126
	6,016	17,344	64,119	49,896
	221,083	26,462	24,854	2,045,044
	-	113,534	131,943	46,029
	6,851,908	12,887,561	8,413,635	6,998,827
	8,789	7,030	12,307	9,216
	26,374	25,929	27,222	27,151
	3,746	4,990	4,537	4,228
	18,275,667	24,289,840	20,370,343	20,119,571
	1,309,221	1,246,994	1,317,607	1,280,713
	6,114,177	5,970,994	7,170,402	5,646,043
	93,628	8,166	10,250	13,579
	84,543	225,623	383,937	2,410,319
	8,802	117,538	100,686	-
	884,320	800,799	700,853	1,602,001
	-	-	-	19,365
	2,079,539	2,133,564	2,188,998	2,028,553
	10,574,230	10,503,678	11,872,733	13,000,573
	227,500	227,500	227,500	227,500
	1,741,272	2,320,163	2,396,174	2,492,889
	5,948,483	11,250,344	5,885,570	4,436,368
	(215,818)	(11,845)	(11,634)	(37,759)
	-	-	-	-
	7,701,437	13,786,162	8,497,610	7,118,998
	18,275,667	24,289,840	20,370,343	20,119,571

Ten Year Summary

1. GROUP TRADING RESULTS

Year ended 31 March,	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Gross income	14,068,795	29,563,657	14,296,944	2,273,088
Profit/(loss) before tax	6,685,254	16,309,294	3,825,776	(770,544)
Income tax expenses	(1,668,619)	(6,152,959)	(1,178,512)	118,272
Profit/(loss) after tax	5,016,635	10,156,335	2,647,264	(652,272)
Other comprehensive income/(loss)	19,668	(49,352)	71,394	12,700
Total comprehensive income/(loss)	5,036,303	10,106,983	2,718,658	(639,572)

2. GROUP FINANCIAL POSITION

Year ended 31 March,	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Assets				
Cash at banks and in hand	1,143,148	178,382	110,372	526,987
Derivative financial assets	2,820	51,933	51,194	5,190
Financial assets recognised through profit or loss - measured at fair value	86,777,813	62,529,964	53,726,232	30,066,729
Financial assets - fair value through other comprehensive income	37,467	83,350	116,773	34,635
Financial assets at amortised cost	7,565,314	11,170,905	11,225,039	9,059,275
Financial investments - held for trading	-	-	-	-
Financial investments - available for sale	-	-	-	-
Financial investments - loans and receivables	-	-	-	-
Taxes receivable	136,375	133,206	36,415	72,126
Trade and other receivables	2,063,649	3,686,573	1,026,095	1,423,170
Deferred tax asset	515,896	151,457	125,182	122,497
Property, plant and equipment and right of use assets	908,315	518,957	43,860	38,322
Other assets	184,248	165,857	165,027	165,698
Total Assets	99,335,045	78,670,584	66,626,189	41,514,629
Liabilities				
Bank overdrafts	226,379	1,533,643	448,194	1,245,741
Derivative financial liabilities	768	71,742	153,586	2,622
Securities sold under re-purchase agreements	73,109,134	50,051,368	46,330,589	23,799,838
Short term borrowings	8,009,985	5,488,529	7,080,975	8,139,888
Tax payables	909,158	3,033,571	746,012	78,132
Retirement benefit obligations	116,289	84,466	53,063	37,404
Borrowings on debentures	2,029,328	2,775,148	2,775,692	2,780,890
Long term borrowings	1,201,241	1,602,001	902,217	-
Other liabilities	3,963,796	6,089,637	1,455,028	964,842
Total Liabilities	89,566,078	70,730,105	59,945,356	37,049,357

2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000
6,033,353	5,220,425	4,171,474	4,186,064	3,587,574	1,550,780
2,908,076	1,708,325	88,383	1,152,108	245,511	62,060
(814,579)	(635,086)	(80,835)	813,615	(13,913)	(14,600)
2,093,497	1,073,239	7,548	1,965,723	231,598	47,460
(151,903)	(33,770)	(27,555)	(90,287)	6,836	2,105
1,941,594	1,039,469	(20,007)	1,875,436	238,434	49,565

2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000
242,053	61,354	55,317	319,663	55,340	31,066
2,315	2,734	3,454	47,868	24,075	40,861
28,047,361	38,540,849	31,985,437	-	-	-
40,273	184,623	217,920	-	-	-
7,035,641	5,361,512	7,557,832	-	-	-
-	-		26,519,838	23,799,894	11,326,163
-	-		242,750	332,803	2,000
-	-		6,069,028	6,625,115	8,529,332
88,798	271,610	178,845	70,118	104,032	62,379
909,606	598,672	246,661	811,035	540,521	576,353
19,228	299,775	862,024	929,892	36,703	37,703
50,088	65,250	37,050	19,990	14,295	16,648
168,065	166,742	160,930	161,831	156,986	157,779
36,603,428	45,553,121	41,305,470	35,192,013	31,689,764	20,780,284
3,451	455,103	971,036	294,402	224,445	207,681
824	3,118	2,878	21,659	2,240	20,835
20,223,286	33,294,423	29,204,828	23,412,237	21,102,897	14,487,714
6,660,363	5,928,107	6,566,174	6,013,598	6,768,015	2,886,142
840,696	488,668	348	4,291	3,956	331
55,369	39,812	31,856	27,992	22,696	24,385
2,763,001	517,641	216,205	407,178	540,032	730,400
50,204	150,885	251,833	352,368	453,077	-
1,183,755	722,081	238,722	787,712	358,793	237,920
31,780,949	41,599,838	37,483,880	31,321,437	29,476,151	18,595,408

2. GROUP FINANCIAL POSITION (CONTD.)

Year ended 31 March	2025	2024	2023	2022
Equity				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	2,764,757	2,492,889	1,497,150	1,239,478
Retained earnings	5,802,842	4,436,368	4,586,330	2,881,654
Revaluation reserve	35,000	-	-	-
Fair valuation reserve	(37,409)	(37,759)	(215,818)	(297,957)
Equity attributable to equityholders of the parent	8,792,690	7,118,998	6,095,162	4,050,675
Non-controlling interests	976,277	821,481	585,671	414,597
Total Equity	9,768,967	7,940,479	6,680,833	4,465,272
Total Equity and Liabilities	99,335,045	78,670,584	66,626,189	41,514,629

3. OTHER FINANCIAL INFORMATION

Year ended 31 March	2025	2024	2023	2022
Earning/(Loss) per share - Rs.	11.58	22.15	5.78	(1.50)
Dividend per share - Rs.	7.50	17.25	2.25	-
Divident payout (%)	64.74	77.88	38.93	-
Return on equity (%)	58.97	135.77	46.16	(14.11)
Leverage (Times)	8.66	7.74	8.61	8.05
Net assets per share - Rs.	21.71	17.58	15.05	10.00
Market price per share - Rs.	34.90**	34.40**	31.80**	31.00*

* Market price per share - Before the subdivision of shares

** Market price per share - After the subdivision of shares

Financial instruments as at 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, 31 March 2017 and 31 March 2016 have been presented in accordance with LKAS 39.

2021	2020	2019	2018	2017	2016
227,500	227,500	227,500	227,500	227,500	227,500
1,308,818	1,135,297	1,021,248	1,012,200	854,456	822,022
3,326,168	2,529,183	2,506,870	2,545,342	1,036,415	1,052,693
-	-	-	-	-	-
(292,419)	(148,069)	(114,828)	(90,053)	-	-
4,570,067	3,743,911	3,640,790	3,694,989	2,118,371	2,102,215
252,412	209,372	180,800	175,587	95,242	82,661
4,822,479	3,953,283	3,821,590	3,870,576	2,213,613	2,184,876
36,603,428	45,553,121	41,305,470	35,192,013	31,689,764	20,780,284

2021	2020	2019	2018	2017	2016
4.91	2.49	0.01	4.62	0.52	0.12
1.25	2.25	-	0.50	0.50	-
25.46	90.36	-	10.82	96.15	-
47.88	27.25	0.06	64.40	10.05	2.10
6.16	10.21	9.74	7.87	13.14	8.37
11.29	9.25	8.99	9.12	5.23	5.19
54.50*	22.80*	23.10*	31.80*	20.10*	19.10*

Horizontal and Vertical Analysis of Income Statement Over Five Years

Horizontal Analysis

For the year ended 31 March,	Consolidated 2025 Rs.'000	%	2024 Rs.'000	%
Income	14,068,795	(52)	29,563,657	107
Direct income	14,011,457	(53)	29,558,233	107
Direct expenses	(7,587,743)	(24)	(9,926,864)	4
Net trading income	6,423,714	(67)	19,631,369	318
Other income	57,338	957	5,424	(68)
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	2,795,620	392	568,548	(38)
	9,276,672	(54)	20,205,341	259
Operating expenses				
Personnel expenses	(1,647,987)	(46)	(3,028,248)	253
Premises, equipment and establishment expenses	(231,575)	97	(117,808)	109
Other operating expenses	(763,840)	(10)	(850,615)	10
(Provision)/ Reversal for impairment of financial assets at amortised cost	51,984	(48)	100,624	(184)
	(2,591,418)	(33)	(3,896,047)	116
Profit/ (Loss) before tax	6,685,254	(59)	16,309,294	326
Income tax (expense)/ reversal	(1,668,619)	(73)	(6,152,959)	422
Profit/ (Loss) for the year	5,016,635	(51)	10,156,335	284
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial (Gain)/ loss on retirement benefit obligations	(4,232)	(78)	(18,814)	23
Loss on financial assets fair value through other comprehensive income	(12,370)	(66)	(36,182)	144
Revaluation of motor vehicle	35,000	100	-	-
Tax effect on other comprehensive income	1,270	77	5,644	23
Other comprehensive income/ (loss)	19,668	140	(49,352)	(169)
Total comprehensive income/ (loss) for the year	5,036,303	(50)	10,106,983	272

2023		2022		2021	
Rs.'000	%	Rs.'000	%	Rs.'000	%
14,296,944	529	2,273,088	(62)	6,033,353	16
14,279,729	546	2,209,954	(62)	5,787,915	11
(9,587,212)	405	(1,899,557)	(10)	(2,114,213)	(34)
4,692,517	1,412	310,397	(92)	3,673,702	83
17,215	(73)	63,134	(74)	245,438	937
921,234	584	(190,477)	(12)	(216,104)	(162)
5,630,966	2,976	183,054	(95)	3,703,036	56
(858,346)	107	(414,363)	(34)	(623,864)	32
(56,447)	(5)	(59,675)	54	(38,857)	(4)
(769,954)	85	(416,107)	240	(122,439)	(12)
(120,443)	90	(63,453)	547	(9,800)	(49)
(1,805,190)	89	(953,598)	20	(794,960)	18
3,825,776	(597)	(770,544)	(126)	2,908,076	70
(1,178,512)	1,096	118,272	(115)	(814,579)	28
2,647,264	506	(652,272)	(131)	2,093,497	95
(15,348)	167	22,939	(331)	(9,923)	1,351
82,138	(1,557)	(5,638)	(96)	(144,350)	336
-	-	-	-	-	-
4,604	(200)	(4,601)	294	2,370	(1,023)
71,394	462	12,700	108	(151,903)	(350)
2,718,658	525	(639,572)	(133)	1,941,594	87

Horizontal and Vertical Analysis of Income Statement Over Five Years

Vertical Analysis

For the year ended 31 March,	Consolidated			
	2025		2024	
	Rs.'000	%	Rs.'000	%
Income	14,068,795	100	29,563,657	100
Direct income	14,011,457	100	29,558,233	100
Direct expenses	(7,587,743)	(54)	(9,926,864)	(34)
Net trading income	6,423,714	46	19,631,369	66
Other income	57,338	0	5,424	0
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	2,795,620	20	568,548	2
	9,276,672	66	20,205,341	68
Operating expenses				
Personnel expenses	(1,647,987)	(11)	(3,028,248)	(10)
Premises, equipment and establishment expenses	(231,575)	(2)	(117,808)	(0)
Other operating expenses	(763,840)	(5)	(850,615)	(3)
(Provision)/ Reversal for impairment of financial assets at amortised cost	51,984	0	100,624	0
	(2,591,418)	(18)	(3,896,047)	(13)
Operating profit/ (loss)	6,685,254	48	16,309,294	55
Profit/ (Loss) before tax	6,685,254	48	16,309,294	55
Income tax (expense)/ reversal	(1,668,619)	(12)	(6,152,959)	(21)
Profit/ (Loss) for the year	5,016,635	36	10,156,335	34
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial (Gain)/ loss on retirement benefit obligations	(4,232)	(0)	(18,814)	(0)
Loss on financial assets fair value through other comprehensive income	(12,370)	(0)	(36,182)	(0)
Revaluation of motor vehicle	35,000	0	-	-
Tax effect on other comprehensive income	1,270	0	5,644	0
Other comprehensive income/ (loss)	19,668	0	(49,352)	(0)
Total comprehensive income/ (loss) for the year	5,036,303	36	10,106,983	34

2023		2022		2021	
Rs.'000	%	Rs.'000	%	Rs.'000	%
14,296,944	100	2,273,088	100	6,033,353	100
14,279,729	100	2,209,954	97	5,787,915	96
(9,587,212)	(67)	(1,899,557)	(84)	(2,114,213)	(35)
4,692,517	33	310,397	14	3,673,702	61
17,215	0	63,134	3	245,438	4
921,234	6	(190,477)	(8)	(216,104)	(4)
5,630,966	39	183,054	8	3,703,036	61
(858,346)	(6)	(414,363)	(18)	(623,864)	(10)
(56,447)	(0)	(59,675)	(3)	(38,857)	(1)
(769,954)	(5)	(416,107)	(18)	(122,439)	(2)
(120,443)	(1)	(63,453)	(3)	(9,800)	(0)
(1,805,190)	(13)	(953,598)	(42)	(794,960)	(13)
3,825,776	27	(770,544)	(34)	2,908,076	48
3,825,776	27	(770,544)	(34)	2,908,076	48
(1,178,512)	(8)	118,272	5	(814,579)	(14)
2,647,264	19	(652,272)	(29)	2,093,497	35
(15,348)	0	22,939	1	(9,923)	0
82,138	1	(5,638)	0	(144,350)	(2)
-	-	-	-	-	-
4,604	0	(4,601)	0	2,370	0
71,394	0	12,700	1	(151,903)	(3)
2,718,658	19	(639,572)	(28)	1,941,594	32

Horizontal and Vertical Analysis of Statement of Financial Position Over Five Years

Horizontal Analysis

As at 31 March,	Consolidated 2025 Rs.'000	%	2024 Rs.'000	%
ASSETS				
Cash at banks and in hand	1,143,148	541	178,382	62
Derivative financial assets	2,820	(95)	51,933	1
Financial assets recognised through profit or loss -measured at fair value	86,777,813	39	62,529,964	16
Financial assets - fair value through other comprehensive income	37,467	(55)	83,350	(29)
Financial assets at amortised cost	7,565,314	(32)	11,170,905	(0)
Amounts due from related companies	32	100	-	(100)
Trade and other receivables	2,063,649	(44)	3,686,573	259
Non - current assets held for sale	42,416	0	42,416	0
Taxes receivable	136,375	2	133,206	266
Deferred tax asset	515,896	241	151,457	21
Property, plant and equipment and right of use assets	908,315	75	518,957	1,083
Intangible assets	141,800	15	123,441	1
TOTAL ASSETS	99,335,045	26	78,670,584	18
LIABILITIES				
Bank overdrafts	226,379	(85)	1,533,643	242
Derivative financial liabilities	768	(99)	71,742	(53)
Securities sold under re-purchase agreements	73,109,134	46	50,051,368	8
Short term borrowings	8,009,985	46	5,488,529	(22)
Amounts due to related companies	34,004	1,332	2,375	(49)
Trade and other payables	3,929,792	(35)	6,069,759	318
Deferred tax liability	-	(100)	17,503	100
Taxes payable	909,158	(70)	3,033,571	307
Long term borrowings	1,201,241	(25)	1,602,001	78
Retirement benefit obligations	116,289	38	84,466	59
Borrowings on debentures	2,029,328	(27)	2,775,148	(0)
TOTAL LIABILITIES	89,566,078	27	70,730,105	18
EQUITY				
Stated capital	227,500	-	227,500	-
Risk reserve	2,764,757	11	2,492,889	67
Retained earnings	5,802,842	31	4,436,368	(3)
Fair valuation reserve	(37,409)	(1)	(37,759)	(83)
Revaluation reserve	35,000	100	-	-
Equity attributable to the equity holders of the parent	8,792,690	24	7,118,998	17
Non - controlling interests	976,277	19	821,481	40
TOTAL EQUITY	9,768,967	23	7,940,479	19
TOTAL EQUITY AND LIABILITIES	99,335,045	26	78,670,584	18

2023		2022		2021	
Rs.'000	%	Rs.'000	%	Rs.'000	%
110,372	(79)	526,987	118	242,053	295
51,194	886	5,190	124	2,315	(15)
53,726,232	79	30,066,729	7	28,047,361	(27)
116,773	237	34,635	(14)	40,273	(78)
11,225,039	24	9,059,275	29	7,035,641	31
66	(91)	750	(17)	903	(84)
1,026,095	(28)	1,423,170	56	909,606	52
42,416	0	42,416	0	42,416	0
36,415	(50)	72,126	(19)	88,798	(67)
125,182	2	122,497	537	19,228	(94)
43,860	14	38,322	(23)	50,088	(23)
122,545	0	122,532	(2)	124,746	5
66,626,189	60	41,514,629	13	36,603,428	(20)
448,194	(64)	1,245,741	35,998	3,451	(99)
153,586	5,758	2,622	218	824	(74)
46,330,589	95	23,799,838	18	20,223,286	(39)
7,080,975	(13)	8,139,888	22	6,660,363	12
4,652	(16)	5,571	547	861	18
1,450,376	51	959,271	(19)	1,182,894	64
-	-	-	-	-	-
746,012	855	78,132	(91)	840,696	72
902,217	100	-	(100)	50,204	(67)
53,063	42	37,404	(32)	55,369	39
2,775,692	0	2,780,890	1	2,763,001	434
59,945,356	62	37,049,357	17	31,780,949	(24)
227,500	-	227,500	-	227,500	-
1,497,150	21	1,239,478	(5)	1,308,818	15
4,586,330	59	2,881,654	(13)	3,326,168	32
(215,818)	(28)	(297,957)	2	(292,419)	97
-	-	-	-	-	-
6,095,162	50	4,050,675	(11)	4,570,067	22
585,671	41	414,597	64	252,412	21
6,680,833	50	4,465,272	(7)	4,822,479	22
66,626,189	60	41,514,629	13	36,603,428	(20)

Horizontal and Vertical Analysis of Statement of Financial Position Over Five Years

Vertical Analysis

As at 31 March,	Consolidated 2025 Rs.'000	%	2024 Rs.'000	%
ASSETS				
Cash at banks and in hand	1,143,148	1	178,382	0
Derivative financial assets	2,820	0	51,933	0
Financial assets recognised through profit or loss -measured at fair value	86,777,813	87	62,529,964	79
Financial assets - fair value through other comprehensive income	37,467	0	83,350	0
Financial assets at amortised cost	7,565,314	8	11,170,905	14
Amounts due from related companies	32	0	-	-
Trade and other receivables	2,063,649	2	3,686,573	5
Non - current assets held for sale	42,416	0	42,416	0
Taxes receivable	136,375	0	133,206	0
Deferred tax asset	515,896	1	151,457	0
Property, plant and equipment and right of use assets	908,315	1	518,957	1
Intangible assets	141,800	0	123,441	0
TOTAL ASSETS	99,335,045	100	78,670,584	100
LIABILITIES				
Bank overdrafts	226,379	0	1,533,643	2
Derivative financial liabilities	768	0	71,742	0
Securities sold under re-purchase agreements	73,109,134	74	50,051,368	64
Short term borrowings	8,009,985	8	5,488,529	7
Amounts due to related companies	34,004	0	2,375	0
Trade and other payables	3,929,792	4	6,069,759	8
Deferred tax liability	-	-	17,503	0
Taxes payable	909,158	1	3,033,571	4
Long term borrowings	1,201,241	1	1,602,001	2
Retirement benefit obligations	116,289	0	84,466	0
Borrowings on debentures	2,029,328	2	2,775,148	4
TOTAL LIABILITIES	89,566,078	90	70,730,105	90
EQUITY				
Stated capital	227,500	0	227,500	0
Risk reserve	2,764,757	3	2,492,889	3
Retained earnings	5,802,842	6	4,436,368	6
Fair valuation reserve	(37,409)	0	(37,759)	0
Revaluation reserve	35,000	0	-	-
Equity attributable to the equity holders of the parent	8,792,690	9	7,118,998	9
Non - controlling interests	976,277	1	821,481	1
TOTAL EQUITY	9,768,967	10	7,940,479	10
TOTAL EQUITY AND LIABILITIES	99,335,045	100	78,670,584	100

2023		2022		2021	
Rs.'000	%	Rs.'000	%	Rs.'000	%
110,372	0	526,987	1	242,053	1
51,194	0	5,190	0	2,315	0
53,726,232	81	30,066,729	72	28,047,361	77
116,773	0	34,635	0	40,273	0
11,225,039	17	9,059,275	22	7,035,641	19
66	0	750	0	903	0
1,026,095	2	1,423,170	3	909,606	2
42,416	0	42,416	0	42,416	0
36,415	0	72,126	0	88,798	0
125,182	0	122,497	0	19,228	0
43,860	0	38,322	0	50,088	0
122,545	0	122,532	0	124,746	0
66,626,189	100	41,514,629	100	36,603,428	100
448,194	1	1,245,741	3	3,451	0
153,586	0	2,622	0	824	0
46,330,589	70	23,799,838	57	20,223,286	55
7,080,975	11	8,139,888	20	6,660,363	18
4,652	0	5,571	0	861	0
1,450,376	2	959,271	2	1,182,894	3
-	-	-	-	-	-
746,012	1	78,132	0	840,696	2
902,217	1	-	-	50,204	0
53,063	0	37,404	0	55,369	0
2,775,692	4	2,780,890	7	2,763,001	8
59,945,356	90	37,049,357	89	31,780,949	87
227,500	0	227,500	1	227,500	1
1,497,150	2	1,239,478	3	1,308,818	4
4,586,330	7	2,881,654	7	3,326,168	9
(215,818)	0	(297,957)	(1)	(292,419)	(1)
-	-	-	-	-	-
6,095,162	9	4,050,675	10	4,570,067	12
585,671	1	414,597	1	252,412	1
6,680,833	10	4,465,272	11	4,822,479	13
66,626,189	100	41,514,629	100	36,603,428	100

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 operating expenses/ (Total income - Direct expenes)
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

Integrated Reporting - Content Index

IR Reference	Para. No;	Description	Page No;/Note
1G	1.2	An integrated report should include a statement from those charged with governance	4
2B	2.4	Value created, preserved or eroded by an organisation over time manifests	61 to 64
2C	2.10	All organisations depend on various forms of capital for their success	91 to 164
2D	2.20	The process through which value is created, preserved or eroded is depicted	61 to 64
3A	3.3	Strategic focus and future orientation	65
3B	3.6	Connectivity of information	Connectivity of the information is maintained throughout the report
3C	3.10	Stakeholder relationships	48 to 49
	3.17	Materiality	50 to 57
	3.18	The materiality determination process	51
	3.21	Identifying relevant matters	50 to 57
3D	3.28	Prioritising important matters	50 to 57
3E		Conciseness	Concise IR report is available on pages 4 to 90
3F		Reliability and completeness	External Assurance on IR reporting is available on pages 480 to 482
3G		Consistency and comparability	Comparative information is provided for comparability and consistency pages 314 to 444
4A	4.4, 4.5, 4.6, 4.7	Organisational overview and external environment	69 to 80
4B	4.8	Governance	196 to 261
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	61 to 63
4D	4.23, 4.24, 4.25, 4.26	Risks and opportunities	165 to 182
4E	4.27, 4.28, 4.29	Strategy and resource allocation	58 to 59
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4H	4.41, 4.42, 4.43, 4.44, 4.45, 4.46, 4.47	Basis of preparation and presentation	323 to 325

Independent Assurance on Integrated Reporting

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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF FIRST CAPITAL HOLDINGS PLC ON THE INTEGRATED REPORT FOR THE YEAR ENDED 31 MARCH 2025

Conclusion

We have performed a limited assurance engagement on whether the Integrated Report of First Capital Holdings PLC for the year ended 31 March 2025 (the "Integrated Report") has been prepared in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework.

Based on the procedures performed and evidence obtained, as described below, nothing has come to our attention to cause us to believe that the Integrated Report of First Capital Holdings PLC for the year ended 31 March 2025 is not prepared, in all material respects, in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework.

This conclusion on the Integrated Report of First Capital Holdings PLC for the year ended 31 March 2025 does not extend to any other information that accompanies the Integrated Report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with the Sri Lankan 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 (CASL). 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 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and 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 our conclusions.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the Company's strategy or how the Company creates value, including the governance,

strategic management and other key business processes. The procedures we have performed in relation to the Company's strategy and how the Company creates value are outlined in the 'Summary of the work we performed as the basis for our conclusion'.

Criteria Used as the Basis of Reporting

The criteria used as a basis of reporting is the Content Elements of the IFRS Foundation's International <IR> Framework as disclosed in the Integrated Report.

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

Intended Purpose of our Report

We have been engaged by the Directors of First Capital Holdings PLC ("the Company") to provide limited assurance on whether the Integrated Report of First Capital Holdings PLC for the year ended 31 March 2025 (the "Integrated Report") has been prepared in accordance with the Content Elements of the IFRS Foundation's International <IR> Framework.

Restriction of use of our report

This report has been prepared for the Company for the purpose of providing an assurance conclusion on the Integrated Report 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 the Company, 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 the Company, for any purpose or in any other context. Any party other than the Company 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 permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent assurance report, or for the conclusions we have reached.

Responsibilities of the Board of Directors and Management

The Board of Directors and Management of First Capital Holdings PLC are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Company's Integrated Report such that it is free from material misstatement, whether due to fraud or error
- selecting suitable criteria for preparing the Integrated Report and appropriately referring to or describing the criteria used
- determining that the criteria is appropriate to meet the needs of intended users, being the company's members and any other intended users.
- preparing and presenting of the Integrated Report in accordance with the criteria set out in the IFRS Foundation's <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- ensuring the Company's strategy is well presented in the Company's Integrated Report and reflects how the Company creates value as they operate in practice
- identifying stakeholders and stakeholder requirements;
- identifying material issues and reflecting those in the Company's Integrated Report; and
- preparation and fair presentation of the Integrated reporting information; Design and implementation of internal controls that the company determines necessary to enable the preparation and presentation of the Integrated Report that is free from material misstatement, whether due to fraud or error.
- Informing us of any known and/or contentious issues relating to the Integrated Report.
- Preventing and detecting of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities;
- Process to ensure that the Company personnel involved with the preparation and presentation of the integrated reporting information are properly trained, systems are properly updated and that any changes in reporting is relevant to the integrated report information encompass all significant business units. This responsibility also includes informing us of any changes in the Company's operations.
- The responsibility also includes informing changes in the Company's operations since the date of our most recent assurance report on the Integrated reporting information.

Independent Assurance on Integrated Reporting

Inherent limitations in preparing the Integrated Report

The Integrated Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Integrated Report.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in the preparation of the Integrated Report and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Integrated Report because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance on whether the Company's Integrated Report, 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.

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 Integrated Report that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Company's Integrated Report and 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. Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the Report;
2. Reviewing of the relevant internal policies and procedures developed by the Company, including those relevant to determining what matters most to the Company's stakeholders, how the Company creates value, the Company's external environment, strategy, governance and reporting.
3. Reviewing the description of the Company's strategy and how the Company creates value in the Report and enquiring of management as to whether the description accurately reflects their understanding;
4. Assessing of the suitability and application of the Content Elements of the <IR> Framework in the Report;
5. Assessing of the alignment between the Company's strategy, the disclosures on how the Company creates value and what matters most to the Company's stakeholders.
6. Reviewing Board minutes to ensure consistency with the content of the Report.
7. Reviewing the Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.
8. Obtaining a letter of representation from management dated 5 June 2025 on the content of the Company's Integrated Report.

A limited assurance engagement is restricted primarily to enquiries and analytical procedures. 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.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of First Capital Holdings PLC.

CHARTERED ACCOUNTANTS
Colombo

5 June 2025

GRI Content Index

Statement of use	First Capital Holdings PLC has reported in accordance with the GRI Standards for the period from 1 April 2024 to 31 March 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

			Omission		
GRI standard/ Other source	Disclosure	Location	Requirement (s) omitted	Reason	Explanation
General disclosures					
GRI 2: WGeneral Disclosures 2021	2-1 Organisational details	322 and 497			
	2-2 Entities included in the organisation's sustainability reporting	322			
	2-3 Reporting period, frequency and contact point	322			
	2-4 Restatements of information				
	2-5 External assurance	487 to 489			
	2-6 Activities, value chain and other business relationships	61 to 63			
	2-7 Employees	124 to 141			
	2-8 Workers who are not employees		2-8 a, b, c	Not applicable	FCH does not engage workers who are not employees
	2-9 Governance structure and composition	201			
	2-10 Nomination and selection of the highest governance body	208			
	2-11 Chair of the highest governance body	208			
	2-12 Role of the highest governance body in overseeing the management of impacts	209			
	2-13 Delegation of responsibility for managing impacts	209			
	2-14 Role of the highest governance body in sustainability reporting	220			
	2-15 Conflicts of interest	214			
	2-16 Communication of critical concerns	218			
	2-17 Collective knowledge of the highest governance body	226			
	2-18 Evaluation of the performance of the highest governance body	210			
	2-19 Remuneration policies	215			
	2-20 Process to determine remuneration	216			
	2-21 Annual total compensation ratio		2-21 a,b,c	Confidentiality constraints	Constraints in disclosing total compensation ratio
	2-22 Statement on sustainable development strategy	215			

GRI standard/ Other source	Disclosure	Location	Omission		
			Requirement (s) omitted	Reason	Explanation
	2-23 Policy commitments	238			
	2-24 Embedding policy commitments	202			
	2-25 Processes to remediate negative impacts	213 to 214			
	2-26 Mechanisms for seeking advice and raising concerns	219			
	2-27 Compliance with laws and regulations	220			
	2-28 Membership associations	130			
	2-29 Approach to stakeholder engagement	202			
	2-30 Collective bargaining agreements		2-30 a,b	Not applicable	FCH Does not have collective agreements with its employees
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	51			
	3-2 List of material topics	51			
	3-3 Management of material topics	51			
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	68			
	201-2 Financial implications and other risks and opportunities due to climate change	182			
	201-3 Defined benefit plan obligations and other retirement plans	325			
	201-4 Financial assistance received from government		201-4 a,b,c	Not applicable	FCH does not receive any financial assistance from the government
Indirect economic impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	183			
	203-2 Significant indirect economic impacts	183			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	153			
	203-2 Significant indirect economic impacts	153			
Anti-corruption					

GRI standard/ Other source	Disclosure	Location	Omission		
			Requirement (s) omitted	Reason	Explanation
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	196			
	205-2 Communication and training about anti-corruption policies and procedures	196			
	205-3 Confirmed incidents of corruption and actions taken	217			
Anti-competitive behaviour					
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	151			
Tax					
GRI 207: Tax 2019	207-1 Approach to tax	344			
	207-2 Tax governance, control, and risk management	344			
	207-3 Stakeholder engagement and management of concerns related to tax	344			
	207-4 Country-by-country reporting		207-4 a,b,c	Not applicable	FCH does not have subsidiaries operating in overseas locations
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	162			
	302-2 Energy consumption outside of the organisation	162	302-2 a,b,c	Not applicable	FCH does not measure this
	302-3 Energy intensity	162	302-2 a,b,c	Not applicable	FCH does not measure this
	302-4 Reduction of energy consumption	162			
	302-5 Reductions in energy requirements of products and services	162	302-5 a,b,c	Not applicable	FCH's products and services do not consume energy
Emissions					
GRI 3: Material Topics 2021	305-1 Direct (Scope 1) GHG emissions	162			
	305-2 Energy indirect (Scope 2) GHG emissions	162			
	305-3 Other indirect (Scope 3) GHG emissions	162			
	305-4 GHG emissions intensity	162			

GRI standard/ Other source	Disclosure	Location	Omission		
			Requirement (s) omitted	Reason	Explanation
	305-5 Reduction of GHG emissions	162			
	305-6 Emissions of ozone-depleting substances (ODS)	-			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-			
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	124			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	139			
	401-3 Parental leave	139			
Training and education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	140			
	404-2 Programmes for upgrading employee skills and transition assistance Programmes	137			
	404-3 Percentage of employees receiving regular performance and career development reviews	138			
Diversity and equal opportunity					
GRI 405: Diversity and Equal opportunity	405-1 Diversity of governance bodies and employees	119			
	405-2 Ratio of basic salary and remuneration of women to men	124			
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	127			
Public Policy					
GRI 415: Public Policy 2016	415-1 Political contributions	214			
Customer privacy					
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	217			

Independent Assurance on Sustainability Reporting

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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF FIRST CAPITAL HOLDINGS PLC ON SUSTAINABILITY INDICATORS IN THE INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 (summarised in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	46
Non-Financial Highlights	60
Information provided on following	
Financial Capital	92 to 101
Manufactured Capital	102 to 107
Intellectual Capital	108 to 123
Human Capital	124 to 141
Social & Relationship Capital	142 to 157
Natural Capital	158 to 164

This conclusion on the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). 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 1 (SLSQM 1), Quality Management for Firms that Perform

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M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA
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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D Corea Dharmaratne

Independent Assurance on Sustainability Reporting

Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and 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 our conclusion.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Intended purpose of our Report

We have been engaged by the Directors of First Capital Holdings PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Restriction on use or distribution of our Report

This report has been prepared for the Directors of First Capital Holdings PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 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 the Company, 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 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.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31st March 2025 that are free from material misstatement, whether due to fraud or error.
- selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 and appropriately referring to or describing the criteria used; and
- preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 are 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.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 and 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:

- interviews with 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;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025;
- enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 Indicators, including the aggregation of the reported information;
- comparing the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Sustainability Indicators in the Integrated Annual Report of First Capital Holdings PLC for the year ended 31 March 2025 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;
- reading 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.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. 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.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of First Capital Holdings PLC.

CHARTERED ACCOUNTANTS
Colombo
5 June 2025

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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 institutions 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 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.

Glossary of Financial and Business Terms

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

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.

D

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.

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.

P

PARENT

A parent is an entity that has one or more subsidiaries.

POLICY RATES

The rates that are used by a Central Bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

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.

Glossary of Financial and Business Terms

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

Shareholders 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, Gampaha, Anuradhapura and Jaffna

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SECRETARIES

Janashakthi Corporate Services Limited
No. 324, 39 Floor, Mireka Tower, Havelock Road, Colombo 05

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 AUDITORS

Messrs Ernst & Young
No. 109, Rotunda Towers, Galle Road, Colombo 03

PRINCIPAL BANKERS

Seylan Bank PLC
Hatton National Bank PLC
Bank of Ceylon
People's Bank
Pan Asia Bank Corporation PLC
Commercial Bank of Ceylon PLC
Cargills Bank Limited
National Development Bank PLC
DFCC Bank PLC
Nations Trust Bank PLC
Sampath Bank 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 Wimalasekere

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 Wimalasekere	- 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

The Company has been assigned A+ (Stable) by Lanka Rating Agency Limited

CREDIT AGENCY STATUS

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 33rd Annual General Meeting (AGM) of First Capital Holdings PLC will be held as a virtual meeting on Monday, 30 June 2025 at 10.30 a.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 2025 together with the Report of the Auditors thereon.
2. To re-elect Ms. Manjula Mathews who retires by rotation in terms of Article 25 of the Articles of Association of the Company and offers herself for re-election.
3. To re-appoint Mr. Rajendra Theagarajah who was appointed the Board on 28 June 2024, in terms of Article 21(3) of the Articles of Association of the Company.
4. To re-appoint Ms. Gamamada Liyanage Inoshini Bernadine Neranjala Perera who was appointed to the Board on 28 June 2024, in terms of Article 21(3) of the Articles of Association of the Company.
5. To re-appoint Mr. Harsha Dilendra Wimalasekere who was appointed to the Board on 28 June 2024, in terms of Article 21(3) of the Articles of Association of the Company.
6. To re-appoint Ms. Rachini Dhanika Rajapaksa who was appointed the Board on 28 June 2024, in terms of Article 21(3) of the Articles of Association of the Company.
7. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.
8. To authorise the Directors to determine and make donations.

By Order of the Board,

(Sgd.)
Janashakthi Corporate Services Limited
Secretaries

5 June 2025

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, 26 June 2025, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on Monday, 30 June 2025.

   https://tinyurl.com/FCAGM2025-Registration

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 secretaries@jcsl.lk, fax to +94 112372498, WhatsApp to +94 773647178 or directly deposited at the Office of the Company Secretaries. 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.

Form of Proxy

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 Wimalasekere failing him
6. Ms. Rachini Rajapaksa 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 33rd Annual General Meeting of the Company to be held, as a virtual meeting on Monday, 30 June 2025 at 10.30 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' in the box of your choice against each Resolution.

No.	Resolution	For	Against
1.	Receiving of the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2025 together with the Report of the Auditor's thereon.		
2.	Re-election of Ms. Manjula Mathews as a Director, in terms of Article 25 of the Articles of Association of the Company.		
3.	Re-appointment of Mr. Rajendra Theagarajah as a Director, in terms of Article 21(3) of the Articles of Association of the Company.		
4.	Re-appointment of Ms. Gamamada Liyanage Inoshini Bernadine Neranjala Perera as a Director, in terms of Article 21(3) of the Articles of Association of the Company.		
5.	Re-appointment of Mr. Harsha Dilendra Wimalasekere as a Director, in terms of Article 21(3) of the Articles of Association of the Company.		
6.	Re-appointment of Ms. Rachini Dhanika Rajapaksa as a Director, in terms of Article 21(3) of the Articles of Association of the Company.		
7.	Re-appointment of Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorising the Directors to determine their remuneration.		
8.	Authorising Directors to determine and make donations.		

Signed on this.....day of 2025

Signature/s.....

.....
Shareholder's N.I.C./P.P./Co. Reg. No.

Form of Proxy

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 secretaries@jcsl.lk, fax +94 112372498, WhatsApp to +94773647178 or directly deposited at the office of Company Secretaries, Janashakthi Corporate Services Limited, Mireka Tower, Havelock City, Havelock Road, Colombo 06 not less than 48 hours before the time fixed for the Meeting. No registration of proxies will be accommodated after this deadline.

3. 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.

4. 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.

5. 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:

Notes

Notes