



CONFIDENCE AT THE
CORE



CONFIDENCE AT THE CORE

CSE CLEAR MARKS A DEFINING STEP IN STRENGTHENING MARKET INFRASTRUCTURE, BUILT ON A SHARED COMMITMENT TO DEEPEN TRUST IN POST-TRADE SYSTEMS AND ALIGN WITH GLOBAL STANDARDS. AT ITS CORE LIES A CLEAR PURPOSE - TO EMBED CONFIDENCE IN EVERY LAYER OF CLEARING AND SETTLEMENT. THIS IS ACHIEVED THROUGH STRONG GOVERNANCE, ANCHORED IN ACCOUNTABILITY, TRANSPARENCY, AND DISCIPLINED OVERSIGHT, SUPPORTED BY ROBUST CONTROLS AND CONSISTENT DECISION-MAKING. EQUALLY, A RESILIENT RISK MANAGEMENT FRAMEWORK HAS BEEN ESTABLISHED TO IDENTIFY, MEASURE, AND MITIGATE SYSTEMIC RISKS WITH PRUDENCE AND FORESIGHT. BUILT FOR TODAY AND SCALABLE FOR TOMORROW, CSE CLEAR STANDS AS A FOUNDATION OF STABILITY, INTEGRITY, AND ENDURING MARKET CONFIDENCE.

CONTENTS

ABOUT THE REPORT | 03
ABOUT CSE CLEAR | 04
BUSINESS UNITS | 05
MILESTONES | 06
PERFORMANCE HIGHLIGHTS | 07
CHAIRMAN'S MESSAGE | 08
CEO'S MESSAGE | 10
MESSAGE FROM HEAD OF CSE CLEAR | 12
BOARD OF DIRECTORS | 14
MANAGEMENT TEAM | 17

STEWARDSHIP

CORPORATE GOVERNANCE | 19
RISK MANAGEMENT | 24

STRATEGIC REPORT

OUR VALUE CREATION PROCESS | 28
STAKEHOLDER ENGAGEMENT | 30
STRATEGY OVERVIEW | 31
STRATEGIC ROADMAP 2026-2030 | 33
MATERIALITY ASSESSMENT | 34
OPERATING ENVIRONMENT | 36

BUSINESS LINES REVIEW | 39
FINANCIAL REVIEW | 41
OVERVIEW OF CAPITALS | 42

VALUE CREATION REPORT

MEMBERS | 44
REGULATORS | 47
COLOMBO STOCK EXCHANGE | 49
CENTRAL DEPOSITORY SYSTEMS | 51
SETTLEMENT BANKS | 53
EMPLOYEES | 54

FINANCIAL REPORTS

ANNUAL REPORT OF THE BOARD OF DIRECTORS
ON THE AFFAIRS OF THE COMPANY | 63
DIRECTORS' RESPONSIBILITY FOR FINANCIAL
REPORTING | 65
RISK & AUDIT COMMITTEE REPORT | 66

CSE CLEAR (PRIVATE) LIMITED

INDEPENDENT AUDITOR'S REPORT | 69
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME | 70
STATEMENT OF FINANCIAL POSITION | 71
STATEMENT OF CHANGES IN EQUITY | 72
STATEMENT OF CASH FLOWS | 73
NOTES TO THE FINANCIAL STATEMENTS | 74

CONTRIBUTORY GUARANTEE FUND

INDEPENDENT AUDITOR'S REPORT | 87
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME | 88
STATEMENT OF FINANCIAL POSITION | 89
STATEMENT OF CHANGES IN NET ASSETS | 90
STATEMENT OF CASH FLOWS | 91
NOTES TO THE FINANCIAL STATEMENTS | 92

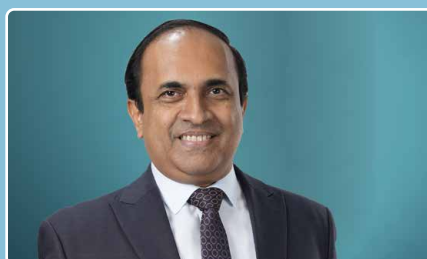
GRI INDEX | 95
CORPORATE INFORMATION / INNER BACK
COVER



CHAIRMAN'S MESSAGE

08

“ The establishment of a Central Counterparty is not the end of a reform. It is the beginning of an institution.”



CEO'S MESSAGE

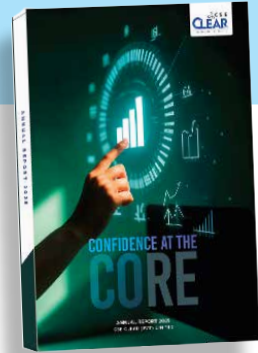
10

“ Looking ahead, CSE Clear will continue to deepen its role as a trusted partner within Sri Lanka's financial ecosystem. ”

ABOUT THE REPORT

GRI 2-2 2-3 2-5

Welcome to the First Integrated Annual Report of CSE Clear (Pvt) Ltd. As a fully-owned subsidiary of the Colombo Stock Exchange, CSE Clear plays a vital role in supporting the integrity, efficiency, and stability of Sri Lanka’s capital market through its clearing and settlement services. This report provides a transparent and balanced overview of our business model, value creation process, and strategic priorities within the CSE Group framework. It also offers insight into our operating environment, governance practices, and long-term outlook, reflecting our commitment to sustainable value creation for our stakeholders.



SCOPE

- CSE Clear operations started on 28th July 2025 as a fully-owned subsidiary of the Colombo Stock Exchange.
- This report presents both the financial and non-financial performance of CSE Clear (Pvt) Ltd for the financial year from launch to 31st December 2025.
- This report also includes financials for the Contributory Guarantee Fund (CGF).

ASSURANCE

The financial statements that form part of this report have been audited by external auditors, Messrs KPMG

REPORTING STANDARDS

Statutory Standards and Acts

- Sri Lanka Financial Reporting Standards
- Sri Lanka Auditing Standards
- Companies Act No. 7 of 2007
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021

Voluntarily Adopted Reporting Guidelines

- Integrated Reporting Framework of the International Reporting Council (IIRC)
- Global Reporting Initiative - GRI Standards (Core Option)
- International Organisation of Securities Commissions (IOSCO)
- Sustainable Development Goals (SDGs) - The UN initiative with 17 aspirational “Global Goals”
- Code of Best Practice of Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Sustainability Accounting Standards Board (SASB) Standards

BOARD RESPONSIBILITY FOR CORPORATE REPORTING

The Board acknowledges its responsibility to ensure that the Annual Integrated Report provides a balanced view of its performance in 2025. The report was unanimously approved by the Board on 26th May 2026 and is signed on its behalf by,

Arjuna Herath

Mr. Arjuna Herath
Chairman

Ruwan Manatunga

Mr. Ruwan Manatunga
Risk & Audit Committee
Chairman

Rajeeva Bandaranaike

Mr. Rajeeva Bandaranaike
Chief Executive Officer

This Integrated Annual Report has been prepared in accordance with the principles of the International Integrated Reporting Framework. These principles guide the structure and content of the report and support the provision of balanced, relevant, and reliable information to stakeholders

FEEDBACK

MR. KUSAL NISSANKA

**Executive Vice President
Finance & Administration**

4-1, West Block, World Trade Center,
Colombo 01.

Tel: +94 11 2356456

E-mail: finance@cse.lk



ONLINE

This report is available in PDF format at www.cseclear.lk



REPORTING PRINCIPLE

CSE Clear’s Integrated Annual Report Principles

- Strategic Focus**
Aligning with strategic objectives and future prospects
- Connectivity of Information**
Demonstrating interconnections between report elements
- Stakeholder Relationships**
Engaging with stakeholders and understanding their needs
- Materiality**
Focusing on information relevant to decision-making
- Conciseness**
Presenting information clearly and without unnecessary detail
- Reliability and Completeness**
Providing accurate and comprehensive information
- Consistency and Comparability**
Presenting information consistently over time and across organizations

> NAVIGATING THIS REPORT

Capitals Framework



FINANCIAL
CAPITAL



HUMAN
CAPITAL



SOCIAL &
RELATIONSHIP
CAPITAL



MANUFACTURED
CAPITAL



INTELLECTUAL
CAPITAL



NATURAL
CAPITAL

Stakeholder Map



CSE



CSE CLEAR MEMBERS



CDS



EMPLOYEES



REGULATORS



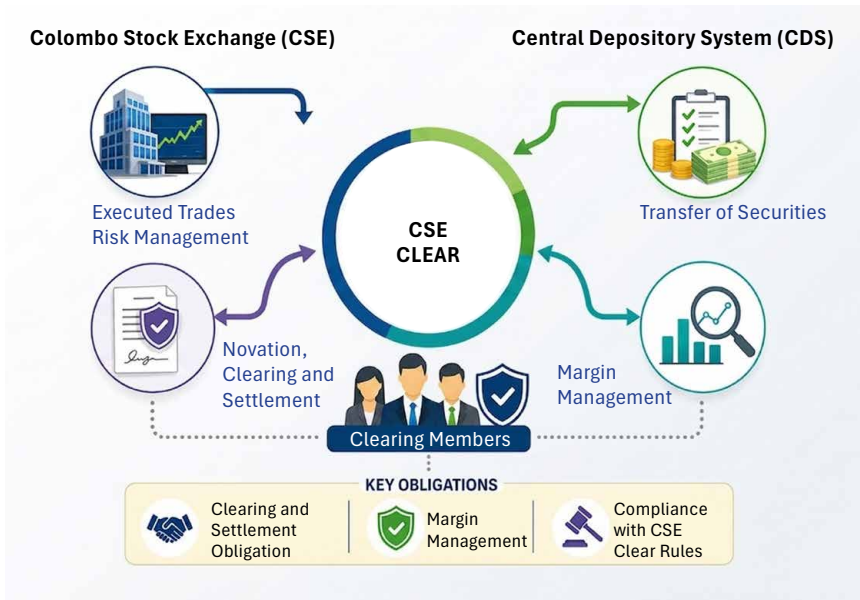
SETTLEMENT BANKS

ABOUT US

GRI 2-1 2-2 2-23

CSE CLEAR AT A GLANCE

CSE Clear (Pvt) Ltd was established as a fully-owned subsidiary of the Colombo Stock Exchange to operate as the Central Counterparty (CCP) for equity trades executed on the CSE. It is licensed as a Clearing House under the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021. CSE Clear commenced operations on 28 July 2025, marking a key milestone in the strengthening of Sri Lanka’s post-trade market infrastructure.




The establishment of CSE Clear follows the introduction of a Delivery versus Payment (DvP) settlement mechanism in August 2021, under which securities are delivered only upon the completion of payment. Supported by a comprehensive margin framework, the DvP model reduced settlement and asset commitment risk and represented a phased transition towards central counterparty clearing. As trading volumes and market complexity increased, the limitations of a bilateral settlement structure underscored the need for a more scalable and resilient clearing framework.

OUR MANDATE


CSE Clear is mandated to provide clearing and settlement services for trades executed on the Colombo Stock Exchange and to act as the central counterparty for all equity trades executed on the exchange. By interposing itself between buyers and sellers, CSE Clear guarantees the performance of contractual obligations arising from market transactions, thereby ensuring the timely and final settlement of securities and funds.

The establishment of CSE Clear reflects the increasing scale, complexity, and systemic importance of Sri Lanka’s capital market, as well as the need to strengthen market infrastructure in line with evolving regulatory expectations and international standards. Through the centralisation of counterparty risk management, CSE Clear replaces bilateral exposures among clearing members with a single, regulated, and well-capitalised clearing entity.


In fulfilling its mandate, CSE Clear mitigates settlement and systemic risk, enhances market integrity and resilience, and supports financial stability. Its operations contribute to maintaining orderly market conditions, protecting market participants, and reinforcing confidence in Sri Lanka’s capital market ecosystem. By establishing a central counterparty, the Colombo Stock Exchange aligns its market infrastructure with global capital market standards and creates a scalable foundation for the future introduction of products such as derivatives, beyond the limitations of bilateral trading.




Risk Management




Data Transparency



Regulatory Compliance



Global Alignment



Market Confidence

OUR VISION

To be a globally trusted central counterparty delivering robust clearing and settlement infrastructure

OUR MISSION

To provide secure, timely, and reliable clearing and settlement services through prudent risk management, advanced technology, and strong governance, while ensuring market integrity, investor protection, and sustainable market growth.

OUR VALUES

- Integrity
- Passion
- Care
- Professionalism
- Teamwork
- Agility

BUSINESS UNITS

Operational Structure

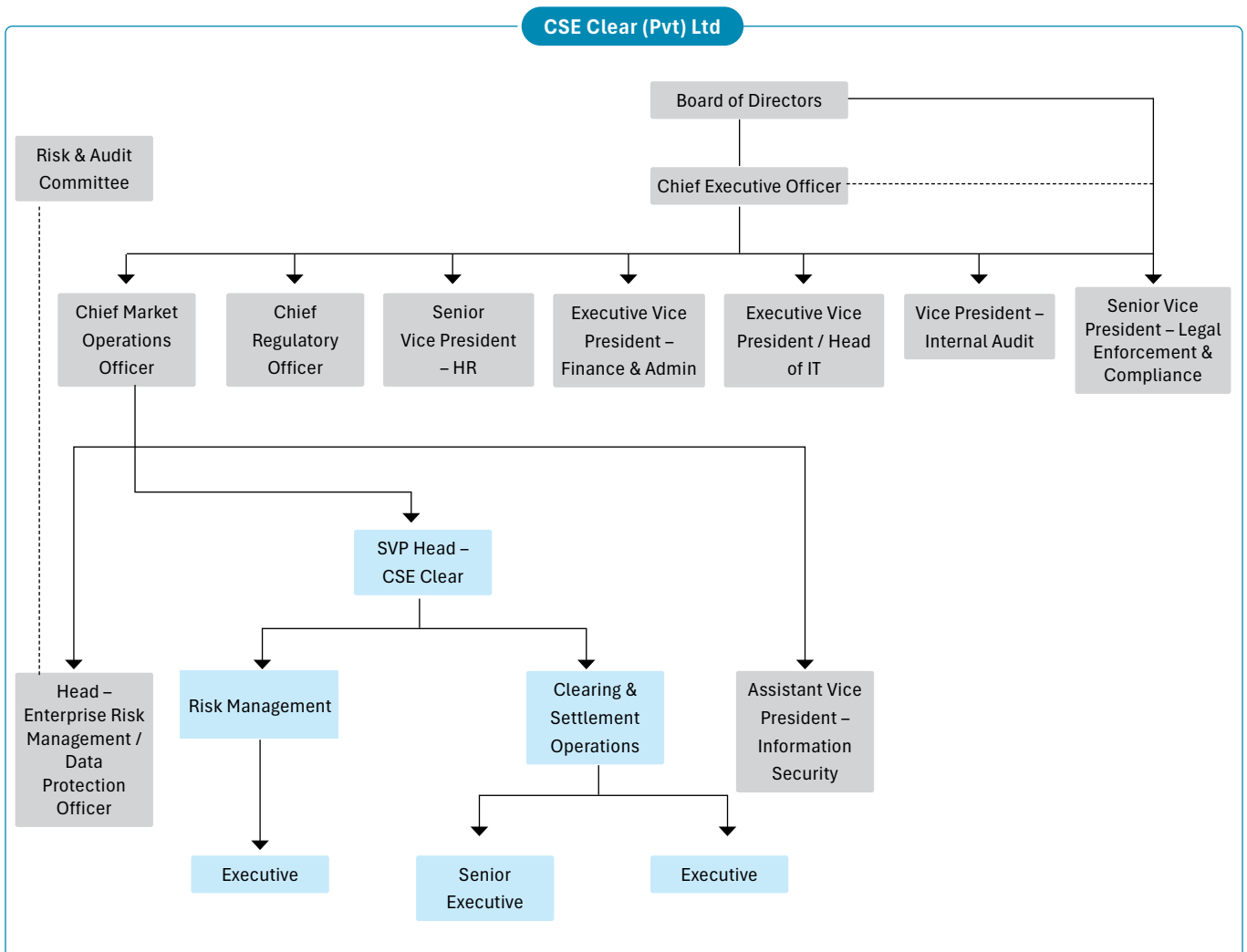
CSE Clear operates through two core business units: Clearing and Settlement Operations and Clearing House Risk Management. This structure reflects the Company’s commitment to maintaining a clear segregation between operational execution and independent risk oversight, which is fundamental to the Central Counterparty model.

The Clearing and Settlement Operations function is responsible for the efficient processing of post-trade activities, including trade settlement, securities lending and borrowing (SBL) operations, default management, and clearing member compliance. Complementing this, the Clearing House Risk Management function oversees margin and collateral management, as well as ongoing risk monitoring and quality assurance, ensuring that exposures are effectively managed and aligned with established risk frameworks.

Together, these units form the operational backbone of CSE Clear, enabling the delivery of secure, efficient, and resilient clearing services in line with international best practices.

Organisational Structure

The organizational structure for CSE Clear reflects a governance framework built on clear accountability, functional independence, and robust risk oversight.



MILESTONES

LICENSED TO FUNCTION AS A CLEARING HOUSE FOR CSE TRANSACTIONS – JANUARY 2025

The Company received the license from the Securities & Exchange Commission (SEC) of Sri Lanka to function as a Clearing House for Colombo Stock Exchange (CSE) Transactions.



ESTABLISHMENT OF THE CONTRIBUTORY GUARANTEE FUND – JUNE 2025

A key risk management milestone was achieved with the establishment of the Contributory Guarantee Fund, reinforcing market confidence and ensuring greater protection and stability within the clearing ecosystem.

COMMENCEMENT OF OPERATIONS & BELL RINGING CEREMONY AT THE CSE – JULY 2025

Operations of CCL officially commenced on 28th July 2025, marking a significant step forward in strengthening Sri Lanka's capital market infrastructure. This milestone laid the foundation for a more efficient and secure clearing and settlement framework.

The commencement of operations was commemorated with a bell ringing ceremony at the Colombo Stock Exchange, symbolizing a new chapter in market evolution and institutional progress.

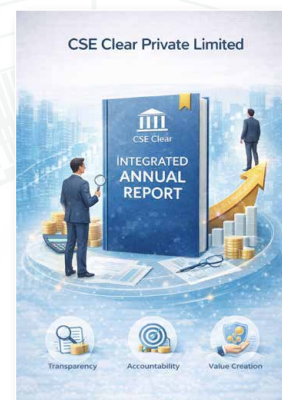


RELOCATION TO NEW OFFICE PREMISES – RAJAGIRIYA

CCL established its presence in a new office premises in Rajagiriya, creating a dedicated and modern workspace designed to support operational efficiency and future growth.

ISSUANCE OF THE FIRST INTEGRATED ANNUAL REPORT

CCL marked another important milestone with the issuance of its first Integrated Annual Report, reflecting its commitment to transparency, accountability, and value creation from inception.



PERFORMANCE HIGHLIGHTS

CLEARING MEMBER FEES

(Rs.)

144 Mn

PROFIT BEFORE TAX

(Rs.)

90 Mn

PROFIT AFTER TAX

(Rs.)

62 Mn

TOTAL ASSETS

(Rs.)

1,167 Mn

TOTAL LIABILITIES

(Rs.)

596 Mn



37

CLEARING
MEMBERS

Rs. **542 Mn**

CLEARING MEMBER
MARGINS

100%

SYSTEM
UPTIME

Rs. **307 Mn**

CONTRIBUTORY
GUARANTEE FUND



CHAIRMAN'S MESSAGE

“ THE ESTABLISHMENT OF A CENTRAL COUNTERPARTY IS NOT THE END OF A REFORM. IT IS THE BEGINNING OF AN INSTITUTION. ”

Dear Shareholders,

There are moments in the life of a capital market that, viewed in hindsight, prove to have been more consequential than they appeared at the time. The operationalisation of CSE Clear on 28 July 2025 is, I believe, one of those moments, and this first Annual Report is both a record of how we arrived here and a reflection on what it means for the market we are collectively responsible for.

The establishment of Sri Lanka's first licensed clearing house addresses something that capital markets at every stage of development must eventually confront the difference between managing risk through convention and eliminating it through structure. Settlement risk in this market had long been managed with discipline, and the system functioned. But functioning is not the same as resilience, and resilience is not the same as credible at an international standard. CSE Clear closes that gap, and in doing so, places Sri Lanka's post-trade infrastructure on a footing that is both structurally sound and globally recognised.

“THE RESPONSIBILITY WE CARRY IS TO ENSURE THAT WHAT HAS BEEN BUILT HERE CONTINUES TO SERVE THE MARKET WITH INTEGRITY, TO ADAPT AS THE CAPITAL MARKET EVOLVES, AND TO REMAIN, ALWAYS, A SOURCE OF CONFIDENCE FOR THE INVESTORS WHOSE TRUST UNDERPINS EVERYTHING WE DO.”

A MEASURED JOURNEY

What strikes me, looking back over the journey that brought us here, is how much the method reflects the ambition. This was not a reform introduced quickly and left to prove itself under live conditions. The foundations were laid in 2021 with the introduction of Delivery versus Payment at the Colombo Stock Exchange. Legal opinions were sought, regulatory frameworks were developed and tested in consultation with the Securities and Exchange Commission, and market participants were brought along through a deliberate and transparent process of preparation.

When the Clearing House License was granted in January 2025 and the market went live in July, it did so with the confidence that comes from having done the work properly.

That measured approach matters beyond the technical. It speaks to a culture of institutional seriousness that a clearing house, above all else, must embody.

WHAT WE HAVE BUILT

At its core, CSE Clear is an institution built on trust - and trust, in this context, is not a sentiment but a structure. It is expressed through a risk framework designed to remain robust through varying market conditions, through the capital safeguards of the Contributory Guarantee Fund, and through the governance arrangements that ensure this institution is held to account at every level. The Board has been constituted with that accountability in mind, and the oversight it exercises is neither procedural nor perfunctory.

Equally important, though less visible, is the operational and technological infrastructure that makes the clearing function dependable day after day. For an institution of systemic importance, reliability is not a feature - it is the foundation upon which everything else rests. The systems underpinning CSE Clear were rigorously tested before go-live, and continued investment in resilience and security will remain a standing commitment as the market grows.

THE ROAD AHEAD

The establishment of a Central Counterparty is not the end of a reform. It is the beginning of an institution. And institutions earn their place not at launch, but through the quality and consistency of what they do year after year, in conditions both favourable and difficult. The responsibility we carry is to ensure that what has been built here continues to serve the market with integrity, to adapt as the capital market evolves, and to remain, always, a source of confidence for the investors whose trust underpins everything we do.

Sri Lanka's capital market is at an inflection point. The infrastructure is now in place.

The question is what we build upon it - and I believe the answer, pursued with patience and discipline, can be genuinely significant.

WITH APPRECIATION

A milestone of this kind is never the achievement of any single person or body. I am grateful to the Board and staff of CSE Clear for the dedication and professionalism they have brought to this endeavour - in particular during the demanding final stages of preparation and go-live. The strategic leadership and sustained support of the Colombo Stock Exchange made this institution possible, and the constructive guidance of the Securities and Exchange Commission throughout the licensing process was indispensable. I extend my sincere thanks also to the stockbroker firms, custodian banks, settlement banks, legal advisors, system vendors, and Clearing Members whose cooperation ensured that the transition to the new framework was smooth, orderly, and confidence-inspiring.

The ultimate beneficiary of all of this work is the investor - and through them, the long-term credibility and depth of Sri Lanka's capital market. That is the purpose of this institution was built to serve, and it is the standard against which we should always measure ourselves.



Arjuna Herath
Chairman
CSE Clear (Pvt) Limited

26th May 2026



CEO'S MESSAGE

“LOOKING AHEAD, CSE CLEAR WILL CONTINUE TO DEEPEN ITS ROLE AS A TRUSTED PARTNER WITHIN SRI LANKA'S FINANCIAL ECOSYSTEM.”

I am pleased to present our inaugural annual report reflecting our work to build a stronger, more resilient, and more trusted post-trade ecosystem. Our theme for this year, “Confidence at the Core,” captures the very essence of our mandate and the role we play within the market. To that end, 2025 marked the establishment and operational launch of CSE Clear (Pvt) Ltd, the Central Counterparty (CCP) for the Colombo Stock Exchange.

A STRONG FOUNDATION

Capital markets thrive on trust. Every transaction executed on the exchange represents a commitment between buyers and sellers, supported by a network of intermediaries, custodians, clearing banks, and regulators. As the Central Counterparty, CSE Clear stands at the centre of this ecosystem, transforming bilateral exposures into a secure and structured clearing framework. As an intermediary between trading parties, we minimize counterparty risk and ensure that market participants operate within a robust, transparent, and well-governed system.

“WE WILL FOCUS ON STRENGTHENING RISK FRAMEWORKS, ENHANCING OPERATIONAL RESILIENCE, AND SUPPORTING THE CONTINUED DEVELOPMENT OF THE COUNTRY'S CAPITAL MARKETS.”

Since commencing operations on 28 July 2025, our focus has been on establishing reliable processes, disciplined risk management practices, and strong operational capabilities. Through centralized clearing, we have begun to harmonize post-trade activities across the market, improving efficiency while strengthening safeguards that protect the integrity of the financial system.

ESTABLISHING THE CONTRIBUTORY GUARANTEE FUND

An important pillar of this framework is the Contributory Guarantee Fund, which serves as a collective risk management mechanism designed to protect the marketplace during periods of stress. During the year, CSE Clear contributed Rs. 250 million as its initial commitment toward building this shared safeguard. This fund represents a critical layer of protection, reinforcing confidence among market participants and ensuring the stability of the clearing and settlement process.

FINANCIAL REVIEW

Financially, our first year of operations reflects a solid and encouraging start. The Company recorded net investment income of Rs. 45 million and achieved a net profit after tax of Rs. 62 million. Our primary revenue stream is derived from clearing fees, complemented by a share of the CDS fee structure, while expenses were carefully managed as we invested in the systems, people, and infrastructure required to support a secure clearing environment.

Our balance sheet also strengthened significantly during the year, with total assets increasing to Rs. 1.17 billion. This was supported by the establishment of the Contributory Guarantee Fund and a strong liquidity position, ensuring readiness to meet both operational and risk management requirements. The recognition of brokers' liquidity and margin deposits reflects the Company's central role in the market structure, while a solid equity base of Rs. 572 million and improved net asset value per share of Rs. 11.43 underscores our financial resilience.

While these results are encouraging, our achievements extend beyond financial performance. Our greatest accomplishment this year has been the establishment of a modern clearing company, built on strong institutional foundations and aligned with global best practices in risk management, governance, and market infrastructure.

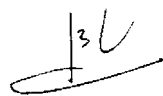
OUR PLANS

Looking ahead, CSE Clear will continue to deepen its role as a trusted partner within Sri Lanka's financial ecosystem. We will focus on strengthening risk frameworks, enhancing operational resilience, and supporting the continued development of the country's capital markets. As market participation grows and financial products evolve, paving the way for more complex products such as derivatives, our responsibility will remain clear: to safeguard the clearing and settlement process and ensure that confidence remains firmly at the core of every transaction.

ACKNOWLEDGEMENTS

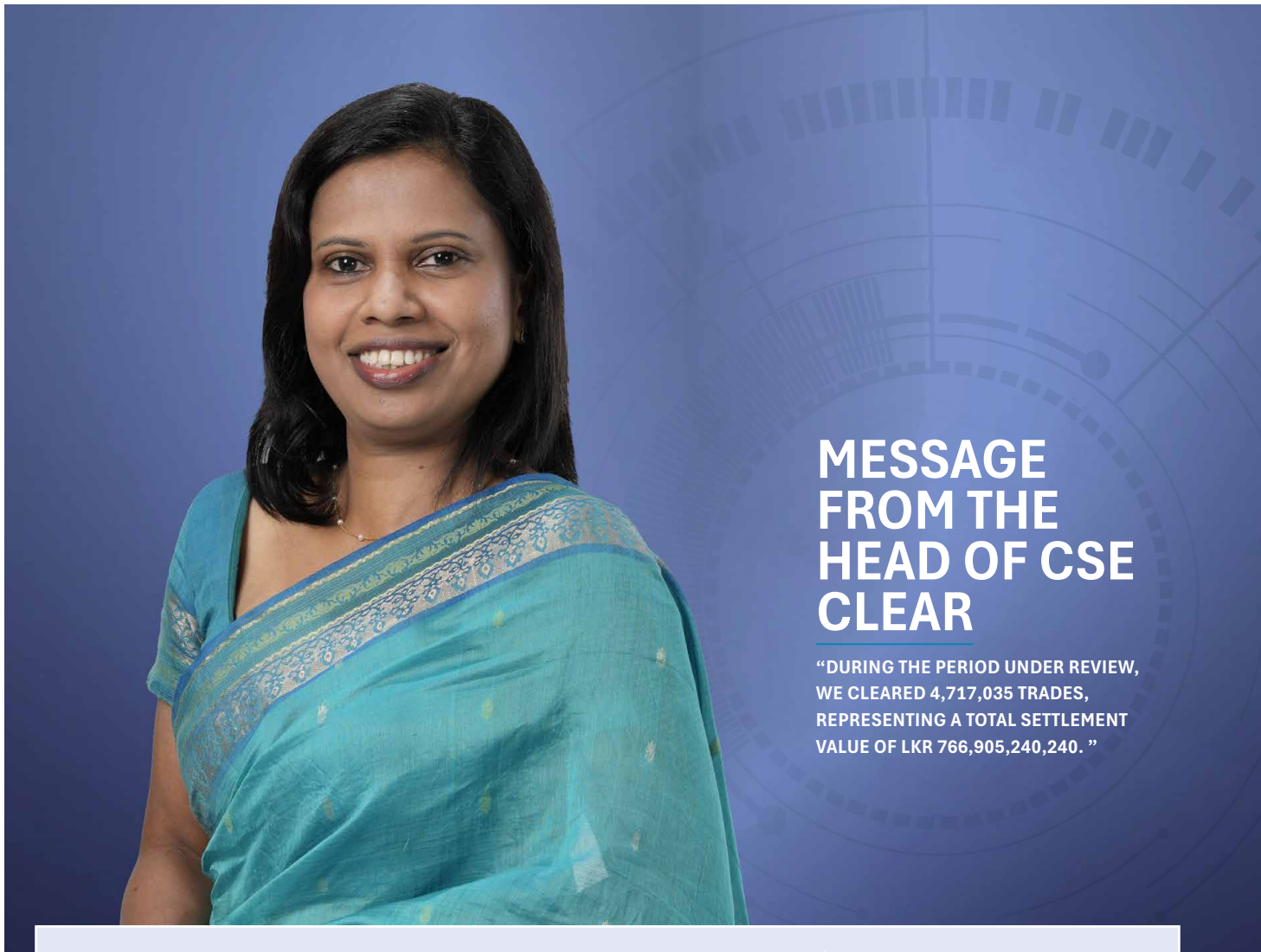
I would like to extend my sincere appreciation to the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka, market intermediaries, clearing banks, custodians, and all stakeholders who supported the successful establishment of CSE Clear. I also wish to thank our dedicated team, whose expertise and commitment have been instrumental in achieving these milestones in such a short period.

Together, we are building a stronger market infrastructure - one that promotes transparency, stability, and trust. With confidence at the core, we look forward to supporting the sustainable growth and resilience of Sri Lanka's capital markets in the years ahead.



Rajeeva Bandaranaike
Chief Executive Officer
CSE Clear (Pvt) Ltd

26th May 2026



MESSAGE FROM THE HEAD OF CSE CLEAR

“DURING THE PERIOD UNDER REVIEW, WE CLEARED 4,717,035 TRADES, REPRESENTING A TOTAL SETTLEMENT VALUE OF LKR 766,905,240,240. ”

It is with great pride that I present the inaugural Annual Report of CSE Clear - marking a significant milestone in our journey and a pivotal step forward in the evolution of Sri Lanka's capital market infrastructure. While our operations commenced in the latter part of the financial year, the period under review represents a critical foundational phase, during which we established the core frameworks necessary for sustainable, long-term growth.

ESTABLISHING A STRONG FOUNDATION

The establishment of CSE Clear is a landmark achievement for the market. It reflects a shared commitment to strengthening post-trade infrastructure, enhancing participant confidence, and aligning domestic market practices with international standards. From inception, our focus has been clear: to build trust in the clearing and settlement ecosystem through strong governance, operational integrity, and disciplined risk management.

“A KEY PRIORITY DURING THIS INITIAL PHASE HAS BEEN THE ESTABLISHMENT OF A RESILIENT RISK MANAGEMENT FRAMEWORK.”

GOVERNANCE AND OPERATIONAL INTEGRITY

We have implemented a robust governance framework anchored in clearly defined roles, accountability structures, and oversight mechanisms. This is supported by comprehensive policies, standardized procedures, and internal controls designed to ensure transparency, consistency, and sound decision-making - cornerstones of any credible financial market infrastructure.

BUILDING A ROBUST RISK MANAGEMENT FRAMEWORK

A key priority during this initial phase has been the establishment of a resilient risk management framework. Given the systemic importance of a clearing house, effective risk identification, measurement, and mitigation are fundamental. Our approach has been both prudent and forward-looking - building baseline capabilities that are proportionate to current market activity, while ensuring scalability to support future growth and increased market complexity.

OPERATIONAL PERFORMANCE AND PROGRESS

Within a relatively short operational window of five to six months, CSE Clear has successfully transitioned from concept to execution, demonstrating operational readiness, resilience, and strategic clarity. Continuous process refinement has enhanced accuracy, efficiency, and timeliness across post-trade functions. These efforts have strengthened confidence among market participants and contributed to the smooth functioning of the clearing and settlement ecosystem.

During the period under review, we cleared 4,717,035 trades, representing a total settlement value of LKR 766,905,240,240. In addition, we maintained an average daily margin of LKR 1,359,295,544 - underscoring the strength and effectiveness of our risk management framework.

ACKNOWLEDGING OUR PARTNERS

These achievements would not have been possible without the collective efforts and commitment of our stakeholders. I extend my sincere appreciation to our Regulator for their guidance and oversight in shaping a robust and resilient clearing framework aligned with global best practices. I also thank our Chairman and Board of Directors for their strategic direction and steadfast commitment to strong governance.

My gratitude extends to our CEO, CMO, CRO, and the management team for their leadership and dedication in operationalizing our vision. I would also like to acknowledge our Clearing Members for their confidence and active participation, which have been instrumental in building a trusted ecosystem. Finally, I commend our staff and internal teams whose professionalism, expertise, and resilience have been central to our progress.

LOOKING AHEAD

As we look ahead, we enter the next phase of our journey with confidence and a clear strategic focus. Strengthening and enhancing our risk management capabilities will remain a core priority - through advanced stress testing, refined margin methodologies, and continued alignment with evolving global standards.

At the same time, we are well-positioned to expand the scope of our services in line with market development. As the capital market matures, CSE Clear aims to support new asset classes, including derivatives and other sophisticated financial instruments. This expansion will be undertaken in a measured and disciplined manner, ensuring that innovation is underpinned by robust systems, expertise, and risk controls.

In closing, this inaugural report marks the beginning of a significant journey. While the operational period has been relatively brief, the progress achieved to date establishes a strong platform for the future. CSE Clear remains firmly committed to enhancing market confidence, supporting sustainable growth, and playing a central role in the continued development of Sri Lanka's capital market.

I look forward to working together as we continue to build a resilient, future-ready clearing infrastructure that will underpin the next phase of growth in Sri Lanka's capital market.



Dulani Warnakulasooriya
Head of CSE Clear

26th May 2026

BOARD OF DIRECTORS



From left to right

**Mr. Ray Abeywardena - Director | Mr. Ruwan Manatunga - Director | Mr. Arjuna Herath - Chairman |
Mr. Sujeewa Peiris - Director | Mr. Suren De Silva - Director**



MR. ARJUNA HERATH

Chairman

With effect from 03rd April 2024

Non-Executive Director

Appointed: 03rd April 2024

Skills & Experience:

A Senior Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Bachelor of Science degree from the University of Colombo, a MBA from the University of Strathclyde in the United Kingdom and a Master of Arts in Financial Economics from the University of Colombo. Extensive industry experience of over three decades in serving numerous clients in the Public Sector and in the Private Sector and actively involved in areas of Economy, Capital Markets, Investments, Corporate Transformation & Restructuring, Corporate Planning, Performance Improvement, Corporate Governance, Technology, Accounting, Auditing and Professional Accountancy Organizations.

Other Current Appointments

- ▣ Non-Executive Director of several Private Sector Companies
- ▣ Director, Colombo Stock Exchange
- ▣ Director, Central Depository Systems (Pvt) Ltd.

Previous Appointments

- ▣ Senior Partner and Head of Consulting, Ernst & Young, Sri Lanka and Maldives.
- ▣ Chairman, Board of Investment of Sri Lanka
- ▣ Chairman, Data Protection Authority of Sri Lanka.
- ▣ A Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board.
- ▣ A Commissioner, Securities and Exchange Commission of Sri Lanka.
- ▣ Director Corporate Finance, Merchant Bank of Sri Lanka Ltd.

- ▣ Marketing Development Manager at Ceylon Tobacco Company.
- ▣ Chairman, Professional Accountancy Organization Development Committee of the IFAC.
- ▣ Past President, The Institute of Chartered Accountants of Sri Lanka.
- ▣ Past President, The South Asian Federation of Accountants.
- ▣ Board Member, Confederation of Asia Pacific Accountants



MR. RAY ABEYWARDENA

Director

Non-Executive Director

Appointed: 21st March 2016

Skills & Experience:

Mr. Ray Abeywardena has been associated with Sri Lanka's capital markets for over 40 years, primarily as a Stockbroker and since 2009 as an Investment Banker. Mr. Abeywardena is a Certified Management Accountant (Australia), a member of the Chartered Institute of Marketing (UK) and holds a Master's Degree in Business Administration from the University of Wales.

Other Current Appointments

- ▣ Managing Director, HNB Investment Bank (Pvt) Ltd.
- ▣ Chairman, HNB Stockbrokers (Pvt) Ltd and HNB Securities Ltd.
- ▣ Director, Lanka Ventures PLC and Lanka Energy Fund PLC
- ▣ Member of the Port City Economic Commission 2025 to date.
- ▣ Member of the Sri Lanka Institute of Directors
- ▣ Chairman, Central Depository Systems (Pvt) Ltd.
- ▣ Director, Colombo Stock Exchange.

Previous Appointments

- ▣ He served as Chairman of the Colombo Stock Exchange from 2017 to 2020
- ▣ Managing Director/CEO of Acuity Stockbrokers (Pvt) Ltd from 2001 to end 2008
- ▣ Past Chairman of the Colombo Stock Brokers' Association (CSBA).



MR. SUJEW PEIRIS

Director

Non-Executive Director

Appointed: 03rd April 2024

Skills & Experience:

An Investment Advisor by profession with a career spanning over 35 years in the Capital Market industry, he has built a very strong investment advisory team spread across key strategic/commercial districts of the country. He has been instrumental in introducing many high net worth and Institutional investors and has executed numerous acquisitions, takeovers, and sales of strategic stakes of listed entities in the CSE.

Other Current Appointments

- ▣ Director/Chief Executive Officer, Bartleet Religare Securities (Pvt) Ltd.
- ▣ Non-Executive Director, Kelani Valley Plantations PLC.
- ▣ Director, Colombo Stock Exchange.

Previous Appointments

- ▣ Independent Non-Executive Director, Dipped Products PLC

BOARD OF DIRECTORS



MR. SUREN DE SILVA

Director

Non-Executive Director

Appointed: 03rd April 2024

Skills & Experience:

28 years as an Attorney-at-Law and as a legal practitioner mainly focused on commercial, corporate and admiralty work and advising on Project Finance transactions. Master's in Law, University College London (University of London) (1997-1998). Emphasis on regulation of financial markets, law and practice of foreign investment in emerging economies, privatization. LLB (Hons.) (University of Wales College of Cardiff) (1993-1995). Attorney-at-Law, Supreme Court of the Democratic Socialist Republic of Sri Lanka (June 1997) of Gray's Inn, Barrister-at-Law (England and Wales) (July 1996).

Other Current Appointments

- ▣ Counsel/Consultant Special Projects, D.L. & F. De Saram Attorneys-at-Law.
- ▣ Director, Colombo Stock Exchange.
- ▣ Non-Executive Independent Director, CT Holdings PLC and Cargills (Ceylon) PLC

Previous Appointments

- ▣ Former State Counsel - Attorney General's Department from 1999-2003.
- ▣ Advisory capacity for projects undertaken by State Institutions, Statutory Boards, Ministries, Government agencies, International Organizations and overseas companies, advising and representing parties in Commercial Arbitrations.
- ▣ Member, National Intellectual Property Commission, from 2002 to 2004.



MR. RUWAN MANATUNGA

Director

Non-Executive Director

Appointed: 13th June 2024

Skills & Experience:

A Member of Chartered Global Management Accountant (CGMA) and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and the Chartered Institute of Management Accountants of the United Kingdom (FCMA – UK).

Mr. Ruwan Manatunga has a wealth of experience spanning over two decades in the banking and finance sectors and currently holds the position of Executive Vice President - Chief Risk Officer at Hatton National Bank PLC.

Other Current Appointments

- ▣ Chief Strategy Officer and DGM - Corporate Banking at Hatton National Bank PLC.
- ▣ Held several senior positions in Ernst & Young and at HSBC Bank.

MANAGEMENT TEAM



Mr. Rajeeva Bandaranaike
Chief Executive Officer



Ms. Dulani Warnakulasooriya
Senior Vice President - Head of
CSE Clear



Mr. Chandrakanth Jayasinghe
Chief Market Operations
Officer



Ms. Nilupa Perera
Chief Regulatory Officer



Mr. Kusal Nissanka
Executive Vice President
Finance and Administration



Mr. Kaushal Siriwardena
Executive Vice President
Head of Information Technology



Ms. Shivandini Liyanage
Senior Vice President
Legal, Enforcement & Compliance



Ms. Anoja Senanayake
Senior Vice President
Human Resources



Ms. Kushlani Coswatte
Vice President
Internal Audit



Mr. Chinthaka Weerasinghe
Assistant Vice President
Information Security



Mr. Dinushan Godewitharana
Head
Enterprise Risk Management



CREATING VALUE THROUGH STEWARDSHIP

Through prudent decision-making, market expertise, and responsible governance, we create sustainable value for investors, clients, and stakeholders while contributing to the advancement of Sri Lanka's capital markets.

CORPORATE GOVERNANCE

GRI	2-1	2-2	2-9	2-12	2-23	2-28
-----	-----	-----	-----	------	------	------

OUR APPROACH TO GOVERNANCE

CSE Clear is committed to maintaining the highest standards of corporate governance, ensuring transparency, accountability and integrity in all its operations. The Company's governance framework is designed to support its role as a licensed clearing house, safeguard stakeholder interests, and ensure full compliance with applicable laws, regulatory requirements and established governance best practices.

LEGAL FORM OF CSE CLEAR (PVT) LTD

CSE Clear (Pvt) Ltd is a wholly-owned subsidiary of the Colombo Stock Exchange, incorporated as a limited liability company. The Company operates under license granted by the Securities and Exchange Commission of Sri Lanka and performs its role as a licensed Clearing House for transactions executed on the CSE.

GOVERNANCE FRAMEWORK

The governance framework of CSE Clear is based on:

- ▣ Companies Act No. 7 of 2007
- ▣ Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
- ▣ Articles of Association of CSE Clear
- ▣ Board Charter and Committee Terms of Reference
- ▣ Code of Best Practice on Corporate Governance issued by CA Sri Lanka

AMENDMENTS TO BOARD CHARTER / TERMS OF REFERENCE 2025

Provisions relating to the prevention of conflicts of interest by the Directors have been strengthened to increase transparency.

An Information Disclosure Policy has been introduced to enhance transparency.

A Board Evaluation Policy has been incorporated to periodically assess the performance of the Board.

A requirement to conduct a self-evaluation by each Director of the CSE Clear has been introduced to assess the contribution made by each Director to the conduct of the Board's affairs.

TOR of the Risk and Audit Committee has been amended by including a new Clause under Committee's responsibilities in relation to the Internal Audit Function.

Provisions addressing qualifications and competencies of Directors have been introduced.

Amendment to Responsibilities of Directors to ensure adherence by Directors of CSE Clear to the SEC Act and the applicable Rules.

GOVERNANCE STRUCTURE

CSE Clear operates under a single-tier Board structure. The Board of Directors is the highest governance body and is responsible for strategic direction, oversight of management, regulatory compliance, risk governance and safeguarding stakeholder interests.

CSE Clear is a wholly-owned subsidiary of the Colombo Stock Exchange, which nominates the Chairman in accordance with the Articles of Association.

The Board is supported by formally constituted Board Sub-Committees with clearly defined Terms of Reference.

BOARD COMPOSITION

As at the reporting date, the Board comprised the following Non-Executive Directors:

Mr. Arjuna Herath
Chairman

Mr. Ray Abeywardena
Director

Mr. Suren De Silva
Director

Mr. Sujeeva Peiris
Director







Mr. Ruwan Manatunga
Director

- ▣ All Directors serve in a Non-Executive capacity.
- ▣ All Directors are appointed by the Holding Company.
- ▣ All appointments are subject to SEC approval.
- ▣ The number of Directors shall not be less than five (05) and not more than ten (10), in accordance with the Articles of Association

CORPORATE GOVERNANCE

GRI	2-10	2-11	2-19	2-20	2-23	2-24	2-25	2-26	2-27
-----	------	------	------	------	------	------	------	------	------

BOARD RESPONSIBILITIES

 Strategic and Operational Oversight	 Governance and Regulatory Compliance	 Risk Management and Internal Control	 Board and Management Oversight	 Ethical Conduct and Conflict Management	 Sustainability and Impact Oversight
Reviewing and approving strategic plans and corporate objectives	Ensuring compliance with the Companies Act No. 7 of 2007	Establishing and maintaining an effective risk management framework	Approving the appointment of Directors (subject to SEC approval and appointment by the Holding Company)	Upholding fiduciary duties of loyalty, integrity and acting in the best interests of the Company.	Ensuring that CSE Clear operates in a manner that protects market integrity and financial stability.
Monitoring performance against approved strategies and business plans	Ensuring adherence to the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021	Ensuring the adequacy and effectiveness of internal control systems	Approving the appointment of the Chief Executive Officer (CEO)	Ensuring that conflicts of interest are disclosed and appropriately managed.	Overseeing social, regulatory and reputational risk considerations relevant to the Company's role as a licensed Clearing House
Reviewing operational and financial performance on a periodic basis	Overseeing compliance with applicable Rules and Regulations issued by the Securities and Exchange Commission of Sri Lanka	Overseeing the work of the Risk and Audit Committee	Approving the terms of appointment and performance evaluation criteria for the CEO	Promoting ethical conduct and responsible decision-making	
Ensuring that appropriate policies and procedures are in place	Ensuring alignment with Articles of Association of CSE Clear Approving governance policies including the Information Disclosure Policy and Board Evaluation Policy	Monitoring integrity of financial reporting	Ensuring that Key Management Personnel possess the necessary competencies and experience		

NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY

Director appointments follow a structured and regulated process:

- The Nomination Committee reviews documentation including the fit and proper affidavit.

- The Board evaluates and approves, modifies, or rejects the nomination.
- The nomination is submitted to the Securities and Exchange Commission of Sri Lanka for regulatory approval.

- Upon SEC approval, the sole shareholder, the Colombo Stock Exchange, formally appoints the Director.

Appointments are therefore subject to both internal governance review and external regulatory oversight.

CHAIR OF THE HIGHEST GOVERNANCE BODY

The Chairman is nominated by the Holding Company. The Chairman leads the Board, ensures orderly conduct of meetings, maintains balance of power, secures

GRI	2-9	2-11	2-12	2-13	2-14	2-18
-----	-----	------	------	------	------	------

effective participation of Directors, and ensures that the Board retains full control over the affairs of the Company.

The role of Chairman is separate from executive management functions.

ROLE OF THE HIGHEST GOVERNANCE BODY IN STRATEGY, POLICIES AND OVERSIGHT

In terms of the Articles of CSE Clear, the Holding Company (i.e. the Colombo Stock Exchange) is entitled to name the Chairman of the Board. The Chairman leads the Board with a keen focus on governance and compliance. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions. Further, the Chairman should conduct Board proceedings in a proper manner and ensure, inter alia, that:

- (a) the effective participation of the Directors is secured;
- (b) all Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company;
- (c) a balance of power between the Directors is maintained;
- (d) the views of Directors on issues under consideration are ascertained;
- (e) the Board is in complete control of the affairs of the Company; and,
- (f) a constructive and respectful relationship between Board Directors and between the Board and Management is promoted.

ROLE OF THE COMPANY SECRETARY

In accordance with the Board Charter, CSE Clear engages the services of a professional external secretarial services firm with a nominated qualified Company Secretary.

The appointment and removal of the Company Secretary is a matter for the Board.

BOARD EFFECTIVENESS AND EVALUATION

Board Evaluation

In terms of the Board Evaluation Policy, the Board undertakes a periodic self-evaluation, at least annually, covering:

- ▣ Overall Board performance;
- ▣ Performance of Board Sub-Committees;
- ▣ Individual Director performance.

Each Director conducts a self-assessment of his or her contribution. The objective is to enhance effectiveness, accountability and continuous improvement.

Board Committees

Composition and areas of oversight by the sub-committees are given below:

Committee	Composition	Objective
Nominations	3	To review and recommend suitable candidates for Board appointments, ensuring compliance with regulatory requirements and the required competencies.
Risk and Audit	3	To oversee financial reporting, internal controls, audit functions, and the effectiveness of the Company’s risk management framework.
HR and Remuneration	3	To evaluate, assess, decide and recommend on any matter that may affect the Human Resource Management of CSE Clear
Disciplinary	3	To hear and determine disciplinary matters in accordance with applicable rules and governance standards.
Rules	4	To review, develop, and recommend rules and regulatory frameworks governing the Company’s clearing operations.

Each Committee operates under formally approved Terms of Reference, which clearly define its mandate, composition, quorum, and reporting responsibilities.

Committee Chairs report to the Board following meetings, ensuring structured escalation of key matters.

Oversight of Impact Management

The Board oversees regulatory compliance, risk management, and financial integrity to ensure the stability and credibility of the clearing function. Corporate policies were strengthened during the year in line with new regulatory requirements.

In 2025, CSE Clear was granted a perpetual licence to function as a Clearing House by the Securities and Exchange Commission of Sri Lanka.

Review and Approval of Sustainability and Corporate Governance Reporting

The Board oversees the integrity of corporate governance disclosures and regulatory reporting. The Risk and Audit Committee reviews relevant financial and governance disclosures prior to Board approval.

Frequency of Meetings

Board meetings are held as often as necessary, with a recommended minimum frequency of once per quarter.

The quorum for a Board meeting is three (3) Directors.

CORPORATE GOVERNANCE

GRI	2-5	2-12	2-15	2-16
-----	-----	------	------	------

MEETINGS AND ATTENDANCE

Director	Board Meetings	Risk Committee (Group)	Audit Committee (Group)
Mr. Arjuna Herath	4/4	5/5	5/5
Mr. Ray Abeywardena	4/4	4/5	
Mr. Sujeewa Peiris	4/4	5/5	5/5
Mr. Ruwan Manatunga	4/4		
Mr. Suren De Silva	3/4		5/5

RISK AND AUDIT COMMITTEE

Role of the Risk & Audit Committee

The Risk and Audit Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, risk management and internal controls.

The Committee is responsible for:

- ▣ Monitoring the integrity, accuracy and completeness of the Company's financial statements;
- ▣ Reviewing the adequacy and effectiveness of the internal control framework;
- ▣ Overseeing the internal audit function, including its scope, independence and effectiveness;
- ▣ Reviewing the performance and independence of the external auditors;
- ▣ Ensuring the establishment, implementation and continuous improvement of an appropriate risk management framework;
- ▣ Monitoring key financial, operational and regulatory risks relevant to CSE Clear's role as a licensed Clearing House.

During 2025, the Terms of Reference of the Committee were strengthened to enhance oversight of the Internal Audit function.

The Committee reports to the Board on its deliberations and makes recommendations to support informed decision-making.

Internal Control Framework

CSE Clear maintains a structured system of internal controls designed to provide reasonable assurance regarding:

- ▣ Reliability and integrity of financial reporting;
- ▣ Safeguarding of assets;
- ▣ Operational effectiveness and efficiency;
- ▣ Compliance with applicable laws, regulations and internal policies.

The Board, through the Risk and Audit Committee, reviews the adequacy of these controls on a periodic basis.

Internal Audit Arrangements

The Internal Audit function operates independently and provides objective assurance to the Risk and Audit Committee on the effectiveness of governance, risk management and internal control processes.

The scope of internal audit covers financial, operational and compliance areas, and findings are reported directly to the Risk and Audit Committee to ensure independence from Management.

The Purpose of the Internal Audit Division as highlighted in the Internal Audit Charter is as follows:

1. Auditing Overall Risk Management Process
2. Strengthen the Internal Controls in all areas
3. Ensure Compliance with Policies, Procedures and Regulations
4. Recommend opportunities for Process Improvement and enhancing Efficiency
5. Enhancing System Controls

In-line with the above requirements, an internal audit plan is developed and executed with the approval of the Audit Committee. Improved Policies, Procedures and Controls arising from the audits were recommended for implementation. The findings of the internal auditor together with management comments and agreed action plans were reviewed by the Committee during the year and approved for implementation.

External Auditor Appointment

The external auditor is appointed in accordance with statutory requirements and applicable regulatory provisions.

The Risk and Audit Committee reviews the independence, performance and objectivity of the external auditor and makes recommendations to the Board regarding appointment or reappointment.

ETHICS & COMPLIANCE

Code of Conduct and Conflict of Interest Management

Directors are required to act at all times in the best interests of the Company and to discharge their fiduciary duties with integrity, transparency and due care. They are required to avoid situations in which personal interests may conflict with the interests of CSE Clear.

In the event of a conflict of interest:

- ▣ The Director must submit a written disclosure of the conflict;
- ▣ Where uncertainty exists, guidance may be sought from the Chairman of the Board;
- ▣ The Director concerned must recuse himself or herself from discussions and voting on the relevant matter;
- ▣ The Director may, where appropriate, briefly clarify his or her position or respond to factual questions before recusal;
- ▣ All disclosures and related decisions are formally recorded in the minutes of the meeting.

Provisions relating to the prevention and management of conflicts of interest were further strengthened during the year through amendments to the Board Charter.

GRI	2-17	2-22	2-27
-----	------	------	------

Regulatory Compliance Oversight

CSE Clear operates within a comprehensive regulatory environment and is subject to oversight by the Securities and Exchange Commission of Sri Lanka.

A structured monitoring and reporting system has been established at Group level to ensure full compliance with all applicable legal and regulatory requirements, thereby mitigating legal, financial and reputational risks.

Corporate policies of CSE Clear were revised during the year to enhance governance alignment with new Rules, laws and regulatory requirements applicable to the Company.

In 2025, CSE Clear was granted a perpetual licence to function as a Clearing House by the Securities and Exchange Commission of Sri Lanka, reinforcing its regulatory standing and operational stability.

APPOINTMENTS & TENURE

Director appointment process (including SEC approval)

- ▣ The Nomination Committee considers the documentation including the fit and proper affidavit of the nominee and the information available to them in terms of the Articles of Association of the CSE Clear and TOR of the Committee and make appropriate recommendations to the CSE Clear Board.
- ▣ Based on such recommendations, the CSE Clear Board approves, modifies or rejects the nomination in terms of Article 34 of the Articles of Association of the CSE Clear.
- ▣ Upon obtaining SEC approval, the Holding Company, which is the sole shareholder of CSE Clear, appoints the Director to the Board.

The number of Directors of the Board shall not be less than five (05) and not more than ten (10).

Director Development

Induction programs are conducted for newly appointed Directors to familiarise them with:

- ▣ The regulatory environment;
- ▣ Clearing operations;
- ▣ Governance responsibilities;
- ▣ Risk framework.

Ongoing training and briefings are provided by the Colombo Stock Exchange to ensure Directors remain updated on evolving regulatory and market developments.

Transparency and Information Disclosure

An Information Disclosure Policy was introduced during 2025 to enhance transparency and consistency in external communications and reporting.

The Board ensures that governance disclosures, regulatory filings and statutory reporting obligations are fulfilled in a timely and accurate manner.

STATEMENT OF COMMITMENT

The Board affirms that CSE Clear's governance framework:

- ▣ Aligns with applicable laws and regulatory requirements;
- ▣ Reflects principles of accountability and transparency;
- ▣ Incorporates structured oversight mechanisms;
- ▣ Supports risk management and financial integrity;
- ▣ Promotes ethical conduct at Board level.

Through continuous strengthening of governance structures, policies and oversight mechanisms, CSE Clear remains committed to maintaining high standards of corporate governance in line with regulatory expectations and global best practice.

RISK MANAGEMENT

GRI	2-12	2-13	2-16	2-23	2-24	2-25
-----	------	------	------	------	------	------

RISK MANAGEMENT REVIEW

As a CCP, CSE Clear interposes itself between counterparties to securities transactions, acting as the buyer to every seller and the seller to every buyer. This structure is fundamental to reducing counterparty risk, enhancing settlement certainty, and safeguarding overall market stability.

Given its systemic importance within Sri Lanka’s capital market infrastructure, robust risk management is integral to CSE Clear’s mandate. The risk management framework is designed to identify, assess, monitor, and mitigate risks that could affect operational continuity, financial soundness, regulatory compliance, and stakeholder confidence. The framework is aligned with the best international practices applicable to Financial Market Infrastructures (FMIs), including principles commonly applied by global CCPs such as Euroclear, while remaining proportionate to the local market context.

RISK GOVERNANCE FRAMEWORK

Risk governance at CSE Clear is embedded within a structured framework that promotes accountability, transparency, and effective oversight. As a wholly-owned subsidiary, CSE Clear’s risk governance arrangements are aligned with the broader governance framework of the Colombo Stock Exchange.

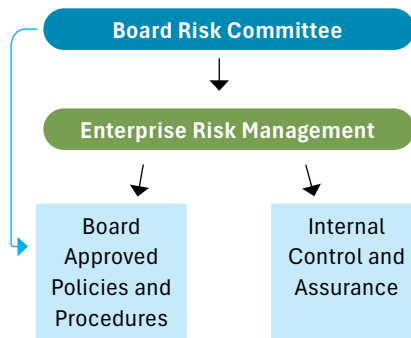
Enterprise Risk Management (ERM) and internal control processes of the Clearing House are monitored by the ERM Division, which provides independent oversight through regular reviews of risk exposures, control effectiveness, and compliance with regulatory and internal requirements.

The Board Risk Committee provides oversight of the Clearing House’s risk management framework, including the risk appetite, key risk exposures, and the adequacy and effectiveness of internal controls. Findings and recommendations arising from ERM reviews are reported to senior management and the Board Risk Committee and are used to continuously strengthen the risk management and internal control framework.

The Clearing House’s risk governance framework comprises:

- ▣ **Board Risk Committee** – oversight of enterprise-wide and clearing-specific risks, risk appetite, and the effectiveness of the ERM framework
- ▣ **Enterprise Risk Management Function** – identification, assessment, monitoring, and reporting of key risks relating to clearing operations

- ▣ **Policies and Procedures** – Board-approved risk management, operational, information security, and business continuity policies supporting clearing activities
- ▣ **Internal Controls and Assurance** – internal audits, compliance reviews, and control testing to ensure ongoing effectiveness



This framework ensures that risks arising from clearing operations are managed proactively, consistently, and in line with regulatory expectations applicable to financial market infrastructure.

ORGANISATIONAL RISK PROFILE

CSE Clear’s risk profile is structured across four primary risk categories, further disaggregated into eight key organisational-level risks. This structure supports clear accountability, effective monitoring, and alignment with the enterprise risk management framework.

OPERATIONAL	STRATEGIC	COMPLIANCE	FINANCIAL
<ul style="list-style-type: none"> • Operational Resilience & Business Continuity Risk • Information Security & Data Privacy Risk • Technology Risk 	<ul style="list-style-type: none"> • Talent Retention 	<ul style="list-style-type: none"> • Legal & Compliance Risk 	<ul style="list-style-type: none"> • Settlement Risk • Investment Risk • Liquidity Risk

KEY RISKS AND MITIGATION MEASURES

Settlement Failure Risk (Low)

Settlement failure risk is the most critical risk faced by CSE Clear, as the primary objective of the CCP framework is to mitigate and contain settlement risk within the capital market. Effective management of this risk is therefore a core strategic and operational priority.

The risk is currently assessed as low, reflecting the robustness of the CCP framework and the effectiveness of financial, operational, and governance controls. By assuming counterparty risk and centralising exposures, CSE Clear plays a critical role in ensuring settlement finality, even under stressed market conditions.

Key mitigation measures include:

- ▣ Rigorous eligibility criteria and ongoing supervision of Clearing Members, including financial and operational capability assessments.
- ▣ A prefunded Contributory Guarantee Fund (CGF) to absorb losses arising from Clearing Member defaults.
- ▣ Centralised counterparty risk management through novation of trades.
- ▣ Settlement processes aligned with internationally recognised standards and supported by strong internal controls.
- ▣ Regular stress testing to assess the adequacy of margins, default funds, and financial resources under extreme but plausible scenarios.

Operational Resilience and Business Continuity Risk (Medium)

Operational resilience risk relates to CSE Clear's ability to continue critical clearing and settlement functions in the event of disruptions such as system failures, cyber incidents, natural disasters, or third-party service outages. Given the critical nature of CCP operations, uninterrupted service delivery is essential.

Although comprehensive business continuity and disaster recovery arrangements are in place, the relative newness of CCP operations and reliance on technology and third-party service providers support a medium risk assessment.

Key Mitigation measures include:

- ▣ A formal Business Continuity Management System covering all critical processes.
- ▣ Annual disaster recovery and business continuity testing, including full-scale CCP simulations.
- ▣ Clearly defined recovery time and recovery point objectives.
- ▣ Redundant systems and infrastructure to ensure high availability.
- ▣ Ongoing review and enhancement of resilience arrangements.

Information Security and Data Privacy Risk (Medium)

CSE Clear processes and stores highly sensitive market, participant, and transactional data. Information security and data privacy risks arise from the potential for unauthorised access, data breaches, or cyberattacks.

While appropriate controls are in place, the evolving cyber threat landscape and increasing regulatory expectations result in a medium risk classification.

Key Mitigation measures include:

- ▣ Board-approved information security and data protection policies.
- ▣ Strong access controls, encryption, and data segregation.
- ▣ Regular vulnerability assessments and security testing.
- ▣ Ongoing staff awareness and training programs.

Technology Risk (Medium)

Technology risk relates to failures or inadequacies in IT systems supporting clearing, settlement, risk management, and reporting. CCP operations rely on complex, highly integrated systems, and residual risks remain as systems continue to stabilize post-implementation.

Mitigation measures include:

- ▣ Resilient system architecture with embedded controls.
- ▣ Preventive maintenance and real-time system monitoring.
- ▣ Formal change management and testing protocols.
- ▣ Vendor and third-party assurance processes.

Legal and Compliance Risk (Medium)

Legal and compliance risk arises from potential non-compliance with regulatory requirements, contractual obligations, or changes in the legal and regulatory environment governing capital markets and financial market infrastructures.

As a newly operational CCP within a dynamic regulatory landscape, CSE Clear's inherent legal and compliance risk is assessed as medium.

Mitigation measures include:

- ▣ Continuous engagement with regulators.
- ▣ Regular legal reviews of rules, contracts, and procedures.
- ▣ Compliance monitoring and reporting mechanisms.
- ▣ Ongoing staff training on regulatory obligations.

Talent Retention Risk (Low)

Talent retention risk relates to the potential loss of specialized personnel with expertise in clearing, settlement, and risk management.

CSE Clear benefits from structured roles, targeted training, and alignment with the broader CSE organisation, supporting a low risk assessment.

Mitigation measures include:

- ▣ Competitive remuneration and career development pathways.
- ▣ Knowledge documentation and transfer mechanisms.
- ▣ Succession planning and continuous training.

Investment Risk (Low)

Investment risk arises from potential losses on funds invested by CSE Clear, including margins and default fund contributions from Clearing Members.

The risk is assessed as low due to conservative investment practices and strong governance arrangements.

RISK MANAGEMENT

Mitigation measures include:

- ▣ A Board-approved investment policy aligned with risk appetite and regulatory requirements.
- ▣ Oversight by a dedicated Investment Committee.
- ▣ A conservative and diversified investment strategy focused on capital preservation and liquidity.
- ▣ Regular monitoring and performance reporting.

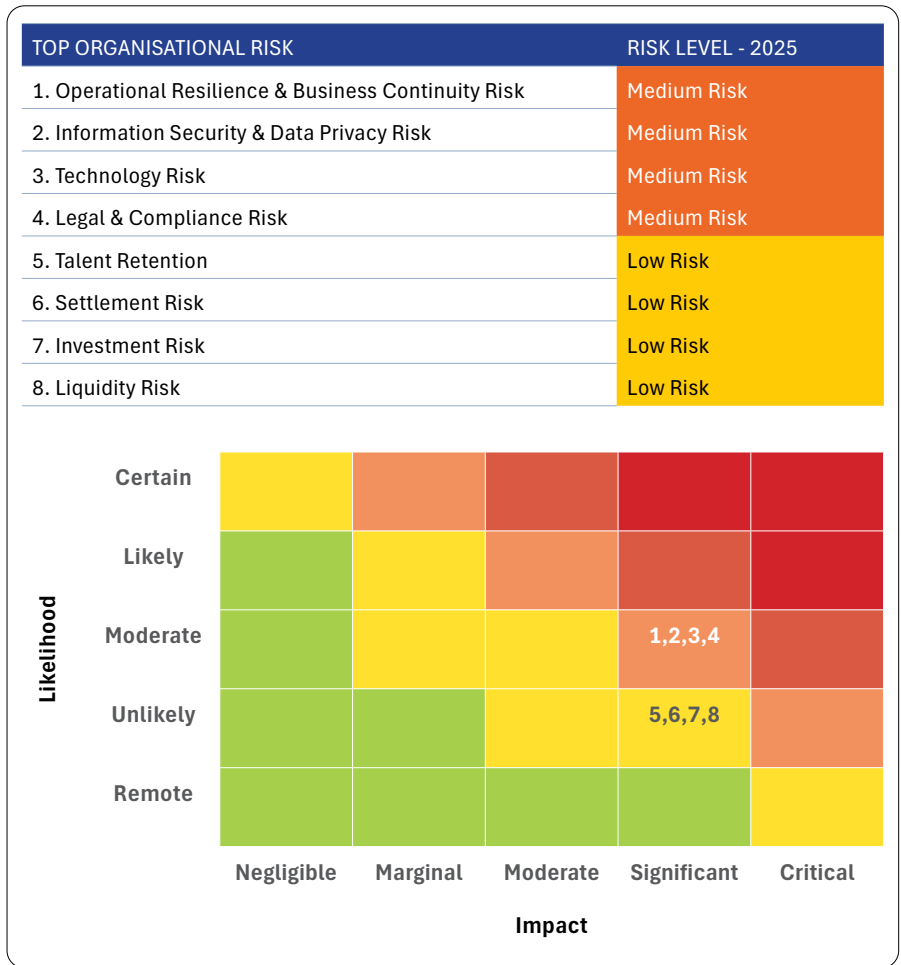
Liquidity Risk (Low)

Liquidity risk refers to the risk that CSE Clear may be unable to meet payment obligations as they fall due, particularly during participant defaults or market stress events.

The CCP framework, supported by margins and liquidity arrangements, significantly mitigates this risk, resulting in a low residual risk assessment.

Mitigation measures include:

- ▣ Robust margin methodologies calibrated through stress testing.
- ▣ The Contributory Guarantee Fund as an additional liquidity backstop.
- ▣ Contingency funding arrangements with financial institutions.
- ▣ Ongoing liquidity stress testing and forecasting.



The background features a complex, abstract geometric pattern of concentric circles and lines, creating a sense of depth and structure. The design is centered around a circular motif, with various lines and shapes radiating outwards, suggesting a core or center of focus.

CONFIDENCE AT THE CORE

Confidence shapes every decision we make. Anchored in trust, expertise, and resilience, we continue to strengthen our market presence, navigate evolving conditions, and create sustainable growth within the capital markets landscape.

OUR VALUE CREATION PROCESS



OUTPUTS



Value of settlements
Rs. 766,905,240,240

No. of trades
4,717,035



Settlement success rate
(on time) 100%



Value of Custodian Trades
Rs. 372,878,885,022



Default fund coverage value
Rs. 334,515,907



Value of trades
being backed by CCP
(risk mutualization)
100%

OUTCOMES

MARKET STABILITY AND INVESTOR CONFIDENCE

- ▣ Financial Stability
- ▣ Market confidence
- ▣ Reduced default risk
- ▣ Audit scores
- ▣ Non-compliance issues, regulatory concerns, and breaches.

OPERATIONAL EFFICIENCY

- ▣ System uptime
100%
- ▣ Average transaction processing time
2 days
- ▣ Number of operational errors per quarter :
None







STAKEHOLDER ENGAGEMENT AND TRUST

- ▣ Enhanced reputation
- ▣ Improved ratings

STAKEHOLDER ENGAGEMENT

GRI 2-12 2-29

CSE Clear recognises that effective stakeholder engagement is essential to the smooth functioning of clearing and settlement operations and to maintaining confidence in the market infrastructure. As a Central Counterparty, the Company engages regularly with key stakeholders to communicate regulatory developments, operational changes, and system enhancements, while ensuring that stakeholder concerns are identified and addressed in a timely manner. Engagement outcomes inform operational improvements, risk management practices, and strategic initiatives, supporting CSE Clear's mandate to ensure safe, efficient, and reliable post-trade services.

Stakeholder Category	Purpose of Engagement	Key Stakeholder Interests and Concerns	Engagement Channels	Frequency
CSE Clearing Members 	Regulatory changes; business and operational model changes	Settlement finality, margin requirements, system stability, regulatory clarity, transaction costs	Physical/virtual meetings, letters, circulars	Daily and need-basis
Central Depository Systems 	Business and operational model changes	Process alignment, system integration, data accuracy, operational continuity	Physical/virtual meetings	Need-basis
Colombo Stock Exchange 	Business and operational model changes	Market stability, infrastructure readiness, support for new products	Physical/virtual meetings, concept papers	Need-basis
Settlement Banks 	Settlement of funds between clearing members	Timely settlement, liquidity management, operational risk	Emails, telephone	Daily
Regulator 	Regulatory changes	Compliance, systemic risk management, governance and internal controls	Physical/virtual meetings, concept papers	Need-basis
Employees 	Support CSE Clear operations	Operational clarity, skills development, workload management	Emails, telephone	Daily

STRATEGY OVERVIEW

GRI 2-6

CSE Clear plays a central role in safeguarding the integrity, resilience, and efficiency of Sri Lanka’s capital markets. Against a backdrop of evolving market expectations, increasing product complexity, and heightened regulatory standards, CSE Clear’s 2026–2030 strategy is anchored in strengthening its role as a robust Central Counterparty (CCP) while enabling the next phase of market development. The strategy focuses on building scalable clearing and settlement capabilities, enhancing risk management frameworks in line with global best practices, and supporting the introduction of new asset classes and shorter settlement cycles.

CSE Clear’s strategic priorities are designed to reinforce market confidence, improve operational efficiency, and position the Company as a credible, future-ready financial market infrastructure provider within the region.






STRATEGIC PILLARS

CSE Clear’s 2026–2030 strategy is built around four mutually reinforcing strategic pillars that reflect its role as Sri Lanka’s central clearing and settlement institution. These pillars are designed to enhance systemic resilience, support market development, strengthen operational performance, and ensure alignment with evolving regulatory expectations. Collectively, they underpin CSE Clear’s mandate as a Central Counterparty (CCP) and support the broader strategic ambitions of the Colombo Stock Exchange.

Strengthen Risk & Default Management	Modernize Post-Trade Technology Infrastructure	Expand CCP Clearing Across Asset Classes	Enhance Market Efficiency & Settlement Innovation	Achieve Global Integration & Regulatory Recognition
 <p>Enhancing safeguards to mitigate counterparty risk and manage potential defaults effectively.</p>	 <p>Upgrading core systems with advanced technology and cloud-based solutions for speed and reliability.</p>	 <p>Centralizing clearing services for a wider range of financial products to improve market stability.</p>	 <p>Optimizing trade settlement cycles and implementing innovative solutions for faster, lower-friction transactions.</p>	 <p>Aligning with international standards, fostering cross-border partnerships, and gaining global regulatory approval.</p>
<p>Evolve to advanced margining models</p>	<p>Introduce a new clearing and settlement platform with integrated risk management mechanisms for advanced post trade services</p>	<p>Expand CCP clearing for debt securities</p>	<p>Transition settlement cycle from T+2 to T+1</p>	<p>Align governance and regulatory practices with global CCP standards</p>
<p>Framework updates for collateral management and default recovery mechanisms</p>	<p>Increase operational resilience to cyber threats</p>	<p>Enable clearing for other asset classes</p>	<p>Introduce new post-trade services such as settlement rollover</p>	<p>Improve international connectivity through cross-border clearing</p>
	<p>Evolve to automated straight-through processing such as SWIFT communication</p>			<p>Obtain third country CCP recognition through ESMA</p>

STRATEGY OVERVIEW

GRI 2-6

STRATEGIC OUTCOMES ANTICIPATED					
	Strengthen Risk & Default Management	Modernize Post-Trade Technology Infrastructure	Expand CCP Clearing Across Asset Classes	Enhance Market Efficiency & Settlement Innovation	Achieve Global Integration & Regulatory Recognition
	Reliability	Operational efficiency and scalability	Product Diversification	Accelerated settlement cycle and market efficiency enhancement	Global regulatory recognition and credibility enhancement
	Financial Stability	Straight-through processing and automation	Improving Market Attractiveness	Expanded post-trade service innovation and market attractiveness	Cross-border clearing and participation expansion
	Risk Resilience	Secure and resilient market infrastructure and operational resilience	Market liquidity and participation expansion		

WAY FORWARD – RISK MITIGATION



The execution of the 2026–2030 roadmap is subject to systemic and data-related risks inherent to clearing and settlement operations. Systemic risks are mitigated through a structured default waterfall and periodic stress testing. Personal data protection risks are managed through ISO-certified information security frameworks and dedicated governance structures.

SYSTEMIC RISKS



Default waterfall
Periodical stress testing

PERSONAL DATA PROTECTION RISKS



Currently certified under **ISO 27701:2019** as CSE, Designated Data Protection Officer for CSE Group

STRATEGIC ROADMAP 2026-2030

As a newly established central counterparty, CSE Clear’s expansion strategy is phased and capability-led. Each stage of development is designed not only to broaden service offerings, but to strengthen the institution’s ability to create sustainable value for market participants, regulators, and the broader financial system. The roadmap below aligns planned initiatives with the Company’s value creation framework.

NEAR TERM

Strategic Initiatives	Value Creation Impact
<ul style="list-style-type: none"> ▣ Expand CCP clearing for debt securities ▣ Align governance and regulatory practices with global CCP standards ▣ Evolve to automated straight-through processing such as SWIFT communication ▣ Framework updates for collateral management and default recovery mechanisms ▣ Increase operational resilience to cyber threats 	<p>Financial Capital: Improves liquidity efficiency and reduces systemic risk through stronger collateral, margining, and recovery frameworks.</p> <p>Institutional Capital: Enhances governance alignment, settlement finality, and operational resilience through global standards, cybersecurity, and automation.</p> <p>Stakeholder Value: Builds confidence among clearing members, investors, and regulators through a secure and efficient clearing system.</p>

MEDIUM TERM

Strategic Initiatives	Value Creation Impact
<ul style="list-style-type: none"> ▣ Introduce a new clearing and settlement platform with integrated risk management mechanisms for advanced post trade services ▣ Evolve to advanced margining models ▣ Enable clearing for other asset classes ▣ Introduce new post-trade services such as settlement rollover 	<p>Financial Capital: Enhances capital efficiency, strengthens liquidity management, and optimizes collateral usage while reducing systemic risk.</p> <p>Institutional Capital: Strengthens market infrastructure, risk management, and post-trade capabilities and improved operational resilience across the clearing ecosystem.</p> <p>Stakeholder Value: Expands market access, improves liquidity, and enables greater diversification opportunities for market participants while enhancing participation in post-trade activities.</p>

LONG TERM

Strategic Initiatives	Value Creation Impact
<ul style="list-style-type: none"> ▣ Improve international connectivity through cross-border clearing ▣ Obtain third country CCP recognition through ESMA ▣ Transition settlement cycle from T+2 to T+1 	<p>Reputational Capital: Strengthens international credibility and regulatory confidence by aligning with global standards and attracting foreign participants.</p> <p>Financial Capital: Enables cross-border inflows, increases transaction volumes and liquidity, and creates new fee-based income opportunities</p> <p>Improves capital efficiency and liquidity turnover while increasing overall market velocity and transaction efficiency.</p> <p>Operational Capital: Enhances post-trade efficiency through faster settlement, lower operational risk, and improved automation, strengthening system reliability.</p> <p>Systemic Value: Positions CSE Clear as a regional hub, strengthening market resilience, stability, and efficiency through cross-border integration and improved risk management.</p> <p>Strengthens market stability and investor confidence by reducing settlement risk and aligning with global best practices.</p>

Risk management system enhancements, real-time exposure monitoring, stress testing, operational automation, governance oversight, and regulatory alignment underpin all stages of expansion and ensure that growth is supported by institutional resilience.

Through this phased expansion approach, CSE Clear seeks to balance growth with prudence. As a central counterparty, its long-term value lies not merely in product breadth, but in the integrity, resilience, and trust embedded within its clearing framework. The roadmap

reflects a measured progression toward greater market depth, diversification, and international integration, aligned with the Company’s mandate to safeguard financial stability.

MATERIALITY ASSESSMENT

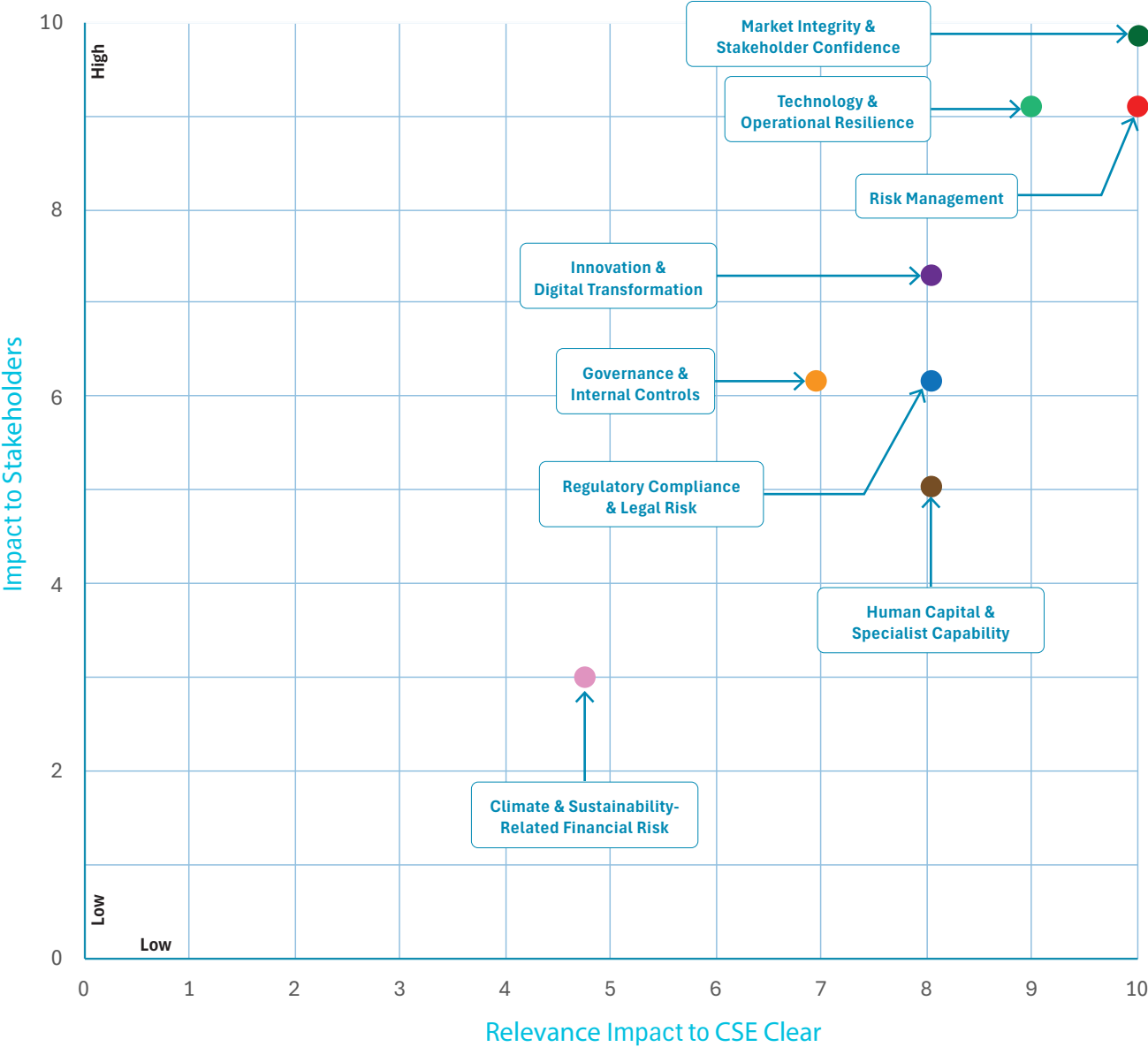
As a central counterparty in its first year of operations, CSE Clear undertook a structured materiality assessment to identify and prioritise the issues most relevant to its mandate and stakeholders. The materiality map reflects topics assessed across two dimensions: systemic and regulatory significance, and their operational importance to our clearing activities.

Given the role of a clearing house in underpinning market stability, the assessment places particular emphasis on risk management, governance, regulatory compliance and operational resilience. These are areas where failure is not an option, and where strong oversight and discipline are essential.

The materiality map helps us stay focused on what truly matters. It clarifies where attention and resources must be concentrated, and supports transparent reporting as we build a clearing institution that is stable, credible and trusted by the market.

Material Topic	Scope / Description	GRI Mapping	SASB Software and IT	SASB Securities and Exchange	SDG Goals	SDG Targets	
1. Risk Management	Covers systemic risk, default management, margining, stress testing, liquidity, and capital adequacy - the overall stability of the CCP.	201-1, 201-2, 203-1, 203-2, 205-1	FN EX 550a.1 FN EX 550a.3	TC-SI-550a.1 TC-SI-550a.2			8.1
							9.1
							16.6
2. Governance & Internal Controls	Board oversight, risk governance, 3 lines of defense, audit, and risk culture.	2-9, 2-27, 2-29, 2-25, 2-23, 205-2, 207-1	FN EX 510a.2	TC-SI-000.A			16.6
							16.5
3. Regulatory Compliance & Legal Risk	Compliance, regulatory change management, contractual enforceability.	2-27, 205-1, 205-2, 205-3, 419-1	-	TC-SI-000.B			16.3 16.6
4. Technology & Operational Resilience	System availability, cybersecurity, disaster recovery, third-party/ vendor risk.	2-29, 418-1, 419-1	FN EX 550a.1, FN EX 550a.2, FN EX 550a.3	TC-SI-550a.1 TC-SI-550a.2			9.1
							9.C
							16.6
5. Innovation & Digital Transformation	Forward-looking initiatives, automation, risk analytics, clearing efficiency.	203-1, 203-2, 418-1	FN EX 410a.2 FN EX 410a.4	TC-SI-000.C TC-SI-550a.2			8.2
							9.4
							9.5
6. Market Integrity & Stakeholder Confidence	Fair access, transparency, dispute resolution, and trust-building.	2-29, 413-1, 417-1	FN EX 410a.1, FN EX 410a.3	TC-SI-000.D			16.6
							16.7
							8.10
7. Human Capital & Specialist Capability	Staff expertise, succession planning, training, ethical culture.	401-1, 401-2, 404-1, 404-2, 406-1	TC-SI-330a.1 TC-SI-330a.2	-			4.4
							5.5
							8.5
8. Climate & Sustainability-Related Financial Risk	Physical and transition risk, integration into risk modeling, regulatory disclosure expectations.	305-1, 305-2, 201-1, 2-23, 3-3	TC-SI-130a.1 TC-SI-130a.2 TC-SI-130a.3				13.1
							13.2
							12.6

MATERIALITY MAP (SCATTER MATRIX)



OPERATING ENVIRONMENT

The year 2025 will be remembered not merely as a year of macroeconomic recovery, but as a year in which Sri Lanka’s capital market infrastructure entered a new phase of institutional maturity. The year marked the successful operationalisation of Sri Lanka’s first Central Counterparty (CCP), embedding a new risk architecture within the domestic equity market and repositioning post-trade infrastructure as a pillar of financial stability.

Our operating environment during the year was influenced by three closely linked developments:

1. A gradually stabilising domestic economy.
2. Shifts in global capital flows and rising international standards for market infrastructure; and
3. The realities of introducing and operating central clearing within a developing capital market.

GLOBAL ENVIRONMENT

Global economic growth in 2025 remained moderate and below long-term averages, reflecting persistent structural constraints, geopolitical uncertainty and elevated public debt levels. Trade relationships continued to realign along regional lines, as protectionist measures and tariff recalibrations influenced supply chains and capital allocation.

A notable feature of 2025 was the recalibration of risk appetite. After periods of elevated valuations in growth sectors, global markets demonstrated greater selectivity, with stronger emphasis on earnings quality, liquidity resilience and infrastructure robustness.

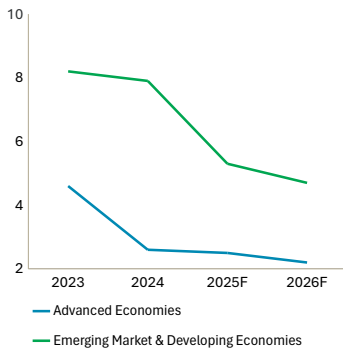
Simultaneously, post-trade infrastructure globally continued to evolve:

- ▣ More markets around the world introduced or expanded central clearing across different types of financial instruments.
- ▣ Margin requirements were reviewed and strengthened to ensure they remained effective even during periods of market stress.
- ▣ Over half of global market capitalisation now operates on a T+1 settlement cycle, or has announced plans to move to it, shortening the time between trade and settlement.
- ▣ Regulators placed greater emphasis on regular stress testing and clearer default procedures to ensure market infrastructures could withstand periods of extreme volatility.

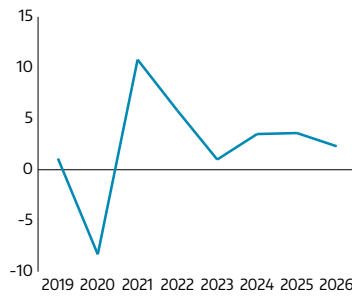
World trade is projected to grow at an average rate of around 2.9 per cent in 2025–2026. While activity may receive a short-term boost during 2025, overall growth remains below 2024 levels, reflecting continued trade fragmentation and geopolitical tensions, particularly between the United States and China.

Risks to the global outlook remain weighted to the downside. Prolonged uncertainty, rising protectionism and periodic financial market volatility continue to influence capital flows and investor behaviour, particularly in emerging and frontier markets. In such an environment, capital tends to favour markets that demonstrate institutional strength, transparency and operational reliability.

Consumer Prices
Source: WEO October 2025

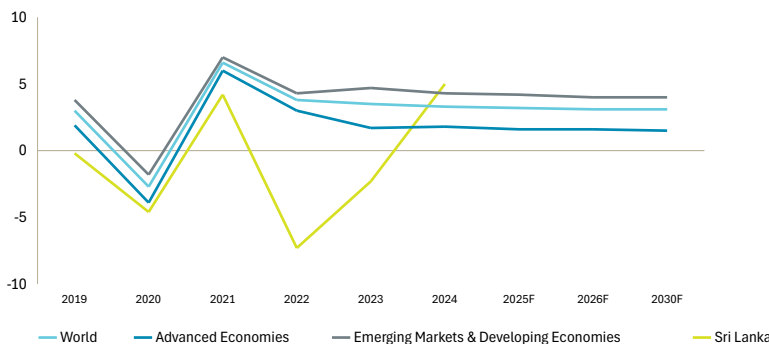


World Trade Volumes
Source: WEO October 2025



Global growth was projected at 3.2 per cent in 2025, remaining below pre-pandemic averages and highlighting ongoing constraints from weak productivity growth, elevated debt levels and policy uncertainty. Advanced economies are expected to grow at 1.6%, while emerging markets and developing economies are projected to grow just above 4%. Inflation eased across most economies in 2025, helped by tighter monetary policy and improving supply conditions. Global headline inflation is anticipated to decline to 4.2% in 2025 and further to 3.7% in 2026.

GDP
Source: WEO October 2025



For smaller markets, this shifting global landscape reinforces the importance of strong financial infrastructure. When external conditions are uncertain, investors place greater emphasis on settlement certainty, counterparty risk management and systemic safeguards. A central counterparty framework therefore becomes not merely a structural enhancement, but an essential foundation for maintaining confidence during periods of global volatility.

GLOBAL FINANCIAL CONDITIONS AND IMPLICATIONS FOR EMERGING MARKETS

In 2025, interest rate policies were generally supportive in many parts of the world outside the United States. As several major central banks began reducing interest rates, global financial conditions became more relaxed. This created space for emerging and frontier markets to keep their own interest rates at levels that supported economic activity and investment.

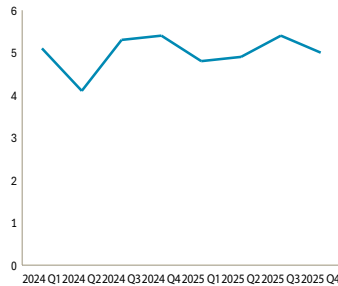
For small open economies such as Sri Lanka, narrowing interest differentials reduced exchange rate pressure and improved external balance predictability. However, emerging markets remained vulnerable to:

- ▣ Commodity price volatility, particularly energy;
- ▣ Trade policy shifts affecting export sectors;
- ▣ Climate-related disruptions with fiscal spillovers.

Late-year oil price volatility and global supply uncertainties underscored the sensitivity of import-dependent economies to external shocks. These dynamics shaped investor sentiment and liquidity conditions in frontier equity markets.

Economic Growth Rate

Source: DCS (%)



SRI LANKA – FROM STABILISATION TO CAUTIOUS RECOVERY

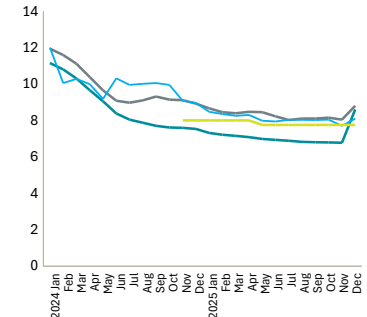
Domestically, 2025 marked a continuation of macroeconomic stabilisation. GDP growth strengthened across industry and services, inflation stabilised within the Central Bank’s target range following a prolonged deflationary phase, and policy rates remained steady.

Key features of the domestic environment included:

- ▣ Strengthened fiscal consolidation under the IMF-supported reform programme;
- ▣ Progress in debt restructuring and sovereign rating improvements;
- ▣ Rebuilding of foreign reserve buffers;
- ▣ Recovery in private sector credit growth;
- ▣ Improved banking system liquidity.

These developments contributed to a gradual restoration of investor confidence. Equity markets responded positively to lower interest rates and improving corporate earnings outlooks, while exchange rate volatility moderated relative to prior years.

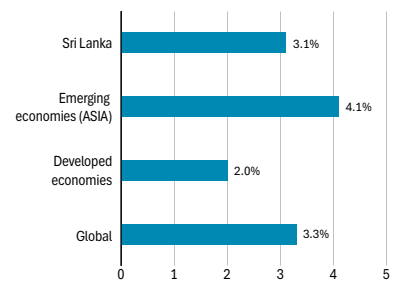
Interest Rates



Nevertheless, vulnerabilities persisted. The economy remained sensitive to external trade shocks and commodity price movements. Moreover, the severe impact of Cyclone Ditwah in November 2025 highlighted the financial materiality of climate-related risks. The event imposed significant economic costs, disrupted agricultural output and required emergency international financing support.

The episode reinforced a broader structural lesson: financial infrastructure must be capable of absorbing volatility arising from non-financial shocks.

Growth Projected Rate across Economies 2026 (%)

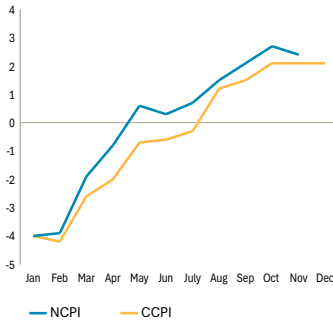


OPERATING ENVIRONMENT

GRI 2-27

Inflation YOY % Change

Source: DCS



CAPITAL MARKET CONDITIONS IN 2025

Sri Lanka's capital market in 2025 reflected renewed participation and improved liquidity compared to the immediate post-crisis years. Retail engagement remained active during the first three quarters, supported by declining lending rates and improved sentiment.

Foreign investors, although still careful in their approach, began to show signs of returning to the market. Their interest was supported by:

A more stable exchange rate;

- ▣ Improvements in the country's sovereign credit rating;
- ▣ Continued progress under the IMF programme; and
- ▣ Share prices that appeared attractive compared to regional markets.

At the same time, the market continued to experience periods of sudden ups and downs, especially during times of global uncertainty or climate-related disruptions. As a result, the overall environment reflected a mix of renewed confidence and underlying vulnerability - a pattern often seen in economies moving from recovery toward more sustained growth.

REGULATORY AND INSTITUTIONAL REFORM ENVIRONMENT

The regulatory landscape in 2025 was characterised by alignment with international standards and strengthening of financial sector oversight.

Key developments included:

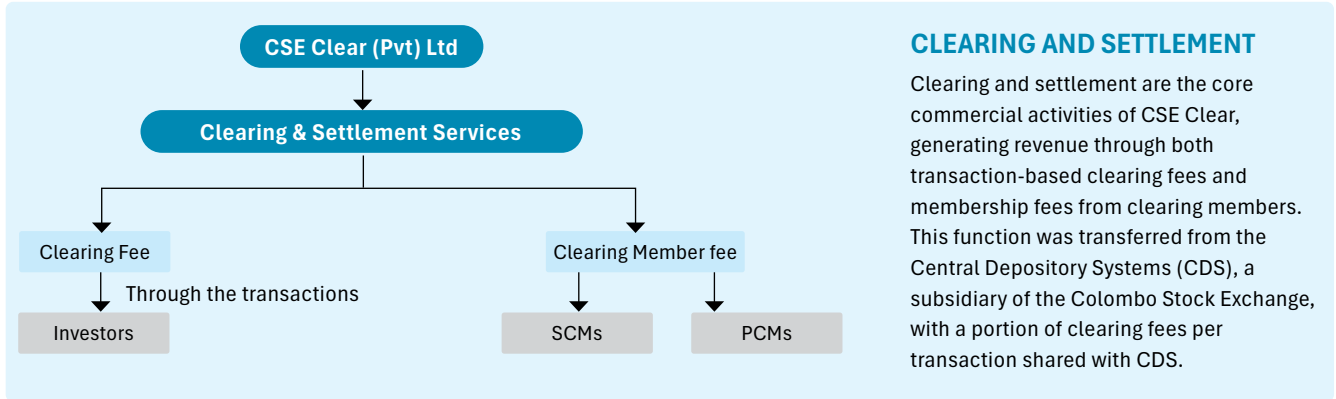
- ▣ Continued implementation of the Securities and Exchange Commission Act No. 19 of 2021;
- ▣ Strengthened data protection enforcement;
- ▣ Enhancements to prudential oversight frameworks;
- ▣ Growing emphasis on sustainability disclosures and ESG transparency.

At a structural level, Sri Lanka's reform trajectory increasingly focused on systemic risk mitigation and institutional resilience. The introduction of central clearing must be viewed within this broader reform continuum.

In summary, Sri Lanka's operating environment in 2025 reflected a delicate balance between stabilisation and structural vulnerability. While domestic reforms, strengthened financial infrastructure, and macroeconomic recovery bolstered confidence, external uncertainties - including commodity price fluctuations, climate events, and global capital dynamics - underscored the ongoing need for resilient post-trade systems and robust risk management. The successful operationalisation of the Central Counterparty not only enhanced market efficiency but also established a critical foundation for sustaining investor trust amid evolving global and domestic challenges.

BUSINESS LINES REVIEW

CSE Clear (Pvt) Ltd operates as the post-trade infrastructure provider for the Colombo Stock Exchange, delivering central counterparty clearing, clearing and settlement, and related post-trade services. While the organisation performs multiple critical market functions, revenue generation is derived exclusively from clearing fees, with the Central Counterparty (CCP) framework serving as a foundational risk management function that underpins market integrity and settlement assurance.



CLEARING AND SETTLEMENT

Clearing and settlement are the core commercial activities of CSE Clear, generating revenue through both transaction-based clearing fees and membership fees from clearing members. This function was transferred from the Central Depository Systems (CDS), a subsidiary of the Colombo Stock Exchange, with a portion of clearing fees per transaction shared with CDS.

CLEARING FEE

This function was transferred from the Central Depository Systems (CDS), a subsidiary of the Colombo Stock Exchange, with a portion of clearing fees per transaction shared with CDS.

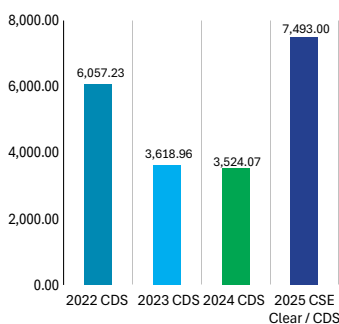
	2022 CDS	2023 CDS	2024 CDS	2025 CSE Clear / CDS
No of transactions ('000)	6,057.23	3,618.96	3,524.07	7,493.00
Value of transactions (Rs. Bn)	686.60	410.63	537.64	1,232.66
No of Clearing Members	47	44	44	37

management, and reduced exposure levels contributed to smoother settlement cycles and increased operational efficiency.

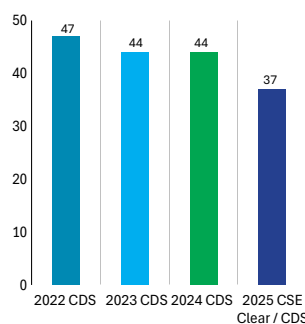
CCP INTEGRATION AND AUTOMATION

The integration of a central counterparty (CCP) further strengthened settlement certainty. By reducing counterparty risk through novation and providing structured settlement assurance mechanisms, CCP clearing centralized obligations and provided enhanced transparency. This integration also supported more timely settlement outcomes by enabling consistent margining, monitoring, and default management arrangements for cleared transactions.

No of Transactions ('000)



No of Clearing Members



MARKET ACTIVITY

In 2025, CSE Clear processed 4.03 million transactions, valued at Rs. 634.137 billion, with 37 active Clearing Members including Self clearing members, and professional clearing members. These figures reflect total buy-side and sell-side activity, demonstrating strong market engagement.

SETTLEMENT CYCLE OPTIMISATION

Following the transition to a T+2 settlement cycle in 2024, 2025 focused on refining workflows and ensuring participant readiness under the shorter settlement timeline. Enhanced coordination between brokers and custodians, improved liquidity

SYSTEM ENHANCEMENTS

During 2025, CSE Clear upgraded its digital platforms and operational systems, focusing on :

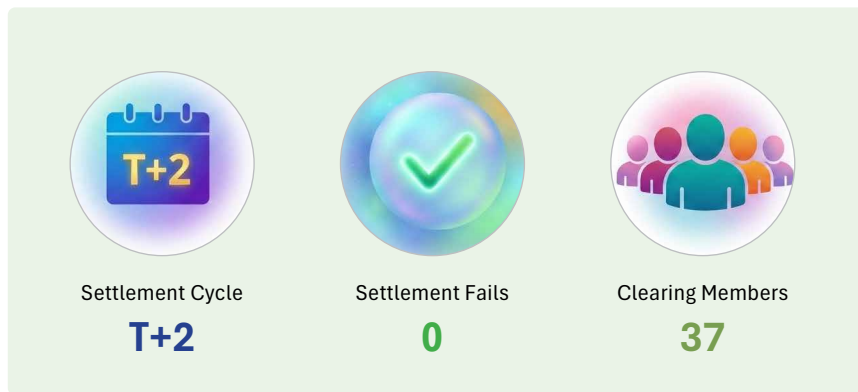
1. Automation,
2. Data visibility,
3. Risk monitoring,
4. Process reliability.

These improvements strengthened workflow efficiency, enabled better oversight of clearing and settlement activities, and supported seamless operations under the CSE Clear framework.

BUSINESS LINES REVIEW

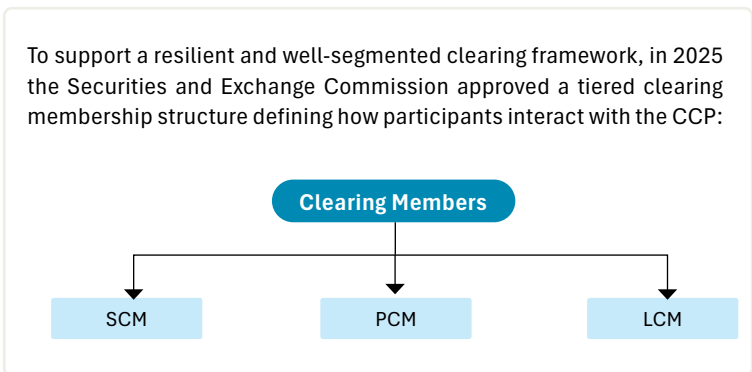
CLEARING MEMBER COMPLIANCE

Clearing Member behaviour showed measurable improvement during the year, with clearing members demonstrating increased adherence to prescribed timelines and operational requirements. Clearing members consistently fulfilled margin requirements, contributed as required to the Contributory Guarantee Fund, and ensured the timely availability of funds and securities for settlement. In addition, participants complied with ongoing regulatory and operational obligations, including the timely submission of required documentation such as financial statements, supporting the overall stability and integrity of the clearing and settlement framework.



MEMBERSHIP FEE

In addition to transaction-based clearing fees, CSE Clear earns recurring revenue through monthly membership fees paid by clearing members. These fees provide stable, predictable income that is not directly linked to transaction volumes, supporting the sustainability of core clearing and settlement operations. Membership fees are structured to enable CSE Clear to maintain robust risk management, operational resilience, and regulatory compliance frameworks, in line with its mandate to safeguard market integrity and promote safe, efficient, and orderly post-trade processes.



STOCK BORROWING AND LENDING

The Stock Borrowing and Lending (SBL) framework, which was previously administered by the Central Depository System (CDS) to support market liquidity, facilitate regulated short selling, and enhance price discovery, remained

operational during 2025 under the purview of CSE Clear following its establishment. Market demand for SBL services was subdued during the year, largely reflecting bullish market conditions that reduced the need for borrowing and short selling activity.

CUSTODIAN TRADE MANAGEMENT

In 2025, CSE Clear assumed responsibility for custodian trade management as the Central Counterparty (CCP) for the Colombo Stock Exchange. During its first year, Clear managed end-to-end post-trade processing for custodian-handled trades, including trade verification, affirmation, settlement readiness checks, reconciliation, and ongoing operational oversight, while custody of securities continued to reside with the Central Depository Systems (CDS).

Custodian banks participate in the CCP framework as clearing members and, accordingly, pay the prescribed membership fees and settlement fees for trades cleared and settled through CSE Clear. This structure supports both regulatory oversight and the sustainable operation of the clearing and settlement framework.

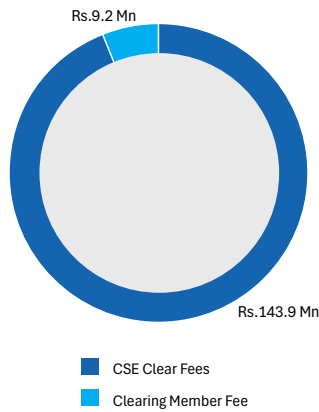
Throughout the year, custodian trade processing was conducted within prescribed timelines, supported by strengthened coordination between CSE Clear, custodian banks, brokers, and the CDS.

FINANCIAL REVIEW

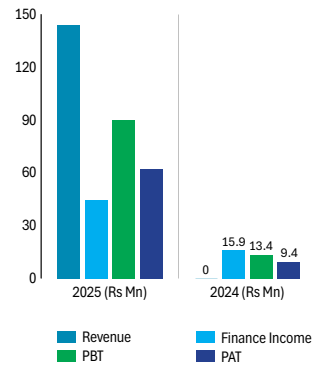
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Performance	2025 (Rs Mn)	2024 (Rs Mn)
Revenue	143.9	-
Other income	9.2	-
Total operating income	153.1	-
Finance Income	44.7	15.9
Profit Before tax	90.0	13.5
Profit After tax	62.1	9.4

Breakdown of Revenue 2025/26
(Rs.Mn)



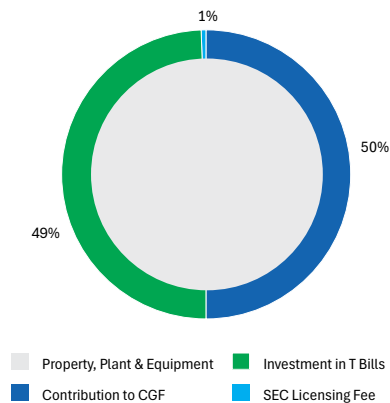
Financial Performance Across 2024-25
(Rs.Mn)



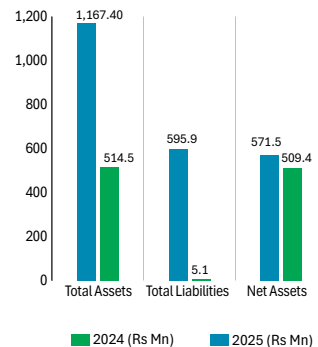
FINANCIAL POSITION AND STABILITY FOR THE YEAR ENDED 31ST DECEMBER 2025

Financial Position	2025 (Rs Mn)	2024 (Rs Mn)
Total Assets	1,167.4	514.5
Non-Current Assets	497.6	243.8
Current Assets	669.8	270.7
Current Liabilities	595.9	5.1
Net Assets	571.5	509.4
Profit After tax	62.1	9.4

Non-Current Asset Composition 2025 (%)



Financial Position Across 2024/25
(Rs.Mn)



OVERVIEW OF CAPITALS

GRI 2-6

CSE Clear actively manages multiple forms of capital to ensure safe, efficient, and resilient clearing and settlement services, while supporting the development of Sri Lanka's capital markets.

- ▣ **Financial Capital:** Conservatively managed revenue funds operational resilience, risk management, and ongoing investments in systems and infrastructure.
 - ▣ **Natural Capital:** Environmental impact is minimized through efficient resource use, digitalisation, and recycling initiatives.
 - ▣ **Human Capital:** CSE Clear's human capital model combines specialised expertise with operational efficiency by leveraging the broader capabilities of the CSE Group. A dedicated team, seconded from the CSE, manages core clearing and settlement functions, ensuring seamless integration across the trading ecosystem. Supporting functions - including Finance, IT, Legal & Compliance, Risk Management, HR, and Internal Audit - are provided by Group-level specialists, enabling access to established systems, strong governance, and best practices. The model also supports employee development through cross-functional exposure, knowledge sharing, and access to advanced systems, while fostering a collaborative, well-governed, and high-performance work environment. This integrated approach enhances scalability, cost efficiency, operational resilience, and effective risk management through consistent oversight.
 - ▣ **Social & Relationship Capital:** Strong relationships with members, banks, regulators, and other stakeholders foster trust, clear communication, and market discipline.
 - ▣ **Intellectual Capital:** Policies, procedures, and risk frameworks capture institutional knowledge and ensure regulatory compliance and operational consistency. CSE Clear's intellectual capital is reflected in the specialised expertise, system governance and risk management capabilities that support clearing operations. The CSE Group's IT teams develop and maintain key systems - including those supporting margining, default management and risk monitoring - based on specifications defined by CSE Clear. These capabilities, supported by structured risk management and change management frameworks, enable the organisation to maintain strong oversight of its technology environment.
 - ▣ **Digital Capital:** CSE Clear's digital capital comprises the systems, data infrastructure and technology governance frameworks that support the reliable operation of clearing and settlement activities. CCP-critical systems operate within the CSE Group's secure data centre environment and are supported by internationally recognised standards, including ISO 22301 Business Continuity Management and ISO 27001 Information Security Management. CSE Clear retains ownership and control of system data and configurations, ensuring the integrity, security and continuity of clearing operations.
- Through integrated management of these capitals, CSE Clear maintains regulatory compliance, mitigates systemic risk, and adapts to evolving market and technological requirements.

The background is a solid green color with a complex, abstract pattern of concentric circles, dashed lines, and solid lines. The pattern is centered around the text and extends towards the edges of the frame. The lines vary in thickness and style, creating a sense of depth and movement.

CREATING VALUE WITH CONFIDENCE

Driven by insight, innovation, and strong relationships, we create lasting value for investors, clients, employees, and the wider market ecosystem while contributing to the progress of Sri Lanka's capital markets.

MEMBERS

GRI	2-6	2-9	2-10	2-25
-----	-----	-----	------	------

HOW CSE CLEAR CREATES VALUE FOR MEMBERS

Stakeholder Overview



HOW CCL CREATES VALUE FOR MEMBERS



Risk Reduction :
Guarantees settlement,
manages risks centrally



Settlement Efficiency:
Simplifies processes,
reduces operational
complexity



Market Confidence :
Transparent,
well-regulated,
resilient
infrastructure

CSE Clear plays a central role in strengthening Sri Lanka’s post-trade market infrastructure by providing clearing and settlement services that reduce risk, improve efficiency, and enhance confidence across the capital market.

As a central counterparty (CCP), CSE Clear delivers value to its clearing members by interposing itself between buyers and sellers, guaranteeing settlement, and applying robust risk management frameworks aligned with international best practices.

CSE Clear serves three tiers of clearing members, each playing a distinct role within the post-trade ecosystem:

- ▣ **Self-Clearing Members (SCMs)**, who clear and settle their own trades directly with the CCP
- ▣ **Professional Clearing Members (PCMs)**, who clear both their own trades and those of other participants

- ▣ **Limited Clearing Members (LCMs)**, who clear and settle their trades through an appointed professional clearing member.

Together, these tiers enable broad, orderly and resilient access to CCP clearing, while allowing members to participate at a level aligned with their scale, capabilities and risk appetite.

VALUE CREATED

Risk Reduction and Financial Protection

At the core of CSE Clear’s value proposition is the significant reduction of counterparty and systemic risk for its clearing members.

Through novation, CSE Clear becomes the buyer to every seller and the seller to every buyer for CCP-settled trades. This replaces fragmented bilateral exposures with a single, well-capitalised counterparty supported by multiple layers of financial safeguards.

Key mechanisms include:

- ▣ Initial and variation margin requirements calibrated to cover potential future exposure and daily market fluctuations
- ▣ A Contributory Guarantee Fund, jointly funded by clearing members and CSE Clear, to mutualise losses arising from a clearing member default
- ▣ Continuous exposure monitoring with predefined limits to manage concentration risk and prevent excessive risk build-up
- ▣ Clearly articulated and legally enforceable default management procedures, designed to ensure orderly resolution while protecting non-defaulting members.



Compared to the previous bilateral settlement model, this structure provides clearing members with greater certainty, reduced contagion risk, and confidence that extreme but plausible stress scenarios can be managed in an orderly manner.

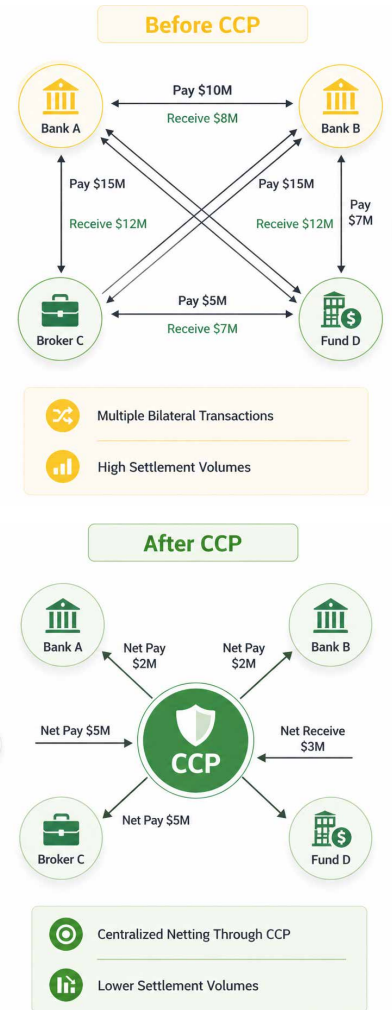
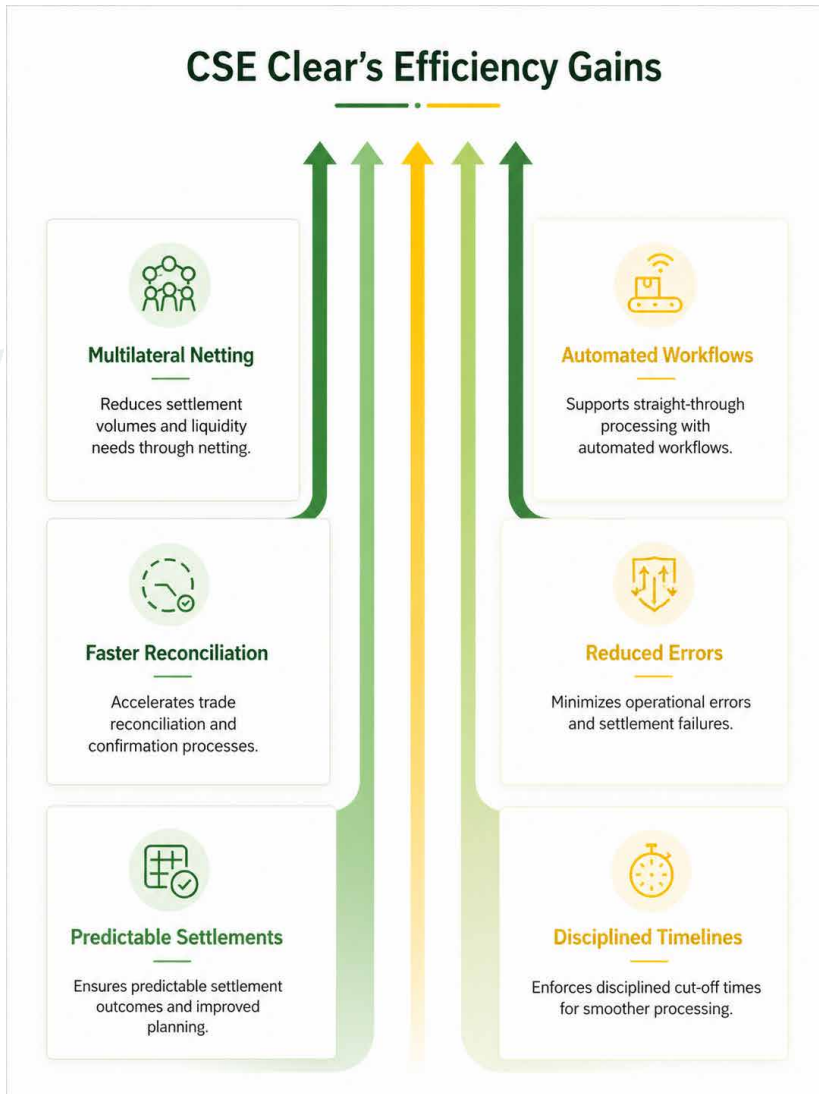
OPERATIONAL EFFICIENCY AND SETTLEMENT CERTAINTY

CSE Clear enhances clearing members’ operational efficiency by simplifying post-trade processes and reducing settlement complexity.

Efficiency gains from Centralised Clearing:

- ▣ By netting obligations across all participants, the system reduces settlement volumes and lowers overall liquidity requirements.
- ▣ Automated clearing, margining, and settlement workflows, supporting straight-through processing
- ▣ Faster reconciliation and confirmation of trades
- ▣ Reduced operational errors, manual interventions, and settlement failures

Members benefit from greater predictability in settlement outcomes, improved cash and collateral planning, and lower operational risk. The CCP framework also enforces disciplined cut-off times and consistent settlement timelines, supporting smoother end-of-day and end-of-cycle processing.



DIFFERENTIATED VALUE FOR MEMBER CATEGORIES

CSE Clears acknowledges the differing business models and responsibilities of Self Clearing Members and Professional Clearing Members, and creates tailored value for each category. This enables differently tiered members to access different services from CSE Clear.

MEMBERS

Professional Clearing Members

- ▣ The CCP framework enables clearing-as-a-service, creating new revenue streams
- ▣ Centralised risk management across multiple clients enhances scalability and efficiency
- ▣ Consolidated margining and netting generate economies of scale
- ▣ Enhanced standing as systemically important market participants

CSE Clear supports PCMs through aggregated and client-level reporting, enhanced risk dashboards, and close coordination on margin calls, defaults, and onboarding.

Self-Clearing Members

- ▣ Direct access to CCP clearing, offering maximum control over margin management, settlement, and exposures
- ▣ Reduced counterparty risk through CCP guarantee
- ▣ Direct visibility into positions, margins, and settlement status
- ▣ Operational efficiencies through automated reporting and real-time system access

This enables self-clearing members to manage their risk and liquidity more precisely while minimising reliance on intermediaries.

- ▣ Timely and reliable access to trade, margin, and settlement information
- ▣ Established and accessible communication channels with members

Market Development

Through its operation as a central counterparty aligned with internationally recognised principles, CSE Clear has significantly strengthened the market ecosystem - raising the professional standing of clearing members, reinforcing their credibility with international investors and counterparties, and firmly positioning them within a globally recognised and trusted market infrastructure.

This, in turn, enhances members' reputational standing with clients, counterparties, and regulators, supporting increased participation, deeper liquidity, and sustainable long-term market development.

Looking ahead, this robust infrastructure also provides a strong foundation for the potential introduction of market derivatives and options, further broadening the range of investment instruments and supporting the continued evolution of the capital market.

Transparency, Data and Member Engagement

CSE Clear facilitates sound member decision-making through the consistent provision of accurate, timely, and transparent information, supported by disciplined communication practices.

Clearing members receive regular reporting on margins and collateral, exposure levels, settlement status, and system performance and availability. Forward-looking communication on rule amendments, system developments, and stress scenarios is provided to support preparedness and continuity of operations.



Engagement with members is conducted through formal circulars, briefings, and direct dialogue, ensuring predictability and clarity, including during periods of heightened market activity or operational change.

In line with the Sri Lanka Data Protection Act No. 9 of 2022, CSE Clear processes only aggregated, non-personal data submitted by clearing members and does not collect, access, or retain personal data relating to

individual CDS account holders. This data-minimisation approach supports regulatory compliance, protects data confidentiality, and underpins member trust.

Transparency is embedded within the clearing framework through:

- ▣ Clearly defined and documented rules and procedures
- ▣ Predictable clearing and settlement processes

Forward Value Creation

CSE Clear plans to continue to strengthen value for clearing members by:

- ▣ Enhancing risk analytics and stress testing frameworks
- ▣ Further automating post-trade processes to improve efficiency and resilience
- ▣ Aligning rules, disclosures and governance with evolving international CCP standards
- ▣ Supporting deeper market participation and cross-border investor confidence

REGULATORS

HOW CSE CLEAR CREATES VALUE FOR REGULATORS

CSE Clear creates value for regulators by operating as a licensed Central Counterparty (CCP) within a comprehensive legal, regulatory and governance framework designed to safeguard market integrity and financial stability. Its operating model supports the public interest by reducing systemic risk, strengthening legal certainty and enabling effective regulatory oversight across the post-trade value chain. During 2025, the following regulatory amendments were made:

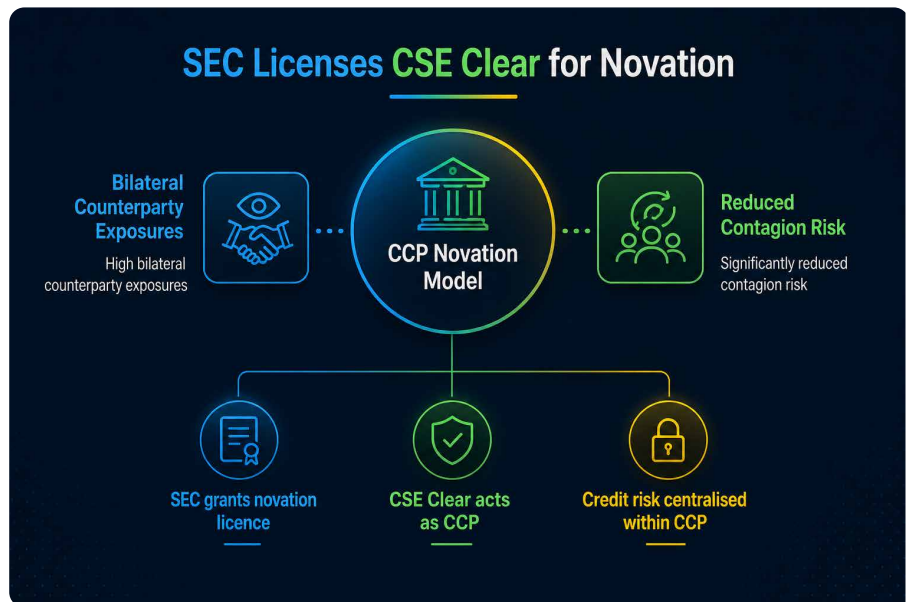


VALUE CREATED

Licensed CCP with Regulatory Authority for Novation

Under the Securities and Exchange Commission Act No. 19 of 2021, the Securities and Exchange Commission of Sri Lanka (SEC) granted a licence to CSE Clear (Pvt) Limited on 23rd January 2025 to operate as a Market Institution with the legal authority to effect novation. This regulatory approval enables CSE Clear to interpose itself between buyers and sellers, becoming the buyer to every seller and the seller to every buyer for all eligible equity transactions.

By centralizing credit risk within the CCP, this significantly reduces contagion risk and increases regulatory oversight.



SEC-Approved CSE Clear Rules: Legal Certainty and Enforceable Risk Controls

The SEC-approved CSE Clear Rules provide the legal and operational foundation for CSE Clear's CCP framework.

- **Risk Management Framework:** Introduction of a multi-layered defense system, including Base Margin and Daily Margin requirements.

- **Default Management:** Procedures for handling a Clearing Member's default, including the use of a Default Waterfall.
- **Guarantee Fund:** Establishment of a Contributory Guarantee Fund to provide a financial buffer against systemic failures.

These rules establish enforceable provisions governing novation, margining, default management and the use of a

contributory Guarantee Fund, ensuring predictable and transparent outcomes even under stressed market conditions. Through these CSE Clear Rules, regulatory expectations are translated into binding obligations.

REGULATORS

GRI	2-12	2-13	2-27
-----	------	------	------



These measures support regulatory confidence in the integrity and resilience of post-trade operations.

Transparency, Compliance and Ongoing Regulatory Engagement

CSE Clear maintains structured and ongoing engagement with the regulator through:

- ▣ Quarterly compliance reporting submitted to the SEC
- ▣ Regulatory confirmations obtained for process and rule changes
- ▣ Maintenance of detailed compliance scorecards covering all regulatory requirements

No instances of regulatory non-compliance were recorded during the reporting period, reinforcing supervisory assurance and trust.

Regulatory Harmonisation Across the Market Ecosystem

To ensure end-to-end consistency with the new CCP environment, the SEC approved extensive amendments to several existing rulebooks, including:

- ▣ CDS Rules
- ▣ Listing Rules
- ▣ Trading Participant Rules

These changes ensure that trading, clearing and settlement processes consistently recognise CSE Clear as the central counterparty, with clearly defined responsibilities and enforceable risk management obligations. This end-to-end alignment reduces legal ambiguity, strengthens risk controls and supports orderly market functioning.

Robust Systemic Risk Management Framework

CSE Clear's risk management framework, as set out in the CSE Clear Rules, adopts a layered defence model consistent with internationally recognised CCP practices. This framework ensures that losses arising from a Clearing Member default are absorbed within predefined financial resources, without transmitting risk to the wider market.

GOVERNANCE, MARKET DISCIPLINE AND REGULATORY OVERSIGHT

CSE Clear operates under a strong governance framework that reinforces accountability and regulatory confidence. All material rule changes, framework enhancements and process improvements are subject to approval by both the SEC and relevant CSE Clear Board Committees.

The SEC-approved tiered membership structure under the CSE Clear Rules - comprising Self-Clearing Members, Professional Clearing Members and Limited Clearing Members—clearly defines participant responsibilities and risk obligations, promoting market discipline and proportional regulation.

Operational Resilience and Data Protection

In line with evolving regulatory expectations for FMIs, CSE Clear has strengthened its operational resilience and data governance framework. Measures include:

- ▣ ISO 27701:2019 certification for privacy information management
- ▣ Appointment of a dedicated Data Protection Officer (DPO)
- ▣ Strong controls over sensitive trading, clearing and settlement data

International Alignment and Future Regulatory Readiness

Through SEC licensing, the implementation of the **CSE Clear Rules**, and coordinated amendments to related market rulebooks, CSE Clear aligns Sri Lanka's post-trade infrastructure with internationally recognised CCP standards, including CPMI-IOSCO Principles for Financial Market Infrastructures.

CSE Clear remains committed to:

- ▣ Enhancing automation in settlement operations and default risk management
- ▣ Strengthening supervisory reporting and monitoring systems
- ▣ Ensuring all future enhancements receive regulatory approval

COLOMBO STOCK EXCHANGE

HOW CSE CLEAR CREATES VALUE FOR THE COLOMBO STOCK EXCHANGE

STAKEHOLDER OVERVIEW

The Colombo Stock Exchange (CSE) serves as Sri Lanka’s primary equities and capital markets platform, facilitating liquidity, price discovery, and investor participation. Its credibility underpins domestic and foreign investor confidence.

CSE Clear is the post-trade infrastructure arm of the CSE. It provides central counterparty clearing, settlement, risk management, and post-trade services that underpin the safety, efficiency, and credibility of the Exchange. This relationship is central to market stability, regulatory confidence, and long-term growth.



VALUE CREATED

CSE Clear materially strengthens the institutional architecture of the Colombo Stock Exchange by embedding central counterparty clearing within the market structure.

Through legal novation, CSE Clear interposes itself between counterparties and becomes the buyer to every seller and the seller to every buyer for eligible trades. This transformation from bilateral exposure to centralised risk mutualisation materially reduces counterparty credit risk and eliminates settlement dependency between trading participants.

By reducing the total value of settlement obligations between participants, multilateral netting eases funding pressures and improves capital efficiency. This strengthens the market’s ability to remain liquid and stable, even in more challenging conditions.

Alignment with international CCP principles enhances regulatory credibility and positions the CSE within globally recognised clearing standards. For institutional and foreign investors, the presence of a robust CCP framework signals operational discipline, enforceable settlement finality, and reduced systemic vulnerability.

Collectively, CSE Clear enhances the Exchange’s stability, credibility, and long-term competitiveness.

CSE Clear therefore functions not merely as a processing utility, but as an operational stabiliser for the Exchange.

Operational & Service Impact

CSE Clear delivers disciplined, high-integrity post-trade processing at scale.

Automated clearing workflows, defined settlement cycles, and straight-through processing reduce manual intervention and operational latency. Multilateral netting significantly compresses settlement flows, lowering operational friction while preserving settlement precision.

The clearing infrastructure enables the Exchange to accommodate higher trading volumes without proportionate increases in operational risk or systemic exposure. This scalability is critical as market participation deepens and transaction complexity evolves.



COLOMBO STOCK EXCHANGE

GRI 2-25 2-26

RISK PROTECTION

CSE Clear is a core line of defence against systemic and settlement risk within the CSE ecosystem.

Risk exposures are managed through a layered protection framework comprising:

- ▣ Central counterparty novation
- ▣ Margin requirements calibrated to participant exposure
- ▣ A prefunded default fund
- ▣ Continuous real-time exposure monitoring
- ▣ Defined default management protocols

Settlement finality ensures that once obligations are discharged, transactions are legally irrevocable - insulating the broader market from contagion arising from individual participant distress.

This structured risk architecture reduces the probability of cascading defaults and preserves orderly market functioning during periods of volatility.

In doing so, CSE Clear safeguards market integrity and reinforces confidence among participants, regulators, and investors.

Engagement & Transparency

CSE Clear operates within a defined rulebook and structured oversight framework that enhances transparency across the post-trade lifecycle.

Clear eligibility criteria, margin methodologies, settlement timelines, and default procedures create predictability for participants. Comprehensive audit trails and regulatory reporting strengthen supervisory visibility and institutional accountability at the Exchange level.

This clarity of process reduces ambiguity, supports compliance discipline, and underpins informed participation.

Transparency at the clearing level directly contributes to reputational strength at the Exchange level.

Forward Value Creation

CSE Clear establishes a scalable clearing backbone for the CSE's next phase of market development.

The CCP infrastructure supports:

- ▣ Expansion into new asset classes
- ▣ Securities financing and collateral optimisation frameworks

- ▣ More sophisticated margin methodologies
- ▣ Higher trading volumes without disproportionate systemic risk

As Sri Lanka's capital market evolves, the presence of a resilient CCP structure enhances the Exchange's ability to integrate regionally and attract deeper institutional participation.



Continued investment in automation, risk analytics, governance controls, and operational resilience will further embed CSE Clear as a strategic enabler of market growth - not merely a settlement mechanism, but a foundational component of capital market infrastructure.

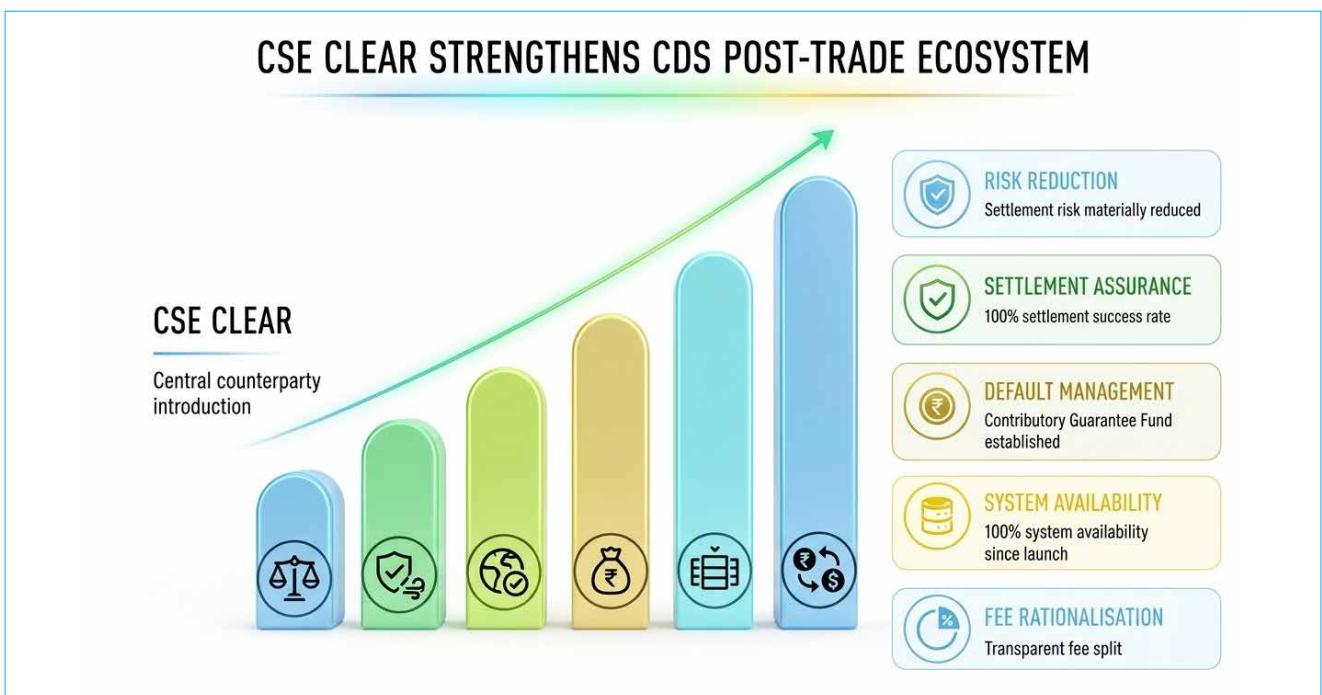
CENTRAL DEPOSITORY SYSTEMS

HOW CSE CLEAR CREATES VALUE FOR CDS

STAKEHOLDER OVERVIEW

The establishment of CSE Clear as Sri Lanka’s licensed central counterparty (CCP) represents a fundamental enhancement to the post-trade market infrastructure supporting the Central Depository System (CDS). Operating within a globally recognised CCP–CSD model, CSE Clear strengthens systemic stability, settlement certainty, and market confidence while ensuring full continuity of CDS operations.

Since commencement of operations in August 2025, 100% of CDS post-trade transactions have been cleared through CSE Clear with no disruption to settlement timelines, processes, or participant access. This seamless transition has enabled CDS and its account holders to benefit from enhanced risk management without changes to established market practices.

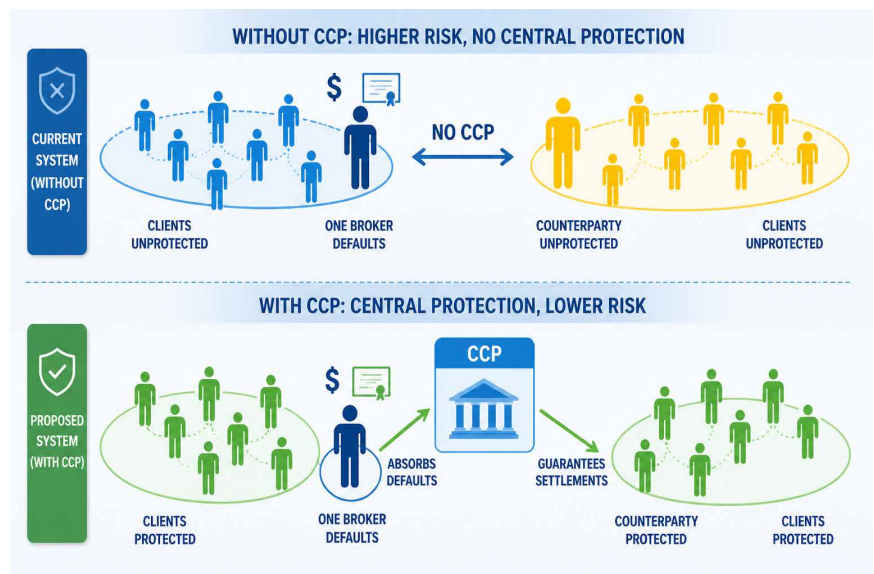


VALUE CREATED

Central Counterparty Risk Transformation

CSE Clear transforms a network of bilateral settlement exposures within CDS into a single, centrally managed counterparty exposure through novation. By interposing itself between buyers and sellers, CSE Clear materially reduces settlement and counterparty risk borne by CDS and its participants, while supporting a 100% settlement success rate since launch.

This structural shift aligns Sri Lanka’s post-trade framework with international best practice adopted by leading market infrastructures such as Euroclear, enhancing the credibility and resilience of CDS as the national securities depository.



CENTRAL DEPOSITORY SYSTEMS

Default Management and Financial Resilience

A core element of value creation is the establishment of a Contributory Guarantee Fund (CGF), funded through prefunded fixed and variable contributions from Clearing Members. The CGF provides a dedicated financial buffer to manage clearing member defaults in an orderly manner, ensuring settlement finality and protecting CDS from contagion risk during extreme but plausible stress events.

CSE Clear conducts regular stress testing and market simulations to assess the adequacy of margins, collateral, and the CGF. Four stress tests were completed since launch, with ongoing monthly testing embedded into the risk framework, strengthening CDS's ability to withstand market shocks.

Operational Continuity and Efficiency

CSE Clear has delivered 100% system availability since commencement, processing all daily turnover volumes without settlement failure. Continued joint use of the CDS system for operational processing has avoided infrastructure duplication, enabled cost optimisation at launch, and preserved familiar workflows for market participants.

Fee rationalisation has improved transparency, with the former single CDS fee unbundled into distinct CDS and clearing fees. This reflects the separation of depository and clearing functions in line with international post-trade models and enhances cost clarity for participants.

Governance, Regulation, and Market Confidence

The licensing of CSE Clear, together with approvals from the Securities and Exchange Commission of Sri Lanka and the CSE Board Committee for associated rule amendments, reinforces CDS's regulatory alignment within a robust CCP-CSD framework. This governance structure strengthens regulatory confidence and supports long-term capital market development.

Indirect Value Creation for CDS Account Holders

Although CDS account holders are not direct stakeholders of CSE Clear, they are indirect beneficiaries of the enhanced clearing and settlement architecture underpinning the depository system. By centralising and professionally managing settlement risk, CSE Clear improves the safety, predictability, and reliability of post-trade outcomes for all investors whose securities are held in CDS.

Settlement Assurance and Risk Protection

The CCP framework replaces fragmented bilateral exposures with a single, well-capitalised counterparty supported by margining, collateral management, and a prefunded guarantee fund. In the event of a clearing member default, predefined default management procedures ensure that trades continue to settle without disruption, shielding CDS account holders from losses arising from counterparty failure.



Enhanced Oversight and Operational Discipline

CSE Clear's continuous monitoring of exposures, margins, and settlement readiness introduces structured controls and early warning mechanisms across the settlement lifecycle. Escalation protocols, additional margin calls, and collateral adjustments are applied proactively, reducing the likelihood of settlement delays or failures affecting account holders.

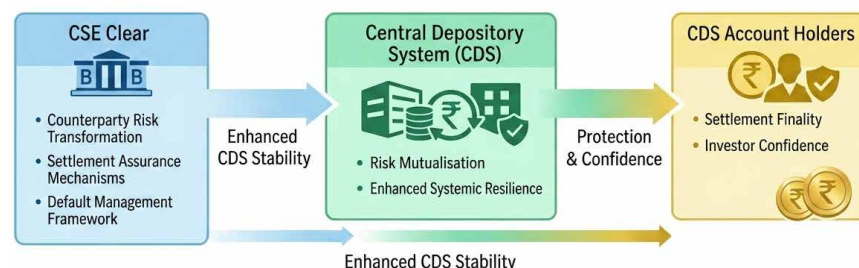
Market Confidence and International Alignment

Sustained 100% settlement success rates and system stability since launch provide tangible assurance to domestic and foreign investors. The adoption of a CCP-backed settlement model, widely recognised in international markets, enhances confidence in CDS processes and supports increased participation, particularly from institutional and cross-border investors.

Indirect Service Enhancements

The presence of a CCP-backed clearing framework has indirectly strengthened CDS services through improved settlement readiness, greater compliance with timelines, and enhanced discipline in post-trade processes such as corporate actions and primary market settlements. Transparent communication through rulebooks, circulars, and stakeholder consultations has reduced uncertainty and operational risk for account holders.

Value Flow from CSE Clear to CDS Account Holders



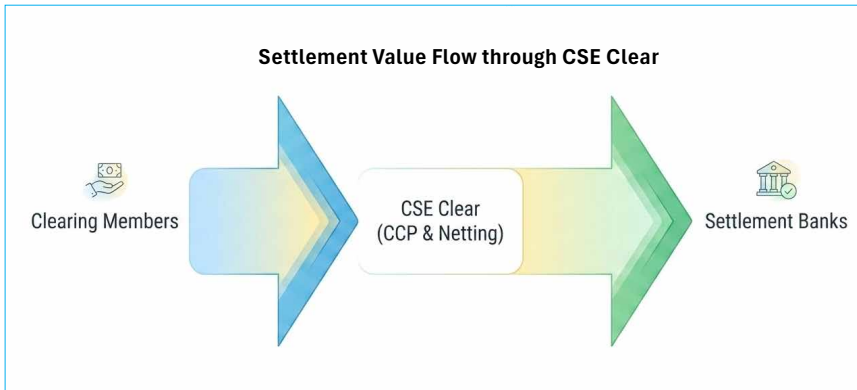
SETTLEMENT BANKS

GRI	2-12	2-13	2-27	2-29
-----	------	------	------	------

HOW CSE CLEAR CREATES VALUE FOR SETTLEMENT BANKS

STAKEHOLDER OVERVIEW

Settlement banks are a critical component of CSE Clear’s clearing and settlement ecosystem, providing the payment infrastructure through which the cash leg of securities transactions is settled. By maintaining settlement accounts for clearing members and executing settlement instructions, settlement banks enable timely and final transfer of funds, underpinning confidence in the capital market infrastructure.



VALUE CREATED

CSE Clear creates value for settlement banks by centralising clearing and settlement through a regulated central counterparty (CCP) framework. By interposing itself between buyers and sellers, CSE Clear guarantees settlement and transforms multiple bilateral payment obligations into a single net obligation per settlement cycle. This structure enhances predictability, reduces operational complexity, and strengthens confidence in settlement finality.

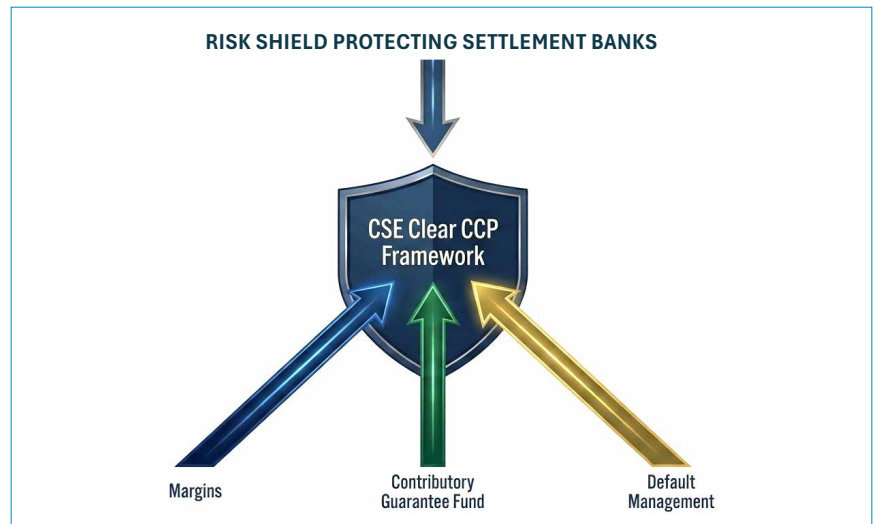
Operational and Service Impact

CSE Clear improves settlement efficiency for settlement banks through:

- ▣ Netting of settlement obligations, reducing the volume of payments processed and smoothing daily cash flows
- ▣ Standardised settlement instructions and settlement cycles, lowering reconciliation effort and manual intervention
- ▣ Centralised processing that replaces fragmented bilateral settlement arrangements

These efficiencies reduce operational risk, lower error rates, and enable more effective liquidity and intraday funding management by settlement banks, particularly during peak settlement periods.

During periods of market stress, CSE Clear’s risk management framework absorbs shocks arising from participant defaults or heightened volatility, limiting contagion and protecting settlement banks from cascading settlement failures. This contributes to broader financial system stability and strengthens trust in the clearing and settlement infrastructure.



Risk Protection and Trust

CSE Clear materially reduces settlement and counterparty risk faced by settlement banks by guaranteeing settlement through its margin framework, default management processes, and Contributory Guarantee Fund. Settlement finality is reinforced through enforceable clearing rules, defined settlement cycles, and structured default procedures.

Engagement and Transparency

CSE Clear maintains structured engagement with settlement banks through regular consultations, operational meetings, system testing sessions, and formal communications on regulatory and operational changes. Settlement instructions, payment obligations, and settlement outcomes are supported by clear reporting and auditable data trails, enhancing transparency, governance assurance, and regulatory compliance for settlement banks.

Forward Value Creation

Looking ahead, CSE Clear plans to enhance value for settlement banks through continued investment in technology, increased automation, and scalable systems capable of supporting higher volumes and new asset classes, including derivatives. Initiatives such as shorter settlement cycles and enhanced liquidity monitoring are expected to further improve efficiency, reduce funding pressures, and strengthen settlement resilience over the medium to long term.

EMPLOYEES

GRI 2-7

HOW CSE CLEAR CREATES VALUE FOR EMPLOYEES

CSE Clear commenced operations under the governance and human capital framework of the Colombo Stock Exchange (CSE). From inception, the organization prioritized establishing a strong governance foundation, embedding a high-performance culture, and delivering structured value to employees through robust systems, competitive benefits, and focused development opportunities. Despite being in its first year of operations, CSE Clear successfully implemented a compliant, inclusive, and performance-driven employee framework aligned with Group standards and international best practices.

CSE Clear's human capital framework is built on a collaborative and integrated model that combines deep domain expertise with the operational strength of the broader CSE Group. At its core is a dedicated team responsible for executing clearing and settlement functions, seconded from the CSE. Their familiarity with the end-to-end capital market ecosystem enables seamless coordination across trading, clearing, and settlement activities, enhancing efficiency and accuracy in day-to-day operations.

This core capability is complemented by access to specialised Group-level functions, including Finance, Information Technology, Legal & Compliance, Risk Management, Human Resources, and Internal Audit. By leveraging these shared services, CSE Clear benefits from well-established systems, robust governance frameworks, and experienced professionals, while avoiding duplication of resources. This structure not only improves cost efficiency but also ensures that all functions operate within consistent policies and high standards aligned with Group-wide oversight.

From an employee value creation perspective, this model provides significant advantages. It offers exposure to a diverse pool of expertise and cross-functional collaboration, enabling continuous learning and professional development. Employees benefit from knowledge sharing, structured processes, and access to advanced systems that support skill enhancement and career growth. At the same time, the presence of independent oversight and strong risk management frameworks creates a stable, well-controlled, and transparent working environment.

Overall, this integrated approach strengthens operational resilience, supports scalability, and fosters a culture of collaboration and continuous improvement. It has been instrumental in building a strong operational foundation for CSE Clear while creating meaningful value for employees through capability development, shared expertise, and a robust governance environment.

Stakeholder Overview

Employees are a core stakeholder group for CSE Clear, enabling the integrity, reliability, and operational continuity of Sri Lanka's post-trade clearing infrastructure. The organisation recognises that secure and efficient clearing operations depend fundamentally on the capability, engagement, and ethical conduct of its people.

CSE Clear's employee value creation approach is anchored in:

- ▣ Strong governance
- ▣ Equal opportunity and inclusive employment practices
- ▣ Structured performance management and merit-based rewards
- ▣ Continuous learning and professional development
- ▣ Comprehensive health, wellbeing, and financial support

This structured approach ensures that employee interests are safeguarded while simultaneously strengthening organisational resilience and long-term sustainability.

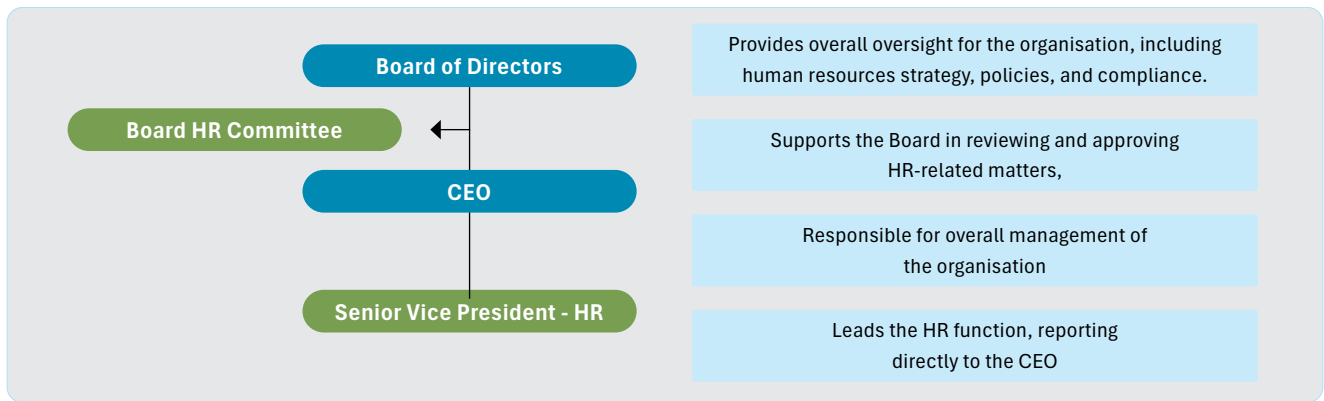
Governance-Driven People Management

As a clearing institution operating within Sri Lanka's capital market ecosystem, CSE Clear established a robust HR governance framework from inception.

Human capital oversight is exercised at Board level, supported by the Board HR Committee (shared with the Colombo Stock Exchange), which reviews senior appointments, remuneration frameworks, and HR policy matters. The CEO is responsible for implementing HR strategy in alignment with organisational objectives, while the Vice President – HR leads operational HR governance, workforce planning, and policy execution.

CSE Clear operates under:

- ▣ ISO 9001:2015 Quality Management Systems (via CSE)
- ▣ Great Place to Work® Certification (Group level)



Capability Building from Inception

As CSE Clear commenced operations in July 2025, building the right capability within a small and specialised team was a priority. From September to December 2025, all employees participated in structured training programmes to ensure readiness in key operational and regulatory areas.

During the period under review, employees completed a total of 105 training hours and the organisation invested Rs. 183,332.10 in learning and development initiatives during its first year of operations. Both male and female employees had equal access to training opportunities, reflecting the organisation’s commitment to fairness and balanced professional development.

Focus Areas of Training

Training programmes were selected to strengthen both technical knowledge and professional skills required in a clearing and post-trade environment. These programmes helped strengthen regulatory awareness, market knowledge, communication skills, and leadership capability within the team.

Key interventions during the year included:

Internal Programs	Offered to category
N/A	
External Programs	Offered to category
Discussion on Navigating Cybersecurity & Data Privacy by CFA Society	All categories
Equity Analyst Training by CFA Society	All categories
All Staff Cyber Security Awareness Session by Mr. Ramesh Indika	All categories
Outbound Training Program (Executive-Batch 01) by CHE Adventure	Executive Category
Practical Aspects of Money Market & Bond Market by CFA Society	All categories
Presentation Skills Workshop by Aroshi Nanayakkara	All categories
Sri Lanka Economic & Investment Summit by Ceylon Chamber of Commerce	Management Staff
International Training Programs	Offered to category
N/A	N/A

Identifying Development Needs

Training requirements were identified through performance discussions, divisional inputs, and succession planning considerations. This ensured that learning initiatives were relevant to operational needs and aligned with the organisation’s long-term priorities.

Although CSE Clear operated for only six months during the reporting period, the early emphasis placed on structured learning reflects its commitment to building a competent and future-ready team from the outset.

Training Investment

CSE Clear places strong emphasis on continuous learning and capability development as a key driver of employee value creation. Training initiatives are designed to enhance both technical expertise and professional competencies, supported by structured learning programmes, on-the-job exposure, and knowledge-sharing platforms. Through access to Group-wide resources and best practices, employees are equipped to keep pace with evolving market requirements while building skills that support long-term career growth and organisational resilience.

PERFORMANCE MANAGEMENT PROCESS

CSE Clear adopts the performance management framework established by the Colombo Stock Exchange (CSE), ensuring consistency with Group-wide human capital practices. The framework applies to all permanent and confirmed employees of CSE Clear as at 31 December each year.

EMPLOYEES

The performance cycle runs from 1 January to 31 December and consists of two formal review stages:

Mid-Year Review – Conducted to assess progress against agreed objectives, provide structured feedback, and, where necessary, realign targets in response to evolving operational priorities.

End-of-Year Appraisal – A comprehensive evaluation of performance against predefined Key Performance Indicators (KPIs), behavioural competencies, and organisational expectations.

This structured process promotes accountability, continuous dialogue between supervisors and employees, and alignment of individual performance with organisational goals. It also supports merit-based reward decisions, succession planning considerations, and identification of development needs.

Although CSE Clear commenced operations in July 2025, all eligible employees underwent formal performance evaluations during the reporting period, reflecting the early establishment of a disciplined performance culture.

All permanent employees of CSE Clear received regular performance reviews during the year.

REWARDS AND BENEFITS

CSE Clear creates value through a performance-driven culture grounded in accountability and ethical conduct. By linking rewards to measurable outcomes and behavioural standards, the organisation reinforces responsible decision-making, operational discipline, and integrity in execution.

Individual Performance

CSE Clear applies the performance-driven reward framework of the Colombo Stock Exchange (CSE) to ensure that remuneration outcomes are directly linked to individual contribution and organisational priorities. Salary increments and ex-gratia payments are determined through the annual Performance Evaluation Cycle, reinforcing a clear connection between performance outcomes and rewards.

For employees at Senior Assistant Manager level and above, performance assessment is based on a structured KPI framework supported by the Balanced Scorecard methodology. This approach promotes transparency and consistency while ensuring that individual objectives are aligned with operational efficiency, regulatory compliance, and risk management requirements - all of which are critical to a clearing and post-trade environment.

For executive cadre employees, performance evaluation is weighted 70% on the achievement of agreed KPIs and 30% on behavioural competencies. By embedding behavioural assessment into reward outcomes, CSE Clear ensures that short-term results are not achieved at the expense of governance, ethics, or control discipline. This balance strengthens decision-making quality and supports sustainable value creation.

Team Performance

CSE Clear recognises that effective clearing operations rely on collaboration and coordinated execution across functions. Accordingly, the organisation follows the CSE's project-based recognition framework to acknowledge teams involved in the successful delivery of key or special initiatives.

Project outcomes are reviewed and validated through established governance processes, following which eligible teams are recognised at the Annual Awards Ceremony. This approach reinforces collective accountability, encourages cross-functional cooperation, and supports the consistent delivery of complex operational and regulatory initiatives.

By recognising team-based achievements, CSE Clear strengthens organisational resilience and reinforces a shared commitment to operational excellence.

Reinforcing Corporate Values

Corporate values play a central role in shaping behaviour and decision-making at CSE Clear. The organisation adopts the CSE corporate values framework and integrates values-based assessment into its performance evaluation process.

As part of the year-end appraisal, 30% of the performance assessment for executive cadre employees is based on the demonstration of corporate values, including ethical conduct, professionalism, and accountability. Salary increments and incentive payments are therefore influenced not only by what is achieved, but also by how responsibilities are carried out.

Linking rewards to values reinforces a strong ethical culture, reduces conduct and compliance risks, and builds stakeholder confidence in CSE Clear's governance practices. This values-driven reward approach supports long-term organisational sustainability and underpins trust in the clearing infrastructure operated by CSE Clear.

EMPLOYEE BENEFITS

CSE Clear provides a comprehensive range of employment benefits aligned with the human capital framework of the Colombo Stock Exchange (CSE). These benefits are designed to support financial wellbeing, health security, professional growth, and work-life balance, while ensuring competitiveness within the industry.

<p>Financial Wellbeing & Stability To support long-term financial security, employees are provided access to concessionary loan schemes and structured allowances.</p> <p>Loan Schemes</p> <ul style="list-style-type: none"> ▣ Staff Loan Scheme (below industry interest rates) ▣ Educational Loan ▣ Vehicle Loan Scheme <p>Allowances & Reimbursements</p> <ul style="list-style-type: none"> ▣ Travel/Fuel allowance (middle management and above) ▣ Fuel reimbursement for official travel ▣ Mobile phone purchase reimbursement ▣ Stationery reimbursement (non-executive grades) ▣ Meal reimbursements for after-hours work 	<p>Health, Safety & Insurance Protection CSE Clear prioritises employee health and financial protection through comprehensive medical and insurance coverage.</p> <ul style="list-style-type: none"> ▣ Medical OPD reimbursement for employees and immediate family ▣ Spectacle expense reimbursement ▣ Hospitalisation insurance cover for employees and family ▣ Life insurance cover ▣ Personal accident cover ▣ Workmen’s compensation cover ▣ Corporate gym membership (top management) 	<p>Learning & Professional Development Support In addition to formal training programmes, employees receive financial support for professional advancement.</p> <ul style="list-style-type: none"> ▣ Reimbursement of educational expenses ▣ Reimbursement of annual professional membership fees ▣ Full reimbursement of Toastmasters’ membership ▣ Access to internal educational programmes (via CSE Education Academy) 	<p>Work-Life Balance & Family Support Recognising the importance of family wellbeing, CSE Clear provides benefits that exceed statutory requirements.</p> <ul style="list-style-type: none"> ▣ Maternity leave up to 100 working days (first and second child) ▣ Paternity leave provisions ▣ Nursing hours (up to 2 hours per day until the child turns one year) ▣ Transport facilities for staff after office hours ▣ Birthday vouchers and newborn gift vouchers
---	--	---	--

Support to Ensure Minimum Interruption to Work

At CSE Clear, the well-being of our employees is at the heart of everything we do. Guided by the emergency preparedness framework of the CSE, we ensure that, in the face of natural disasters or unexpected emergencies, our people are supported and protected, while operations continue smoothly.

Our approach is simple but effective. Line managers and our HR team actively check in on employees, particularly those in areas most at risk, making sure everyone is safe and has the support they need. We also understand that emergencies can disrupt everyday life, so flexible work arrangements - like working from home or adjusted hours - are made available to help employees navigate challenges such as travel disruptions, power outages, or difficult living conditions.

We go a step further to ease the burden during such times. Special leave provisions and attendance flexibility ensure that anyone unable to make it to work is not penalized, and their leave balances remain unaffected.

These measures reflect CSE Clear’s commitment to caring for our people, making sure that, no matter the circumstances, they are supported and protected. While Cyclone Ditwah thankfully did not affect any of our employees, our preparedness ensures that, should the need arise, we are ready to respond quickly and effectively.

Parental Leave Policy

Both male and female employees are entitled to parental leave at CSE Clear. As at now all 4 employees of CSE Clear are entitled to parental leave. The policy is explained in the table below.

MATERNITY LEAVE	All female employees	1st and 2nd childbirths – 100 working days If at the time of confinement has two or more children – 84 working days
PATERNAL LEAVE	Married male employees	Up to three (03) days at the point of the birth of a newborn

EMPLOYEES

GRI	2-23	2-24	2-25	2-26
-----	------	------	------	------

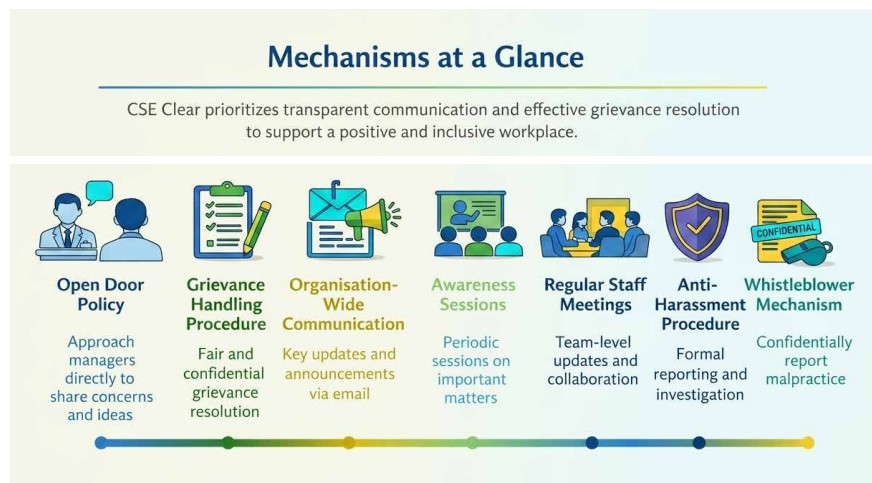
HR POLICY FRAMEWORK – CSE CLEAR

CSE Clear operates under a comprehensive HR policy framework aligned with the Colombo Stock Exchange (CSE). These policies are required to be reviewed annually to ensure compliance with regulatory requirements and alignment with organisational priorities.



COMMUNICATION AND GRIEVANCE MECHANISMS

At CSE Clear, transparent and effective communication is prioritized in order to foster a supportive, inclusive, and engaging workplace environment. CSE Clear follows the communication and grievance handling mechanisms established by the Colombo Stock Exchange (CSE).



NEW HIRES AND EMPLOYEE TURNOVER

At CSE Clear, attracting, developing, and retaining talent is central to building a capable and future-ready workforce. Our recruitment, induction, and retention practices follow the structured and fair framework established by the Colombo Stock Exchange (CSE), grounded in equal opportunity and non-discrimination.

Recruitment Policy

All recruitment is managed by the HR Division and begins with an approved Recruitment Requisition Form (RRF) from the relevant Head of Division, authorized by the CEO. Vacancies are filled through:

- ▣ Internal Recruitment: Employees are encouraged to apply via internal job postings.
- ▣ External Recruitment: Open vacancies are advertised through approved channels to attract qualified candidates.

Candidates are evaluated against predefined criteria through interviews and assessments, with final selection approved by senior management. Reference checks are conducted before any employment offer is made. All processes are confidential, transparent, and compliant with statutory and organizational standards.

Induction and Orientation

New employees undergo a structured program to accelerate integration and understanding of the organization:

- ▣ **First-Day Induction:** Introduces new hires to CSE Clear’s structure, policies, systems, and divisions.
- ▣ **Comprehensive Orientation (within 3 months):** A 1.5-day program including briefings from Heads of Division and a formal session at the Securities and Exchange Commission, providing insight into operational and regulatory contexts.

This ensures new employees are prepared to contribute effectively from the outset.

Retention Strategy

To support employee engagement and retention in a competitive labour market, CSE Clear implements:

- ▣ **Special Market Adjustments:** Job-specific allowances and market-aligned compensation for high-performing staff.
- ▣ **Leadership Rotation & Special Projects:** Opportunities for growth, experience-building, and organizational exposure.
- ▣ **Upskilling and Reskilling:** Training programs, exposure visits, and development initiatives to enhance capabilities.

- ▣ **Succession Planning & Individual Development Plans (IDPs):** Structured succession pipelines for management, ensuring continuity of leadership and internal talent development.

Recruitment and Turnover Analysis 2025

- ▣ **New Hires:** Nil
- ▣ **Resignations:** Nil
- ▣ **Recruitment by Age & Gender:** No new hires across all age bands; gender balance maintained.

Employee Engagement

CSE Clear commenced operations recently, and during the initial phase no formal employee engagement surveys were conducted. Survey initiatives will be planned for the coming year to gather feedback, measure engagement, and identify opportunities for improvement.

In the meantime, CSE Clear follows the engagement and communication practices established by the Colombo Stock Exchange (CSE), ensuring transparency, open dialogue, and participation across the workforce. Key mechanisms include:

Mechanism	Purpose
One-to-One Discussion with CEO	Conducted at the time of confirmation for new recruits to provide guidance and feedback.
All-Staff / Townhall Meetings	Regular sessions to communicate updates, organizational priorities, and encourage open dialogue.
Open Door Policy	Employees are encouraged to approach managers or senior leadership to raise concerns, ideas, or suggestions.
Whistleblower Mechanism	Confidential reporting of malpractice, irregularities, or unethical behaviour to ensure accountability and protection against retaliation.

Staff of CSE Clear also participate in social and engagement events organized by the CSE. While no CSE Clear-specific events were conducted, inclusion in parent company activities fosters team bonding, collaboration, and a cohesive culture. Zero incidents of discrimination were reported in 2025.

Industrial Relations

CSE Clear maintains a formal structure for industrial relations, aligned with the policies of the CSE.

Aspect	Details
Employees in Trade Unions	None
Collective Agreements	None
Governance Structure	VP – HR → CEO → Board HR Committee

EMPLOYEES

Aspect	Details
Disciplinary Procedure	Formal and Informal mechanism in place to address conduct issues fairly and consistently
Whistleblower Policy	Enables confidential reporting with protection against retaliation

These policies ensure compliance with organizational standards, accountability, transparency, and a safe work environment.

GENDER REPORTING AND WORKPLACE INCLUSION

CSE Clear is committed to fostering gender equity and an inclusive workplace. Policies and processes are in place to promote equal opportunities and prevent discrimination.

Policy and Structural Enablers

Policies on diversity, equal opportunity, and sexual harassment ensure a safe and inclusive workplace. The organization maintains transparent reporting of workforce gender composition, from the Board of Directors to other employment categories, laying the groundwork for future initiatives to further enhance gender parity and workplace inclusivity.

Gender Composition

The CSE Clear workforce is lean, since it only started operations in July 2025. While gender representation at senior levels reflects the structure inherited from the parent entity, the organisation has embedded policies and governance mechanisms designed to support equitable growth as the workforce expands. Workforce movement was limited. This provides a stable starting point for embedding inclusive hiring and promotion practices going forward.

As CSE Clear scales its operations, gender diversity within leadership and across operational roles will remain a focus area. Future recruitment and talent development initiatives will aim to enhance representation and create a more balanced workforce over time.

Building Human Capital with Discipline and Purpose

As a newly established clearing institution, the priority for CSE Clear was stability, capability, and alignment. HR processes were implemented without disruption, performance management cycles were completed on schedule, training targets were exceeded, and workforce stability was maintained. This disciplined execution enabled CSE Clear to support business continuity during launch while fostering a culture grounded in accountability, learning, and ethical conduct.

CSE Clear creates value for employees through:

- ▣ Clear performance expectations linked to organisational strategy
- ▣ Structured learning and development opportunities from the outset
- ▣ Transparent governance and merit-based reward mechanisms
- ▣ Succession planning and individual development pathways
- ▣ Engagement platforms that encourage dialogue and inclusion

In parallel, employees create value for the organisation by ensuring operational integrity, regulatory compliance, and the reliable functioning of Sri Lanka's post-trade clearing infrastructure.

Looking ahead, as CSE Clear scales its operations, the HR agenda will progressively shift from foundational implementation to strategic enhancement - strengthening leadership pipelines, advancing diversity and inclusion, deepening engagement measurement, and aligning workforce planning with long-term business growth.

Policy Enablers	
Policy	Status
Parity Policy	Yes
Diversity & Inclusion	Yes
Gender Pay Equity	N/A
Sexual Harassment Policy	Yes
Grievance Mechanism	Yes
Women Empowerment Initiatives	Planned



New Year Celebration 2025



Sinhala and Tamil New year Breakfast table with Games



Sports Day



Sports Day



Employee Get Together & New Recruits' Talent Show



Employee Get Together & New Recruits' Talent Show



Out-Bound Training Programme



Out-Bound Training Programme

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of the CSE Clear (Private) Limited (CCL) has pleasure in presenting their Annual Report to the Members, together with the audited Financial Statements and Auditors' Report on those Financial Statements for the financial year ended 31st December 2025.

This Annual Report on the affairs of the Company contains the information required in terms of the Companies Act No. 07 of 2007.

The Financial Statements were reviewed and approved by the Board of Directors on 11th March 2026.

GENERAL

The CSE Clear (Private) Limited is a fully owned subsidiary of the Colombo Stock Exchange, incorporated in Sri Lanka on 28th March 2016, under the Companies Act No.07 of 2007 and is licensed by the Securities and Exchange Commission of Sri Lanka (SEC).

The policy making body of the CCL is the Board of Directors composed of five members.

The CCL Secretariat, headed by the Chief Executive Officer is responsible for the operations of the CCL, and is accountable to the Board of Directors.

VISION, MISSION AND CORPORATE CONDUCT

The Vision and Mission statements are given on page 04 of the Annual Report. The business activities of the Company are conducted in keeping with the highest level of ethical standards in achieving its Vision and Mission.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the clearing and settlement of securities traded on the Colombo Stock Exchange.

In the course of carrying out the aforementioned principal activity, the Company also acts as the trustee of the Contributory Guarantee Fund established in terms of the Securities and Exchange Commission of Sri Lanka Act and the Clearing House Rules.

There were no significant changes in the nature of principal activities of the Company during the financial year under review.

REVIEW OF OPERATION

A review of the activities of the CCL during the year is contained in the Chairman's Message on pages 08 to 09, the Chief Executive Officer's Message on pages 10 to 11, Head of CSE Clear's Message on pages 12 to 13 and the Operational Review on pages 39 to 41 the Annual Report 2025. These reports form an integral part of the Annual Report.

FUTURE DEVELOPMENTS

An overview of the future development of the CCL is given in the Chairman's Message on pages 08 to 09, the Chief Executive Officer's Message on pages 10 to 11, Head of CSE Clear's Message on pages 12 to 13 and the Operational Review on pages 39 to 41 the Annual Report 2025. These reports form an integral part of the Annual Report.

FINANCIAL STATEMENTS

The Financial Statement of the Company has been prepared in accordance with Sri Lanka Accounting Standards prefixed SLFRS and LKAS, the Companies Act No. 07 of 2007 and other applicable statutory and regulatory requirements.

The Financial Statement of the Company for the year ended 31st December 2025, duly signed by the Executive Vice President- Finance and Administration and two of the Directors of the Company on pages 70 to 85 form an integral part of the Annual Report of the Board of Directors.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Statement of Directors' Responsibility for the Financial Reporting given on page 65 forms an integral part of the Annual Report of the Board of Directors.

AUDITOR'S REPORT

KPMG, the Auditors of the Company, carried out the audit on the Financial Statements for the year ended 31 December 2025 and their report on those statements which forms an integral part of the Report of the Board of Directors, on page 69 of this Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of the Financial Statements are given on pages 74 to 77.

GOING CONCERN

The Board is satisfied that the Company has adequate resources to continue its operations in the foreseeable future.

Therefore, we continue to adopt the "going-concern" basis in preparing these Financial Statements.

INCOME

The income of the Company for 2025 was Rs.153 Mn. An analysis of the income is given in Note 04 & 05 to the Financial Statements.

FINANCIAL RESULTS AND APPROPRIATIONS

The Company has recorded a Profit before Tax of Rs.90 Mn (2024: Profit before Tax Rs.13 Mn) and Profit after Tax of Rs. 62 Mn (2024: Rs.9 Mn) for the year 2025.

The Company's total other comprehensive income for the year 2025 was Nil (total other comprehensive income was Nil in 2024)

TAXATION

The income tax rate applicable on the Company and the subsidiary company was 30% for the year ended 31st December 2025 (2024 - 30%).

DIVIDEND

The Board of Directors of the CCL has not recommended a Dividend.

RESERVES

A summary of the consolidated reserves is given below.

As at 31st December	2025	2024
	Rs. 000	Rs. 000
Stated Capital	500,000	500,000
Other Reserve	-	-
Retained Earnings	71,527	9,425
Total	571,527	509,425

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

The total capital expenditure on acquisition of property and equipment and intangible assets of the Company Nil (2024: Nil).

PROPERTY AND EQUIPMENT

The value of Property and Equipment of the company is Nil.

DONATIONS

During the year Company has not made any donations. (Rs. Nil in 2024).

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to the Government and the employees have been made up-to-date.

OUTSTANDING LITIGATION

No outstanding litigation against the Company.

EVENTS AFTER THE REPORTING DATE

Events after the Reporting Date have been disclosed in Note 25 of the Financial Statements.

BOARD OF DIRECTORS

The following Directors held office as at the Statement of Financial Position date:

NAME OF THE DIRECTORS

Mr. Arjuna Herath (Chairman)
Mr. Ray Abeywardena
Mr. Sujeewa Peiris
Mr. Suren De Silva
Mr. Ruwan Manatunga

The number of Directors shall not be less than five (05) or more than ten (10). Being the parent company, CSE appoints all of the Directors of the CCL with the prior approval of the Securities and Exchange Commission of Sri Lanka. The CSE may at any time and from time to time remove any Director of the CCL and appoint another in place of the person so removed or fill any vacancy in the office of Director howsoever created.

The details of the Directors' meetings which comprise Board meetings, Special Board Meetings, Risk Committee Meetings, Audit Committee Meetings, HR Committee Meetings, Nominations Committee meetings and the attendance of Directors at these meetings are given on page 22 of the Annual Report.

BOARD SUB COMMITTEE

CCL has its own Board Sub Committees. The composition of the Board sub committees, comprising of Non-Executive Directors is provided on page 21.

The report of the Board Audit Committee is given on pages 66 to 67.

DIRECTORS' INTEREST REGISTER

The CCL maintains a Directors' Interests Register in compliance with the provision of the Companies Act No. 7 of 2007.

The Directors of the CCL have disclosed their interests in other companies to the Board and those interests are recorded in the Interests Register conforming to the provisions of the Companies Act No.7 of 2007. The particulars of those entries are set out on Note 24 to the Financial Statements and form an integral part of the Annual Report of the Board of Directors.

RELATED PARTY TRANSACTIONS

The Directors have also disclosed transactions if any, that could be classified as related party transactions in terms of LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the financial statements. Those transactions disclosed by the Directors are given in Note 24 to the financial statements forming part of the Annual Report of the Board of Directors.

DIRECTORS' REMUNERATION

In compliance with the provisions of the Articles of Association, the CCL has not made any payments on account of Directors' remuneration other than payment pertaining to meet out of pocket expenses for attending Board Meeting as given in Note 24 to the financial statements.

ENVIRONMENTAL PROTECTION

To the best of knowledge of the Board, the Company has complied with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Company has an ongoing process in place to identify, evaluate and manage the risks that are faced by the Company. A separate report on risk management is given on pages 24 to 26.

Internal Control

The strong internal controls are integral to the sound management of the Company, hence the Board committed to maintain strict financial, operational and risk management controls over all its activities including safeguard the assets of the Company and prevent and detect frauds.

There is an ongoing process for identifying, recording, evaluating and managing the risks that are faced by the Company, and the Directors have reviewed this

process, through the Board Audit and Risk Committee including internal reviews, internal audits and system audits.

Corporate Governance

The Directors and Management of the CCL have placed emphasis on conforming to the best corporate governance practices and procedures. A separate report on Corporate Governance is given on pages 19 to 23 in the Annual Report.

Auditors

The Company's Auditor's during the period under review was KPMG, Chartered Accountants. Audit Fees and reimbursement of expenses paid to KPMG during the year under review by the Company amounted to Rs. 124,305 (Rs. 295,466 in 2025). Further, Rs. 217,529 (Rs. 169,231 in 2024) was paid on account of tax related services. The details of their remuneration are given in Note 7 to the Financial Statements.

As far as the Directors are aware the Auditors do not have any interest with the CCL other than those disclosed above.

The Auditors have expressed their willingness to continue in office. A resolution to re-appoint the Auditors and authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by Section 168 (1) (k) of the Companies Act No. 07 of 2007, the Board of Directors hereby acknowledge the contents of this Annual Report.


For and on behalf of the Board of Directors.



Mr. Arjuna Herath
Chairman



Mr. Ruwan Manatunga
Director



Corporate Services (Private) Limited
Secretaries

26th May 2026
Colombo

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The responsibility of the Directors, in relation to the Financial Statements, is set out in the following statement. The responsibility of the Auditors, in relation to Financial Statements, is set out in the Report of the Auditors' on the Annual Report.

As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare Financial Statements for each financial year and place them before a General Meeting. The Financial Statements comprise the Statement of Financial Position as at 31st December 2025, and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flows for the year then ended and Notes thereto.

The Financial Statements of the Company give a true and fair view of:

The state of affairs of the Company as at the Statement of Financial Position date and the Profit or Loss of the Company for the financial year ended on the Statement of Financial Position date.

The Directors have ensured that, in preparing these Financial Statements:

1. The appropriate accounting policies have been selected and applied in a consistent manner. Material departures, if any have been disclosed and explained;
2. All applicable accounting standards as relevant have been followed;
3. Judgments and estimates have been made which are reasonable and prudent.

The Directors confirm that the Financial Statements of the CCL for the year ended 31st December 2025 presented in this Annual Report have been prepared in accordance with the Sri Lanka Accounting Standards prefixed SLFRS and LKAS, Companies Act No: 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No: 15 of 1995.

The Directors have adopted the going concern basis in preparing the Financial Statements. The Directors are of the view that the CCL has adequate resources to continue in operation.

The Directors have taken reasonable steps to safeguard the assets of the CCL and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view of preventing and detecting fraud and other irregularities. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy.

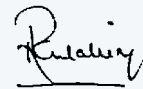
Directors are required to prepare the Financial Statements and to provide the Company's External Auditors, with every opportunity to carry out any reviews and tests that were considered appropriate and necessary for expressing their independent audit opinion on the Financial Statements.

The Financial Statements of the Company have been certified by the Company's Executive Vice President-Finance and Administration, the officer responsible for their preparation, as required by the Sections 150 (1) (b) and 152 (1) (b) of the Companies Act. Also, the Financial Statements of the Company has been signed by two Directors on 11th March 2026 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act No.7 of 2007.

The Directors to the best of their knowledge and belief, are satisfied that all statutory payments in relation to all relevant regulatory and statutory authorities which were due and payable by the CCL as at the Statement of Financial Position date have been paid or where relevant provided for.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board



Corporate Services (Private) Limited
Secretaries

26th May 2026
Colombo

RISK & AUDIT COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Risk and Audit Committee of CSE Clear Pvt Ltd was appointed in the second half of the year 2025. From inception, the Audit Committee of the Colombo Stock Exchange (CSE), the parent company of CSE Clear (Pvt) Ltd, functioned as the Audit Committee of the Company. Accordingly, during the period under review, the CSE Audit Committee continued to oversee and discharge the audit committee responsibilities.

The Risk & Audit Committee of the CSE Clear Pvt Ltd and Contributory Guarantee Fund comprises of Three (03) Non-Executive Directors.

The present members of the Risk & Audit Committee appointed by the Board are;

Mr. Ruwan Manatunga (Chairman)

Mr. Ray Abeywardena

Mr. Sujeewa Peiris

The Chief Executive Officer, Vice President -Internal Audit, Senior Management Members, External Auditors and Internal Auditors attend the meetings of the Audit Committee on invitation.

RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The responsibilities and duties of the Committee were based on the Terms of Reference (TOR) adopted by the Company in terms of best practices. The TOR as approved by the Board of Directors, include the following functions:

- ▣ To review significant accounting and reporting issues, including complex or unusual transactions, recent professional and regulatory pronouncements, and understand their impact on financial statements of the Company.
- ▣ To review the effectiveness of the Company's internal control systems.

- ▣ To monitor and review the effectiveness of the Company's internal audit function, in the context of the overall financial control and risk management of the Company.
- ▣ To assess independence and objectivity of the external auditor.
- ▣ To make recommendations to the Board of Directors on the appointment, reappointment and removal of the external auditor.

MEETINGS OF THE COMMITTEE

Five (5) Group Audit Committee meetings were held to discuss relevant matters including, but not limited to budget, investments, reports of the Internal and External Auditors and Annual/Quarterly accounts. The Company Secretary functions as the Secretary to the Audit Committee. Minutes of each committee meeting were recorded and submitted for confirmation at the immediate subsequent committee meeting and subsequently presented to the Board for ratification.

INTEGRITY OF FINANCIAL STATEMENTS

The Committee reviewed the appropriateness of the accounting policies used and the financial statements of the Group to assess their integrity and compliance with Accounting Standards. The Committee reviewed and discussed with the management, the quarterly financial statements and recommended the same for approval of the Board.

INTERNAL CONTROLS

The Committee reviewed the effectiveness of the internal control systems and recommended, where necessary, appropriate remedial measures.

EXTERNAL AUDIT

The independence of the External Auditor was evaluated by the Committee and the Committee also reviewed the non-audit services provided by the Auditors to ensure that the provision of such services does not impair the External

Auditors' independence. The Committee met with the External Auditor during the year to discuss their audit approach and procedures, including matters relating to the scope of the audit and Auditor's independence.

The Auditors presented all relevant matters arising from the audit with the key Management Letter points and the Committee discussed the management responses as well.

The Audit Committee reviewed the Financial Statements audited by the External Auditor for the financial year ended 31st December 2025 and recommended the Financial Statements for submission to the Board. The Committee also reviewed and recommended to the Board of Directors the Letter of Representation to be given to the External Auditors for the year 2025.

The Audit Committee met with the engagement partner of the External Auditor during the year, in the absence of Key Management Personnel to ensure that there were no limitations of the scope in relation to the audit and to allow for full disclosure of any incidents which could have had a negative impact on the effectiveness of the external audit. The Committee concluded that there was no cause for concern.

The Audit Committee recommended for approval at the Annual General Meeting, the re-appointment of the External Auditor and for the Board of Directors to fix the Auditors' remuneration.

INTERNAL AUDIT

The Internal Audit Charter governing the Mission, Purpose, Responsibilities, Scope and Accountability of the Internal Audit Division was presented to the Audit Committee Meeting in early 2025.

The Purpose of the Internal Audit Division as highlighted in the Internal Audit Charter is as follows:

- ▣ Auditing Overall Risk Management Process
- ▣ Strengthen the Internal Controls in all areas

- ▣ Ensure Compliance with Policies, Procedures and Regulations
- ▣ Recommend opportunities for Process Improvement and enhancing Efficiency
- ▣ Enhancing System Controls

In-line with the above requirements, an internal audit plan was developed and executed with the approval of the Audit Committee. Improved Policies, Procedures and Controls arising from the audits were recommended for implementation. The findings of the internal auditor together with management comments and agreed action plans were reviewed by the Committee during the year and approved for implementation.

On behalf of the Risk & Audit Committee:



Ruwan Manatunga

Chairman – Risk and Audit Committee

26th May 2026
Colombo

**CSE CLEAR
(PRIVATE) LIMITED**

CSE CLEAR (PRIVATE) LIMITED

INDEPENDENT AUDITOR'S REPORT



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

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

TO THE SHAREHOLDERS OF CSE CLEAR (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CSE Clear (Private) Limited ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS

Colombo,
Sri Lanka

31st March 2026

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

C.P. Jayatilake FCA
Me. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Me. P.M.K. Sumanasekera 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. G. H. Raddella ACA,

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

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December,	Note	2025	2024
		Rs.	Rs.
Revenue	4	143,857,190	-
Other Income	5	9,209,557	-
		153,066,747	-
Staff Cost	6	(20,818,536)	-
Operating Expenses	7	(86,874,483)	(2,460,853)
Finance Income	8	44,673,593	15,926,472
Profit before Taxation		90,047,321	13,465,619
Income Tax Expenses	10	(27,945,560)	(4,039,686)
Profit for the Year		62,101,761	9,425,933
Total Comprehensive Income for the Year		62,101,761	9,425,933
Earnings Per Share	11	1.24	0.19

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31 December,	Note	2025	2024
		Rs.	Rs.
ASSETS			
Non Current Assets			
Property & Equipment		-	-
Contribution to Contributory Guarantee Fund	12	250,000,000	-
Investment in Treasury Bonds	13	245,166,048	243,801,782
SEC License Fee	14	2,420,600	-
Total Non Current Assets		497,586,648	243,801,782
Current Assets			
Trade Receivable and Other Receivable	15	11,621,693	75,768
Amounts due from Related Company	19	4,704	-
Other Investments	16	60,147,828	268,976,463
Cash and Cash Equivalents	17	598,032,263	1,679,902
Total Current Assets		669,806,488	270,732,133
Total Assets		1,167,393,136	514,533,915
EQUITY AND LIABILITIES			
Stated Capital	18	500,000,000	500,000,000
Retained Earnings		71,527,694	9,425,933
Total Equity		571,527,694	509,425,933
Current Liabilities			
Brokers' Liquidity and Margin Deposit	21	542,361,313	-
Accrued Expenses and Sundry Creditors	20	7,284,345	710,198
Amounts due to Related Company	19	19,660,298	1,057,818
Income Tax Payable	22	26,559,486	3,339,966
Total Current Liabilities		595,865,442	5,107,982
Total Equity and Liabilities		1,167,393,136	514,533,915
Net Asset per share		11.43	10.19

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

These Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



Kusal Nissanka

Executive Vice President - Finance & Administration

The Board of Directors is responsible for the preparation and presentation of the Financial Statements.
For and on behalf of the Board of Directors.



Arjuna Herath
Chairman

11 March 2026
Colombo.



Ruwan Manatunga
Director

STATEMENT OF CHANGES IN EQUITY

As at 31 December,	Stated Capital	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01 January 2024	10	-	10
Share Issue During the Year	499,999,990	-	499,999,990
Total Comprehensive Income			
Profit for the Year	-	9,425,933	9,425,933
Balance as at 31 December 2024	500,000,000	9,425,933	509,425,933
Balance as at 01 January 2025	500,000,000	9,425,933	509,425,933
Total Comprehensive Income			
Profit for the Period	-	62,101,761	62,101,761
Balance as at 31st Dec 2025	500,000,000	71,527,694	571,527,694

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the Year Ended 31 December,	Note	2025	2024
		Rs.	Rs.
Cash Flows from Operating Activities			
Profit before Taxation		90,047,321	13,465,619
Adjustments For :			
Interest Income	8	(44,673,593)	(15,926,472)
Amortization	14	605,150	-
Impairment provision - Investments	16.1	1,796	-
Operating Profit/(loss) before Working Capital Changes		45,980,674	(2,460,853)
Changes in Working Capital			
Increase in Receivables	15	(10,174,511)	(75,768)
Decrease in Amounts receivable due to Related Company	19	18,597,776	1,057,818
(Decrease) Increase in Payables	20	6,574,148	710,198
(Decrease) /Increase in Brokers Deposit	21	542,361,313	-
		603,339,400	(768,605)
Income tax paid	22	(4,726,041)	(699,720)
Net Cash Flows Generated from / (used in) Operating Activities		598,613,359	(1,468,325)
Cash Flows from Investing Activities			
Interest Received	8	42,551,358	21,739,871
Investment in Fixed Deposit	16	(60,000,000)	-
SEC License Fee	14	(3,025,750)	-
Withdrawal in Investments in Treasury Bills	16	268,213,394	(268,213,394)
Investment in Treasury Bond	13	-	(250,378,250)
Investment in Contributory Guarantee Fund	12	(250,000,000)	-
Net Cash Generated from Share issue		(2,260,998)	(496,851,773)
Cash Flows from Financing Activities			
Share Issue		-	499,999,990
Net Cash Flows Used in Financing Activities		-	499,999,990
Net (Decrease)/Increase in Cash and Cash Equivalents		596,352,361	1,679,892
Cash and Cash Equivalents at beginning of the Year		1,679,902	10
Cash and Cash Equivalents at End of the Year		598,032,263	1,679,902
Analysis of Cash and Cash Equivalents at End of the year (Note 16)			
Overnight Repos		547,117,915	1,000,000
Cash at Bank		914,348	679,902
Term Repo		50,000,000	-
Cash & Cash Equivalents		598,032,263	1,679,902

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile and Legal Form

CSE Clear (Private) Limited is a Limited Liability Company incorporated on 28th March 2016 and domiciled in Sri Lanka. The registered office of the Company is located at 4 - 01, West Block, World Trade Center, Echelon Square, Colombo 01.

1.2. Principal Activities and Nature of Operations

The principal activity of the Company is the clearing and settlement of securities traded on the Colombo Stock Exchange. The company commenced its operations with effect from 28 July 2025.

1.3. Parent Enterprise

The Company is the fully owned subsidiary of the Colombo Stock Exchange.

2. BASIS OF PREPARATION

2.1. Basis of Compliance

The financial statements of the Company comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and notes to the financial statements including material accounting policies. These statements are prepared in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

The Financial Statements were authorized for issue by the Board of Directors on 11th March 2026.

2.2. Basis of Measurement

The Financial Statements of the Company have been prepared on a historical cost basis.

2.3. Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional currency.

2.4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements 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 reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.5. Use of estimates and judgments

The preparation of financial statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.6. Going Concern

The Group's management has made an assessment if its ability to continue as a going concern and is satisfied that it has the resources to continue in business for a foreseeable future.

Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continued to be prepared on the going concern basis.

2.7. Current versus Non-Current Classification

The Company presents assets and liabilities in the Statement of Financial Position based on Current / Non-Current classification. An asset is Current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period or is Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current Assets. A liability is Current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-Current Liabilities.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1. Material accounting policy information

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (commonly referred to as "SLFRS"/ "LKAS") issued by the Institute of Chartered

Accountants of Sri Lanka (CA Sri Lanka) further compliance with the requirements of the Companies Act No. 7 of 2007.

3.2. Financial Instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement of financial assets

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

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

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

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

Classification and subsequent measurement of financial assets (Contd.)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a

financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest (Contd.)

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 - Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are never reclassified to profit or loss.

3.3. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

3.3.1. CSE Clear Fees

CSE Clear fees on securities traded on the stock exchange are recognized on a trade date basis.

3.4. Other Income

CSE Clear (Pvt) Ltd charges a fixed monthly clearing fee of LKR 50,000 per member to cover operational costs and maintain clearing services. Income is recognized based on services provided from the commencement of operations on 28 July 2025. No comparative income is reported for the prior period.

3.5. Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

3.6. Net Finance Income

Interest income is recognized in profit or loss as it accrues, using the effective interest method. The finance income includes interest income arising from overnight repos, treasury bills and treasury bonds.

3.7. Taxation

As per Sri Lanka Accounting Standard (LKAS 12) – “Income taxes”, tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current taxes. Income tax expense is recognized in the income statement.

3.7.1. Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the Reporting Date, and any adjustment to tax payable in respect of previous years. Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

3.8. Intangible Assets

Intangible assets consist of the SEC license obtained from the Securities and Exchange Commission of Sri Lanka. The license is recognized at cost in accordance with LKAS 38 and amortized 5 Years over its useful life

3.9. Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

3.10. Brokers' Liquidity and Margin Deposit

Brokers' Liquidity and Margin Deposit refer to the collective pool of fiduciary funds placed by Clearing Members (Stockbrokers) with CSE Clear (Pvt) Ltd to mitigate counterparty credit risk and ensure market stability. These funds include various types of margin deposits (such as Overnight Margin, Base Margin, and SBL Margin) collected to ensure timely settlement of trades and to mitigate counterparty risk.

3.11. Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

3.12. Statement of cash flows

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of Cash Flow', whereby operating activities, investing activities and financing activities are separately recognized.

Cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.13. New and amended standards issued but not effective as at the reporting date

A number of new accounting standards and amendments to accounting standards are effective for annual period beginning after 1 January 2026 and earlier application is permitted. However, the Company has not early adopted the new and amended accounting standards, stated below, in preparing these financial statements.

- Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)
- SLFRS 18 Presentation and Disclosure in Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December		2025	2024
		Rs.	Rs.
4	REVENUE		
	CSE Clear Fees	143,857,190	-
		143,857,190	-
5	OTHER INCOME		
	Clearing Member Fee	9,200,000	-
	Collateral Management fee	9,557	-
		9,209,557	-
6	STAFF COST		
	Salaries	8,911,969	-
	Bonus	8,609,584	-
	Terminal Benefits (Gratuity)	2,206,200	-
	Staff Welfare	313,138	-
	Medical and Insurance Expenses	768,348	-
	Transport & Travelling	9,297	-
		20,818,536	-
7	OTHER OPERATING EXPENSES		
	Directors' expenses	1,900,000	1,400,000
	Audit Fees	124,305	295,466
	Secretarial Fees	298,386	199,148
	Administration Expenses	15,258,873	52,030
	Stationery	32,180	-
	Educational & Training	274,292	-
	CSE Profit Margin	2,419,888	-
	CSE Management Fee	1,053,756	-
	Professional Charges	2,647,561	169,231
	Impairment Charges-Investment (Note 16.1)	1,796	-
	Maintenance Costs	60,073,877	-
	Social Security Contribution Levy	1,876,448	-
	Business Subscriptions	126,679	303,618
	Bank Charges	181,292	41,360
	Amortization	605,150	-
		86,874,483	2,460,853
8	FINANCE INCOME		
	Interest Income	44,673,593	15,926,472
		44,673,593	15,926,472

For the year ended 31 December		2025	2024
		Rs.	Rs.
9	PROFIT /(LOSS) BEFORE INCOME TAX		
	Profit before taxation is stated after charging the following:		
	Auditors Remuneration	124,305	295,466
	Director's Expenses	1,900,000	1,400,000
	Depreciation and Amortisation	605,150	-
	Provision for Impairment of Investments	1,796	-

For the year ended 31 December		2025	2024
		Rs.	Rs.
10	TAXATION		
10.1	Income Tax Expense		
	Current tax expense (Note 10.2)	27,945,560	4,039,686
		27,945,560	4,039,686

Income tax has been computed according to the provisions of the the Inland Revenue Act No. 24 of 2017 and the Inland Revenue Act No.10 of 2006 and subsequent amendments thereto in 2017. Taxation is provided at 30% of taxable profit of the company for the year ended 2025.

For the year ended 31 December		2025	2024
		Rs.	Rs.
10.2	Reconciliation on Accounting Profit to Income Tax		
	Profit before Taxation	90,047,321	13,465,619
	Investment Income	(44,673,593)	(15,926,472)
	Disallowed Expenses	3,104,547	-
	Business Income/(cost)	48,478,275	(2,460,853)
	Investment Income	44,673,593	15,926,472
	Assesable Income	93,151,868	13,465,619
	Total Assessable Income	93,151,868	13,465,619
	Taxable Income	93,151,868	13,465,619
	Income Tax	27,945,560	4,039,686
	Income Tax on Current year Profits	27,945,560	4,039,686

NOTES TO THE FINANCIAL STATEMENTS

11 EARNINGS PER SHARE

Earnings per ordinary share has been calculated by dividing the profit attributable to the Ordinary Shareholders by the Weighted Average Number of Ordinary Shares in issue during the Year.

For the year ended 31 December	2025	2024
	Rs.	Rs.
Profit attributable to Ordinary Shareholders (Rs.)	62,101,761	9,425,933.30
Weighted Average Number of Ordinary Shares in issue during the Year	50,000,000	50,000,000
Earnings per Share (Rs.)	1.24	0.19

As at 31 December,	2025	2024
	Rs.	Rs.
12 CONTRIBUTION TO CONTRIBUTORY GUARANTEE FUND		
Contribution to Contributory Guarantee Fund	250,000,000	-
	250,000,000	-

12.1 The Contributory Guarantee Fund is the Trust established to hold the trust property on trust and for the benefit of the beneficiaries in terms of the Clearing House Rules and the SEC Act to ensure settlement of CCP settled trades in the capacity of CCP and to utilize the Trust Property available at any given point of time to meet payment obligations in respect of CCP settled trades in terms of the clearing house rules to manage settlement defaults.

As at 31 December,	2025	2024
	Rs.	Rs.
13 FINANCIAL INVESTMENT AT AMORTISED COST		
Investment in Treasury Bonds	250,378,250	250,378,250
Interest received in advance (Coupon)	(5,212,202)	(6,576,468)
	245,166,048	243,801,782
14 SEC LICENCE FEE		
SEC License Fee	3,025,750	-
Charge for the year	(605,150)	-
	2,420,600	-

The licence fee paid to the Securities and Exchange Commission of Sri Lanka by CSE Clear (Private) Limited is capitalized as an intangible asset and amortized over a period of five years.

As at 31 December,		2025	2024
		Rs.	Rs.
15	TRADE AND OTHER RECEIVABLES		
	Trade Receivables	4,947,523	-
	Prepayments	32,316	-
	Interest Receivable - Over night REPO	1,447,182	75,768
	CSE Clear Fees Receivable	1,876,697	-
	WHT Receivable Account	61,705	-
	Interest Receivable - Over night REPO Margin	78,055	-
	Interest receivable - Base Margin Repo	2,698,148	-
	Interest receivable - SBL Margin Repo	480,067	-
		11,621,693	75,768
16	OTHER INVESTMENTS		
	Treasury bills		
	Investments in Treasury Bills	-	268,213,394
	Interest Receivable	-	763,069
		-	268,976,463
	Fixed Deposits		
	Investments in Fixed Deposits	60,000,000	-
	Interest Receivable	149,624	-
	Impairment Provision	(1,796)	-
		60,147,828	-
16.1	Balance as at 01 January	-	-
	Charge / (Reversal) for the year	1,796	-
	Balance as at 31 December	1,796	-
17	CASH & CASH EQUIVALENTS		
	Term Repo	50,000,000	-
	Overnight Repos	547,117,915	1,000,000
	Cash at Bank	914,348	679,902
		598,032,263	1,679,902
18	STATED CAPITAL		
	Issued and Fully Paid		
	Ordinary Shares	500,000,000	500,000,000
		500,000,000	500,000,000

The above amount represents 50,000,000 Ordinary Shares.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December,		2025	2024
		Rs.	Rs.
19	AMOUNTS DUE FROM RELATED COMPANY		
	Central Depository Systems	4,704	
		4,704	-
	AMOUNTS DUE TO RELATED COMPANY		
	Colombo Stock Exchange	19,660,298	1,057,818
		19,660,298	1,057,818

As at 31 December,		2025	2024
		Rs.	Rs.
20	ACCRUED EXPENSES AND SUNDRY CREDITORS		
	Sundry Creditors	251,493	-
	Stamp Duty Payable	1,025	-
	Social Security Contribution Levy Payable	488,538	-
	Accrued Expenses	1,376,737	710,198
	Interst Payable To Brokers On Margin Trading	5,166,552	-
		7,284,345	710,198
21	BROKERS' LIQUIDITY AND MARGIN DEPOSIT		
	Equity Margin Trading - Brokers	375,361,313	-
	Base Margin Trading - Brokers	142,000,000	-
	SBL Base Margin Trading - Brokers	25,000,000	-
		542,361,313	-
22	INCOME TAX (PAYABLE)/RECEIVABLE		
	Balance as at the beginning of the year	3,339,966	-
	Provision for the year (Note 10.1)	27,945,560	4,039,686
	Income tax paid during the year	(4,726,041)	(699,720)
		26,559,486	3,339,966

23 FINANCIAL INSTRUMENTS

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the exposure of the Company to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the company's management of the capital.

23.1 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company's risk management processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a) Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and other receivables.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

As at 31 December,	2025	2024
	Rs.	Rs.
Carrying Amount		
Trade Receivables	4,947,523	-
Cash and Cash Equivalents	598,032,263	1,679,902
	602,979,786	1,679,902

Cash and Cash Equivalents

The cash and cash equivalents are held with banks. Respective credit ratings of the banks company cash balances held are as follows.

Commercial	AA-
HNB	AA-
BOC	AA-

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when its due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

c) Market Risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value off its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

NOTES TO THE FINANCIAL STATEMENTS

24 RELATED PARTY TRANSACTIONS

24.1 Transactions with Key Management Personnel and their Close Family Members

According to Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) have been classified as Key Management Personnel of the Company.

Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children of the KMPs domestic partner and dependants of the KMPs domestic partner.

However, during the year Company had not incurred any compensations to Key Management Personnels. The Directors of the Company and their immediate family members do not have substantial shareholdings in the Company as at 31 December 2025.

Company paid Rs.1,900,000/- during the year as Directors' Expenses.

24.2 Transactions with Group Companies and Director Related Entities

Company		Relationship		2025	2024
				Amount	Amount
				Rs.	Rs.
a) Mr. Sujeewa Peiris					
Bartleet Religare Securities	Director/CEO	CCL	Interest for Member Firms' liquidity deposit	1,912,164	-
			Interest payable for Member Firms' liquidity deposit	468,294	-
			Member Firms' liquidity deposit as at year end	48,788,065	-
			Collateral Management Fee	254,395	-
			Collateral Management Fee receivable as at year end	51,250	-
		CGF	Variable Contribution	1,339,789	-
			Fixed Contribution	1,000,000	-
			Variable Contribution Interest	24,616	-
			Variable Contribution Interest Receivable	24,616	-
b) Mr. Ray Abeywardena					
HNB Stockbrokers (Pvt) Ltd	Chairman	CCL	Interest for Member Firms' liquidity deposit	1,410,157	-
			Interest payable for Member Firms' liquidity deposit	429,766	-
			Member Firms' liquidity deposit as at year end	37,841,815	-
			Collateral Management fee & clearing member fee	254,159	-
			Collateral Management fee & clearing member fee Receivable	51,250	-
		CGF	Variable Contribution	693,621	-
			Fixed Contribution	1,000,000	-
			Variable Contribution Interest	13,004	-
			Variable Contribution Interest Payable	13,004	-

Company		Relationship		2025	2024
				Amount	Amount
				Rs.	Rs.
c) Mr. Ruwan Manatunga					
Hatton National Bank	Deputy General Manager -Head of Corporate Banking	CCL	Repo fund balance receivable	247,719,504	-
			Repo Interest Received	8,241,444	-
			Clearing Member Fee	253,750	-
			Clearing Member Fee Receivable	253,750	-
			Current Account Balances	103,752	-
			CGF	Fixed Contribution	1,000,000
	Current Account Balances	158,000	-		
d) Colombo Stock Exchange					
	Parent		Fund Transfer Out	94,752,920	-
			Fund Transfer In	(9,232,000)	-
			Expenses transferred	(56,579,653)	(1,057,818)
			CCL Rental Income & Management Fee	(47,543,746)	-
e) Central Depository Systems (pvt) Ltd					
	Associate Company		Cheque received on behalf of CDS	(645)	-
			Expenses transferred	(4,059)	-

25 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events that took place since December 31st 2025 which would have a material effect on the company that need disclosure in the financial statements.

26 CAPITAL COMMITMENTS

The Company has following purchase commitments in the business as at 31 December;

As at 31 December,	2025	2024
	Rs.	Rs.
Approved & contracted	-	-

27 COMPARATIVE INFORMATION

To facilitate comparison, relevant balances pertaining to the previous year have been reclassified to confirm to current year classification and presentation where necessary.

28 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company is responsible for the preparation and presentation of these Financial Statement in accordance with LKASs and SLFRSs.

**CONTRIBUTORY
GUARANTEE FUND**

CONTRIBUTORY GUARANTEE FUND INDEPENDENT AUDITOR'S REPORT



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

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

TO THE MEMBERS OF CONTRIBUTORY GUARANTEE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Contributory Guarantee Fund (“the Fund”), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2025, and of its financial performance and its 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 Fund 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.

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 will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and 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 Fund’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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’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.

A further description of the auditor’s responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor’s report.

CHARTERED ACCOUNTANTS

Colombo,
Sri Lanka

31st March 2026

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

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekera 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. G. H. Raddella ACA,

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

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad ACA, FCMA (UK), FCT, K. Somaundaram ACMA (UK), Ms. D. Cora Dhammaratne

STATEMENT OF PROFIT OR LOSS

For the year ended 31st December,	Note	2025	2024
		Rs.	Rs.
Income			
Interest Income	4	9,900,523	-
Total Income		9,900,523	-
Expenditure			
Audit Fees		(95,000)	-
Professional Fees		(250,000)	-
Bank Charges		(38,622)	-
Total Expenditure		(383,622)	-
Excess of Income over Expenditure before Taxation		9,516,901	-
Income Tax Expense		(2,855,070)	-
Excess of Income over Expenditure after Taxation		6,661,831	-

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31 December,	Note	2025	2024
		Rs.	Rs.
ASSETS			
Non Current Assets			
Investments		-	-
Total Non Current Assets		-	-
Current Assets			
Treasury Bills	6	292,217,740	-
Overnight Repos	7	16,300,914	-
Cash and Cash Equivalents	8	1,175,668	-
Total Current Assets		309,694,322	-
Total Assets		309,694,322	-
FUNDS AND LIABILITIES			
Funds Employed and Reserves			
Contribution by CSE Clear (Pvt) Ltd		250,000,000	-
Fixed Contribution by Clearing Members		37,000,000	-
Variable Contribution by Clearing Members		13,541,790	-
Accumulated Fund		6,661,831	-
		307,203,621	-
Current Liabilities			
Accrued Expenses	9	345,000	-
Interest Payable to Clearing Memebers		237,719	-
Income Tax Payable	10	1,907,982	-
Total Current Liabilities		2,490,701	-
Total Equity and Liabilities		309,694,322	-

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

The Trustee of the Contributory Guarantee Fund is responsible for the preparation of these financial statements.
For and On Behalf of The Contributory Guarantee Fund,



Kusal Nissanka
Executive Vice President - Finance & Administration



Arjuna Herath
Director (Trustee)



Ruwan Manatunga
Director (Trustee)

11 March 2026
Colombo.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31st December,	Note	2025	2024
		Rs.	Rs.
Accumulated Fund			
Balance at the beginning of the year		-	-
Excess of Income over Expenditure for the year		6,661,831	-
Balance at the end of the year		6,661,831	-

The Notes annexed form an integral part of these Financial Statements.
 Figures in brackets indicate deductions.

CASH FLOW STATEMENT

For the Year Ended 31 December,	Note	2025	2024
		Rs.	Rs.
Cash Flow from Operating Activities			
Excess of Income over Expenditure before Taxation		9,516,901	-
Changes in Working Capital			
(Increase)/ Decrease in Receivables		(9,662,966)	-
(Decrease) Increase in Payables		582,716	-
		436,651	-
Income tax paid	10	(947,088)	-
Net Cash from Operating Activities		(510,437)	-
Cash Flow from Investing Activities			
Investments in Treasury Bills/Repo	6	(282,814,770)	-
Investments in Repo	7	(16,040,916)	-
Net Cash used in Investing Activities		(298,855,686)	-
Net Cash from Financing Activities			
Contribution Received from CSE Clear (Pvt) Ltd		250,000,000	
Contribution Received from Clearing Members		50,541,790	
		300,541,790	-
Net (Decrease)/Increase in Cash and Cash Equivalents		1,175,668	-
Cash and Cash Equivalents at beginning of the Year		-	-
Cash and Cash Equivalents at End of the Year		1,175,668	-
Analysis of Cash and Cash Equivalents at End of the year			
Cash at Bank	8	1,175,668	-
		1,175,668	-

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Domicile and Legal Form

The Contributory Guarantee Fund (“the Fund”) is a trust established on 17 March 2025 by virtue of Deed of Trust No. 91 in Sri Lanka. The registered office of the Fund is located at No. 4-01, West Block, World Trade Center, Echelon Square, Colombo 01.

1.2. Principal Activities and Nature of Operations

The Trust is established to hold the trust property on trust and for the benefit of the beneficiaries in terms of the Clearing House Rules and the SEC Act to ensure settlement of CCP settled trades in the capacity of CCP and to utilize the Trust Property available at any given point of time to meet payment obligations in respect of CCP settled trades in terms of the clearing house rules to manage settlement defaults.

2. BASIS OF PREPARATION

2.1. Basis of Compliance

The financial statements of the Fund comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in net assets and statement of cash flows and notes to the financial statements including material accounting policies. These statements are prepared in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

The Financial Statements were authorized for issue by the Board of Directors of CSE Clear (Pvt) Limited on 11th March 2026.

2.2. Basis of Measurement

The Financial Statements of the Fund have been prepared on a historical cost basis.

2.3. Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Fund’s functional currency.

2.4. Going Concern

The Financial Statements have been prepared on assumption that fund will continue as a going concern for the foreseeable future.

3. MATERIAL ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1. Statement of Financial Position

3.1.1. Investment in Treasury Bonds

These Treasury Bonds are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

3.1.2. Contribution by CSE Clear (Pvt) Ltd

This is the contribution made by CSE Clear PVT Ltd to Contributory Guarantee Fund.

3.1.3. Fixed Contribution by Clearing Members

This represents a mandatory contribution of 1,000,000 LKR provided by each clearing member. These funds are aggregated into a dedicated pool & currently totaling 37,000,000 LKR, designed to mitigate and manage risks associated with settlement defaults.

3.1.4. Variable Contribution by Clearing Members

This is the variable consideration made by each clearing members regardless of fixed contribution. Unlike the fixed contribution, these amounts will fluctuate based on the specific transaction volumes of each member. Required amount for variable contribution is calculated via a system to ensure proportionate risk coverage.

3.1.5. Accrued Expenses

Accrued Expenses are stated at their cost.

3.2. Statement of Income and Expenditure

3.2.1. Income

Income is recognized to the extent that it is probable that the economic benefits will flow to the company and associated cost incurred or to be incurred can be reliably measured.

3.2.2. Expenses

The trustee is authorized to incur and discharge only those costs permitted in the Trust Deed. These include charges, expenses, and outgoings incidental to the administration, management, and control of the Trust.

3.2.3. Taxation

3.2.3.1. Current Taxation

The Fund is liable for income tax at 30% on the interest income in and provided for in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

3.3. Statement of cash flows

The Statement of Cash Flows has been prepared by using the ‘Indirect Method’ of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on ‘Statement of Cash Flow’, whereby operating activities, investing activities and financing activities are separately recognized.

Cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.4. New and amended standards issued but not effective as at the reporting date

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. However, the Company has not early adopted the new and amended accounting standards, stated below, in preparing these financial statements.

- Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)
- SLFRS 18 Presentation and Disclosure in Financial Statements

For the year ended 31 December		2025	2024
		Rs.	Rs.
4	INTEREST INCOME		
	Interest on Repo	497,555	-
	Interest on T Bills	9,402,968	-
		9,900,523	-
5	EXCESS OF INCOME OVER EXPENDITURE BEFORE TAXATION		
	Excess of Income over Expenditure before Taxation is stated after charging the following:		
	Audit Fees	95,000	-
		95,000	-

As at 31st December,		2025	2024
		Rs.	Rs.
6	TREASURY BILLS		
	Investments in Treasury Bills	282,814,770	-
	Interest Receivables - T Bills	9,402,969	-
		292,217,740	-
7	OVERNIGHT REPOS		
	Investments in Repo - Member Funds	15,436,063	-
	Investments in Repo - CCL Funds	604,853	-
	Interest Receivables - Overnight Repos	259,998	-
		16,300,914	-
8	CASH AND CASH EQUIVALENTS		
	HNB Member Funds - 0030 1055 8259	100,000	-
	HNB 2- 0030 1055 8675	58,000	-
	Commercial Bank Member Funds -10 0100 3410	199,692	-
	Commercial Bank -10 0096 4675	306,076	-
	BOC - Member Funds-95314100	255,900	-
	BOC - CCL Funds-95314121	256,000	-
		1,175,668	-
9	ACCRUED EXPENSES		
	Audit Fee Payable	95,000	-
	Tax Consultancy Fee Payable	250,000	-
		345,000	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31st December,		2025	2024
		Rs.	Rs.
10	INCOME TAX PAYABLE		
	Balance as at the beginning of the year	-	-
	Provision for the year	2,855,070	-
	Income tax paid during the year	(947,088)	-
		1,907,982	-

11 RELATED PARTY TRANSACTIONS

Transactions with Trustee and the Directors of Trustee as at 31st December,

Company			Relationship		2025	2024
					Amount	Amount
					Rs.	Rs.
a)	Mr. Sujeewa Peiris					
	Bartleet Religare Securities	Director/CEO	Variable Contribution		1,339,789	-
			Fixed Contribution		1,000,000	-
			Variable Contribution Interest		24,616	-
			Variable Contribution Interest Receivable		24,616	-
b)	Mr. Ray Abeywardena					
	HNB Stockbrokers (Pvt) Ltd	Chairman	Variable Contribution		693,621	-
			Fixed Contribution		1,000,000	-
			Variable Contribution Interest		13,004	-
			Variable Contribution Interest Payable		13,004	-
c)	Mr. Ruwan Manatunga					
	Hatton National Bank	Deputy General Manager -Head of Corporate Banking	Fixed Contribution		1,000,000	-
			Current Account Balances		158,000	-
d)	CSE Clear (Pvt) Limited					
		Trustee	Fixed Contribution		250,000,000	-

12 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events that took place since December 31st 2025 which would have a material effect on the trustee that need disclosure in the financial statements.

13 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2025

GRI INDEX

STATEMENT OF USE

The CSE Clear (Pvt) Ltd has reported in accordance with the GRI Standards for the period 1st January 2025 to 31st December 2025.

GRI 1 USED

GRI 1: Foundation 2021

APPLICABLE GRI SECTOR STANDARD

Not applicable

GENERAL DISCLOSURES 2021

GRI Standard	Disclosure	Location Page No.	Requirement(s) Omitted	Omission Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	4,19, Inner Back Cover			
	2-2 Entities included in its consolidated sustainability reporting	3,4,19			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	-		Not applicable	This is the first Annual Report of the Company.
	2-5 External assurance	3,22			
	2-6 Activities, value chain and other business relationships	42,31,32,44			
	2-7 Employees	54			
	2-8 Workers who are not employees			Not applicable	CCL does not engage workers who are not employees
	2-9 Governance structure and composition	19,21,54			
	2-10 Nomination and selection of the highest governance body	20,54			
	2-11 Chair of the highest governance body	20,21			
	2-12 Role of the highest governance body in overseeing impacts	19,21,22,24, 30,48,53			
	2-13 Delegation of responsibility for managing impacts	21,24,48,53			
	2-14 Role of the highest governance body in sustainability reporting	21			
	2-15 Conflicts of interest	22			
	2-16 Communication of critical concerns	22,24			
	2-17 Collective knowledge of the highest governance body	23			
	2-18 Evaluation of the performance of the highest governance body	21			
	2-19 Remuneration policies	20			

GRI INDEX

GRI Standard	Disclosure	Location Page No.	Requirement(s) Omitted	Omission Reason	Explanation
	2-20 Process to determine remuneration	20			
	2-21 Annual total compensation ratio	—		Confidentiality	Confidentiality constraints
	2-22 Messaging from the Chair	23			
	2-23 Purpose, values and strategy	4,19,20,24,58			
	2-24 Embedding policy commitments	20,24,58			
	2-25 Processes to remediate negative impacts	20,24,44,50,58			
	2-26 Mechanisms for seeking advice and raising concerns	20,50,58			
	2-27 Compliance with laws and regulations	20,23,38,48,53			
	2-28 Membership associations	19			
	2-29 Approach to stakeholder engagement	25,30,53			
	2-30 Collective bargaining agreements	—		Not Applicable	No collective agreements

CORPORATE INFORMATION

GRI 2-1

NAME

CSE Clear (Private) Limited

LEGAL STATUS

A Private Limited Company Incorporated in Sri Lanka

COMPANY REGISTRATION NUMBER

PV 112681

PARENT ENTITY

Colombo Stock Exchange

REGISTERED OFFICE

No. 04-01, World Trade Center, West Block,
Echelon Square, Colombo 01, Sri Lanka.

SECRETARIES

Corporate Services (Private) Limited

AUDITORS

KPMG

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
Hatton National Bank

CSE Clear (Private) Limited

Tel. : +94 11 2356533

Email : info@cseclear.lk

Website : www.cseclear.lk

This Annual Report is
conceptualised, designed
and produced by
Redworks.



REDWORKS

Member of the Ogilvy Group

