

CSE rebounds, ends 0.2% on the up

THE Colombo stock market rebounded yesterday to end in green driven by positive investor sentiment.

The ASPI ended up 0.2% or 40.09 points at 20,119.64 and the active S&P SL20 gained 0.36% or 20.71 points to 5,722.57.

Turnover was over Rs. 1.22 billion on over 61.8 million shares traded. Foreign investors were net sellers on a net outflow of Rs. 242.5 million. With 120 counters ending on the up against 76 in red, the top contributors to the ASPI gain were DIAL, CIC, MAL, SEMB and OSEA.

First Capital Research said the bourse traded in positive territory supported by slightly improved investor sentiment, largely driven by the decline in global oil prices. Both HNW and foreign investors contributed positively to market activity, with notable foreign investor participation observed throughout the session. Retail and HNW participation remained broadly balanced and around average levels.

The real estate management and development sector led the daily turnover with a share of 17%, followed by the transportation, and banking sectors collectively contributing 32%.

From 'seettu' to structured investing: Fintrex Finance relaunches 'Dream Plan'

FINTREX Finance PLC has relaunched its 'Dream Plan', a recurring deposit product designed to help Sri Lankans turn their financial aspirations into achievable goals through disciplined monthly savings.

Inspired by the familiar 'seettu' savings practice, Dream Plan brings the principle of regular contributions into a structured investment arrangement, enabling customers to work towards a defined maturity target while earning interest under agreed product terms.

With investment targets ranging from Rs. 100,000 to Rs. 10,000,000 and investment periods of one to five years, Dream Plan can support goals such as children's education, purchasing a vehicle, preparing for a future home or building personal financial security. The product offers a promotional nominal annual interest rate of 12.75% for eligible investments opened on or before 31 December 2026, subject to applicable terms and conditions.



Fintrex Finance PLC CEO Jayathilake Bandara (left) presents the Fintrex Dream Plan to a customer at product relaunch, joined by AGM - Business Channels Development Dinesh Gunasekara and Head of Deposits Samila Imbulana

Through this relaunch, Fintrex Finance aims to encourage purposeful saving and make structured financial planning more accessible to customers at different stages of life.

Customers can contact Fintrex Finance to explore available plans and obtain a personalised investment illustration.



CFA Society Sri Lanka and Deloitte to host program tomorrow on successful M&As

CFA Society Sri Lanka, in collaboration with Deloitte, will host a professional development program titled "Demystifying Key Concepts to Successful Mergers and Acquisitions" on Thursday, 5 November 2026, from 8.30 a.m. to 12.30 p.m. at Courtyard by Marriott, Colombo City Centre.

The program aims to provide participants with practical insights into the mergers and acquisitions (M&A) process, highlighting the critical factors that contribute to successful transactions. With increasing emphasis on corporate consolidation, strategic restructuring and business growth, the program will focus on effective deal structuring, comprehensive due diligence, risk management and value creation.

Participants will gain a better understanding of the key stages of an M&A transaction, with particular attention to tax, legal and financial due diligence, common transaction challenges and the importance of informed decision-making in achieving successful outcomes.



Deloitte Sri Lanka and Maldives Partner and Head of Tax Charmaine Tillekeratne



Deloitte Sri Lanka Strategy, Risk and Transactions Associate Director Buddhi Pathiraja



Sudath Perera Associates Partner and Head of Corporate and Commercial Law Dushyantha Perera



NDB Capital Holdings CEO Senaka Kakiriwaragodage, CFA.

The program will be facilitated by an experienced panel of industry professionals, including Deloitte Sri Lanka and Maldives Partner and Head of Tax Charmaine Tillekeratne, Deloitte Sri Lanka Strategy, Risk and Transactions Associate Director Buddhi Pathiraja, Sudath Perera Associates Partner and Head of Corporate and Commercial Law Dushyantha Perera, and NDB Capital Holdings Ltd., CEO Senaka Kakiriwaragodage, CFA.

The event will kick off with a fireside chat hosted by Deloitte Sri Lanka and Maldives Strategy, Risk and Transactions Head Ruvini Fernando, joined by Deloitte Sri Lanka and Maldives Strategy, Risk & Transaction Services Valuation and Modelling Leader Lasanga Abeysuriya, and graced by the panellists.

Designed for corporate executives, finance and investment professionals, business leaders, legal and tax practitioners, and others involved in corporate transactions, the program offers an opportunity to strengthen practical knowledge and gain insights from experienced industry practitioners. For registration and further information, please visit www.cfasocietysrilanka.org

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Seylan Bank...

He singled out geopolitics and climate change as key risks for many countries, including Sri Lanka, but expressed confidence that, given inherent resilience, the growth momentum will continue.

Jayasekera said Seylan will explore both organic and inorganic opportunities for higher future growth.

Despite challenging conditions, over the past three and a half years the Bank has made significant progress in tandem with the foundation laid and pillars put in place for higher yet sustainable growth in the future.

Its asset base, from around Rs. 672 billion in 2023, crossed the Rs. 1 trillion mark in September this year, thereby making Seylan the fourth private commercial bank to reach the milestone.

"This is an important step in the Bank's growth journey and reflects the confidence customers have placed in Seylan Bank. The milestone also reflects the contribution of employees and the Bank's continued focus on meeting the financial needs of individuals and businesses. The achievement should be viewed not simply as a balance sheet figure, but as a reflection of the Bank's expanding scale and customer relationships," the Seylan Director/CEO said.

With SMEs accounting for 23% of its customer base, its lending portfolio grew by 25% in 2025 and is projected to achieve an 18% increase in 2026.

During the first nine months of 2026, loans and advances recorded net growth of Rs. 89 billion to Rs. 689 billion, and customer deposits increased by Rs. 78 billion to Rs. 811 billion.

Jayasekera revealed that over 50% of its 1.6 million customer base now does its banking digitally, as opposed to 16% in 2023, reflecting growing adoption. As a prudent strategy, provisioning for Stage 3 Non-Performing Loans has been increased to 85%, as against 54% in 2023. Seylan's capital base is also strong, with Tier 1 at 11% and Tier 2 at 15%, whilst its Liquidity Coverage Ratio is at 170%. The Bank's Stage 3 Impaired Loans Ratio stood at 1.02%, while its Total Capital Adequacy Ratio was 15.14%.

"With the foundation laid and pillars being put in place, and with the overall strength, we see greater capacity to grow better going forward," Jayasekera said. After-tax profit, from Rs. 4.7 billion in 2023, reached Rs. 12 billion in 2025. In the first nine months of 2026, the figure was Rs. 9.1 billion, up 9.47% year-on-year.

Seylan in recent years has pursued an aggressive digital strategy, as evidenced by the growth in customers using mobile and internet banking. Loans on FDs, Pawning top-up, personal loans within 48 hours and decisions on new loans within 72 hours are some of its digitally enabled innovative products. The Bank aspires to provide a same-day leasing facility, whilst its foray into private banking is slated for early next year, with the first unit coming up at its head office in Colombo 3 and later in Colombo 7.

"We have been focusing on long-term relationship building as opposed to being a mere transactional bank," explained Jayasekera in terms of customer success. He also stressed that SMEs are the DNA of Seylan and pointed to the multitude of long-standing and successful customers.

With a footprint of 170 branches and 3,300 employees countrywide, Seylan is also rolling out a new branch branding campaign, and will open two more branches in 2027, one each in the Jaffna District and Negombo.

As the business grows, Seylan said it is also reaching an important milestone in its ESG journey, completing 300 Pahasara school libraries across the country on 10th November. Pahasara has been a project that has reached over 700,000 children across the country over the past years, making reading, technology and learning more accessible and interesting.

SL fundamentals...

Speaking at a media briefing on CAL's acquisition of a 51% stake in the Hong Kong-based fund manager, Group CEO Kanishke Mannakkara said the fiscal responsibility framework must continue through the upcoming Budget.

"The Government has made some very laudable efforts at widening the tax net, and the level of Government revenue in the country has increased very significantly," he said.

Mannakkara called for a healthy primary surplus, a contained fiscal deficit and a shift from recurrent expenditure to capital investment, including through changes to procurement rules. With slightly more fiscal space, he said, the Government should consider moderating, rather than cutting, taxes to attract private investors.

"Right now in Sri Lanka, if you make 100 rupees of profit, by the time you pay your corporation tax and your dividend distribution tax, you pay 40%. It's not 30%," he said, noting that many countries set personal tax rates above corporate rates.

Mannakkara said Sri Lanka had strong momentum early this year before tensions in the Middle East hit prices, and that it and a few other frontier markets remained on course for significant growth that would restore investor confidence. "Of course, the big caveat is that things can change for the worse in the Middle East, and then all bets are off."

AFC Fund Manager Ruchir Desai said Sri Lankan equities were down around 17% in US dollar terms this year, against about 1% for Pakistani stocks, and the Rupee had also weakened, but the sell-off looked overdone given the country's economic position.

"The primary headwinds for Sri Lanka right now are external and geopolitical rather than structural domestic issues. Once tensions in the Middle East subside, I expect Sri Lanka and neighbouring regional markets to regain upward momentum," Desai said.

He said the market would probably have posted solid gains this year had the war not occurred, as Sri Lanka had been recovering well since the 2022 crisis, with lower inflation and better political stability. Global geopolitics remained the main swing factor, he added. AFC's own monthly updates attributed a 7.9% fall in its flagship fund in March 2026 to Middle East uncertainty that unsettled investors in Vietnam, Bangladesh, Pakistan and Sri Lanka, followed by a 6.3% rebound in April after a ceasefire announcement.

Mannakkara said valuations were now near cyclical lows, and even in fixed income, higher interest rates meant lower entry prices for buyers. "Across the board, Sri Lankan assets have re-priced attractively, presenting viable opportunities across both equities and fixed income," he said, cautioning that what looks attractive today could look different in six months, depending on where the economy sits in the cycle.

He said far more global capital had been allocated to frontier markets 12 to 14 years ago than today, as allocators exited the asset class. "These things do move in cycles, and we think this is probably the start of a cycle for frontier again."

With global money flowing disproportionately into AI infrastructure, Mannakkara argued that frontier markets' weak or negative correlation with the rest of the world made them a natural diversifier, and that their perceived risk exceeded actual risk for investors with a presence on the ground.

CAL Global Markets and Investment Banking Managing Director Deshan Pushparajah said global markets were volatile, driven largely by AI trades, while frontier economies rooted in real goods and resources offered international investors a counterbalance.

Desai said Sri Lanka was in a strong position and should maintain its momentum, noting that past Budgets had been marked by unstable tax policy. "Whether it's this Budget or next year's Budget, what matters is policy stability, to give investors confidence."

AFC Founder and CEO Thomas Hugger said that while portfolio investment mattered, Sri Lanka needed foreign direct investment from multinationals and large corporations, and should use its strategic location to attract it. Citing Uzbekistan, where the current President opened the country, scrapped visa requirements for visitors and allowed investors to enter and exit freely, he said Sri Lanka must make it easy for foreign investors both to invest and to exit.

CAL's wholly owned Singapore subsidiary CAL Global Pte. Ltd. signed a Share Purchase Agreement on 2 November, 2026 to acquire the 51% stake for approximately $ 2.5 million, subject to conditions precedent and regulatory approvals, including from Hong Kong's Securities and Futures Commission.

AFC managed approximately $ 125 million as at 30 September, 2026, through the multi-country AFC Asia Frontier Fund and dedicated funds for Vietnam, Uzbekistan and Iraq.

The flagship fund invests in listed companies with their principal business in 20 Asian frontier markets where favourable demographics, rising incomes and high GDP growth are driving consumption: Bangladesh, Bhutan, Cambodia, Georgia, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Laos, the Maldives, Mongolia, Myanmar, Nepal, Oman, Pakistan, Papua New Guinea, Sri Lanka, Timor-Leste, Uzbekistan and Vietnam.

According to AFC, its USD A-shares returned 27.1% in 2023, 23.1% in 2024, 19.7% in 2025 and 9.25% in the first nine months of 2026, while the AFC Iraq Fund returned 175.6% in the three years to March 2026.

Mannakkara said AFC had effectively doubled in size over the last four years, while CAL's assets under management rose roughly 15 to 17 times over eight years to more than $ 1.2 billion across Sri Lanka and Bangladesh.

He said the deal addressed the complexity that kept global capital away from markets such as Sri Lanka, Bangladesh and Pakistan, as AFC already had the infrastructure for global investors to take positions in frontier markets easily. "Having the plumbing is useless if you don't have the deals. AFC gives the plumbing."

With Sri Lanka's GDP at about $ 100 billion and Bangladesh's just under $ 500 billion, Mannakkara said AFC's three markets added a further $ 900 billion or so. At its initial public offering in April 2025, CAL set a target of serving economies with a combined GDP of over $ 1 trillion by 2030.

"Sri Lanka itself is too small to really be interesting for global capital. It's by incorporating Sri Lanka into a bigger picture and a bigger story that you can really add value," Mannakkara said.

Pushparajah said CAL's presence in Bangladesh had already opened that market to Sri Lankan investors and companies, and AFC would take the group into Southeast, Central and West Asia, connecting frontier markets with one another.