

WDPL/KAYA

04 August 2025

Board of Directors
CBC Finance Limited
No. 187
Katugastota Road,
Kady

Accountants' Report CBC Finance Limited

Dear Sirs/Mesdames

Introduction

This report has been prepared for the purpose of the prospectus issued in connection with the issue of up to Ten Million (10,000,000) Listed, Rated, Unsecured, Subordinated, Redeemable, 5 year Debentures with a Non-Viability Conversion ("Debentures"), of the par value of LKR 100/- each, to raise a sum of up to Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) with an option to issue up to a further Five Million (5,000,000) of said Debentures, at the discretion of the Company in the event of an oversubscription of the initial issue in order to raise a maximum amount of Sri Lankan Rupees One Thousand Five Hundred Million (LKR 1,500,000,000/-) of CBC Finance Limited.

We have examined the Financial Statements of the CBC Finance Limited (the "Company") for the years ended 31 March 2020 to 31 December 2024, and report is as follows.

1. Incorporation

CBC Finance Limited (the "Company") regulated under the Finance Business Act No. 42 of 2011, was incorporated in 1987 as a Limited Liability Company domiciled in Sri Lanka under provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No 7 of 2007 under the Company Registration No. PB 276. The registered office and the principal place of business of the Company is located at No. 187, Katugastota Road, Kandy.

The principal activities of the Company are granting of Lease Facilities, Gold Loans, Motor Drafts, Vehicle Loans, Mortgage Loans and Other credit facilities, whilst accepting public deposits from customers. There were no significant changes in the nature of the principal activities of the Company during the financial period under review.

2. Financial Information

2.1 Five-year Summary of Audited Financial Statements

A summary of Statements of Profit or Loss and Statements of Financial Position of the Company for the financial years ended 31 March 2020 to 31 December 2024, based on the audited Financial Statements are set out on annexure 1 of this Accountants' Report.

2.2 Audited Financial Statements for the Year Ended 31 December 2024

Our audit report on the Financial Statements of the Company for the year ended 31 December 2024 together with such Financial Statements comprising the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon is

available on the Company website [Investor Relations - CBC Finance](#), where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Audit Reports

The Financial Statements of the Company for the years ended 31 March 2020 to 31 December 2023, have been audited by Messrs. KPMG, while the financial statements for the year ended 31 December 2024 were audited by us. Unmodified audit opinions have been issued for the said financial years by such auditors' reports dated 29th June 2020, 28th June 2021, 30th March 2022, 17th March 2023, 27th March 2024 and 24th March 2025 respectively.

2.4 Accounting Policies

The Financial Statements of the Company for the years ended 31 March 2020 to 31 December 2024 comply with Sri Lanka Accounting Standards. The accounting policies of the Company are stated in detail in the audited Financial Statements of CBC Finance Limited for the year ended 31 December 2024.

2.5 Dividends

Company has not paid dividend for the years ended 31 March 2020 to 31 December 2024.

2.6 Events after Reporting Date

There were no material circumstances that have arisen since the reporting date, which require adjustment to or disclosure in the Financial Statements.

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of CBC Finance Limited for usage in the application for the purpose of issue of up to Ten Million (10,000,000) Listed, Rated, Unsecured, Subordinated, Redeemable, 5 year Debentures with a Non-Viability Conversion ("Debentures"), of the par value of LKR 100/- each, to raise a sum of up to Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) with an option to issue up to a further Five Million (5,000,000) of said Debentures, at the discretion of the Company in the event of an oversubscription of the initial issue in order to raise a maximum amount of Sri Lankan Rupees One Thousand Five Hundred Million (LKR 1,500,000,000/-)

Yours faithfully,



**CBC Finance Limited
Five Year Summary
For The Period Ended 31.12.2024**

CBC Finance Limited
STATEMENT OF PROFIT OR LOSS

For the year ended

	31.12.2024 Rs.	31.12.2023 Rs.	31.12.2022 Rs.	31.12.2021 Rs. **	31.03.2021 Rs.	31.03.2020 Rs.
Gross income	2,661,366,764	1,991,470,180	1,636,161,181	944,665,412	1,057,909,452	1,210,749,329
Interest income	2,271,136,833	1,767,177,189	1,523,736,327	867,325,363	963,004,076	1,131,105,742
Interest expenses	(1,399,057,829)	(1,270,698,792)	(986,329,636)	(334,440,001)	(480,981,089)	(572,366,015)
Net interest income	872,079,004	496,478,397	537,406,691	532,885,362	482,022,987	558,739,727
Fee and commission income	291,433,391	149,882,005	51,187,547	47,139,286	61,590,055	60,049,624
Fee and commission expenses	(22,167,639)	(32,488,653)	(9,931,409)	(2,733,253)	(1,341,109)	(1,345,217)
Net fee and commission income	269,265,752	117,393,352	41,256,138	44,406,033	60,248,946	58,704,407
Other operating income	98,796,540	74,410,986	61,237,307	30,200,763	33,315,321	19,593,963
Total operating income	1,240,141,296	688,282,735	639,900,136	607,492,158	575,587,254	637,038,097
Impairment charges and other losses	(236,864,852)	(481,615,526)	(249,161,510)	(308,796,124)	(196,479,621)	(276,360,800)
Net operating income	1,003,276,444	206,667,209	390,738,626	298,696,034	379,107,633	360,677,297
Operating expenses						
Personnel expenses	(362,379,028)	(253,178,874)	(164,812,691)	(89,536,207)	(104,423,835)	(92,157,135)
Depreciation and amortization	(81,544,128)	(61,802,622)	(47,196,748)	(27,276,191)	(29,804,077)	(20,718,484)
Other operating expenses	(298,887,425)	(212,290,253)	(139,837,491)	(68,434,520)	(74,626,468)	(69,985,657)
Fair value losses on investment properties	-	-	-	-	(7,711,634)	-
Operating profit before taxes on financial services	260,465,863	(320,604,540)	38,891,696	113,449,116	162,541,619	177,816,021
Taxes on financial services	(102,802,202)	-	(29,165,462)	(25,336,328)	(33,098,736)	(49,771,274)
Profit / (Loss) before taxation	157,663,661	(320,604,540)	9,726,234	88,112,788	129,442,883	128,044,747
Income tax expense	(76,122,654)	95,427,017	29,856,689	(54,869,724)	(64,952,304)	(59,068,763)
Profit / (Loss) for the year	81,541,007	(225,177,523)	39,582,923	33,243,064	64,490,579	68,975,984

Figures in brackets indicate deductions.

** - 09 months period ended



CBC Finance Limited
STATEMENT OF FINANCIAL POSITION

As at	31.12.2024 Rs.	31.12.2023 Rs.	31.12.2022 Rs.	31.12.2021 Rs.	31.03.2021 Rs.	31.03.2020 Rs.
ASSETS						
Cash and cash equivalents	166,599,890	154,177,733	96,306,555	154,599,310	324,309,571	56,383,446
Financial investments at fair value through other comprehensive income	1,634,253,594	712,023,869	1,598,013,279	432,297,623	511,999,386	244,855,591
Financial investments at amortized cost	-	-	-	406,243,569	227,314,205	29,985,786
Loans and advances	13,445,176,774	10,142,399,731	8,505,035,651	8,712,636,883	8,070,139,117	6,810,624,122
Investment properties	680,900,000	538,875,000	26,350,000	25,150,000	25,150,000	-
Property, plant and equipment	432,503,997	408,560,886	316,894,006	276,258,743	248,941,125	234,611,303
Intangible assets	33,576,762	31,727,740	30,608,371	29,393,058	31,199,041	11,617,126
Right of use assets	68,159,813	62,696,695	67,406,857	53,319,549	40,590,614	16,460,800
Current tax assets	394,940	-	-	-	-	-
Deferred tax assets	283,122,147	359,259,949	277,932,277	193,579,595	195,023,364	146,687,202
Other assets	115,951,395	49,039,147	36,588,809	29,569,726	26,236,364	24,297,974
Total assets	16,860,639,312	12,458,760,750	10,955,135,805	10,313,048,056	9,700,902,787	7,575,523,350
LIABILITIES						
Deposit liabilities	10,311,261,790	6,534,180,634	5,116,205,410	5,068,847,716	4,838,979,172	222,658,572
Due to banks	3,050,169,109	2,758,596,459	2,467,544,765	1,769,503,838	1,411,123,680	5,085,412,198
Employee benefits	23,097,606	15,694,914	11,330,128	14,972,957	11,430,854	8,777,241
Lease liabilities	74,210,693	64,874,901	66,555,073	58,005,421	43,830,248	17,680,960
Current tax liabilities	-	2,605,060	37,092,827	44,140,864	101,505,099	34,154,410
Other liabilities	342,987,530	105,472,548	78,935,975	102,564,487	71,075,807	52,631,156
Total liabilities	13,801,726,728	9,481,424,516	7,777,664,178	7,058,035,283	6,477,944,860	5,421,314,537
EQUITY						
Stated capital	3,254,999,964	3,254,999,964	3,254,999,963	3,254,999,963	3,254,999,963	2,254,999,964
Accumulated losses	(610,441,417)	(431,325,175)	(205,842,157)	(138,978,745)	(169,212,632)	(229,779,653)
Other reserves	414,354,037	153,661,445	128,313,821	138,991,555	137,170,596	128,988,502
Total equity	3,058,912,584	2,977,336,234	3,177,471,627	3,255,012,773	3,222,957,927	2,154,208,813
Total liabilities and equity	16,860,639,312	12,458,760,750	10,955,135,805	10,313,048,056	9,700,902,787	7,575,523,350

