

CBC FINANCE PLC

(Formerly Known as CBC Finance Ltd)

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


	For the Nine Months Ended 30 September			For the Quarter Ended 30 September		
	2025	2024	Variance	2025	2024	Variance
	(Unaudited) Rs.	(Unaudited) Rs.	%	(Unaudited) Rs.	(Unaudited) Rs.	%
Gross income	2,533,354,486	1,922,797,486	32%	969,267,068	686,142,026	41%
Interest income	2,159,115,828	1,655,194,966	30%	819,086,669	579,870,519	41%
Interest expenses	(1,166,975,226)	(1,045,612,419)	11.6%	(438,442,141)	(331,754,370)	32.2%
Net interest income	992,140,602	609,582,547	63%	380,644,528	248,116,149	53%
Fee and commission income	323,427,159	189,779,961	70%	131,789,055	66,953,865	97%
Fee and commission expenses	(13,003,756)	(19,580,575)	-34%	(5,661,898)	(3,684,658)	54%
Net fee and commission income	310,423,403	170,199,386	82%	126,127,157	63,269,207	99%
Other operating income	50,811,499	77,822,559	-35%	18,391,344	39,317,642	-53%
Total operating income	1,353,375,504	857,604,492	58%	525,163,029	350,702,998	50%
Impairment charges and other losses	(197,270,070)	(278,999,346)	-29%	(59,316,391)	(39,349,180)	51%
Net operating income	1,156,105,434	578,605,146	100%	465,846,638	311,353,818	50%
Operating expenses						
Personnel expenses	(414,954,149)	(275,268,451)	51%	(151,292,810)	(88,641,044)	71%
Depreciation and amortization	(73,874,720)	(59,530,199)	24%	(30,332,081)	(21,015,373)	44%
Other operating expenses	(297,236,415)	(212,093,072)	40%	(120,762,092)	(86,295,731)	40%
Operating profit before taxes on financial services	370,040,150	31,713,424	1067%	163,459,655	115,401,670	42%
Taxes on financial services	(129,131,206)	(50,784,893)	154%	(52,066,136)	(34,440,826)	51%
Profit / (Loss) before taxation	240,908,944	(19,071,469)	1363%	111,393,519	80,960,844	38%
Income tax expense	(111,446,290)	(10,999,930)	913%	(49,362,865)	(36,033,712)	37%
Profit / (Loss) for the period	129,462,654	(30,071,399)	531%	62,030,654	44,927,132	38%
OTHER COMPREHENSIVE INCOME						
Items that are or may be reclassified to profit or loss						
Net change in fair value of FVOCI financial assets, net of tax						
Net change in fair value of FVOCI financial assets	(2,877,374)	(2,905,540)	1%	2,709,804	(2,914,300)	193%
Deferred tax (Charge) / reversal on fair value reserve	863,212	871,662	1%	(812,941)	874,290	-193%
	(2,014,162)	(2,033,878)	1%	1,896,863	(2,040,010)	193%
Other comprehensive income for the period, net of tax	(2,014,162)	(2,033,878)	1%	1,896,863	(2,040,010)	193%
Total comprehensive income for the period	127,448,492	(32,105,277)	497%	63,927,517	42,887,122	49%
Basic earnings per share	0.50	(0.14)	471%	0.24	0.20	19%

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at	30.09.2025 (Unaudited) Rs.	31.12.2024 (Audited) Rs.
ASSETS		
Cash and cash equivalents	176,063,321	166,599,890
Financial investments at fair value through other comprehensive income	1,000,324,492	1,634,253,594
Financial investments at amortized cost	800,700,688	-
Loans and advances	21,101,377,735	13,445,176,774
Investment properties	700,000,000	680,900,000
Property, plant and equipment	431,192,475	432,503,997
Intangible assets	32,288,408	33,576,762
Right of use assets	206,733,864	68,159,813
Current tax assets	-	394,940
Deferred tax assets	265,335,337	283,122,147
Other assets	228,923,098	115,951,395
Total assets	24,942,939,418	16,860,639,312
LIABILITIES		
Deposit liabilities	12,211,172,952	10,311,261,790
Due to banks	7,701,829,039	3,050,169,109
Employee benefits	25,148,256	23,097,606
Lease liabilities	196,925,798	74,210,693
Current tax liabilities	87,401,326	-
Other liabilities	1,034,100,975	342,987,530
Total liabilities	21,256,578,346	13,801,726,728
EQUITY		
Stated capital	3,754,999,960	3,254,999,964
Accumulated losses	(456,634,685)	(610,441,417)
Other reserves	387,995,797	414,354,037
Total equity	3,686,361,072	3,058,912,584
Total liabilities and equity	24,942,939,418	16,860,639,312

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



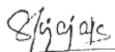
 Purna Kandanaarachchi
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board,



 Delakshan Hettiarachchi
Executive Director



 S.M.S.C. Jayasuriya
Director

26 December 2025
 Kandy

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Capital reserve	Revaluation reserve	Other reserves			Regulatory loss allowance reserve	Retained earnings / (Accumulated losses)	Total equity
				Statutory reserve fund	Fair value reserve	General reserve			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance as at 01 January 2024 (Audited)	3,254,999,964	50,000	98,517,078	33,328,578	1,667,900	20,097,889	-	(431,325,175)	2,977,336,234
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	(30,071,399)	(30,071,399)
Other comprehensive income for the period net of tax	-	-	-	-	(2,033,878)	-	-	-	(2,033,878)
Total comprehensive income	-	-	-	-	(2,033,878)	-	-	(30,071,399)	(32,105,277)
Transactions recognized directly in Equity									
Transfers during the period	-	-	-	-	-	-	118,224,944	(118,224,944)	-
	-	-	-	-	-	-	118,224,944	(118,224,944)	-
Balance as at 30 September 2024	<u>3,254,999,964</u>	<u>50,000</u>	<u>98,517,078</u>	<u>33,328,578</u>	<u>(365,978)</u>	<u>20,097,889</u>	<u>118,224,944</u>	<u>(579,621,518)</u>	<u>2,945,230,957</u>
Balance as at 01 January 2025 (Audited)	3,254,999,964	50,000	98,517,078	37,405,628	4,226,918	20,097,889	254,056,524	(610,441,417)	3,058,912,584
Comprehensive income									
Profit for the period	-	-	-	-	-	-	-	129,462,654	129,462,654
Other comprehensive income for the period net of tax	-	-	-	-	(2,014,162)	-	-	-	(2,014,162)
Total comprehensive income	-	-	-	-	(2,014,162)	-	-	129,462,654	127,448,492
Transactions recognized directly in Equity									
Transfers during the period	-	-	-	-	-	-	(24,344,078)	24,344,078	-
	-	-	-	-	-	-	(24,344,078)	24,344,078	-
Transactions with owners of the Company									
Issue of ordinary shares	499,999,996	-	-	-	-	-	-	-	499,999,996
Balance as at 30 September 2025	<u>3,754,999,960</u>	<u>50,000</u>	<u>98,517,078</u>	<u>37,405,628</u>	<u>2,212,756</u>	<u>20,097,889</u>	<u>229,712,446</u>	<u>(456,634,685)</u>	<u>3,686,361,072</u>

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the Nine Months Period Ended	30.09.2025 Rs.	30.09.2024 Rs.
Cash flows from operating activities		
Profit before taxation	240,908,944	(19,071,469)
Adjustments for:		
Interest expenses	1,166,975,226	1,045,612,419
Impairment charges and other losses	197,270,070	278,999,346
Interest income from bank deposits and government securities	(112,182,177)	(100,170,120)
Depreciation	38,712,195	34,578,814
Amortization	35,162,525	24,951,385
Provision for defined benefit plans	4,872,100	3,805,935
(Profit) / loss on sale of property, plant and equipment	430,739	(13,478,345)
(Profit) / loss on sale of investment property	2,900,000	-
Operating profit before working capital changes	1,575,049,622	1,255,227,965
Increase in loans and receivables	(7,853,471,031)	(2,950,275,424)
Increase in other assets	(136,771,703)	(69,450,616)
Increase in deposit liabilities	1,006,240,501	2,180,881,805
Increase in other liabilities	691,113,445	350,999,957
Cash generated from / (used in) operations	(4,717,839,166)	767,383,687
Taxes paid	(5,000,000)	(1,761,239)
Gratuity paid	(2,821,450)	(645,617)
Net cash flows generated from / (used in) operating activities	(4,725,660,616)	764,976,831
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,029,327)	(61,103,129)
Proceeds from sale of property, plant and equipment	197,915	14,531,065
Purchase of intangible assets	(2,857,518)	(5,833,819)
Net investments in government treasury bills and repurchase agreements	(169,648,960)	(911,246,400)
Interest received	112,182,177	100,170,120
Net cash flows (used in) from investing activities	(98,155,713)	(863,482,163)
Cash flows from financing activities		
Loans obtained during the period	11,105,000,000	3,900,000,000
Repayments of loans during the period	(6,307,837,296)	(3,669,218,918)
Interest paid on loans	(264,745,252)	(142,448,598)
Interest paid on overdraft	(2,439,674)	(285,367)
Net proceeds from the issue of ordinary shares	499,999,996	-
Repayment of lease liabilities	(53,634,914)	(24,042,083)
Net cash flows (used in) / generated from financing activities	4,976,342,860	64,005,034
Net increase in cash and cash equivalents	152,526,531	(34,500,298)
Cash and cash equivalents at the beginning of the period	(40,521,298)	128,448,253
Cash and cash equivalents at the end of the period *	112,005,233	93,947,955
* Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	176,063,321	118,029,808
Bank overdraft	(64,058,088)	(24,081,853)
	112,005,233	93,947,955

Figures in brackets indicate deductions.

EXPLANATORY NOTES

- 1 CBC Finance PLC ('the Company', Formerly known as CBC Finance Limited), 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 company was quoted on the Colombo Stock Exchange on 11th December 2025 and changed its legal status to Public Limited Company.

The registered office and the principal place of business of the Company is located at No. 187, Katugastota Road, Kandy.

- 2 The principal activities of the Company are granting of Lease Facilities, Hire Purchase, 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.
- 3 The Company's parent enterprise and the ultimate parent enterprise is Commercial Bank of Ceylon PLC.
- 4 These interim financial statements have been prepared in accordance with LKAS 34 Interim Financial Reporting and do not include all of the information required for a full set of financial statement.

Further, the requirements of the Colombo Stock Exchange and the Companies Act No.7 of 2007 have also been considered in preparing these financial statements.

- 5 There are no changes to the accounting policies and methods of computation since the publication of the Audited Financial Statements for the financial year 2024.
- 6 There were no material contingent liabilities or contingent assets as at the reporting date, which require adjustments to or disclosures in the Interim Financial Statements.
- 7 There have been no material events occurring after the reporting date, which require adjustments to or disclosure in the Interim Financial Statements.
- 8 There were no material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicity affecting the operations during the interim period.
- 9 The Company has not declared any dividend during the interim period.

10 Information on Shares

Fully paid ordinary shares	30.09.2025		31.12.2024	
	Number of shares	Value of shares	Number of shares	Value of shares
Balance B/F	221,793,834	3,254,999,964	221,793,834	3,254,999,964
Issue of ordinary shares	36,496,350	499,999,996	-	-
Balance C/F	258,290,184	3,754,999,960	221,793,834	3,254,999,964

Shareholders as at ,	Holding %	Number of shares	
		30.09.2025	31.12.2024
Commercial Bank of Ceylon PLC	100%	258,290,184	221,793,834

10.1 Public Holdings

The percentage of ordinary shares held by the public as at 30 September 2025 was 0%.

SELECTED PERFORMANCE INDICATORS

As at	30.09.2025 (Unaudited)	31.12.2024 (Audited)
Capital Adequacy		
Core Capital Ratio (Minimum Requirement : 8.5%)	13.70%	15.71%
Total Risk Weighted Capital Ratio (Minimum Requirement: : 12.5%)	13.70%	15.71%
Capital Funds to Deposit Liabilities Ratio (Minimum Requirement - 10%) *	27.18%	25.84%
Profitability		
Return on Assets (Before Taxes) (%)	2.48%	1.07%
Return on Equity (%)	4.85%	2.67%
Asset Quality (LKR'000)		
Total Accommodation (Gross)	23,094,055	15,218,536
Non-Performing Accommodation	4,389,467	3,797,554
Total Accommodation (Net of allowance for expected credit losses/impairment)	21,101,378	13,445,177
Liquidity (LKR'000)		
Required Minimum Amount of Liquid Assets	1,623,371	1,153,160
Required Minimum Amount of Government Securities **	869,376	550,152
Available Amount of Liquid Assets	1,981,955	1,765,600
Available Amount of Government Securities	1,797,560	1,600,000
Solvency		
Debt to Equity Ratio (Times)	2.09	1.00
Interest Cover (Times)	1.37	1.19

*** Capital Funds to Deposit Liabilities Ratio**

The capital funds to deposit liabilities ratio is computed on the basis of capital funds as a percentage of deposit liabilities at end of the period.

** Required minimum amount of government securities equals to 7.5% of the average of month end deposit liabilities and borrowings of the twelve months of the preceding financial year.

SEGMENTAL INFORMATION

Operating Segments

<i>As at 30 September</i>	Leasing		Mortgage Loans		Other loans		Investments and others		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
External Revenue										
Interest	788,246,647	665,415,631	221,755,204	363,322,182	1,036,931,800	526,287,033	112,182,177	100,170,120	2,159,115,828	1,655,194,966
Fees & commissions	31,796,737	103,686,192	3,395,505	35,194,750	267,371,387	42,024,455	20,863,530	8,874,564	323,427,159	189,779,961
Dividends	-	-	-	-	-	-	247,520	-	247,520	-
Other income	-	-	-	-	-	-	50,563,979	77,822,559	50,563,979	77,822,559
Total external revenue	820,043,384	769,101,823	225,150,709	398,516,932	1,304,303,187	568,311,488	183,857,206	186,867,243	2,533,354,486	1,922,797,486
Impairment (charges) / Reversal	(12,879,034)	(18,978,862)	(104,185,029)	(32,676,980)	(80,206,007)	(230,613,893)	-	3,270,389	(197,270,070)	(278,999,346)
Net revenue	807,164,350	750,122,961	120,965,680	365,839,952	1,224,097,180	337,697,595	183,857,206	190,137,632	2,336,084,416	1,643,798,140
Profit / (Loss) before tax									240,908,944	(19,071,469)
Income tax expenses									(111,446,290)	(10,999,930)
Profit / (Loss) after tax									129,462,654	(30,071,399)
Segment assets	7,947,190,807	5,907,939,327	2,216,792,212	2,881,341,263	12,841,927,790	2,659,693,151	1,810,224,024	1,497,516,610	24,942,939,418	15,143,878,372
Segment liabilities	6,880,725,353	4,898,983,117	1,889,168,575	2,538,451,559	10,943,996,600	3,619,999,722	1,542,687,818	1,190,296,839	21,256,578,346	12,247,731,237