

CBC FINANCE PLC

(Formerly Known as CBC Finance Ltd)

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


	For the Year Ended 31 December			For the Quarter Ended 31 December		
	2025	2024	Variance	2025	2024	Variance
	(Audited) Rs.	(Audited) Rs.	%	(Audited) Rs.	(Audited) Rs.	%
Gross income	3,718,795,504	2,661,366,764	40%	1,185,441,018	738,569,278	61%
Interest income	3,171,698,985	2,271,136,833	40%	1,012,583,157	615,941,867	64%
Interest expenses	(1,710,944,363)	(1,399,057,829)	22%	(543,969,137)	(353,445,410)	54%
Net interest income	1,460,754,622	872,079,004	68%	468,614,020	262,496,457	79%
Fee and commission income	462,392,756	291,433,391	59%	138,965,597	101,653,430	37%
Fee and commission expenses	(14,795,283)	(22,167,639)	-33%	(1,791,527)	(2,587,064)	-31%
Net fee and commission income	447,597,473	269,265,752	66%	137,174,070	99,066,366	38%
Other operating income	84,703,763	98,796,540	-14%	33,892,264	20,973,981	62%
Total operating income	1,993,055,858	1,240,141,296	61%	639,680,354	382,536,804	67%
Impairment charges and other losses	(306,950,359)	(236,864,852)	30%	(109,680,289)	42,134,494	-360%
Net operating income	1,686,105,499	1,003,276,444	68%	530,000,065	424,671,298	25%
Operating expenses						
Personnel expenses	(598,198,892)	(362,379,028)	65%	(183,244,743)	(87,110,577)	110%
Depreciation and amortization	(104,882,620)	(81,544,128)	29%	(31,007,900)	(22,013,929)	41%
Other operating expenses	(420,579,498)	(298,887,425)	41%	(123,343,083)	(86,794,353)	42%
Operating profit before taxes on financial services	562,444,489	260,465,863	116%	192,404,339	228,752,439	-16%
Taxes on financial services	(196,810,274)	(102,802,202)	91%	(67,679,068)	(52,017,309)	30%
Profit / (Loss) before taxation	365,634,215	157,663,661	132%	124,725,271	176,735,130	-29%
Income tax expense	(129,816,475)	(76,122,654)	71%	(18,370,185)	(65,122,724)	-72%
Profit / (Loss) after taxation	235,817,740	81,541,007	189%	106,355,086	111,612,406	-5%
OTHER COMPREHENSIVE INCOME						
Items that will never be reclassified to profit or loss						
Actuarial gains / (losses) on defined benefit plans, net of tax						
Actuarial gain / (losses) on defined benefit plans	(5,585,737)	(3,605,250)	55%	(5,585,737)	(3,605,250)	55%
Deferred tax reversal / (charge) on actuarial losses	1,675,721	1,081,575	55%	1,675,721	1,081,575	55%
	(3,910,016)	(2,523,675)	55%	(3,910,016)	(2,523,675)	55%
Unquoted equity securities, net of tax						
Net change in fair value of FVOCI financial assets	147,126	172,960	-15%	147,126	172,960	-15%
Deferred tax (charge) on fair value reserve	(44,138)	(51,888)	-15%	(44,138)	(51,888)	-15%
	102,988	121,072	-15%	102,988	121,072	-15%
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	(3,613,672)	3,482,780	-204%	(736,297)	6,388,320	-112%
Deferred tax (Charge) / reversal on fair value reserve	1,084,102	(1,044,834)	204%	220,889	(1,916,496)	112%
	(2,529,570)	2,437,946	-204%	(515,408)	4,471,824	-112%
Other comprehensive income, net of tax	(6,336,598)	35,343	-18029%	(4,322,436)	2,069,221	-309%
Total comprehensive income, net of tax	229,481,142	81,576,350	181%	102,032,650	113,681,627	-10%
Basic earnings per share	0.89	0.37	143%	0.37	0.50	-26%

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at	31.12.2025 (Audited) Rs.	31.12.2024 (Audited) Rs.
ASSETS		
Cash and cash equivalents	686,120,299	166,599,890
Financial investments at fair value through other comprehensive income	1,020,110,586	1,634,253,594
Financial investments at amortized cost	3,893,527,270	-
Loans and advances	25,958,048,767	13,445,176,774
Investment properties	775,060,000	680,900,000
Property, plant and equipment	469,048,015	432,503,997
Intangible assets	30,880,078	33,576,762
Right of use assets	216,163,278	68,159,813
Current tax assets	-	394,940
Deferred tax assets	313,244,617	283,122,147
Other assets	286,126,802	115,951,395
Total assets	33,648,329,712	16,860,639,312
LIABILITIES		
Financial liabilities at amortized cost - due to depositors	13,970,125,394	10,311,261,790
Financial liabilities at amortized cost - due to borrowings	12,015,563,277	3,050,169,109
Debenture	1,499,691,229	-
Employee benefits	33,340,393	23,097,606
Lease liabilities	213,633,599	74,210,693
Current tax liabilities	145,867,258	-
Other liabilities	1,481,714,849	342,987,530
Total liabilities	29,359,935,999	13,801,726,728
EQUITY		
Stated capital	4,254,999,952	3,254,999,964
Accumulated losses	(362,740,104)	(610,441,417)
Other reserves	396,133,865	414,354,037
Total equity	4,288,393,713	3,058,912,584
Total liabilities and equity	33,648,329,712	16,860,639,312

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

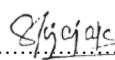


 Purna Kandanaarachchi
 Head of Finance

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 February 2026
 Kandy

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Other reserves					Regulatory loss allowance reserve	Retained earnings / (Accumulated losses)	Total equity
		Capital reserve	Revaluation reserve	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	-	-	-	-	-	-	-	81,541,007	81,541,007
Other comprehensive income for the period net of tax	-	-	-	-	2,559,018	-	-	(2,523,675)	35,343
Total comprehensive income	-	-	-	-	2,559,018	-	-	79,017,332	81,576,350
Transactions recognized directly in Equity									
Transfers during the period	-	-	-	4,077,050	-	-	254,056,524	(258,133,574)	-
	-	-	-	4,077,050	-	-	254,056,524	(258,133,574)	-
Balance as at 31 December 2024 (Audited)	<u>3,254,999,964</u>	<u>50,000</u>	<u>98,517,078</u>	<u>37,405,628</u>	<u>4,226,918</u>	<u>20,097,889</u>	<u>254,056,524</u>	<u>(610,441,417)</u>	<u>3,058,912,584</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	-	-	-	-	-	-	-	235,817,740	235,817,740
Other comprehensive income for the period net of tax	-	-	-	-	(2,426,582)	-	-	(3,910,016)	(6,336,598)
Total comprehensive income	-	-	-	-	(2,426,582)	-	-	231,907,724	229,481,142
Transactions recognized directly in Equity									
Transfers during the period	-	-	-	11,790,887	-	-	(27,584,476)	15,793,589	-
	-	-	-	11,790,887	-	-	(27,584,476)	15,793,589	-
Transactions with owners of the Company									
Issue of ordinary shares	999,999,988	-	-	-	-	-	-	-	999,999,988
Balance as at 31 December 2025 (Audited)	<u>4,254,999,952</u>	<u>50,000</u>	<u>98,517,078</u>	<u>49,196,515</u>	<u>1,800,336</u>	<u>20,097,889</u>	<u>226,472,048</u>	<u>(362,740,104)</u>	<u>4,288,393,714</u>

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

For the Year Ended	31.12.2025	31.12.2024
	Rs.	Rs.
	(Audited)	(Audited)
Cash flows from operating activities		
Profit before taxation	365,634,215	157,663,661
Adjustments for:		
Interest expenses	1,710,944,363	1,399,057,829
Impairment charges and other losses	306,950,359	236,864,852
Interest income from bank deposits and government securities	(65,318,335)	(131,941,469)
Dividend income	(247,520)	(228,565)
Depreciation	53,034,541	47,377,080
Amortization	51,848,079	34,167,048
Provision for defined benefit plans	8,281,325	5,526,345
(Profit) / loss on sale of property, plant and equipment	430,739	(13,478,345)
(Profit) / loss on sale of investment property	2,900,000	3,225,000
Fair value loss / (gain) on investment properties	(10,400,000)	550,000
Operating profit before working capital changes	2,424,057,766	1,738,783,436
Increase in loans and receivables	(12,819,822,352)	(3,685,441,895)
Increase in other assets	(272,835,407)	(110,394,816)
Increase in deposit liabilities	2,440,690,851	2,596,808,888
Increase in other liabilities	1,138,727,317	271,997,551
Cash generated from / (used in) operations	(7,089,181,825)	811,753,164
Taxes paid	(10,961,060)	(3,000,000)
Gratuity paid	(3,624,275)	(1,728,903)
Net cash flows generated from / (used in) operating activities	(7,103,767,160)	807,024,261
Cash flows from investing activities		
Purchase of property, plant and equipment	(90,207,212)	(72,372,911)
Proceeds from sale of property, plant and equipment	197,914	14,531,065
Proceeds from sale of investment property	16,000,000	9,000,000
Proceeds from sale and maturity of financial investments - FVOCI	610,676,462	(918,573,985)
Purchase of financial investments - at amortized cost	(3,893,527,270)	-
Purchase of intangible assets	(2,857,518)	(6,996,620)
Interest received	65,318,335	131,941,469
Dividend received	247,520	228,565
Net cash flows (used in) from investing activities	(3,294,151,769)	(842,242,417)
Cash flows from financing activities		
Loans obtained	19,760,000,000	5,425,000,000
Repayments of loans	(10,787,131,852)	(5,309,829,031)
Interest paid on loans	(287,356,538)	(210,588,357)
Interest paid on overdraft	(7,582,847)	(5,074,420)
Proceed from issue of ordinary shares	999,999,988	-
Proceeds from Debenture	1,486,973,875	-
Repayment of lease liabilities	(68,315,993)	(33,259,587)
Net cash flows (used in) / generated from financing activities	11,096,586,633	(133,751,395)
Net increase in cash and cash equivalents	698,667,704	(168,969,551)
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 *	658,146,406	(40,521,298)
* Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	686,120,299	166,599,890
Bank overdraft	(27,973,893)	(207,121,188)
	658,146,406	(40,521,298)

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.

Upon the listing of the rated, unsecured, subordinated, redeemable debenture on the Colombo Stock Exchange on 11th December 2025, the status of the Company was changed from CBC Finance Limited to CBC Finance PLC with effect from 30 December 2025 under the Company Registration No. PQ00351120.

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, 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	31.12.2025		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	71,315,291	999,999,988	-	-
Balance C/F	293,109,125	4,254,999,952	221,793,834	3,254,999,964

Shareholders as at ,	Holding %	Number of shares	
		31.12.2025	31.12.2024
Commercial Bank of Ceylon PLC	100%	293,109,125	221,793,834

10.1 Public Holdings

The percentage of ordinary shares held by the public as at 31 December 2025 was 0%.

10.2 Directors' / CEO's Holding in Shares as at 31 December 2025 was 0%.

Name	Position	No of Shares
Mr S Muhseen	Chairman	-0-
Mr S M S C Jayasuriya	Director	-0-
Mr D M D S S Bandara	Director	-0-
Mr L H Munasinghe	Director	-0-
Mr M P Dharmasiri	Director	-0-
Mrs S C De S Wickremasekera	Director	-0-
Mr D J D P Hettiarachchi	Director	-0-

EXPLANATORY NOTES

11 Information on Listed Debentures

11.1 The funds Raised From Debenture Issue

Objective No	Objective as per Prospects	Amount Allocated as per prospectus	Proposed Date of Utilization as per Prospectus	Amount Allocated From Proceeds (A)	Total Proceeds	Amount Utilized (B)	Utilization Against Allocation (B/A)	Clarification If Not Fully Utilized Including where the Funds are Invested
		Rs.		Rs.		%	Rs.	
1	Improve and further Strengthen the Capital Adequacy Ratio	1.5 Bn.	Immediately upon allotment of the Debentures	1.5 Bn.	100%	1.5 Bn.	100%	Fully Utilized
2	Facilitate Future Lending		Over a period of 12 months from the Date of Allotment					

11.2 Information on Interest Rate and Comparable Government Security

Categories	Interest payable frequency	Allotment date	Maturity date	Coupon Rate	Effective annual yield	Interest rate of comparable Government Security
				%	%	%
Listed Rated Unsecured Subordinated Redeemable Debenture 2025/2030 - Fixed Rate Debenture	Annually	03.12.2025	02.12.2030	11.5	11.5	9.73

11.3 Information on Market Value

Categories	Market value			Rs.
	Highest	Lowest	Period End	
	Rs.	Rs.	Rs.	
Listed Rated Unsecured Subordinated Redeemable Debenture 2025/2030 - Fixed Rate Debenture	Not traded during the period			1,499,691,229

11.4 Information on Current Yield and Yield to Maturity

Categories	2025	
	Current Yield	Yield to Maturity
Listed Rated Unsecured Subordinated Redeemable Debenture 2025/2030 - Fixed Rate Debenture	Not traded during the period	

SELECTED PERFORMANCE INDICATORS

As at	31.12.2025 (Audited)	31.12.2024 (Audited)
Capital Adequacy		
Core Capital Ratio (Minimum Requirement : 8.5%)	13.73%	15.71%
Total Risk Weighted Capital Ratio (Minimum Requirement: : 12.5%)	19.40%	15.71%
Capital Funds to Deposit Liabilities Ratio (Minimum Requirement - 10%) *	28.01%	25.84%
Profitability		
Return on Assets (Before Taxes) (%)	2.48%	1.07%
Return on Equity (%)	6.26%	2.67%
Asset Quality (LKR'000)		
Total Accommodation (Gross)	28,022,592	15,218,536
Non-Performing Accommodation	4,122,769	3,797,554
Total Accommodation (Net of allowance for expected credit losses/impairment)	25,958,049	13,445,177
Liquidity (LKR'000)		
Required Minimum Amount of Liquid Assets	2,046,897	1,153,160
Required Minimum Amount of Government Securities **	869,376	550,152
Available Amount of Liquid Assets	5,453,647	1,765,600
Available Amount of Government Securities	4,910,983	1,600,000
Solvency		
Debt to Equity Ratio (Times)	3.15	1.00
Interest Cover (Times)	1.39	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 31 December</i>	Leasing		Draft and Vehicle 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	1,051,031,972	926,380,996	1,161,272,977	505,581,241	802,529,733	707,233,127	156,864,303	131,941,469	3,171,698,985	2,271,136,833
Fees & commissions	225,912,118	142,437,145	98,902,215	28,153,282	107,669,760	105,952,627	29,931,163	14,890,337	462,415,256	291,433,391
Dividends	-	-	-	-	-	-	247,520	228,565	247,520	228,565
Other income	-	-	-	-	-	-	84,433,743	98,567,975	84,433,743	98,567,975
Total external revenue	1,276,944,090	1,068,818,141	1,260,175,192	533,734,523	910,199,493	813,185,754	271,476,729	245,628,346	3,718,795,504	2,661,366,764
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue before impairment	1,276,944,090	1,068,818,141	1,260,175,192	533,734,523	910,199,493	813,185,754	271,476,729	245,628,346	3,718,795,504	2,661,366,764
Impairment (charges) / Reversal	(60,783,080)	(30,363,537)	(196,172,972)	(1,561,571)	(49,994,307)	(208,210,132)	-	3,270,388	(306,950,359)	(236,864,852)
Net revenue	1,216,161,010	1,038,454,604	1,064,002,220	532,172,952	860,205,186	604,975,622	271,476,729	248,898,734	3,411,845,145	2,424,501,912
Profit / (Loss) before tax									365,634,215	157,663,661
Income tax expenses									(129,816,475)	(76,122,654)
Profit / (Loss) after tax									235,817,740	81,541,007
Segment assets	11,004,043,272	6,578,953,625	11,402,291,497	3,371,491,790	8,235,648,508	3,832,720,801	2,456,370,208	1,576,855,861	33,648,329,712	16,860,639,312
Segment liabilities	10,081,489,212	5,542,842,160	9,949,098,558	2,767,922,908	7,186,036,132	4,217,144,254	2,143,312,097	1,273,817,406	29,359,935,999	13,801,726,728