KEY FACTS DOCUMENT

CBC FINANCE

A Fully Owned Subsidiary of Commercial Bank of Ceylon PLC

REGULATORY COMPLIANCE NOTICE: This document serves to comply with the requirements of the Finance Customer Protection Framework issued by the Central Bank of Sri Lanka (CBSL Direction No. 01 of 2018 and Financial Consumer Protection Regulations No. 01 of 2023). It outlines key features, eligibility, fee structures, interest calculation methodologies, regulatory disclosures, and customer grievance procedures.

1. Savings & Fixed Deposit Products

SAVINGS ACCOUNT

Target Group & Eligibility	Individuals / Joint Holders (Citizens/Residents/Dual Citizens aged 18+). Corporates, Sole Proprietorships, Partnerships, Clubs, Societies & Trusts registered in Sri Lanka.
Main Documentation	• Individuals: Duly completed Mandate, Valid NIC/Passport/Driving License, Address proof (if differing from NIC), KYC requirements. • Corporates/Entities: BR/Certificate of Incorporation, Articles of Association, Board Resolution, Form 1 & Form 20 (or Form 40), Constitution & Minutes, Authorized Signatories list, Corporate KYC, Beneficial Ownership Declaration.
Key Terms & Conditions	• Initial Deposit LKR 1,000/- • Minimum Balance: LKR 1,000/- must be maintained to earn interest. • Interest Calculation: Calculated on daily end-of-day balance and credited monthly. • Cheque Deposits: Accepted at sole management discretion. • Statements & Taxation: Statements issued on request; Withholding Tax (WHT) applied as per IRD directives.

FIXED DEPOSIT

Target Group & Eligibility	Individuals over 18 years; Senior Citizens over 60 years (for Joint accounts, all holders must be Senior Citizens for special rates). Registered Corporate Entities & Institutions.
Key Terms & Conditions	• Minimum Deposit & Tenure: Minimum LKR 100,000/-. Tenure ranges from 1 to 60 Months. • Interest Payment Options: Paid Monthly, Annually, or at Maturity. Monthly interest = (Agreed APR / 365) × Days in month. • Loan Against FD: Allowed up to 90% for both Maturity & Monthly Interest FDs

	• Premature Withdrawal: Subject to CBSL guidelines and company penalty policies. Excess monthly interest recovered from capital. Prohibited if FD certificate is lost. • Deposit Insurance: Covered under Sri Lanka Deposit Insurance Scheme (compensation up to LKR 1,100,000 per depositor).

2. Lending Products & Credit Facilities

1. LEASING

Target Market & Eligibility	Personal Borrowers, Sole Proprietorships, Partnerships, and Limited Liability Companies. Applicants must be Sri Lankan citizens within legally accepted age limits or duly registered corporates.
Main Requirements	Completed Facility Application with supporting documents. Physical vehicle inspection by Lending Officer to confirm engine/chassis numbers against CR, Invoice, and Valuation Report.
Key Terms & Conditions	• Maximum Tenor: Brand New / Unregistered: Up to 72 Months; Registered Vehicles: Up to 60 Months. • Permitted Vehicles: Motor Bikes, Three-Wheelers, Cars, Vans, Jeeps, Trucks, Lorries, Buses, Dual Purpose & Special Purpose Vehicles. • LTV & Approval: Loan-to-Value (LTV) ratio complies with CBSL directions and CBCF lending guidelines. All facilities subject to credit evaluation. • Default & Late Fees: Late payment fees/interest apply on non-repayment as per agreed contract terms.

2. VEHICLE LOAN

Target Market & Eligibility	Personal Borrowers, Sole Proprietorships, Partnerships, and corporate entities meeting CBC Finance lending standards.
Main Requirements	Facility application, identity proof, income proof, and physical vehicle inspection confirming engine and chassis details.
Key Terms & Conditions	• Tenor: Minimum 12 Months, Maximum 60 Months. • Restricted Vehicles: Cars, Vans, Jeeps, Double Cabs, and Mini Trucks (Mini Trucks must be registered under Dual Purpose category). • LTV & Approval: LTV ratios strictly abide by CBSL directions. Subject to credit risk evaluation.

3. MOTOR DRAFT LOAN

Target Market & Eligibility	Individuals, Sole Proprietorships, Partnerships, and Companies seeking short-term vehicle-backed financing.
Main Requirements	Facility application, vehicle inspection report, registration certificate (CR), valuation, and invoice verification.
Key Terms & Conditions	• Tenor: Short-term facility with a maximum tenor of up to 12 Months. • Restricted Vehicles: Cars, Vans, SUVs, and Double Cabs. • Approval & Charges: All approvals at sole discretion of CBC Finance; documentation charges apply as published.

4. HYBRID LOAN	
Structure & Target Market	Combines two credit components (Vehicle Loan + Motor Draft Loan) into a single facility for Personal Borrowers, Sole Proprietorships, Partnerships, and Corporate Entities.
Tenor Breakdown	• Vehicle Loan Component: Maximum tenor up to 5 Years (60 Months). • Motor Draft Loan Component: Maximum tenor up to 12 Months.
Key Terms & Conditions	• Permitted Vehicles: Cars, Vans, Jeeps, Double Cabs, and Dual-Purpose Vehicles. • LTV Guidelines: LTV ratios for both components strictly comply with CBSL directives and CBCF guidelines.

5. CASH MARGIN LOAN	
Target Market & Eligibility	Individuals, Joint account holders, or corporate entities maintaining an active Fixed Deposit with CBC Finance. The FD must be unencumbered and lien-free.
Loan Quantum & Tenor	• Loan Amount: Maximum up to 90% of Fixed Deposit value; Minimum LKR 25,000/-. • Tenor: Facility tenure shall not exceed the remaining maturity term of the underlying Fixed Deposit.
Key Terms & Conditions	• Interest Rate: Charged at FD AER + margin as adviced by ALCO • Documentation Charges: LKR 1,500/- upwards

6. GOLD LOAN	
Target Market & Process	Retail gold customers, jewellers, pawnbrokers, and manufacturers. Customer presents gold articles at branch -> Assessor tests purity -> Advance limit calculated -> System generates ticket -> Disbursement by Cashier.
Required Documentation	Copy of valid NIC or Driving License along with completed KYC, and Indemnity declaration.
Key Terms & Conditions	• Tenors Available: 1 Month, 3 Months, 6 Months, and 12 Months. • Redemption & Default: Fully repaid upon settlement of principal and interest. Default results in additional interest and auction under Mortgage Act. • Loss Compensation: In case of lost pledged items, CBCF compensation is strictly capped at prevailing market value.

3. Tariff Rates & Lending Interest Rates

Product Category	Facility Tier	Documentation Fee	Interest Rates (p.a.)
Vehicle Loan / Motor Draft / Leasing	Any Facility Amount	Rs. 4,500/- Upwards	17.00% Upwards
Micro Leasing (2-Wheeler)	Any Facility Amount	Rs. 6,200/- Upwards	24.00% Upwards
Micro Leasing (3-Wheeler)	Any Facility Amount	Rs. 6,200/- Upwards	23.00% Upwards
Cash Margin Loan	Any Facility Amount	Rs. 1,500/- Upwards	FD AER + Margin as advised by ALCO * Any deviation subject to approval
Gold Loan (1 Month)	Advance Basis	0.50% per advance	23.16% p.a.
Gold Loan (3/6 Months)	Advance Basis	0.50% per advance	19.20% p.a.
Gold Loan (12 Months)	Advance Basis	N/A	19.20% p.a.

** Interest rates may change based on market conditions

4. Penal Interest Rate & Late Fee Calculation Methodology

CBSL REGULATORY COMPLIANCE DIRECTIVE (Ref: 24/01/015/0004/026):

In accordance with Central Bank of Sri Lanka (CBSL) Directions on Penal Interest Rates, CBC Finance PLC calculates penal charges strictly on the delayed installment balance for the actual overdue period, ensuring that penal charges do not result in an undue debt burden on financial consumers.

STANDARD PENAL INTEREST CALCULATION METHODOLOGY

CBSL Mandatory Formula	Penal Interest = (Total Outstanding Installments in Arrears) × (Applicable Penal Rate p.a.) × (Overdue Days / 365)
Calculation Base	Penal interest is calculated strictly on the total overdue installment component in arrears.
Grace Period	A grace period of Five (5) business days from the contractual due date applies before penal interest is accrued.

Product Description	Penal Interest Rate	Calculation Basis
LEASE FINANCE	**4.00% p.m. (48% p.a.)**	Calculated strictly on overdue rental arrears
LEASING (2-WHEELER / 3-WHEELER)	**4.00% p.m. (48% p.a.)**	Calculated strictly on overdue rental arrears
MOTOR DRAFT	**4.00% p.m. (48% p.a.)**	Calculated strictly on overdue rental arrears
CBC VEHICLE LOAN	**4.00% p.m. (48% p.a.)**	Calculated strictly on overdue rental arrears
CASH MARGIN LOAN	**4.00% p.m. (48% p.a.)**	Calculated on overdue interest/capital component
GOLD LOAN / STAFF GOLD LOAN	**0.75% p.m. (9% p.a.)**	Calculated on overdue principal amount

5. General Terms, Legal Provisions & Disclosures

PRODUCT APPLICATION & JOINT DEPOSITS

Process for Obtaining Services	Customers can visit or contact any CBC Finance branch (branch contacts available at www.cbcfinance.lk). Completed application forms along with all required accurate supporting documents must be submitted to branch officers for evaluation.
Joint Deposit Operations	In the event of the demise of one depositor in a Joint Deposit, CBC Finance must be notified immediately. The surviving depositor will be strictly recognized as the sole person having legal interest in the deposit balance.

INTEREST RATE POLICY & RECOVERY PROCEDURES

Interest Rate Determination	Interest rates are determined by CBC Finance as per Asset-Liability Committee (ALCO) policies within regulatory frameworks. Deposit rates are displayed at branches and www.cbcfinance.lk. Lending rates depend on facility type, tenor, and security, and are revised based on prevailing market conditions.
Credit Recovery & Restructuring	CBC Finance endeavors to facilitate repayment through facility re-scheduling or re-structuring based on cash flow evaluations. If default persists, recovery actions will be initiated under contractual rights and Sri Lankan law. All legal and recovery expenses shall be borne by the customer, who retains legal recourse.

STATUTORY DISCLOSURES & LEGAL PROVISIONS

Applicable Statutory Laws	Facilities & services are governed by the Finance Business Act No. 42 of 2011, Finance Leasing Act No. 56 of 2000, Mortgage Act No. 06 of 1949 (as amended), Recovery of Debt Act No. 02 of 1990, Financial Transactions Reporting Act No. 06 of 2006, Civil Procedure Code, Criminal Procedure Code, and other applicable Sri Lankan laws.
Confidentiality & Reporting	Strict secrecy is maintained under Sec 61(2) of Finance Business Act No. 42 of 2011. As a CBSL-regulated entity, CBC Finance is obliged to provide details to CBSL and statutory bodies without prior notice. Lending details are routinely reported to CRIB (Credit Information Bureau of Sri Lanka).
Financial Transactions Reporting	Under Section 7 of the Financial Transactions Reporting Act No. 06 of 2006, any suspected unlawful activity or criminal offense will be reported to the Financial Intelligence Unit (FIU).
Dormant Accounts	Deposits in respect of which the owner has not made any deposit or withdrawal and has had no correspondence with the Company for a period of not less than ten (10) years shall be classified as "Dormant Deposits" and reported to the Central Bank of Sri Lanka (CBSL) in accordance with Section 23 of the Finance Business Act, No. 42 of 2011

6. Customer Complaint Resolution Procedure

CUSTOMER GRIEVANCE REDRESSAL MECHANISM

Lodging Complaints by Post:
Senior Manager Operations
CBC Finance PLC
No. 200/01, Dr. N.M. Perera Mawatha, Colombo 08.

Digital & Contact Channels:
Hotline: +94 76 919 9791
Email: info@cbcfinance.com
Web: www.cbcfinance.com
In-Person: Branch Suggestion Boxes / Branch Manager

Required Information: Customer Name, NIC Number, Account Number, Mobile Number, Email Address (if any), and Brief description of complaint. (Note: Anonymous complaints without proof will not be processed).

- **Step 1: Acknowledgment:** Written acknowledgment sent via email/post acknowledging receipt and forwarding to authority.
- **Step 2: Investigation & Response:** CBC Finance will investigate and provide a formal decision. If unable to respond within 10 working days, an extended response date will be notified.
- **Step 3: Escalation to Financial Ombudsman:** If unsatisfied with the final response, customers may escalate to the Financial Ombudsman.

Financial Ombudsman Sri Lanka (Guarantee) Ltd
Address: No. 01, Bethesda Place, Milagiriya, Colombo 05 | Tel: 011 259 5624 / 011 259 5625 | Email: fosril@sltnet.lk