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19 December 2025

Board of Directors
Abans Finance PLC
No. 456, R.A. De Mel Mawatha,
Colombo 3

Dear Sirs / Madam,

Accountant's Report for Inclusion in the Prospectus of Abans Finance PLC

This report has been prepared for the purpose of the prospectus issued in connection with the proposed public offer of up to Sri Lanka Rupees One Billion (LKR 1,000,000,000/-) by the issue of Ten Million (10,000,000) listed, rated, senior, unsecured, Redeemable Debentures at a par value of Sri Lanka Rupee One Hundred (LKR 100/-) in the first instance, and to raise a further sum of Srilankan Rupees Five Hundred Million (LKR 500,000,000) by the issue of up to a further Five Million (5,000,000) listed, rated, unsecured, senior, redeemable debentures at a par value of Sri Lanka Rupees One Hundred (LKR 100/-), in the event aforesaid initial issue is oversubscribed, subject to obtaining the requisite regulatory and other approvals.

We have examined the Financial Statements of the Abans Finance PLC ("the Company") for the years ended 31st March 2021 to 31st March 2025, and report as follows.

Responsibilities of the Directors and the Accountant

Directors' Responsibility

The Directors are responsible for the preparation of the five year summary financial information.

Accountant's Responsibility

Our engagement is limited to compiling the financial information based on the data provided by management. This is not an assurance engagement; therefore, we do not express an audit opinion or any assurance conclusion on the financial information.

1. Incorporation

Abans Finance PLC is a domiciled public limited liability company incorporated in Sri Lanka on 08 April 2005 under the Companies Act No. 17 of 1982. The Company was subsequently re-registered under the Companies Act No. 7 of 2007 on 15 June 2009.

The Company is a Licensed Finance Company regulated under the Finance Business Act No. 42 of 2011 and was listed on the Colombo Stock Exchange in 2011.

The registered office of the Company is located at No. 498, Galle Road, Colombo 03, while its principal place of business is situated at No. 456, R.A. De Mel Mawatha, Colombo 03.

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R.H. Rajan FCA
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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne



The Company provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Maintenance of saving Deposits, Providing Finance Leases, Hire Purchase, Mortgage Loans, Personal Loans and Other Credit Facilities.

The Company's parent company is Abans PLC and the ultimate parent company is Abans International (Pvt) Limited which are incorporated in Sri Lanka.

2. Financial Information

2.1 Five Years Summary of Audited Financial Statements

A summary of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of Abans Finance PLC for the years ended 31st March 2021 to 31st March 2025, based on the Company's audited financial statements is presented in Annexure 1.

The summaries Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31st March 2021 to 31st March 2025 have been derived from the financial statements prepared in accordance with SLFRSs and LKASs.

2.2 Audit Reports

We have audited the financial statements of the Company as at and for the year ended 31 March 2025 and an unmodified audit opinion was issued on 5 June 2025.

The Financial Statements of the Company as at and for the years ended 31 March 2021 to 31 March 2024 were audited by another auditor who expressed unmodified opinion on 15 June 2021, 30 May 2022, 9 June 2023 and 12 June 2024.

2.3 Accounting Policies

The Financial Statements of the Company for the years ended 31st March 2021 to 31st March 2025 have been prepared in compliance with Sri Lanka Accounting Standards (commonly referred to as SLFRSs/LKASs), issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in accordance with the requirement of the Companies Act No. 07 of 2007.

The accounting policies of the Company are set out in detail in the audited Financial Statements of Abans Finance PLC for the years ended 31 March 2021 to 31 March 2025. These accounting policies have been applied consistently to all periods presented in the Financial Statements unless otherwise stated.

2.4 Dividends

The Company did not declare any dividends on its ordinary shares for the years ended 31 March 2021 to 31 March 2025.

2.5 Events after Reporting Date

There were no events occurring after the reporting date require adjustments to or disclosure in the financial statements as at 31 March 2025.



3. Restriction on Use

This report is solely for the Board of Directors of Abans Finance PLC to be used in the prospectus issued in connection with the proposed public offer to issue of up to Sri Lanka Rupees One Billion (LKR 1,000,000,000/-) by the issue of Ten Million (10,000,000) listed, rated, senior, unsecured, redeemable Debentures at a par value of Sri Lanka Rupee One Hundred (LKR 100/-) in the first instance, and to raise a further sum of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) by the issue of up to a further Five Million (5,000,000) listed, rated, senior, unsecured Debentures at a par value of Sri Lanka Rupees One Hundred (LKR 100/-), in the event aforesaid initial issue is oversubscribed, subject to obtaining the requisite regulatory and other approvals.

This report should not be used for any other purposes than mentioned above and should not be distributed to or used by parties other than the Company. Our report is not modified in respect of this matter.

Yours Faithfully,

A handwritten signature in blue ink, consisting of a vertical line followed by a large, stylized loop.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
19 December 2025

Anexxure 1
ABANS FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at 31 March,

	Notes	31-Mar-25 Rs.	31-Mar-24 Rs.	31-Mar-23 Rs.	31-Mar-22 Rs.	31-Mar-21 Rs.
Assets						
Cash and Bank Balances	16	315,577,083	160,835,567	371,545,331	183,803,274	226,092,543
Placement With Banks	17	469,476,605	1,266,431,226	433,981,434	485,662,416	207,264,972
Repurchase Agreements	18	4,403,264	315,294,233	271,331,939	255,049,144	942,235,676
Financial Investments - Held For Trading		-	-	-	-	-
Loans and Advances	19	1,272,403,552	915,609,768	1,019,648,500	1,109,139,474	1,379,508,592
Lease Rentals Receivable & Stock out on Hire	20	9,797,524,125	6,775,412,023	7,787,483,346	6,999,758,895	6,027,133,949
Financial Investments at Fair Value through P&L	21	317,071,437	591,848,876	8,613,335	291,202,975	-
Equity Instruments at Fair Value through OCI	22	80,400	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	23	-	-	-	-	-
Debt Instruments at Amortised Cost	23	631,753,297	430,455,264	713,692,026	587,159,325	13,684,192
Other Financial Assets	24	142,823,271	97,810,135	112,611,633	110,968,742	99,842,557
Real Estate Stock	25	39,483,688	40,273,387	38,468,202	32,066,726	31,066,726
Other Non Financial Assets	26	86,656,745	62,438,913	88,215,996	57,812,919	49,289,851
Tax Recoverable		-	-	-	-	-
Intangible Assets	27	19,469,643	22,172,554	23,126,958	27,950,766	33,866,422
Property, Plant & Equipment	28	208,255,870	189,209,476	168,485,711	152,722,069	146,041,713
Right-of- use Assets	29	179,947,895	142,449,114	151,375,430	175,125,283	62,490,872
Deferred Tax Assets	30	-	-	-	-	9,815,140
Total assets		13,484,926,875	11,010,320,936	11,188,660,241	10,468,502,408	9,228,413,605
Liabilities						
Due to Banks	31	4,664,275	48,270,764	2,087,507	138,597,100	380,234,236
Due to Customers	32	8,449,847,230	6,366,847,674	5,376,613,892	4,448,008,287	4,918,802,137
Other Borrowed Funds	33	150,362,272	615,027,140	1,953,023,415	2,552,107,092	1,210,632,535
Other Financial Liabilities	34	958,596,511	718,032,879	561,484,647	644,871,381	535,607,003
Other Non Financial Liabilities	35	94,622,412	64,773,615	59,890,451	43,821,143	15,877,158
Current Tax Liabilities		265,712,395	58,471,051	214,913,361	175,080,456	147,245,448
Deferred Tax Liabilities	30	-	18,494,556	13,251,024	13,298,359	-
Retirement Benefit Liability	36	58,658,560	41,284,829	37,432,541	27,600,613	27,014,926
Total Liabilities		9,982,463,655	7,931,202,508	8,218,696,838	8,043,384,431	7,235,413,443
Shareholders' Funds						
Stated Capital	37	1,321,097,699	1,321,097,699	1,321,097,699	1,121,412,955	1,121,412,955
Retained Earnings	38.1	1,741,428,100	912,324,112	535,358,397	956,131,916	610,075,860
Other Reserves	38.2	439,937,422	845,696,617	1,113,507,307	347,573,105	261,511,347
Total Shareholders' Funds		3,502,463,220	3,079,118,428	2,969,963,403	2,425,117,976	1,993,000,162
Total Liabilities and Shareholders' Funds		13,484,926,875	11,010,320,936	11,188,660,241	10,468,502,408	9,228,413,605

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March,

	Notes	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.
Income	5	3,457,209,812	2,863,207,931	2,857,850,498	2,122,022,275	1,841,057,823
Interest Income	5.1	3,032,532,615	2,606,301,957	2,651,738,774	1,932,052,227	1,686,328,068
Interest Expense	5.2	(941,158,915)	(1,393,853,695)	(1,230,834,778)	(547,034,438)	(654,608,735)
Net Interest Income		2,091,373,700	1,212,448,262	1,420,903,996	1,385,017,788	1,031,719,333
Fee and Commission Income	6.1	350,540,958	208,700,499	190,985,038	161,686,573	129,899,513
Fee and Commission Expense	6.2	(34,838,272)	(30,402,970)	(26,548,114)	(21,674,478)	(22,341,043)
Net Fee and Commission Income		315,702,686	178,297,529	164,436,924	140,012,096	107,558,470
Net Gain/(Loss) from Trading	7	39,151,386	31,415,061	2,650,600	6,443,343	320,000
Other Operating Income (net)	8	34,984,853	16,790,414	12,476,086	21,840,132	24,510,242
Total Operating Income		2,481,212,625	1,438,951,266	1,600,467,606	1,553,313,359	1,164,108,045
Credit Loss Expense on Financial Assets	9	(408,337,325)	(382,424,952)	(82,156,790)	(130,500,395)	(108,266,753)
Net Operating Income		2,072,875,300	1,056,526,314	1,518,310,816	1,422,812,965	1,055,841,292
Operating Expenses						
Personnel Costs	10	(569,215,317)	(383,236,706)	(399,834,364)	(335,541,769)	(273,473,301)
Depreciation & Amortization	11	(80,117,199)	(74,662,134)	(66,347,264)	(65,188,794)	(68,844,612)
Other Operating Expenses	12	(472,176,408)	(384,579,616)	(369,634,023)	(282,140,919)	(190,643,922)
Operating Profit before Taxes on Financial Services		951,366,376	214,047,858	682,495,165	739,941,482	522,879,457
Taxes on Financial Services	13	(247,738,710)	(104,635,017)	(149,266,744)	(124,703,277)	(95,713,451)
Profit before Taxation from Operations		703,627,666	109,412,841	533,228,421	615,238,205	427,166,006
Provision for Income Taxation	14.1	(277,872,043)	(5,074,791)	(178,165,934)	(184,929,414)	(139,975,056)
Profit for the Year		425,755,623	104,338,050	355,062,487	430,308,791	287,190,950
Other Comprehensive Income (OCI)						
Items that will not be reclassified to profit or loss						
Actuarial Gains/(Losses) on Defined Benefit Plan	36.1	(10,589,044)	3,468,893	(3,108,334)	2,380,293	(2,516,706)
Deferred Tax Effect on Actuarial Gains/(Losses)	14.1	3,176,713	(1,040,668)	932,500	(571,270)	604,010
		(7,412,331)	2,428,225	(2,175,834)	1,809,023	(1,912,696)
Items that will be reclassified to profit or loss						
Surplus from Revaluation of Property, Plant & Equipment	28.1	7,145,000	3,412,500	80,000	-	89,459,907
Deferred Tax Effect on Revaluation of Property, Plant & Equipme	14.1	(2,143,500)	(1,023,750)	(24,000)	-	(19,056,000)
Tax change impact on Revaluation Reserve	30	-	-	(7,781,972)	-	-
		5,001,500	2,388,750	(7,725,972)	-	70403907
Other Comprehensive (Loss)/Profit for the Year, Net of Tax		(2,410,831)	4,816,975	(9,901,806)	1,809,023	68,491,211
Total Comprehensive Income for the Year		423,344,792	109,155,025	345,160,681	432,117,813	355,682,161
Earnings Per Share : Basic / Diluted (Rs.)	15.1	5.78	1.42	4.82	6.46	4.31

Accounting Policies and Notes from pages 11 to 77 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March,

	Stated Capital	Statutory Reserve	Revaluation Reserve	Regulatory Loss Allowance Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31 March 2021	1,121,412,955	191,107,440	70,403,907	-	610,075,860	1,993,000,162
Net Profit for the year	-	-	-	-	430,308,791	430,308,791
Other Comprehensive Income net of tax	-	-	-	-	1,809,023	1,809,023
Transfer to Statutory Reserve Fund	-	86,061,758	-	-	(86,061,758)	-
Balance as at 31 March 2022	1,121,412,955	277,169,198	70,403,907		956,131,916	2,425,117,977
Net Profit for the year	-	-	-	-	355,062,488	355,062,488
Rights Issue	199,684,744	-	-	-	-	199,684,744
Other Comprehensive Income net of tax	-	-	(7,725,972)	-	(2,175,834)	(9,901,806)
Transfer to Statutory Reserve Fund	-	17,753,124	-	-	(17,753,124)	-
Transfer to Regulatory Loss Allowance	-	-	-	755,907,050	(755,907,050)	-
Balance as at 31 March 2023	1,321,097,699	294,922,322	62,677,935	755,907,049	535,358,397	2,969,963,402
Total Comprehensive Income For the Year						
Net Profit for the year	-	-	-	-	104,338,050	104,338,050
Other Comprehensive Income net of tax	-	-	-	-	2,428,225	2,428,225
Transfer to Statutory Reserve Fund	-	5,216,903	-	-	(5,216,903)	-
Revaluation Gain From Land Revaluati	-	-	2,388,750	-	-	2,388,750
Transfer from Regulatory Risk Allowance Reserve	-	-	-	(275,416,342)	275,416,342	-
Balance as at 31 March 2024	1,321,097,699	300,139,225	65,066,685	480,490,707	912,324,112	3,079,118,428
Total Comprehensive Income For the Year						
Net Profit for the year	-	-	-	-	425,755,623	425,755,623
Other Comprehensive Income net of tax	-	-	-	-	(7,412,331)	(7,412,331)
Transfer from Statutory Reserve Fund	-	21,287,781	-	-	(21,287,781)	-
Revaluation Gain From Land Revaluati	-	-	5,001,500	-	-	5,001,500
Transfer from Regulatory Risk Allowance Reserve	-	-	-	(432,048,476)	432,048,476	-
Balance as at 31 March 2025	1,321,097,699	321,427,006	70,068,185	48,442,231	1,741,428,100	3,502,463,220

Accounting Policies and Notes from pages 11 to 77 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March,		2025	2024	2023	2022	2021
Notes		Rs.	Rs.	Rs.	Rs.	Rs.
Cash Flows From / (Used in) Operating Activities						
Profit before Income Tax Expense		703,627,666	109,412,841	533,228,422	615,238,205	427,166,006
Adjustments for						
Depreciation		28.2	27,188,157	20,267,582	16,693,991	15,775,818
Amortization of Intangible Assets		27	7,253,603	5,982,869	6,004,183	5,915,655
Amortization of Right to use assets		29	45,675,440	48,411,683	43,972,272	43,497,322
Interest Expense on Borrowings		5.2	64,556,676	278,172,889	438,608,327	142,002,027
Interest Expense on Lease Liability		29.2	25,114,860	26,624,358	17,408,500	13,543,777
Loss/(Profit) on early termination of Lease Assets			(1,605,133)	-	-	-
Impairment charge/(reversal) for the year		9	408,337,325	382,424,951	82,156,789	130,500,395
Decrease / (Increase) in fair value of Real stock			789,700	-	-	-
Loss/(Profit) from Sale of Unit Trust		7	(38,922,821)	(31,235,541)	(2,410,360)	(6,203,343)
Loss/(Profit) on Disposal of Property & Equipment		8	-	-	888,197	(3,990)
Provision/(Reversal) for Defined Benefit Plans		10	13,115,855	12,309,257	9,287,345	5,261,365
Dividend Received			(228,565)	(179,520)	(240,240)	(320,000)
Operating Profit before Working Capital Changes			1,254,902,763	852,191,369	1,145,597,426	965,287,231
(Increase)/Decrease in Real Estate Stock			-	(1,805,185)	(6,401,476)	(1,000,000)
(Increase)/Decrease in Loans and Advances			(395,180,916)	56,803,058	100,874,582	247,937,550
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire			(3,392,062,295)	919,734,450	(792,522,688)	(1,062,798,619)
(Increase)/Decrease in Other Financial Assets			(45,013,136)	(228,050,906)	(90,355,051)	(29,021,340)
(Increase)/Decrease in Other Non Financial Assets			(24,217,831)	25,777,083	(30,403,077)	(8,523,067)
Increase/(Decrease) in Amounts Due to Customers			2,082,999,556	990,233,782	928,605,604	(470,793,850)
Increase/(Decrease) in Other Financial Liabilities			196,325,559	153,385,151	(68,415,197)	(8,521,225)
Increase/(Decrease) in Other Non Financial Liabilities			29,848,796	4,883,165	16,069,308	27,943,985
Cash Generated from / (Used in) Operations			(292,397,504)	2,773,151,968	1,203,049,431	(339,489,335)
Interest Expense Paid			(185,598,309)	(464,547,312)	(219,166,970)	(99,483,344)
Retirement Benefit Liabilities Paid		36	(6,331,169)	(4,988,076)	(2,563,751)	(2,295,385)
Taxes Paid			(88,092,041)	(158,337,983)	(145,253,835)	(134,552,174)
Dividend Received			228,565	179,520	240,240	320,000
Net Cash (Used in)/From Operating Activities			(572,190,458)	2,145,458,117	836,305,115	(575,580,238)
Cash Flows from / (Used in) Investing Activities						
Acquisition of Property, Plant & Equipment		28.1	(39,089,551)	(37,578,847)	(32,942,647)	(22,457,183)
Acquisition of Intangible Assets		27	(4,550,692)	(5,028,464)	(1,180,375)	-
Proceeds from Sales of Property, Plant & Equipment			-	-	(1,583,557)	5,000
Cash Flow from/(Used in) Fixed Deposits			5,609,180	106,421,799	(97,319,400)	4,915,471
Sale/(Purchase) of Debt Instruments at Amortised Cost			160,929,897	(552,000,000)	336,127,928	(323,237,950)
Sale of Financial Investments- Unit Trust			-	-	-	-
Purchase of Financial Investments- Unit Trust			-	-	-	-
Net Cash Flows Generated from/(Used in) Investing Activities			122,898,833	(488,185,512)	1,039,407,064	(916,354,900)
Cash Flows from / (Used in) Financing Activities						
Cash Inflow from Long Term Bank Borrowings		31.2	-	-	(121,116,610)	(128,400,000)
Cash Inflow from Other Borrowings		33.2	-	225,000,000	828,602,510	1,979,015,444
Cash outflow from Other Borrowings		33.2	(368,738,095)	(1,403,246,210)	(1,647,127,542)	(680,059,569)
Net Cash Flow from Issue of Shares			-	-	-	-
Dividend Paid			-	-	-	-
Lease Capital Paid		29.2	(37,331,015)	(36,322,288)	(50,547,501)	(51,889,911)
Proceeds from the right issue		37	-	-	199,684,744	-
Net Cash Flows from/(Used in) Financing Activities			(406,069,109)	(1,214,568,498)	(790,504,399)	1,118,665,964
Net Increase in Cash and Cash Equivalents			(855,360,734)	442,704,107	248,902,665	202,311,064
Cash and Cash Equivalents at the beginning of the year			2,119,034,029	1,676,329,922	1,427,457,257	1,225,146,193
Cash and Cash Equivalents at the end of the year			1,263,673,295	2,119,034,029	1,676,329,922	1,427,457,257

Note: Dividend Income from Investing Activities reclassified to Operating Activities.

Accounting Policies and Notes from pages 11 to 77 form an integral part of these Financial Statements.