

Nation Lanka Finance PLC  
Statement of Financial Position


	Company			Group		
	As at 30th June 2018 Rs. '000'	As at 30th June 2017 Rs. '000'	As at 31st March 2018 (Audited) Rs. '000'	As at 30th June 2018 Rs. '000'	As at 30th June 2017 Rs. '000'	As at 31st March 2018 (Audited) Rs. '000'
<b>ASSETS</b>						
Cash and Cash Equivalents	185,479	176,254	220,740	185,667	176,536	220,928
Deposits with Commercial Banks	153,865	138,236	139,991	153,865	138,236	139,991
Financial Assets - Held for Trading	255,144	379,642	547,165	255,144	379,642	547,165
Financial Assets - Available for Sale	17,043	17,639	17,192	17,043	17,639	17,192
Loans and Receivables From Customers	6,789,998	5,142,459	6,015,351	6,789,998	5,123,643	6,015,351
Financial Assets - Held to Maturity	796,472	1,526,894	668,590	796,472	1,526,894	668,590
Investments in Subsidiaries	-	-	-	-	-	-
Investments in Associates	-	-	-	-	-	-
Amounts Due From Related Parties	-	-	-	-	-	-
Real Estate Stock	125,832	146,708	131,473	125,832	146,708	131,473
Investment Property	771,689	666,500	842,689	771,689	666,500	842,689
Property, Plant & Equipment	92,431	112,800	100,549	92,431	112,800	100,549
Intangible Assets	17,660	15,898	18,013	17,660	15,898	18,013
Trade & Other Receivables	286,691	308,783	137,597	286,691	308,783	137,597
Retirement Benefit Plan Assets	70,713	64,314	70,713	70,713	64,314	70,713
Deferred Tax Asset	155,048	98,047	155,048	155,048	98,047	155,048
	<u>9,718,064</u>	<u>8,794,174</u>	<u>9,065,109</u>	<u>9,718,253</u>	<u>8,775,640</u>	<u>9,065,297</u>
Assets Classified as Held for sale	8,786	11,682	9,852	8,786	11,682	9,852
<b>TOTAL ASSETS</b>	<u>9,726,851</u>	<u>8,805,856</u>	<u>9,074,961</u>	<u>9,727,039</u>	<u>8,787,322</u>	<u>9,075,149</u>
<b>LIABILITIES</b>						
Due to Banks and Financial Institutions	109,788	164,714	121,891	109,788	164,714	121,891
Due to Customers	7,726,635	7,410,624	7,703,879	7,726,635	7,410,624	7,703,879
Amounts Due To Related Parties	23,832	23,900	24,571	-	-	-
Other Borrowings	111,274	1,274	1,274	195,763	85,763	85,763
Current Tax Liability	2,892	115,091	-	2,899	119,280	7
Retirement Benefit Obligations	41,732	22,499	32,519	41,732	22,499	32,519
Other Payables	755,757	119,472	255,062	781,075	125,456	281,119
Subordinated Debentures	250,000	258,342	250,000	250,000	258,342	250,000
<b>TOTAL LIABILITIES</b>	<u>9,021,909</u>	<u>8,115,916</u>	<u>8,389,196</u>	<u>9,107,891</u>	<u>8,186,678</u>	<u>8,475,178</u>
<b>CAPITAL AND RESERVES</b>						
Stated Capital	623,739	623,739	623,739	623,739	623,739	623,739
Reserve Fund	96,290	96,290	96,290	96,290	96,290	96,290
Other Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Retained Earnings	(24,088)	(39,089)	(43,265)	(109,803)	(128,306)	(128,980)
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY</b>	<u>704,941</u>	<u>689,940</u>	<u>685,764</u>	<u>619,227</u>	<u>600,723</u>	<u>600,050</u>
Non-Controlling Interest	-	-	-	(79)	(79)	(79)
<b>TOTAL EQUITY</b>	<u>704,941</u>	<u>689,940</u>	<u>685,764</u>	<u>619,148</u>	<u>600,644</u>	<u>599,970</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>9,726,851</u>	<u>8,805,856</u>	<u>9,074,961</u>	<u>9,727,039</u>	<u>8,787,322</u>	<u>9,075,149</u>
Net Assets Per Share	0.94	0.92	0.91	0.82	0.80	0.80
Contingent liabilities and commitments	20,000	25,100	20,000	20,000	25,100	20,000

**CERTIFICATION**

We, the undersigned being Chief Executive Officer, Chief Financial Officer and Director of Nation Lanka Finance PLC certify jointly that:

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and Companies Act no 07 of 2007.  
(b) the information contained in these statements have been extracted from the unaudited financial statements of the Nation Lanka Finance PLC unless indicated as audited.

  
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Signed by :  
Prasanna Habaragamuwa  
Chief Financial Officer  
17th July 2018

  
.....  
Signed by :  
Jayantha Perera  
Executive Director / Chief Executive Officer  
17th July 2018

  
.....  
Signed by :  
Jayaprakash Rudra  
Director  
17th July 2018

Nation Lanka Finance PLC  
Statement of Profit or Loss and Other Comprehensive Income

	Company			Group		
	Quarter ended 30th June 2018 Rs. '000'	Quarter ended 30th June 2017 Rs. '000'	Twelve months ended 31st March 2018 (Audited)	Quarter ended 30th June 2018 Rs. '000'	Quarter ended 30th June 2017 Rs. '000'	Twelve months ended 31st March 2018 (Audited)
Interest income	564,623	515,762	2,295,254	564,623	515,762	2,295,254
Interest expense	273,080	248,536	1,066,280	273,080	248,536	1,062,542
Net interest income	291,542	267,226	1,228,974	291,542	267,226	1,232,713
Fee and commission income	944	35	4,694	944	35	4,694
Fee and commission expenses						
Net fee and commission income	944	35	4,694	944	35	4,694
Net income on property development	2,185	1,476	487	2,185	1,476	487
Net gain / (loss) from financial instruments designated at fair value through profit or loss	-	1,085	64,664	-	1,085	64,664
Change in fair value of investment property	15,919	-	59,360	15,919	-	59,360
Collection from contracts previously written off	481	8,059	53,459	481	8,059	53,459
Gain / (loss) on disposal of assets held for sale	(7)	-	1,788	(7)	-	1,788
Gain / (loss) on disposal of investment in associate	-	-	-	-	-	-
Net gain / (loss) from financial investments	-	-	-	-	-	-
Other operating income (net)	16,904	14,964	59,477	16,904	14,964	59,477
Total operating income	327,968	292,845	1,472,902	327,968	292,845	1,476,641
Impairment for loans and other losses	-	-	-	-	-	-
Individual impairment	-	-	133,073	-	-	133,073
Collective impairment	32,416	105,644	387,847	32,416	105,644	387,847
Others	-	-	75,906	-	-	75,906
Net operating Income	295,552	187,201	876,076	295,552	187,201	879,814
Personnel expenses	114,653	96,820	365,041	114,653	96,820	365,041
Depreciation and amortization	14,087	15,013	49,362	14,087	15,013	49,362
Other expenses	119,945	108,709	517,637	119,945	108,709	517,872
Operating profit / ( loss) before VAT	46,867	(33,341)	(55,964)	46,867	(33,341)	(52,461)
Vat on financial services	22,690	7,470	43,966	22,690	7,470	43,966
Operating profit / (loss) after VAT	24,177	(40,811)	(99,929)	24,177	(40,811)	(96,426)
Share of profit of associates and joint ventures	-	-	-	-	-	-
Profit / (loss) before tax	24,177	(40,811)	(99,929)	24,177	(40,811)	(96,426)
Tax expenses	5,000	13,000	(48,650)	5,000	13,000	(48,650)
Profit / (loss) for the period	19,177	(53,811)	(51,279)	19,177	(53,811)	(47,776)
Other comprehensive income	-	-	(6,709)	-	-	(6,709)
Total comprehensive income	19,177	(53,811)	(57,988)	19,177	(53,811)	(54,485)
Profit / (Loss) attributable to Equity holders of the company				19,177	(53,811)	(47,776)
Non controlling interest				19,177	(53,811)	(47,776)
Total comprehensive income attributable to Equity holders of the company				19,177	(53,811)	(54,485)
Non controlling interest				19,177	(53,811)	(54,485)
Earning per share on profit	0.03	(0.07)	(0.07)	0.03	(0.07)	(0.06)

Nation Lanka Finance PLC  
Statement of Changes In Equity as at 30th June 2018

Company	Stated Capital Rs.'000	Capital Redemption Reserve Fund Rs.'000	Capital Reserve Rs.'000	Revaluation Reserve Rs.'000	Reserve Fund Rs.'000	General Reserve Rs.'000	Retained Profit Rs.'000	Investment Fund Reserve Rs.'000	Total Rs.'000	Minority Interest Rs.'000	Total Equity Rs.'000
Balance as at 01.04.2017	623,739	-	-	-	96,290	9,000	14,723	-	743,753	-	743,753
Profit for the year	623,739	-	-	-	96,290	9,000	(53,811)	-	(53,811)	-	(53,811)
Balance as at 30.06.2017	623,739	-	-	-	96,290	9,000	(39,088)	-	689,941	-	689,941
Balance as at 01.04.2018	623,739	-	-	-	96,290	9,000	(43,265)	-	685,764	-	685,764
Profit attributable to the share holders	623,739	-	-	-	96,290	9,000	19,177	-	19,177	-	19,177
Balance as at 30.06.2018	623,739	-	-	-	96,290	9,000	(24,088)	-	704,941	-	704,941
<b>Group</b>											
Balance as at 01.04.2017	623,739	-	-	-	96,290	9,000	(74,495)	-	654,535	(79)	654,456
Profit attributable to the share holders	623,739	-	-	-	96,290	9,000	(53,811)	-	(53,811)	(79)	(53,811)
Balance as at 30.06.2017	623,739	-	-	-	96,290	9,000	(128,306)	-	600,724	(79)	600,645
Balance as at 01.04.2018	623,739	-	-	-	96,290	9,000	(128,980)	-	600,050	(79)	599,971
Profit attributable to the share holders	623,739	-	-	-	96,290	9,000	19,177	-	19,177	(79)	19,177
Balance as at 30.06.2018	623,739	-	-	-	96,290	9,000	(109,803)	-	619,227	(79)	619,148

**NOTES TO THE ACCOUNTS**

- 1 The figures are provisional and subject to audit.
- 2 These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.
- 3 The accounting policies and methods of computation are consistent with those followed during the previous financial year
- 4 There have been no events subsequent to the Balance sheet date that required disclosure.
- 5 There were no material Capital Commitments as at the balance sheet date.
- 6 Comparative figures and phrases have been re-arranged where ever necessary to conform to the current year's presentation.
- 7 There was no liability for management fees or any other similar expenditure as at the balance sheet date.
- 8 There was no liability for management fees or any other similar expenditure as at the balance sheet date.

**Nation Lanka Finance PLC**  
**Cash Flow Statement For Three Months Ended 30th June 2018**

	COMPANY		GROUP	
	30th June 2018 Rs. '000	30th June 2017 Rs. '000	30th June 2018 Rs. '000	30th June 2017 Rs. '000
Net cash generated from/(used in) operating activities	(282,129)	(30,948)	(282,129)	(30,948)
Net cash generated from/(used in) Investing activities	162,846	(229,978)	162,846	(229,979)
Net cash generated from/(used in) financing activities	110,000	-	110,000	-
Net increase/(decrease) in cash & cash equivalents	(9,283)	(260,925)	(9,284)	(260,926)
Cash & cash equivalents at the beginning of the year	238,839	410,702	239,027	410,984
Cash & cash equivalents at the end of the year	229,556	149,776	229,744	150,058
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank and in Hand	185,479	176,254	185,667	176,536
Placements with banks	153,865	138,236	153,865	138,236
Bank Overdraft	(109,788)	(164,714)	(109,788)	(164,714)
	229,556	149,776	229,744	150,058

Nation Lanka Finance PLC  
Selected Performance Indicators (as per regulatory reporting)

	Company	
	As at 30th June 2018	As at 30th June 2017
	Rs. '000'	Rs. '000'
<b>Regulatory Capital Adequacy</b>		
Core capital ( Tier 1 capital)	685,764	646,379
Total capital base	935,764	896,379
Core capital adequacy ratio , as % of risk weighted assets (Minimum 5%)	8.49%	9.41%
Total capital adequacy ratio , as % of risk weighted assets (Minimum 10%)	11.59%	13.06%
Capital funds to deposit liabilities ratio (Minimum 10%)	12.11%	12.10%
<b>Asset Quality ( Quality of loan portfolio)</b>		
Gross Non -Performing Accommodations	1,085,745	1,015,329
Gross Non -Performing Accommodations %	13.97%	16.99%
<b>Profitability</b>		
Interest margin (net interest income for three months)	291,542	267,226
Return on assets (before tax) -based on cumulative profits for three months	0.25%	-0.46%
Return on equity (after tax) - based on cumulative profits for three months	2.72%	-7.80%
<b>Regulatory Liquidity</b>		
Required minimum amount of liquid assets	797,315	741,559
Available amount of liquid assets	962,401	2,067,700
Required minimum amount of government securities	563,524	479,351
Available amount of government securities	685,556	1,168,133
<b>Memorandum information</b>		
Number of employees	632	575
Number of branches	19	19
Number of service centers	7	7
Number of pawning centers	-	-
	2018	2017
<b>Share prices for the period from 1st of April to 30th June</b>		
Highest	1.00	1.50
Lowest	0.70	1.00
30th June	0.80	1.20

Nation Lanka Finance PLC  
Segment Information

	Lending		Real Estate		Other	
	Three months ended 30th June 2018	Three months ended 30th June 2017	Three months ended 30th June 2018	Three months ended 30th June 2017	Three months ended 30th June 2018	Three months ended 30th June 2017
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	564,623	515,762	-	-	-	-
Interest expense	273,080	248,536	-	-	-	-
Net interest income	291,542	267,226	-	-	-	-
Fee and commission income	944	35	-	-	-	-
Fee and commission expenses	-	-	-	-	-	-
Net fee and commission income	944	35	-	-	-	-
Net income on property development	-	-	2,185	1,476	-	-
Net gain / (loss) from financial instruments designated at fair value through profit or loss	-	1,085	-	-	-	-
Change in fair value of investment property	15,919	-	-	-	-	-
Collection from contracts previously written off	481	8,059	-	-	-	-
Gain / (loss) on disposal of assets held for sale	(7)	-	-	-	-	-
Gain / (loss) on disposal of investment in associate	-	-	-	-	-	-
Net gain / (loss) from financial investments	-	-	-	-	-	-
Other operating income (net)	16,904	14,964	-	-	-	-
Total operating income	325,783	291,369	2,185	1,476	-	-
Impairment for loans and other losses						
Individual impairment		-	-	-	-	-
Collective impairment	32,416	103,414	-	-	-	-
Repossession Collaterals		2,230	-	-	-	-
Others		-	-	-	-	-
Net operating Income	293,367	185,725	2,185	1,476	-	-
Personnel expenses	114,653	96,820	-	-	-	-
Depreciation and amortization	14,087	15,013	-	-	-	-
Other expenses	119,945	108,709	-	-	-	-
Operating profit / ( loss) before VAT	44,682	(34,817)	2,185	1,476	-	-
Vat on financial services	22,690	7,470	-	-	-	-
Operating profit / (loss) after VAT	21,992	(42,287)	2,185	1,476	-	-
Share of profit of associates and joint ventures	-	-	-	-	-	-
Profit / (loss) before tax	21,992	(42,287)	2,185	1,476	-	-
Tax expenses	5,000	13,000	-	-	-	-
Profit / (loss) for the period	16,992	(55,287)	2,185	1,476	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	16,992	(55,287)	2,185	1,476	-	-
Inter segment revenue	-	-	-	-	-	-
Revenue from external customers	325,783	291,369	2,185	1,476	-	-
Segment assets	9,601,018	8,658,866	125,832	146,708	188	282
Segment liabilities	9,021,909	8,115,916	-	-	85,982	70,763

# NATION LANKA FINANCE PLC

## TOP TWENTY SHAREHOLDERS AS AT 30<sup>th</sup> JUNE 2018

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1.	Mr. V R Ramanan	225,971,586	29.99
2.	Pan Asia Banking Corporation PLC / Mr.U H Dharmadasa	141,587,275	18.79
	Mr. U H Dharmadasa	44,274,100	5.88
3.	Mr. J Rudra	64,484,625	8.56
	Mr. J Rudra & Mrs. Rudra (Joint)	6,187	-
4.	Mr. K C C Perera	44,405,000	5.89
5.	Mr. H K J Dharmadasa	37,536,211	4.98
6.	Richard Pieris Financial Services (Private) Ltd /Mr. H J C Perera	14,875,000	1.97
	Mr. H J C Perera	1,400,000	0.19
7.	Seylan Bank PLC /Mr. H T Wijesinghe	13,566,023	1.80
8.	Mr. W A S P De Saram	6,761,901	0.90
9.	Mr. A P L Fernando	4,400,000	0.58
10.	Pan Asia Banking Corporation PLC /Mr. Mohottallage	4,100,000	0.54
11.	Mr. S P R Karunarathne	3,954,376	0.52
12.	Dr. I.M.D.Z. Gunasekera	3,561,568	0.47
13.	Acuity Partners (Pvt) Limited / Mr. S N M Semasinghe	3,489,835	0.46
14.	Seylan Bank PLC/ Mr. C N Rajahmoney	3,483,361	0.46
15.	Seylan Bank PLC / Mr.S.N.C.W.M.B.C. Kandededara	3,456,843	0.46
	Mr.S.N.C.W.M.B.C. Kandededara	1,254,679	0.17
16.	Seylan Bank PLC / Mr. R P Sugathadasa	3,432,069	0.46
17.	Miss R.H. Mallika	3,204,147	0.43
18.	MR. F.N. Herft	3,100,000	0.41
19.	Mr. T.M.D.Z. Gunasekera	3,000,000	0.40
20.	Mrs. P.S.D.Z. Gunasekera	3,000,000	0.40
<b>TOTAL</b>		<b>638,304,786</b>	<b>84.71</b>

## NATION LANKA FINANCE PLC

### DIRECTORS SHAREHOLDINGS AS AT 30<sup>TH</sup> JUNE 2018

NO.	NAME	NO OF SHARES	PERCENTAGE
01.	Mr. H K J DHARMADASA	37,536,211	4.98
02.	PAN ASIA BANKING CORPORATION PLC / MR.U H DHARMADASA	141,587,275	18.79
	Mr. U H DHARMADASA	44,274,100	5.88
03.	Mr. V R RAMANAN	225,971,586	29.99
04.	RICHARD PIERIS FINANCIAL SERVICES (PRIVATE) LTD / MR. H J C PERERA	14,875,000	1.97
	Mr. H J C PERERA	1,400,000	0.19
05.	Mr. J RUDRA Mr. J RUDRA & MRS. RUDRA (JOINT)	64,484,625 6,187	8.56 -
06.	Mr. P M L K KARUNARATNE	-	-
07.	Mr. K M S KANDEGEDARA	-	-

**Total Number of Shareholders - 13,665**  
**Number of Public Shareholders - 13,660**  
**Public Holding Percentage - 29.64%**