Nation Lanka Finance PLC
Statement of Financial Position

	Company			Group		
	As at 30th June 2025	As at 31st March 2025	As at 31st March 2024 Audited	As at 30th June 2025	As at 31st March 2025	As at 31st March 2024 Audited
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
ASSETS						
Cash and Cash Equivalents	32,300	45,075	387,746	32,300	45,075	387,746
Deposits With Licensed Commercial Banks	507,688	497,918	459,219	507,688	497,918	459,219
Financial Assets Recognized Through Profit or Loss–Measured at fair value	13,201	13,158	69,983	13,201	13,158	69,983
Financial Assets Measured at Fair Value Through Other Comprehensive Income	59,928	59,928	40,550	59,928	59,928	40,550
Financial Assets Measured at Amortized Cost						
- Loans and Advances	1,629,508	1,841,451	3,960,867	1,629,508	1,841,451	3,960,867
- Debt and Other Instruments	60,377	363,445	1,190,226	60,377	363,445	1,190,226
Real Estate Stock	250,560	252,575	265,833	250,560	252,575	265,833
Investment Property	1,537,939	1,537,939	1,528,396	1,537,939	1,537,939	1,528,396
Property, Plant & Equipment	130,988	141,510	186,103	130,988	141,510	186,103
Right-to-use Asset	109,652	109,652	96,178	109,652	109,652	96,178
Intangible Assets	6,719	8,065	13,478	6,719	8,065	13,478
Trade & Other Receivables	315,734	321,643	306,486	315,734	321,643	306,486
Retirement Benefit Plan Assets	111,654	111,654	109,504	111,654	111,654	109,504
Deferred Tax Asset	831,294	831,294	831,294	831,294	831,294	831,294
TOTAL ASSETS	5,597,543	6,135,307	9,445,863	5,597,543	6,135,307	9,445,863
LIABILITIES						
Due to Banks and Financial Institutions	352,394	621,594	343,653	352,394	621,594	343,653
Financial Liabilities at amortized cost-due to depositors	4,281,864	4,346,219	5,249,540	4,281,864	4,346,219	5,249,540
Lease liability	149,397	149,397	154,123	149,397	149,397	154,123
Amounts Due To Related Parties	509	344	509	509	-	-
Other Borrowings	916,152	946,343	2,420,594	916,152	946,343	2,420,594
Retirement Benefit Obligations	74,140	81,796	90,588	74,140	82,140	90,588
Trade & Other Payables	731,886	708,081	747,101	731,886	708,081	747,037
TOTAL LIABILITIES	6,506,342	6,853,774	9,006,108	6,506,342	6,853,774	9,005,535
CAPITAL AND RESERVES						
Stated Capital	4,108,421	4,108,421	4,108,421	4,108,421	4,108,421	4,108,421
Reserve Fund	131,422	131,422	131,422	131,422	131,422	131,422
Fair value reserve	(77,276)	(77,276)	(90,841)	(77,276)	(77,276)	(90,841)
Other Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Retained Earnings	(5,080,365)	(4,890,033)	(3,718,246)	(5,080,365)	(4,890,033)	(3,717,674)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(908,799)	(718,467)	439,755	(908,799)	(718,467)	440,328
Non-Controlling Interest	-	-	-	-	-	-
TOTAL EQUITY	(908,799)	(718,467)	439,755	(908,799)	(718,467)	440,328
TOTAL LIABILITIES & EQUITY	5,597,543	6,135,307	9,445,863	5,597,543	6,135,307	9,445,863
Net Assets Per Share	(0.13)	(0.10)	0.06	(0.13)	(0.10)	0.06
Contingent liabilities and commitments	15,200	15,200	15,200	15,200	15,200	15,200

CERTIFICATION

We, the undersigned being Head of Corporate Finance & Strategic Planning, Head of Finance and P.W.D.N.R. Rodrigo -Administrator of Nation Lanka Finance PLC appointed by the CBSL certify jointly that:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of SriLanka 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.

P.W.D.N.R. Rodrigo
Administrator of Nation Lanka Finance PLC
On behalf of Nation Lanka Finance PLC

Signed by :
Janaka Goonasekara
Head of Finance
Nation Lanka Finance PLC
13th August 2025

Signed by :
Prasanna Habaragamuwa
Head of Corporate Finance & Strategic Planning
Nation Lanka Finance PLC
13th August 2025

Signed by :
P W D N R Rodrigo
Administrator of Nation Lanka Finance PLC
Appointed by the CBSL
13th August 2025

Nation Lanka Finance PLC

Statement of Profit or Loss and Other Comprehensive Income

	Company		Group	
	Quarter ended 30th June 2025	Quarter ended 30th June 2024	Quarter ended 30th June 2025	Quarter ended 30th June 2024
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	40,128	190,918	40,128	190,918
Interest expense	(138,411)	(284,567)	(138,411)	(284,567)
Net interest income	(98,283)	(93,649)	(98,283)	(93,649)
Net income / (loss) on property development	889	-	889	-
Fee and commission income	92	2,733	92	2,733
Net fair value gains/(losses) from financial instruments at fair value through profit or loss	43	(240)	43	(240)
Change in fair value of investment property	-	-	-	-
Other operating income	14,619	(60,879)	14,619	(60,879)
Collection from contracts previously written off	7,437	4,379	7,437	4,379
Total operating income	(75,203)	(147,656)	(75,203)	(147,656)
Impairment for loans and other losses	-	-	-	-
Net operating income	(75,203)	(147,656)	(75,203)	(147,656)
Operating Expenses				
Personnel Costs	(55,941)	(150,653)	(55,941)	(150,653)
Premises Equipment & Establishment Expenses	(30,725)	(76,093)	(30,725)	(76,093)
Other Overhead Expenses	(42,434)	(68,531)	(42,434)	(68,531)
Other Finance Cost	(252)	(112)	(252)	(112)
Total Operating Expenses	(129,352)	(295,388)	(129,352)	(295,388)
Operating profit / (loss) before VAT	(204,556)	(443,044)	(204,556)	(443,044)
Vat on financial services	-	-	-	-
Operating profit / (loss) after VAT	(204,556)	(443,044)	(204,556)	(443,044)
Tax expenses	-	(1,957)	-	(1,957)
Profit / (loss) for the period	(204,556)	(445,001)	(204,556)	(445,001)
Other comprehensive income	-	-	-	-
Total comprehensive income	(204,556)	(445,001)	(204,556)	(445,001)
Profit / (Loss) attributable to				
Equity holders of the company			(204,556)	(445,001)
Non controlling interest			-	-
			(204,556)	(445,001)
Total comprehensive income attributable to				
Equity holders of the company			(204,556)	(445,001)
Non controlling interest			-	-
			(204,556)	(445,001)
Basic earnings per ordinary share	(0.03)	(0.06)	(0.03)	(0.06)

Nation Lanka Finance PLC

Statement of Changes in Equity as at 30th June 2025

	Stated Capital Rs.'000	Fair Value Reserve Rs.'000	Reserve Fund Rs.'000	General Reserve Rs.'000	Retained Profit Rs.'000	Minority Interest Rs.'000	Total Equity Rs.'000
Company							
Balance as at 01.04.2024	4,108,421	(90,841)	131,422	9,000	(3,718,246)	-	439,756
Profit / (loss) for the year	-	-	-	-	(445,001)	-	(445,001)
Other comprehensive income for the year	-	-	-	-	-	-	-
Balance as at 30.06.2024	4,108,421	(90,841)	131,422	9,000	(4,163,247)	-	(5,246)
Balance as at 01.04.2025	4,108,422	(77,276)	131,422	9,000	(4,875,811)	-	(704,243)
Profit / (loss) for the year	-	-	-	-	(204,556)	-	(204,556)
Balance as at 30.06.2025	4,108,422	(77,276)	131,422	9,000	(5,080,366)	-	(908,799)
Group							
Balance as at 01.04.2024	4,108,421	(90,841)	131,422	9,000	(3,717,674)	-	440,328
Profit / (loss) for the year	-	-	-	-	(445,001)	-	(445,001)
Balance as at 30.06.2024	4,108,421	(90,841)	131,422	9,000	(4,162,675)	-	(4,674)
Balance as at 01.04.2025	4,108,422	(77,276)	131,422	9,000	(4,875,811)	-	(704,243)
Profit / (loss) for the year	-	-	-	-	(204,556)	-	(204,556)
Balance as at 30.06.2025	4,108,422	(77,276)	131,422	9,000	(5,080,366)	-	(908,799)

Nation Lanka Finance PLC

Statement of Cash Flows

	Company		Group	
	Rs. '000'		Rs. '000'	
For the three months ended 30th June 2025	2025	2024	2025	2024
Cash Flow from Operating Activities				
Profit/(Loss) before Income Tax Expense	(204,556)	(443,044)	(204,556)	(443,044)
Adjustments for				
Net fair value gains/(losses) from financial instruments Measured at FVTPL	(43)	240	(43)	240
Dividend Income	-	(1,815)	-	(1,815)
Depreciation and amortization	7,147	8,081	7,147	8,081
Amortization of ROU assets	-	10,559	-	10,559
Net income / (loss) on property development	889	-	889	
Interest Expenses	138,411	284,567	138,411	284,567
Interest income on Government Securities	(5,198)	(33,568)	(5,198)	(33,568)
Loss of pawning auction	-	89,750	-	
Provision / (Reversal) for Retiring Benefit Obligations	(7,656)	(6,046)	(7,656)	(6,046)
Profit on disposal of Property , Plant & Equipment	-	(687)	-	(687)
Impairment of other investments	(1,301)	(273)	(1,301)	(273)
Operating Profit Before Working Capital Changes	(72,306)	(92,236)	(72,306)	(181,986)
Working Capital Changes				
Decrease/(Increase) in Financial Assets at Amortized cost	515,011	910,506	515,011	910,506
Decrease/(Increase) in Investment in Real Estate	2,015	17,338	2,015	17,338
Decrease/(Increase) in Trade and Other Receivables	5,909	67,488	5,909	67,488
Increase/(Decrease) in Related Party Payables	165	-	165	-
Increase/(Decrease) Trade & Other Payables	23,805	106,038	23,805	106,038
Increase/(Decrease) Financial Liabilities at amortized cost -due to depositors	(64,356)	(968,619)	(64,356)	(968,619)
Cash from Operations	410,244	40,515	410,244	40,515
Interest expenses paid	(111,336)	(260,264)	(111,336)	(260,264)
Retiring Gratuity Paid	(2,392)	(4,129)	(2,392)	(4,129)
Net Cash generated from Operating Activities	296,516	(223,879)	296,516	(223,879)
Cash Flow from Investing Activities				
Proceeds from Sale of Property, Plant & Equipment	10,521	687	10,521	687
Acquisition of Property, Plant & Equipment	-	10,901	-	10,901
Acquisition of Intangible Assets	-	989	-	989
Net proceed from government securities	(297,871)	(73,485)	(297,871)	(73,485)
Dividend Income received from other investments	-	1,815	-	1,815
Investment in Deposits with Licensed Commercial Banks	(9,770)	(13,662)	(9,770)	(13,662)
Net Cash used in Investing Activities	(297,119)	(72,756)	(297,119)	(72,756)
Cash Flow from Financing Activities				
Repayment of Loans	(30,191)	(37,369)	(30,191)	(37,369)
Lease rental payments	(11,656)	(10,559)	(11,656)	(10,559)
Net Cash generated from Financing Activities	(41,847)	(47,927)	(41,847)	(47,927)
Increase/(Decrease) in Cash & Cash Equivalents	(42,450)	(344,562)	(42,450)	(344,562)
Cash & Cash Equivalents at the Beginning of the Year	(277,644)	137,663	(277,644)	137,663
Cash & Cash Equivalents at the End of the year	(320,094)	(206,899)	(320,094)	(206,899)
Reconciliation of Cash & Cash Equivalents				
Cash in Hand & at Bank	32,300	115,821	32,300	115,821
Bank Overdraft	(352,394)	(322,719)	(352,394)	(322,719)
	(320,094)	(206,898)	(320,094)	(206,898)

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

	As at 30th June 2025 '000'	As at 30th June 2024 '000'
Regulatory Capital Adequacy		
Core capital (Tier 1 capital)	(1,306,729)	203,255
Total capital base	(908,798)	614,575
	Minimum 8.5%	Minimum 8.5%
Core capital adequacy ratio , as % of risk weighted assets	-43.11%	-9.92%
	Minimum 12.5%	Minimum 12.5%
Total capital adequacy ratio , as % of risk weighted assets	-43.11%	-8.71%
Asset Quality (Quality of loan portfolio)		
Gross Non -Performing Accommodations	4,972,533	5,530,470
Gross Non -Performing Accommodations %	94%	83.00%
Regulatory Liquidity		
Required minimum amount of liquid assets	430,552	557,059
Available amount of liquid assets	72,303	1,292,202

Nation Lanka Finance PLC

Segment Information

	Lending		Real Estate	
	Three months ended 30th June 2025	Three months ended 30th June 2024	Three months ended 30th June 2025	Three months ended 30th June 2024
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	40,128	190,918	-	-
Interest expense	(138,411)	(284,567)	-	-
Net interest income	(98,283)	(93,649)	-	-
Net income / (loss) on property development	889	-	889	-
Fee and commission income	92	2,733	-	-
Net fair value gains/(losses) from financial instruments at fair value through profit or loss	43	(240)	-	-
Change in fair value of investment property	-	-	-	-
Other operating income	14,619	(60,879)	-	-
Collection from contracts previously written off	7,437	4,379	-	-
Total operating income	(75,203)	(147,656)	889	-
Impairment for loans and other losses	-	-	-	-
Net operating income	(75,203)	(147,656)	889	-
Operating Expenses				
Personnel Costs	(55,941)	(150,653)	-	-
Premises Equipment & Establishment Expenses	(30,725)	(76,093)	-	-
Other Overhead Expenses	(42,434)	(68,531)	-	-
Other Finance Cost	(252)	(112)	-	-
Total Operating Expenses	(129,352)	(295,388)	-	-
Operating profit / (loss) before VAT	(204,556)	(443,044)	889	-
Vat on financial services	-	-	-	-
Operating profit / (loss) after VAT	(204,556)	(443,044)	889	-
Tax expenses	-	(1,957)	-	-
Profit / (loss) for the period	(204,556)	(445,001)	889	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(204,556)	(445,001)	889	-
Inter segment revenue	-	-	-	-
Revenue from external customers	(75,203)	(147,656)	889	-
Segment assets	5,346,983	8,557,765	250,560	271,021
Segment liabilities	6,496,685	8,206,417	9,656	7,794

Nation Lanka Finance PLC

Analysis of Financial Instruments by measurement basis

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It also includes details relating to non financial assets and liabilities.

Company

	Carrying values Rs. '000'					Fair value Rs. '000'			
As at 30th June 2025	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Other Comprehensive Income	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Financial Assets Recognized Through Profit or Loss–Measured at fair value	13,201	-	-	-	13,201	13,201	-	-	13,201
Financial Assets Measured at FVTOCI	-	-	59,928	-	59,928	-	-	59,928	59,928
Investment property	-	-	-	-	-	-	-	1,537,939	1,537,939
Financial assets not measured at fair value									
Financial Assets Measured at Amortized Cost									
- Loans and Advances	-	1,629,508	-	-	1,629,508	-	-	-	-
- Debt and Other Instruments	-	60,377	-	-	60,377	-	-	-	-
Trade & Other Receivables	-	315,734	-	-	315,734	-	-	-	-
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-
Deposits With Licensed Commercial Banks	-	507,688	-	-	507,688	-	-	-	-
Cash and Cash Equivalents	-	32,300	-	-	32,300	-	-	-	-
	13,201	2,545,608	59,928	-	2,618,737	13,201	-	1,597,867	1,611,068
Financial liabilities not measured at fair value									
Due to Banks and Financial Institutions	-	-	-	352,394	352,394	-	-	-	-
Financial Liabilities at amortized cost-due to depositors	-	-	-	4,281,864	4,281,864	-	-	-	-
Amounts Due To Related Parties	-	-	-	509	509	-	-	-	-
Other Borrowings	-	-	-	916,152	916,152	-	-	-	-
Trade & Other Payables	-	-	-	731,886	731,886	-	-	-	-
	-	-	-	6,282,805	6,282,805	-	-	-	-

Group

	Carrying values Rs. '000'					Fair value Rs. '000'			
As at 30th June 2025	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Other Comprehensive Income	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Financial Assets Recognized Through Profit or Loss–Measured at fair value	13,201	-	-	-	13,201	13,201	-	-	13,201
Financial Assets Measured at FVTOCI	-	-	59,928	-	59,928	-	-	59,928	59,928
Investment property	-	-	-	-	-	-	-	1,537,939	1,537,939
Financial assets not measured at fair value									
Financial Assets Measured at Amortized Cost									
- Loans and Advances	-	1,629,508	-	-	1,629,508	-	-	-	-
- Debt and Other Instruments	-	60,377	-	-	60,377	-	-	-	-
Trade & Other Receivables	-	315,734	-	-	315,734	-	-	-	-
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-
Deposits With Licensed Commercial Banks	-	507,688	-	-	507,688	-	-	-	-
Cash and Cash Equivalents	-	32,300	-	-	32,300	-	-	-	-
	13,201	2,545,608	59,928	-	2,618,737	13,201	-	1,597,867	1,611,068
Financial liabilities not measured at fair value									
Due to Banks and Financial Institutions	-	-	-	352,394	352,394	-	-	-	-
Financial Liabilities at amortized cost-due to depositors	-	-	-	4,281,864	4,281,864	-	-	-	-
Amounts Due To Related Parties	-	-	-	509	509	-	-	-	-
Other Borrowings	-	-	-	916,152	916,152	-	-	-	-
Trade & Other Payables	-	-	-	731,886	731,886	-	-	-	-
	-	-	-	6,282,805	6,282,805	-	-	-	-

Explanatory Notes

Interim Financial Statements

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2023/2024.

2. The interim financial statements for the year ended 30th June 2025 are drawn up from unaudited accounts of the company , its subsidiary company Nation Micro Investment Ltd .

3. The interim financial statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies act No 07of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

4. There have been no material events subsequent to the reporting date , which require adjustments to or disclosures in the interim financial statements.

5. Comparative figures and phrases have been re-arranged where ever necessary to conform to the current year's presentation.

6. There was no liability for management fees or any other similar expenditure as at the balance sheet date.

7. There are no other related party transactions within the interim period other than the repayment of credit facilities mentioned in the Annual Report of 2023/2024.

8. The float adjusted market capitalization of the company falls under option V of rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the company has complied with the minimum public holding requirement applicable under the said option.

Total number of shareholders	15,385
Public holding percentage	31.78%
Total number of public shareholders	15,382
Float adjusted market capitalization	222,357,479
Number of shares representing entity's stated capital	6,996,774,035

9. Information on ordinary shares of the company

Share prices for the period from 1st of April to 30th June 2025	2025	2024
Highest	0.2	0.4
Lowest	0.1	0.3
30th June	0.1	0.3

10. Monetary board of Central Bank of SriLanka has imposed a cap on deposits and lending with effect from 30th September 2019.

Nation Lanka Finance PLC

Top Twenty Shareholders as at 30th June 2025

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1	Singhe Capital Investment Limited	2,673,696,955	38.22
2	Mutual Holdings Limited	1,133,308,467	16.2
3	Mr. V R Ramanan	965,842,690	13.8
4	Dunamis Capital PLC	228,466,987	3.27
5	Mr. A J C Senathipathy	154,835,302	2.21
6	First Capital Limited	149,836,063	2.14
7	Mr. H K J Dharmadasa	87,536,211	1.25
8	Mr. S H Amarasekera	50,200,000	0.72
9	Mutiara Holdings (Private) Ltd	50,000,000	0.71
10	Mr. A N Handunpathirana	40,000,000	0.57
11	Mr. M F Cader	30,000,351	0.43
12	Mr. A P Dhammika	30,000,000	0.43
13	Mr. T Pragash	29,609,578	0.42
14	Ms. N D P Jayatunga	28,370,408	0.41
15	Central Investments & Finance Limited (Under Liqui.)	26,881,118	0.38
16	Ms. W A D S Sanjeewani	24,927,377	0.36
17	MR. T Yoshida	22,580,148	0.32
18	Merchant Bank Of Sri Lanka & Finance PLC/W P A M Abesekara	20,000,000	0.29
19	Mr. S P Sedara	17,784,480	0.25
20	Mrs. H D JN Karunathilake	15,014,352	0.21
		5,778,890,487	**82.59**

Total Number of Shareholders **15,385**

Nation Lanka Finance PLC

Directors Shareholding as at 30th June 2025

NO.	NAME	NO OF SHARES	PERCENTAGE
1	Mr. V R RAMANAN	965,842,690	13.8
2	Mr. A G M PRIYANTHA		
3	Mrs. S A WICKRAMASINGHE	-	-
4	Mrs. K G D W K BANDARA	-	-
5	Mr. N W M GUNAWANSHA	-	-
6	Mr. U R SENEVIRATHNE	-	-
7	Mrs. L M M JAYAWICKREMA	-	-
8	Mr. K S WIMALASIRI	-	-