

Nation Lanka Finance PLC
Statement of Financial Position

	Company			Group		
	As at 30th June 2026	As at 31st March 2026	As at 31st March 2025 Audited	As at 30th June 2026	As at 31st March 2026	As at 31st March 2025 Audited
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
ASSETS						
Cash and Cash Equivalents	7,202	9,337	322,270	7,202	9,337	322,270
Deposits With Licensed Commercial Banks	-	-	497,295	-	-	497,295
Financial Assets Recognized Through Profit or Loss-Measured at fair value	13,205	13,190	13,158	13,205	13,190	13,158
Financial Assets Measured at Fair Value Through Other Comprehensive Income	61,253	61,253	61,253	61,253	61,253	61,253
Financial Assets Measured at Amortized Cost						
- Loans and Advances	1,102,066	1,133,813	1,536,098	1,102,066	1,133,813	1,536,098
- Debt and Other Instruments	135,829	146,550	363,672	135,829	146,550	363,672
Real Estate Stock	242,468	244,031	245,173	242,468	244,031	245,173
Investment Property	1,453,216	1,453,216	1,453,216	1,453,216	1,453,216	1,453,216
Property, Plant & Equipment	153,519	166,619	251,588	153,519	166,619	251,588
Right-to-use Asset	59,594	59,594	59,594	59,594	59,594	59,594
Intangible Assets	10,671	11,558	8,053	10,671	11,558	8,053
Trade & Other Receivables	85,024	97,369	112,482	85,024	97,369	112,482
Retirement Benefit Plan Assets	78,456	84,290	117,663	78,456	84,290	117,663
Deferred Tax Asset	772,397	772,397	772,397	772,397	772,397	772,397
TOTAL ASSETS	4,174,899	4,253,217	5,813,912	4,174,899	4,253,217	5,813,912
LIABILITIES						
Due to Banks and Financial Institutions	111,507	116,163	395,228	111,507	116,163	395,228
Financial Liabilities at amortized cost-due to depositors	4,213,220	4,143,354	3,998,155	4,213,220	4,143,354	3,998,155
Lease liability	72,964	72,964	72,964	72,964	72,964	72,964
Amounts Due To Related Parties	509	344	344	509	344	344
Other Borrowings	1,326,604	1,311,125	1,319,042	1,326,604	1,311,125	1,319,042
Current Tax Liability	-	-	-	-	-	-
Retirement Benefit Obligations	(1,631)	2,474	22,111	(1,631)	2,474	22,111
Trade & Other Payables	750,913	742,473	1,157,695	750,913	742,473	1,157,695
Subordinated Debentures	-	-	-	-	-	-
TOTAL LIABILITIES	6,474,087	6,388,896	6,965,539	6,474,087	6,388,896	6,965,539
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	(76,349)	(76,349)	(76,349)	(76,349)	(76,349)	(76,349)
Revaluation Reserve	101,850	101,850	101,850	101,850	101,850	101,850
Other Reserves	9,000	9,000	9,000	9,000	9,000	9,000
Retained Earnings	(6,573,531)	(6,410,023)	(5,425,970)	(6,573,531)	(6,410,023)	(5,425,970)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	(2,299,188)	(2,135,679)	(1,151,627)	(2,299,188)	(2,135,679)	(1,151,627)
Non-Controlling Interest	-	-	-	-	-	-
TOTAL EQUITY	(2,299,188)	(2,135,679)	(1,151,627)	(2,299,188)	(2,135,679)	(1,151,627)
TOTAL LIABILITIES & EQUITY	4,174,899	4,253,217	5,813,912	4,174,899	4,253,217	5,813,912
Net Assets Per Share	(0.33)	(0.31)	(0.16)	(0.33)	(0.31)	(0.16)

CERTIFICATION

We, the undersigned being 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 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.

Signed by :
Janaka Goonasekara
Head of Finance
Nation Lanka Finance PLC
21st August 2026

Signed by :
P W D N R Rodrigo
Administrator of Nation Lanka Finance PLC
Appointed by the CBSL
21st August 2026

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

Nation Lanka Finance PLC

Statement of Profit or Loss and Other Comprehensive Income

	Company		Group	
	Quarter ended 30th June 2026	Quarter ended 30th June 2025	Quarter ended 30th June 2026	Quarter ended 30th June 2025
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	19,573	40,128	19,573	40,128
Interest expense	(146,735)	(138,411)	(146,735)	(138,411)
Net interest income	(127,162)	(98,283)	(127,162)	(98,283)
Net income / (loss) on property development	-	889	-	889
Fee and commission income	-	92	-	92
Net fair value gains/(losses) from financial instruments at fair value through profit or loss	15	43	15	43
Change in fair value of investment property	-	-	-	-
Other operating income	19,626	14,619	19,626	14,619
Collection from contracts previously written off	9,313	7,437	9,313	7,437
Total operating income	(98,209)	(75,203)	(98,209)	(75,203)
Impairment for loans and other losses	-	-	-	-
Net operating income	(98,209)	(75,203)	(98,209)	(75,203)
Operating Expenses				
Personnel Costs	(24,065)	(55,941)	(24,065)	(55,941)
Premises Equipment & Establishment Expenses	(8,589)	(30,725)	(8,589)	(30,725)
Other Overhead Expenses	(30,577)	(42,434)	(30,577)	(42,434)
Other Finance Cost	(42)	(252)	(42)	(252)
Total Operating Expenses	(63,274)	(129,352)	(63,274)	(129,352)
Operating profit / (loss) before VAT	(161,482)	(204,556)	(161,482)	(204,556)
Vat on financial services	-	-	-	-
Operating profit / (loss) after VAT	(161,482)	(204,556)	(161,482)	(204,556)
Tax expenses	-	-	-	-
Profit / (loss) for the period	(161,482)	(204,556)	(161,482)	(204,556)
Other comprehensive income	-	-	-	-
Total comprehensive income	(161,482)	(204,556)	(161,482)	(204,556)
Profit / (Loss) attributable to				
Equity holders of the company			(161,482)	(204,556)
Non controlling interest			-	-
			(161,482)	(204,556)
Total comprehensive income attributable to				
Equity holders of the company			(161,482)	(204,556)
Non controlling interest			-	-
			(161,482)	(204,556)
Basic earnings per ordinary share	(0.02)	(0.03)	(0.02)	(0.03)

Nation Lanka Finance PLC
Statement of Changes in Equity as at 30th June 2026

Company	Stated Capital Rs.'000	Fair Value Reserve Rs.'000	Reserve Fund Rs.'000	Revaluation Reserve Rs.'000	General Reserve Rs.'000	Retained Profit Rs.'000	Minority Interest Rs.'000	Total Equity Rs.'000
Balance as at 01.04.2025	4,108,421	(76,349)	131,422	101,850	9,000	(5,425,970)	-	(1,151,627)
Profit / (loss) for the year	-	-	-	-	-	(204,556)	-	(204,556)
Balance as at 30.06.2025	4,108,421	(76,349)	131,422	101,850	9,000	(5,630,526)	-	(1,356,182)
Balance as at 01.04.2026	4,108,421	(76,349)	131,422	101,850	9,000	(6,410,023)	-	(2,135,679)
Audit adjustments	-	-	-	-	-	(2,026)	-	(2,026)
Profit / (loss) for the year	-	-	-	-	-	(161,482)	-	(161,482)
Balance as at 30.06.2026	4,108,421	(76,349)	131,422	101,850	9,000	(6,573,531)	-	(2,299,188)
Group								
Balance as at 01.04.2025	4,108,421	(76,349)	131,422	101,850	9,000	(5,425,970)	-	(1,151,627)
Profit / (loss) for the year	-	-	-	-	-	(204,556)	-	(204,556)
Balance as at 30.06.2025	4,108,421	(76,349)	131,422	101,850	9,000	(5,630,526)	-	(1,356,182)
Balance as at 01.04.2026	4,108,421	(76,349)	131,422	101,850	9,000	(6,410,024)	-	(2,135,679)
Audit adjustments	-	-	-	-	-	(2,026)	-	(2,026)
Profit / (loss) for the year	-	-	-	-	-	(161,482)	-	(161,482)
Balance as at 30.06.2026	4,108,421	(76,349)	131,422	101,850	9,000	(6,573,532)	-	(2,299,188)

Nation Lanka Finance PLC
Statement of Cash Flows

	Company Rs. '000'		Group Rs. '000'	
For the three months ended 30th June 2026	2026	2025	2026	2025
<i>Cash Flow from Operating Activities</i>				
Profit/(Loss) before Income Tax Expense	(161,482)	(204,556)	(161,482)	(204,556)
Adjustments for				
Net fair value gains/(losses) from financial instruments Measured at FVTPL	(15)	(43)	(15)	(43)
Depreciation and amortization	11,830	7,147	11,830	7,147
Net income / (loss) on property development	-	889	-	889
Interest Expenses	146,735	138,411	146,735	138,411
Interest income on Government Securities	(2,662)	(5,198)	(2,662)	(5,198)
Provision / (Reversal) for Retiring Benefit Obligations	1,729	(7,656)	1,729	(7,656)
Impairment of other investments	-	(1,301)	-	(1,301)
Operating Profit Before Working Capital Changes	(3,866)	(72,306)	(3,866)	(72,306)
Working Capital Changes				
Increase in Other Assets				
Decrease/(Increase) in Financial Assets at Amortized cost	42,468	515,011	42,468	515,011
Decrease/(Increase) in Investment in Real Estate	1,563	2,015	1,563	2,015
Decrease/(Increase) in Trade and Other Receivables	12,345	5,909	12,345	5,909
Increase/(Decrease) in Related Party Payables	165	165	165	165
Increase/(Decrease) Trade & Other Payables	8,440	23,805	8,440	23,805
Increase/(Decrease) Financial Liabilities at amortized cost -due to depositors	69,866	(64,356)	69,866	(64,356)
Cash from Operations	130,982	410,243	130,982	410,243
Income Tax Paid	0	-	0	-
Interest expenses paid	(178,301)	(111,336)	(178,301)	(111,336)
Retiring Gratuity Paid	(391)	(2,392)	(391)	(2,392)
Net Cash generated from Operating Activities	(47,710)	296,515	(47,710)	296,515
<i>Cash Flow from Investing Activities</i>				
Proceeds from Sale of Property, Plant & Equipment	13,100	10,521	13,100	10,521
Net proceed from government securities	(8,059)	(297,871)	(8,059)	(297,871)
Investment in Deposits with Licensed Commercial Banks	-	(9,770)	-	(9,770)
Net Cash used in Investing Activities	5,041	(297,120)	5,041	(297,120)
<i>Cash Flow from Financing Activities</i>				
Repayment of Loans	15,479	(30,191)	15,479	(30,191)
Lease rental payments	(4,621)	(11,656)	(4,621)	(11,656)
Net Cash generated from Financing Activities	10,858	(41,847)	10,858	(41,847)
Increase/(Decrease) in Cash & Cash Equivalents	(31,811)	(42,450)	(31,811)	(42,450)
Cash & Cash Equivalents at the Beginning of the Year	(313,382)	(277,644)	(313,382)	(277,644)
Cash & Cash Equivalents at the End of the year	(345,193)	(320,094)	(345,193)	(320,094)
Reconciliation of Cash & Cash Equivalents				
Cash in Hand & at Bank	7,202	32,300	7,202	32,300
Bank Overdraft	(352,394)	(352,394)	(352,394)	(352,394)
	(345,193)	(320,094)	(345,193)	(320,094)

Nation Lanka Finance PLC

Selected Performance Indicators (as per regulatory reporting)

	As at 30th June 2026 '000'	As at 30th June 2025 '000'
Regulatory Capital Adequacy		
Core capital (Tier 1 capital)	(2,827,661)	(1,306,729)
Total capital base	(2,299,188)	(908,798)
	Minimum 8.5%	Minimum 8.5%
Core capital adequacy ratio , as % of risk weighted assets	-93.23%	-43.11%
	Minimum 12.5%	Minimum 12.5%
Total capital adequacy ratio , as % of risk weighted assets	-93.23%	-43.11%
Asset Quality (Quality of loan portfolio)		
Gross Non -Performing Accommodations	4,845,621	4,972,533
Gross Non -Performing Accommodations %	96%	94.00%
Regulatory Liquidity		
Required minimum amount of liquid assets	458,263	430,552
Available amount of liquid assets	140,922	72,303

Nation Lanka Finance PLC

Segment Information

	Lending		Real Estate	
	Three months ended 30th June 2026	Three months ended 30th June 2025	Three months ended 30th June 2026	Three months ended 30th June 2025
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	19,573	40,128	-	-
Interest expense	(146,735)	(138,411)	-	-
Net interest income	(127,162)	(98,283)	-	-
Net income / (loss) on property development	-	889	-	889
Fee and commission income	-	92	-	-
Net fair value gains/(losses) from financial instruments at fair value through profit or loss	15	43	-	-
Change in fair value of investment property	-	-	-	-
Other operating income	19,626	14,619	-	-
Collection from contracts previously written off	9,313	7,437	-	-
Total operating income	(98,209)	(75,203)	-	889
Impairment for loans and other losses	-	-	-	-
Net operating income	(98,209)	(75,203)	-	889
Operating Expenses				
Personnel Costs	(24,065)	(55,941)	-	-
Premises Equipment & Establishment Expenses	(8,589)	(30,725)	-	-
Other Overhead Expenses	(30,577)	(42,434)	-	-
Other Finance Cost	(42)	(252)	-	-
Total Operating Expenses	(63,274)	(129,352)	-	-
Operating profit / (loss) before VAT	(161,482)	(204,556)	-	889
Vat on financial services	-	-	-	-
Operating profit / (loss) after VAT	(161,482)	(204,556)	-	889
Tax expenses	-	-	-	-
Profit / (loss) for the period	(161,482)	(204,556)	-	889
Other comprehensive income	-	-	-	-
Total comprehensive income	(161,482)	(204,556)	-	889
Inter segment revenue	-	-	-	-
Revenue from external customers	(98,209)	(75,203)	-	889
Segment assets	3,932,431	5,346,983	242,468	250,560
Segment liabilities	6,464,714	6,496,685	9,372	9,656

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'				
	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
As at 30th June 2026									
Financial assets measured at fair value									
Financial Assets Recognized Through Profit or Loss-Measured at fair value	13,205	-	-	-	13,205	13,205	-	-	13,205
Financial Assets Measured at FVTOCI	-	-	61,253	-	61,253	-	-	61,253	61,253
Investment property	-	-	-	-	-	-	-	1,453,216	1,453,216
Financial assets not measured at fair value									
Financial Assets Measured at Amortized Cost									
- Loans and Advances	-	1,102,066	-	-	1,102,066	-	-	-	-
- Debt and Other Instruments	-	135,829	-	-	135,829	-	-	-	-
Trade & Other Receivables	-	85,024	-	-	85,024	-	-	-	-
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-
Deposits With Licensed Commercial Banks	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	7,202	-	-	7,202	-	-	-	-
	13,205	1,330,121	61,253	-	1,404,578	13,205	-	1,514,469	1,527,674
Financial liabilities not measured at fair value									
Due to Banks and Financial Institutions	-	-	-	111,507	111,507	-	-	-	-
Financial Liabilities at amortized cost-due to depositors	-	-	-	4,213,220	4,213,220	-	-	-	-
Amounts Due To Related Parties	-	-	-	509	509	-	-	-	-
Other Borrowings	-	-	-	1,326,604	1,326,604	-	-	-	-
Trade & Other Payables	-	-	-	750,913	750,913	-	-	-	-
	-	-	-	6,402,754	6,402,754	-	-	-	-

Group	Carrying values Rs. '000'				Fair value Rs. '000'				
	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
As at 30th June 2026									
Financial assets measured at fair value									
Financial Assets Recognized Through Profit or Loss-Measured at fair value	13,205	-	-	-	13,205	13,205	-	-	13,205
Financial Assets Measured at FVTOCI	-	-	61,253	-	61,253	-	-	61,253	61,253
Investment property	-	-	-	-	-	-	-	1,453,216	1,453,216
Financial assets not measured at fair value									
Financial Assets Measured at Amortized Cost									
- Loans and Advances	-	1,102,066	-	-	1,102,066	-	-	-	-
- Debt and Other Instruments	-	135,829	-	-	135,829	-	-	-	-
Trade & Other Receivables	-	85,024	-	-	85,024	-	-	-	-
Amounts Due From Related Parties	-	-	-	-	-	-	-	-	-
Deposits With Licensed Commercial Banks	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	7,202	-	-	7,202	-	-	-	-
	13,205	1,330,121	61,253	-	1,404,578	13,205	-	1,514,469	1,527,674
Financial liabilities not measured at fair value									
Due to Banks and Financial Institutions	-	-	-	111,507	111,507	-	-	-	-
Financial Liabilities at amortized cost-due to depositors	-	-	-	4,213,220	4,213,220	-	-	-	-
Amounts Due To Related Parties	-	-	-	509	509	-	-	-	-
Other Borrowings	-	-	-	1,326,604	1,326,604	-	-	-	-
Trade & Other Payables	-	-	-	750,913	750,913	-	-	-	-
	-	-	-	6,402,754	6,402,754	-	-	-	-

Explanatory Notes

Interim Financial Statements

1. There are no significant changes in the accounting policies and methods of computation since the publication of audited financial statements for the year 2024/2025.
2. The interim financial statements for twelve months ended 30th June 2026 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 07 of 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 audited financial statements of 2024/2025.
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	15,492
Public holding percentage	34.29%
Total number of public shareholders	15,489
Float adjusted market capitalization	239,849,414
Number of shares representing entity's stated capital	6,996,774,035

9. Information on ordinary shares of the company

Trading of the Securities of Nation Lanka Finance PLC (CSF) was suspended with effect from 21st July 2025 due to Qualified Audit Opinion and emphasis of matter on going concern in the Independent Auditor's Report in the Annual Report for the year ended 31st March 2023 under listing rule of 7.5.(d) (ii).

Share prices for the period from 1st of January to 30th June	2026	2025
Highest	Not Applicable	Not Applicable
Lowest	Not Applicable	Not Applicable
30th June	Not Applicable	Not Applicable

10. Monetary board of Central Bank of Sri Lanka 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 2026

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1	Singhe Capital Investment Limited	2,673,696,955	38.21
2	Mr. V R Ramanan	965,842,690	13.8
3	Mutual Holdings Limited	958,308,467	13.7
4	Mr. N S A Cooray	249,077,211	3.56
5	Dunamis Capital PLC	228,466,987	3.27
6	Mr. A J C Senathipathy	154,835,302	2.21
7	First Capital Limited	99,836,063	1.43
8	Mr. H K J Dharmadasa	87,536,211	1.25
9	People's Leasing & Finance PLC/Mr. K K Shujeevan	69,299,669	0.99
10	Mr. S H Amarasekera	50,200,000	0.72
11	Mutiara Holdings (Private) Ltd	50,000,000	0.71
12	Mr. A N Handunpathirana	35,000,000	0.5
13	Mr. A K A Majeed	33,000,002	0.47
14	Mr. M F Cader	30,000,351	0.43
15	Mr. A P Dhammika	30,000,000	0.43
16	Ms.N D P Jayatunga	28,370,408	0.41
17	Central Investments & Finance Limited (Under Liqui.)	26,881,118	0.38
18	Ms. W A D S Sanjeewani	24,927,377	0.36
19	MR. T Yoshida	22,580,148	0.32
20	Mr. M V P N Chandrakumara	21,000,000	0.3
		5,838,858,959	83.45

Total Number of Shareholders

15,492

Nation Lanka Finance PLC**Directors Shareholding as at 30th June 2026**

No.	Name	No of shares	Percentage
1	Mr. V R RAMANAN	965,842,690	13.80
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	-	-