

Nation Lanka Finance PLC  
Statement of Financial Position

	Company		Group	
	As at 31st March 2018	As at 31st March 2017 (Audited)	As at 31st March 2018	As at 31st March 2017 (Audited)
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
<b>ASSETS</b>				
Cash and Cash Equivalents	220,740	362,602	220,928	362,885
Deposits with Commercial Banks	139,991	126,920	139,991	126,920
Financial Assets - Held for Trading	654,964	27,565	654,964	27,565
Financial Assets - Available for Sale	17,639	17,639	17,639	17,639
Loans and Receivables From Customers	6,152,880	5,540,072	6,152,880	5,540,072
Financial Assets - Held to Maturity	560,791	955,909	560,791	955,909
Investments in Subsidiaries	-	-	-	-
Investments in Associates	-	-	-	-
Amounts Due From Related Parties	25,820	166,874	25,820	166,874
Real Estate Stock	131,995	151,173	131,995	151,173
Investment Property	842,689	666,500	842,689	666,500
Property, Plant & Equipment	100,549	106,227	100,549	106,227
Intangible Assets	18,013	20,816	18,013	20,816
Trade & Other Receivables	9,605	11,647	9,605	11,647
Other Assets	92,072	79,541	92,072	79,541
Retirement Benefit Plan Assets	70,713	64,314	70,713	64,314
Deferred Tax Asset	155,048	98,047	155,048	98,047
	<u>9,193,507</u>	<u>8,395,845</u>	<u>9,193,695</u>	<u>8,396,128</u>
Assets Classified as Held for sale	8,037	12,897	8,037	12,897
<b>TOTAL ASSETS</b>	<u>9,201,545</u>	<u>8,408,742</u>	<u>9,201,733</u>	<u>8,409,024</u>
<b>LIABILITIES</b>				
Due to Banks and Financial Institutions	121,891	78,821	121,891	78,821
Due to Customers	7,703,879	7,090,550	7,703,879	7,090,550
Amounts Due To Related Parties	24,571	23,900	-	-
Other Borrowings	1,274	1,274	85,763	85,763
Current Tax Liability	(7,806)	76,299	(7,799)	76,306
Retirement Benefit Obligations	32,519	21,430	32,519	21,430
Other Payables	319,134	122,715	348,191	151,699
Subordinated Debentures	250,000	250,000	250,000	250,000
<b>TOTAL LIABILITIES</b>	<u>8,445,462</u>	<u>7,664,989</u>	<u>8,534,444</u>	<u>7,754,568</u>
<b>CAPITAL AND RESERVES</b>				
Stated Capital	623,739	623,739	623,739	623,739
Reserve Fund	96,290	96,290	96,290	96,290
Other Reserves	9,000	9,000	9,000	9,000
Retained Earnings	27,053	14,723	(61,661)	(74,495)
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY</b>	<u>756,083</u>	<u>743,753</u>	<u>667,368</u>	<u>654,535</u>
Non-Controlling Interest	-	-	(79)	(79)
<b>TOTAL EQUITY</b>	<u>756,083</u>	<u>743,753</u>	<u>667,289</u>	<u>654,456</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>9,201,545</u>	<u>8,408,742</u>	<u>9,201,733</u>	<u>8,409,024</u>
Net Assets Per Share	1.00	0.99	0.89	0.87
Contingent liabilities and commitments	25,100	25,100	25,100	25,100

**CERTIFICATION**

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

(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  
31st May 2018

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Signed by :  
Jayantha Perera  
Executive Director / Chief Executive Officer  
31st May 2018

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Signed by :  
Jayaprakash Rudra  
Director  
31st May 2018

Nation Lanka Finance PLC  
Income Statement

	Company				Group			
	Quarter ended 31st March 2018 Rs. '000'	Quarter ended 31st March 2017 Rs. '000'	Twelve months ended 31st March 2018 Rs. '000'	Twelve months ended 31st March 2017 (Audited) Rs. '000'	Quarter ended 31st March 2018 Rs. '000'	Quarter ended 31st March 2017 Rs. '000'	Twelve months ended 31st March 2018 Rs. '000'	Twelve months ended 31st March 2017 Rs. '000'
Interest income	626,615	532,724	2,295,254	2,338,067	626,615	532,724	2,295,254	2,338,067
Interest expense	274,175	220,967	1,066,280	845,507	274,175	220,967	1,065,542	845,507
Net interest income	352,440	311,757	1,228,974	1,492,560	352,440	311,757	1,229,713	1,492,560
Fee and commission income	2,237	1,712	4,694	3,104	2,237	1,712	4,694	3,104
Fee and commission expenses	-	-	-	-	-	-	-	-
Net fee and commission income	2,237	1,712	4,694	3,104	2,237	1,712	4,694	3,104
Net income on property development	1,551	8,368	7,063	8,902	1,551	8,368	7,063	8,902
Net gain / (loss) from financial instruments designated at fair value through profit or loss	2,156	(6,885)	(25)	(20,021)	2,156	(6,885)	(25)	(20,021)
Change in fair value of investment property	59,360	31,950	59,360	31,950	59,360	31,950	59,360	31,950
Collection from contracts previously written off	53,459	134,488	53,459	134,488	53,459	134,488	53,459	134,488
Gain / (loss) on disposal of assets held for sale	(26)	(22,487)	(26)	(22,487)	(26)	121,092	(26)	121,092
Gain / (loss) on disposal of investment in associate	-	2,294	-	2,294	-	(29,201)	-	(29,201)
Net gain / (loss) from financial investments	-	-	-	-	-	-	-	-
Other operating income (net)	26,442	27,173	120,268	39,677	26,442	27,212	120,268	39,716
Total operating income	497,618	488,370	1,473,766	1,670,467	497,618	600,493	1,474,505	1,782,590
Impairment for loans and other losses								
Individual impairment	59,805	30,754	59,805	30,754	59,805	30,754	59,805	30,754
Collective impairment	143,360	326,089	370,805	543,442	143,360	321,415	370,805	538,768
Repossed Collaterals	(5,608)	(108,359)	10,973	(6,158)	(5,608)	(108,359)	10,973	(6,158)
Others	61,927	12,747	75,460	35,339	61,927	22,676	75,460	37,676
Net operating income	238,134	227,139	956,723	1,067,090	238,134	334,007	957,462	1,181,550
Personnel expenses	64,344	56,981	365,041	329,886	64,344	56,981	365,041	329,886
Depreciation and amortization	5,203	3,759	49,363	41,835	5,203	3,759	49,363	41,835
Other expenses	158,932	130,299	513,927	476,831	158,428	130,543	514,162	477,075
Operating profit / (loss) before VAT	9,656	36,100	28,393	218,538	10,161	142,724	28,897	332,754
Vat on financial services	11,649	7,498	55,899	60,560	11,649	7,498	55,899	60,560
Operating profit / (loss) after VAT	(1,993)	28,602	(27,506)	157,978	(1,489)	135,226	(27,003)	272,194
Share of profit of associates and joint ventures	-	-	-	-	-	(5,906)	-	-
Profit / (loss) before tax	(1,993)	28,602	(27,506)	157,978	(1,489)	129,320	(27,003)	272,194
Tax expenses	(77,154)	(37,899)	(49,154)	(16,216)	(77,154)	(37,891)	(49,154)	(16,208)
Profit / (loss) for the period	75,161	66,501	21,648	174,194	75,665	167,211	22,151	288,402
Other comprehensive income	(9,318)	320	(9,318)	320	(9,318)	320	(9,318)	320
Total comprehensive income	65,843	66,821	12,330	174,514	66,347	167,531	12,833	288,722
Profit / (Loss) attributable to Equity holders of the company					75,665	167,211	22,151	288,402
Non controlling interest					-	-	(0,116)	-
Total comprehensive income attributable to Equity holders of the company					75,665	167,211	22,151	288,402
Non controlling interest					66,347	167,531	12,833	288,722
					-	-	(0,116)	-
Earning per share on profit	0.10	0.09	0.03	0.23	0.10	0.22	0.02	0.38

NATION LANKA FINANCE PLC  
STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 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 Reserve Rs. '000	Total Fund Rs. '000	Minority Interest Rs. '000	Total Equity Rs. '000
Balance as at 01.04.2016	2,329,044	-	-	-	13,641	9,000	(1,782,446)	-	569,238	-	569,238
Reduction of stated capital	(1,705,305)	-	-	-	-	-	1,705,305	-	-	-	-
Transfer to reserve fund	-	82,649	-	-	-	-	(82,649)	-	-	-	-
Profit for the year	-	-	-	-	174,194	-	174,194	-	174,194	-	174,194
Other Comprehensive Income for the year	-	-	-	-	-	-	320	-	320	-	320
Balance as at 31.03.2017	623,739	-	-	-	96,290	9,000	14,724	-	743,752	-	743,752
Balance as at 01.04.2017	623,739	-	-	-	96,290	9,000	14,723	-	743,752	-	743,752
Profit attributable to the share holders	-	-	-	-	-	-	21,648	-	21,648	-	21,648
Other Comprehensive Income for the year	-	-	-	-	-	-	(9,318)	-	(9,318)	-	(9,318)
Balance as at 31.03.2018	623,739	-	-	-	96,290	9,000	27,053	-	756,082	-	756,082
Group											
Balance as at 01.04.2016	2,329,044	-	660	-	13,641	9,000	(1,986,532)	-	365,812	(79)	365,733
Reduction of stated capital	(1,705,305)	-	-	-	-	-	1,705,305	-	-	-	-
Transfer to reserve fund	-	82,649	-	-	-	-	(82,649)	-	-	-	-
Profit attributable to the share holders	-	-	-	-	-	-	288,402	-	288,402	-	288,402
Other Comprehensive Income for the year	-	-	-	(660)	-	-	320	-	320	-	320
Transfer to retained earnings	-	-	-	-	-	-	660	-	-	-	-
Balance as at 31.03.2017	623,739	-	-	-	96,290	9,000	(74,495)	-	654,534	(79)	654,455
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	-	-	-	-	-	-	22,151	-	22,151	-	22,151
Other Comprehensive Income for the year	-	-	-	-	-	-	(9,318)	-	(9,318)	-	(9,318)
Balance as at 31.03.2018	623,739	-	-	-	96,290	9,000	(61,662)	-	667,368	(79)	667,289

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 TWELVE MONTHS ENDED 31ST MARCH 2018**

	COMPANY		GROUP	
	31st March 2018 Rs. '000	31st March 2017 Rs. '000	31st March 2018 Rs. '000	31st March 2017 Rs. '000
Net cash generated from/(used in) operating activities	216,767	618,692	216,672	618,550
Net cash generated from/(used in) Investing activities	(388,630)	(394,747)	(388,630)	(394,747)
Net cash generated from/(used in) financing activities	-	171,281	-	171,281
Net increase/(decrease) in cash & cash equivalents	(171,863)	395,227	(171,958)	395,085
Cash & cash equivalents at the beginning of the year	410,702	15,475	410,984	15,899
Cash & cash equivalents at the end of the year	238,839	410,702	239,027	410,984
<b>Analysis of Cash and Cash Equivalents</b>				
Cash at Bank and In Hand	220,740	362,602	220,928	362,885
Placements with banks	139,991	126,920	139,991	126,920
Bank Overdraft	(121,891)	(78,821)	(121,891)	(78,821)
	238,839	410,702	239,027	410,984

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

	Company	
	As at 31st March 2018 Rs. '000'	As at 31st March 2017 Rs. '000'
<b>Regulatory Capital Adequacy</b>		
Core capital ( Tier 1 capital)	756,083	743,753
Total capital base	1,006,083	993,753
Core capital adequacy ratio , as % of risk weighted assets (Min 5%)	9.74%	11.19%
Total capital adequacy ratio , as % of risk weighted assets (Min 10%)	12.96%	14.96%
Capital funds to deposit liabilities ratio (Min 10%)	13.06%	14.02%
<b>Asset Quality ( Quality of loan portfolio)</b>		
Gross Non -Performing Accommodations	975,571	600,198
Gross Non -Performing Accommodations %	13.75%	9.70%
<b>Profitability %</b>		
Interest margin (net interest income for twelve monthes)	1,228,974	1,492,560
Return on assets (before tax) -based on cumulative profits for twelve monthes	-0.30%	1.88%
Return on equity (after tax) - based on cumulative profits for twelve monthes	2.86%	23.42%
<b>Regulatory Liquidity</b>		
Required minimum amount of liquid assets	794,576	709,276
Available amount of liquid assets	866,089	1,188,158
Required minimum amount of government securities	504,589	478,423
Available amount of government securities	560,791	955,909
<b>Memorandum information</b>		
Number of employees	617	578
Number of branches	19	19
Number of service centers	7	7
Number of pawning centers	-	-
<b>Share prices for the period from 1st of January to 31st March</b>		
Highest	2018 1.40	2017 1.50
Lowest	0.90	0.90
31st March	1.00	1.00

Nation Lanka Finance PLC  
Segment Information

	Lending		Real Estate		Other	
	Twelve months ended 31st March 2018	Twelve months ended 31st March 2017	Twelve months ended 31st March 2018	Twelve months ended 31st March 2017	Twelve months ended 31st March 2018	Twelve months ended 31st March 2017
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Interest income	2,295,254	2,338,067	-	-	-	-
Interest expense	1,066,280	845,507	-	-	-	-
Net interest income	1,228,974	1,492,560	-	-	-	-
Fee and commission income	4,694	3,104	-	-	-	-
Fee and commission expenses	-	-	-	-	-	-
Net fee and commission income	4,694	3,104	-	-	-	-
Net income on property development	-	-	7,063	8,902	-	-
Net gain / (loss) from financial instruments designated at fair value through profit or loss	(25)	(20,021)	-	-	-	-
Change in fair value of investment property	59,360	31,950	-	-	-	-
Collection from contracts previously written off	53,459	134,488	-	-	-	-
Gain / (loss) on disposal of assets held for sale	(26)	(22,487)	-	-	-	-
Gain / (loss) on disposal of investment in associate	-	2,294	-	-	-	-
Net gain / (loss) from financial investments	-	-	-	-	-	-
Other operating income (net)	120,268	39,677	-	-	-	-
Total operating income	1,466,703	1,661,565	7,063	8,902	-	-
Impairment for loans and other losses						
Individual impairment	59,805	30,754	-	-	-	-
Collective impairment	370,805	543,442	-	-	-	-
Repossed Collaterals	10,973	(6,158)	-	-	-	-
Others	75,460	35,339	-	-	-	-
Net operating Income	949,660	1,058,188	7,063	8,902	-	-
Personnel expenses	365,041	329,886	-	-	(0)	-
Depreciation and amortization	49,363	41,835	-	-	-	-
Other expenses	513,927	476,831	-	-	(504)	-
Operating profit / ( loss) before VAT	21,330	209,636	7,063	8,902	504	-
Vat on financial services	55,899	60,560	-	-	-	-
Operating profit / (loss) after VAT	(34,570)	149,076	7,063	8,902	504	-
Share of profit of associates and joint ventures	-	-	-	-	-	-
Profit / (loss) before tax	(34,570)	149,076	7,063	8,902	504	-
Tax expenses	(49,154)	(16,216)	-	-	-	-
Profit / (loss) for the period	14,585	165,292	7,063	8,902	504	-
Other comprehensive income	(9,318)	320	-	-	-	-
Total comprehensive income	5,266	165,612	7,063	8,902	504	-
Inter segment revenue	-	-	-	-	-	-
Revenue from external customers	1,466,703	1,661,565	7,063	8,902	-	-
Segment assets	9,069,550	8,257,569	131,995	151,173	188	282
Segment liabilities	8,445,462	7,664,989	-	-	88,982	89,579



# NATION LANKA FINANCE PLC

## TOP TWENTY SHAREHOLDERS AS AT 31<sup>ST</sup> MARCH 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	200,000	0.03
7.	Seylan Bank PLC /Mr. H T Wijesinghe	13,566,023	1.80
8.	Mr. W A S P De Saram	6,562,105	0.87
9.	Mr. S N C W M B C Kandegedara	6,453,156	0.86
	Seylan Bank PLC / Mr. S N C W M B C Kandegedara	3,456,844	0.46
10.	Mr. A P L Fernando	4,400,000	0.58
11.	Pan Asia Banking Corporation PLC / Mr. M N Ranasinghe	4,100,000	0.54
12.	Mr. S P R Karunaratne	3,954,376	0.52
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. R P Sugathadasa	3,432,069	0.46
16.	Mr. T M D Z Gunasekera	3,000,000	0.40
17.	Mrs. P S D Z Gunasekera	3,000,000	0.40
18.	Mr. R E Rambukwelle	2,514,400	0.33
19.	Ceylinco Securities Share Ownership Trust (Pvt) Ltd	2,475,600	0.33
20.	Mrs. M R D De Jonk	2,285,000	0.30
<b>TOTAL</b>		<b>639,512,753</b>	<b>84.86</b>



## NATION LANKA FINANCE PLC

### DIRECTORS SHAREHOLDINGS AS AT 31<sup>ST</sup> MARCH 2018

NO.	NAME	NO OF SHARES	PERCENTAGE
01.	Mr. H K J DHARMADASA	37,536,211	4.98
02.	Mr. U H DHARMADASA	141,587,275 44,274,100	18.79 5.88
03.	Mr. V R RAMANAN	225,971,586	29.99
04.	Mr. H J C PERERA	14,875,000 200,000	1.97 0.03
05.	Mr. J RUDRA Mr. J RUDRA	64,484,625 6,187	8.56 -
06.	Mr. P M L K KARUNARATNE	-	-
07.	Mr. K M S KANDEGEDARA	-	-

**Total Number of Shareholders - 13,680**

**Number of Public Share Holders - 13,675**

**Public Holding percentage - 29.80%**