

NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

INCOME STATEMENT

	BANK				GROUP			
	Twelve months ended 31st December		Quarter ended 31st December		Twelve months ended 31st December		Quarter ended 31st December	
	2010	2009 Change	2010	2009 Change	2010	2009 Change	2010	2009 Change
	Rs. '000	Rs. '000 (%)	Rs. '000	Rs. '000 (%)	Rs. '000	Rs. '000 (%)	Rs. '000	Rs. '000 (%)
GROSS INCOME	11,954,249	13,367,254 (11)	2,927,062	3,057,134 (4)	12,215,201	14,036,800 (13)	2,958,278	3,148,445 (6)
Interest Income	6,478,344	7,772,925 (17)	1,612,315	1,824,987 (12)	6,478,344	7,772,924 (17)	1,612,315	1,824,986 (12)
Interest Income on Loans and Advances	3,352,585	3,859,213 (13)	821,040	871,039 (6)	3,352,585	3,859,212 (13)	821,040	871,039 (6)
Interest Income on Other Interest Earning Assets	9,830,929	11,632,138 (15)	2,433,355	2,696,026 (10)	10,090,176	12,049,477 (16)	2,465,366	2,776,899 (11)
Interest Expense	(2,932,580)	(4,027,201) (27)	(720,864)	(990,034) (27)	(2,932,580)	(4,027,202) (27)	(720,864)	(990,035) (27)
Interest Expense on Deposits	(2,583,881)	(4,095,579) (37)	(621,255)	(725,149) (14)	(2,582,489)	(4,301,806) (40)	(614,009)	(747,054) (18)
Interest Expense on Other Interest Bearing Liabilities	(5,116,461)	(8,122,780) (32)	(1,342,119)	(1,715,183) (22)	(5,625,069)	(8,329,008) (34)	(1,334,873)	(1,737,089) (23)
NET INTEREST INCOME	4,314,468	3,509,358 23	1,091,236	980,843 11	4,565,107	3,720,469 23	1,130,493	1,039,810 9
Non-Interest Income	314,824	(538,792) 158	121,755	50,623 141	314,824	(538,792) 158	121,755	50,623 141
Foreign Exchange Gain/(Loss)	1,808,496	2,273,908 (20)	371,952	310,485 20	1,810,281	2,526,116 (28)	371,157	320,923 16
Other Operating Income	2,123,320	1,735,116 22	493,787	361,108 37	2,125,025	1,987,324 7	492,912	371,546 33
NET INCOME	6,437,788	5,244,474 23	1,584,943	1,341,951 18	6,890,132	5,707,793 17	1,623,405	1,411,356 15
Less: Non-Interest Expenses	1,604,492	1,187,625 35	428,094	346,322 24	1,630,097	1,210,746 35	434,350	352,606 23
Personnel Costs	44,941	40,954 10	11,309	7,831 44	46,691	42,149 11	12,225	7,208 70
Provision for Staff Retirement Benefits	769,007	775,209 (1)	200,225	185,934 8	784,431	776,803 1	204,074	174,006 17
Premises, Equipment and Establishment Expenses	-	-	-	-	-	-	-	-
Loss on Trading / Investment Securities	-	-	-	-	-	-	-	-
Amortisation of Intangible Assets	-	-	-	-	-	-	-	-
Other Operating Expenses	1,474,653	1,211,684 22	479,211	268,631 78	1,471,373	1,262,449 17	465,053	309,371 50
Less: Provision for Bad & Doubtful Debts and Loans Written Off	31,035	(34,483) 190	(36,034)	(11,242) (221)	24,836	(43,615) 157	(33,759)	(20,374) 66
Provision-General	178,027	847,262 (79)	7,182	179,281 (96)	177,971	847,261 (79)	7,127	179,280 (96)
Provision-Specific	209,062	812,779 (74)	(28,852)	168,039 (117)	202,807	803,646 (75)	(26,832)	158,906 (117)
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXES	2,335,633	1,216,223 92	495,156	365,194 36	2,554,733	1,612,000 58	534,335	409,259 31
Less: Value Added Tax on Financial Services	(482,010)	(155,479) 210	(119,185)	(53,329) 123	(526,165)	(231,038) 128	(126,073)	(57,919) 118
OPERATING PROFIT BEFORE CORPORATE TAX	1,853,623	1,060,744 75	375,971	311,865 21	2,028,568	1,380,962 47	408,262	351,340 16
Less: Tax on Profits on Ordinary Activities	(851,686)	(558,943) 52	(128,430)	(168,218) (24)	(944,343)	(694,891) 36	(172,447)	(170,147) 30
OPERATING PROFIT FOR THE PERIOD	1,001,937	501,801 100	247,541	143,647 72	1,084,225	686,071 58	235,815	181,193 30
Earnings Per Share - Basic (Rs.)	4.99	2.99 67	1.18	0.85 39	5.40	4.09 32	1.11	1.08 3
Earnings Per Share - Diluted (Rs.)	4.88	2.99	-	-	5.28	4.09	-	-

Explanatory Notes:
 (1) The Group figures include those of the fully owned subsidiaries, Waldox Mackenzie Limited, Allied Properties Limited, Mercantile Leasing (Financial Services) Limited and Nations Insurance Brokers Limited (formerly MLL Insurance Brokers Limited).
 (2) These Financial Statements are prepared in accordance with Sri Lanka Accounting Standards and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange as the Directors issued by the Central Bank of Sri Lanka. Comparative figures have been restated where necessary to comply with the Central Bank guidelines.
 (3) There are no material changes to contingent assets and liabilities since 31.12.2010 and the balances reflected are due to transactions carried out on the normal course of Banking Business.
 (4) Specific provisions for the period include certain prudential provisions made over and above the provisioning policy of the Bank which is more stringent than the guidelines of the Central Bank of Sri Lanka.
 (5) Subject to approval of the Shareholders at the forthcoming Annual General Meeting, the Directors recommended the payment of a first and final dividend of Rs. 2.00 per share for the year ended 31st December 2010.
 (6) No material events have taken place since 31.12.2010 that require disclosure or adjustments in these accounts and all known expenditures have been provided in these financial statements.
 (7) There are no changes in the accounting policies and methods of computation as disclosed in the Annual Report for the year ended 31st December 2010 and these interim financial statements are presented in accordance with IAS 35 - Interim Financial Reporting.
 (8) During the 1st quarter 2010 through warrant conversion, 41,928,668 ordinary shares were issued and added to the Stated Capital.

Debt Information
 The unsecured, Subordinated, Redeemable Debentures 2006/11, 2006/12 2008/13 and 2009/13 of the Bank are listed in the Colombo Stock Exchange. However, these debentures have not been traded from the date of listing up to 31st December 2010.

Debt category	Interest rate of comparable Govt. security % (31.12.2010)		Interest rate of comparable Govt. security % (31.12.2009)		Ratios of Debt		
	2010	2009	2010	2009	31.12.2010	31.12.2009	
2006/11	7.00	11.15	-	-	Debt/Equity Ratio (%)	29.93	47.78
2006/12	6.85	11.29	-	-	Interest Cover (Times)	6.23	4.03
2008/13	7.50	11.48	-	-			
2009/13	10.50	11.38	-	-			

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 31.12.2010 (Audited)	As at 31.12.2009 (Audited)	As at 31.12.2010 (Audited)	As at 31.12.2009 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs.Mn.	6,132	4,184	6,716	4,688
Total Capital Base, Rs.Mn.	7,302	5,903	7,869	6,408
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	12.52%	10.74%	13.43%	11.79%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.91%	15.14%	15.74%	16.11%
Assets Quality (Quality of Loan Portfolio)				
Gross Non-performing Advances Ratio, % (Net of Interest in Suspense)	4.88%	8.53%	4.82%	8.47%
Net Non-performing Advances Ratio, % (Net of Interest in Suspense and Provisions)	2.36%	4.75%	2.36%	4.74%
Profitability				
Interest Margin, %	5.42%	4.85%	-	-
Return on Assets, % (before Tax)	2.33%	1.44%	2.53%	1.90%
Return on Equity, %	18.30%	12.59%	17.70%	15.20%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. Mn.	14,386	16,849	-	-
Statutory Liquid Assets Ratio, (%) (Minimum Requirement, 20%)	22.13%	28.17%	-	-
Foreign Currency Banking Unit (FCBU)	42.97%	40.24%	-	-
Domestic Banking Unit (DBU)	29.25	24.96	-	-
Foreign Currency Banking Unit (FCBU)	42.97%	40.24%	-	-
Net Assets Value Per Share (Rs.)	32.46	28.48	-	-
Market Price Per Share (Rs.)				
Highest	114.70	39.50	-	-
Lowest	34.00	22.00	-	-
Last Traded Price	83.40	36.75	-	-

STATEMENT OF CHANGES IN EQUITY

	BANK		GROUP	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank				
Balance as at 01.01.2009	3,109,771	-	80,509	3,395,958
Dividend Paid for 2008	-	-	(251,572)	(251,572)
Profit for the Year	-	-	501,801	501,801
Transfers during the Year	-	25,090	(25,090)	-
Balance as at 31.12.2009	3,109,771	25,090	105,599	4,186,187
Dividend Paid for 2009	-	-	(314,465)	(314,465)
Shares issued on '2010 warrants' exercised	1,257,860	-	-	1,257,860
Profit for the Year	-	-	1,001,937	1,001,937
Transfers during the Year	-	50,097	(50,097)	-
Balance as at 31.12.2010	4,367,631	75,187	155,696	6,131,519
Group				
Balance as at 01.01.2009	3,109,771	9,500	80,509	1,142,532
Dividend Paid for 2008	-	-	(251,572)	(251,572)
Profit for the Year	-	-	686,071	686,071
Transfers during the Year	-	25,090	(25,090)	-
Balance as at 31.12.2009	3,109,771	34,590	105,599	1,551,941
Dividend Paid for 2009	-	-	(314,465)	(314,465)
Shares issued on '2010 warrants' exercised	1,257,860	-	-	1,257,860
Profit for the Year	-	-	1,084,225	1,084,225
Transfers during the Year	-	50,097	(50,097)	-
Balance as at 31.12.2010	4,367,631	84,687	155,696	6,804,431

SEGMENTAL INFORMATION

In Rs. '000	BANKING		INVESTMENT BANKING		OTHERS		ELIMINATION/ALLOATED		GROUP	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Total Revenue	11,954,249	13,367,254	599,828	1,451,218	104,791	106,632	(443,665)	(888,304)	12,215,201	14,036,800
Segment Results										
Profit before Taxation	1,853,623	1,060,744	172,420	299,360	48,329	45,314	(45,804)	(24,456)	2,028,568	1,380,962
Taxation	(851,686)	(558,943)	(77,182)	(120,545)	(8,928)	(15,403)	(6,549)	-	(944,343)	(694,891)
Net Profit for the Year	1,001,937	501,801	95,238	178,815	39,403	29,911	(52,353)	(24,456)	1,084,225	686,071
Segment Assets	82,416,846	69,978,230	3,775,253	4,077,828	799,536	767,032	(3,823,024)	(4,398,003)	83,168,611	70,425,087
Goodwill	-	-	-	-	-	-	79,261	79,261	79,261	79,261
Total Assets	82,416,846	69,978,230	3,775,253	4,077,828	799,536	767,032	(3,743,763)	(4,318,742)	83,247,872	70,504,348
Segment Liabilities	75,836,732	65,360,893	3,287,815	3,640,129	64,985	58,794	(3,201,891)	(3,768,883)	75,987,641	65,290,933
Deferred Liabilities	448,595	431,150	-	-	-	-	7,205	4,554	455,800	436,604
Total Liabilities	76,285,327	65,792,043	3,287,815	3,640,129	64,985	58,794	(3,194,686)	(3,763,429)	76,443,441	65,727,537

BALANCE SHEET

As at	BANK			GROUP		
	31.12.2010		Change	31.12.2010		Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
On-Balance Sheet Assets						
Cash in Hand	873,295	865,510	1	873,303	865,510	1
Balances with Central Bank of Sri Lanka	2,416,235	2,043,624	18	2,416,235	2,043,624	18
Due from Banks and Other Financial Institutions	5,910,132	9,519,300	(38)	4,716,959	6,906,289	(32)
Investments-Trading Account						
Government Securities	15,195,791	9,638,564	58	10,333,313	11,437,873	40
Investments-Held-to-Maturity						
Government Securities	8,898,162	8,939,492	(0)	9,467,234	10,030,393	(6)
Other Securities	240,046	355,215	(32)	240,046	355,215	(32)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Total Loans and Advances						
Total Performing Sri Lanka						
Bills of Exchange	479,155	113,934	321	479,155	113,934	321
Overdrafts	10,334,396	5,416,991	91	10,334,396	5,416,991	91
Lease Rentals Receivable within One Year	3,092,713	3,310,695	(7)	3,092,713	3,310,695	(7)
Lease Rentals Receivable after One Year	5,153,565	3,97				