



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

INTERIM FINANCIAL STATEMENT For the Nine months ended September 30, 2014

Performance Review – 3Q 2014

Nations Trust continues its resilient performance amidst challenges

The Bank closed the 9 months ending 30th September 2014 with a post-tax profit of Rs.1,987Mn recording a growth of 24% over the corresponding period in 2013. The quarter performance was commendable too, with a post-tax profit growth of 35% over the previous period. Revenue growth of 24% for the period of 9 months was driven by net interest income growth of 19% and higher trading income attributed to foreign exchange and realized and M2M gains arising from the FIS portfolio. Return on equity improved to 21.55% for the current year showcasing a well balanced performance. The year commenced with a lackluster demand for credit across the industry and mirroring industry performance, the Bank witnessed a sluggish growth in the loan portfolio in the first half of the year which picked up considerably in the current quarter. The loan book recorded a 10% increase for the 9 months and a 15% YoY increase.

The reduction in interest rates saw both asset and liability yields declining. However the drop in cost of deposits outweighed the drop in loan yields thereby contributing to improved NIMs. The Bank relentlessly pursued strategies to improve the mix in higher yielding assets whilst pushing for growth in low cost deposits. Low cost funds recorded a growth of 22% for the 9 months with CASA improving to 30% of deposits.

Net fees and commission recorded a growth of 10% mainly attributable to the solid performance demonstrated by credit cards throughout the period. Acquisition of new cards and increased spend during the period contributed towards higher fee generation in cards. Bank endured many challenges in growing trade finance income owing to slow growth in corporate assets and import volumes in the economy. Focused effort put in to revive trade finance business through multiple channels resulted in growing trade income during the current quarter. Net trading income on account of foreign currency recorded marginal losses on funding SWAPs due to the adverse movement in forward premiums. However, the losses recorded for the current period is far lower than for the previous year. Both trading and M2M gains on the FIS portfolio was significantly higher than the previous period.

The Impairment charge for the current 9 month period amounted to Rs. 788.9Mn with the higher incremental impact over the previous period arising from credit card and leasing portfolios. Retail and SME have shown a significant improvement in portfolio quality whilst impairment on pawning is also at manageable levels. Bank has undertaken appropriate measures to strengthen its leasing and credit card recovery processes to stabilize these portfolios and the resulting impairment charge.

Operating expenses recorded an increase of 16% over the previous period mainly on account of the expansion strategy. YoY increase of 24% in the branch network together with the growth in off-site ATMs and technology investments have contributed to the increase in the operating cost base. The higher increase in revenue has had a positive impact on bringing down the cost income ratio to 52% from the 56% in the corresponding period. Bearing in mind the impact of additional expenses directly attributable to the core banking upgrade, which would materialise in the last quarter, cost management initiatives have been further strengthened. A noteworthy achievement is the consecutive trending down of the cost income ratio in every quarter during the current year. The Bank is firmly committed towards driving its C:I ratio to below 50% in the medium term.

The capital position was sound at Rs.14.5Bn with the Capital Adequacy Ratios, despite a drop over December 2013 being maintained at comfortable levels. The drop is mainly attributable to the expansion of the balance sheet of theBank.

During the past 9 months, theBank reaffirmed its business strategies on providing customer convenience and product innovation through the branch expansion strategy, launch of new products and the successful implementation of the state of the art new core banking solution. 14 new branches and 4 offsite ATMs were opened in key geographies thereby taking its customer touch points to 118 locations. New products targeting various customer segments were launched including Nations Leasing Plus, Nations Trader, FCY Home Loans, Travel card on both Amex and Master, Dual Currency deposits and Fx Options.

The first nine month results are very encouraging and we are very much on track to achieve the targets set for the year. Our focus for the remainder of the year is to capitalize on our new core banking solution thereby realizing its technical capabilities to the fullest to support our enterprise level priorities. The improved trend in the business landscape is expected to continue and we are hopeful that the positive trends seen in credit growth will continue beyond 2014. We look forward to concluding yet another rewarding year.

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
INCOME STATEMENT

	Bank						Group					
	Nine months ended 30 September			Quarter ended 30 September			Nine months ended 30 September			Quarter ended 30 September		
	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)
Gross Income	15,496,546	14,912,247	4	5,515,828	5,057,757	9	15,738,344	15,185,485	4	5,600,625	5,158,804	9
Interest Income	12,958,055	13,134,513	(1)	4,409,745	4,351,543	1	13,119,121	13,315,491	(1)	4,462,657	4,419,875	1
Less : Interest Expense	(6,534,384)	(7,791,191)	(16)	(2,090,734)	(2,437,790)	(14)	(6,541,508)	(7,799,818)	(16)	(2,097,326)	(2,445,834)	(14)
Net Interest Income	6,423,671	5,343,322	20	2,319,011	1,913,753	21	6,577,613	5,515,673	19	2,365,331	1,974,041	20
Fees and Commission Income	2,083,847	1,865,769	12	738,747	705,891	5	2,191,822	1,974,439	11	779,783	744,254	5
Less : Fees and Commission Expense	(181,465)	(140,873)	29	(60,891)	(48,495)	26	(181,668)	(140,879)	29	(61,094)	(48,495)	26
Net Fees and Commission Income	1,902,382	1,724,896	10	677,856	657,396	3	2,010,154	1,833,560	10	718,689	695,759	3
Net Trading Income / (Expense)	221,560	(308,220)	172	268,038	(61,623)	535	205,567	(309,976)	166	258,887	(67,286)	485
Other Operating Income	233,084	220,185	6	99,298	61,946	60	221,834	205,531	8	99,298	61,961	60
Total Operating Income	8,780,697	6,980,183	26	3,364,203	2,571,472	31	9,015,168	7,244,788	24	3,442,205	2,664,475	29
Impairment Charge /(Reversal) for Loans and Receivables	789,516	490,316	61	352,370	208,580	69	788,965	491,985	60	351,544	209,622	68
Individual Impairment	(615)	29,899	(102)	64,140	20,112	219	(615)	29,899	(102)	64,140	20,112	219
Collective Impairment	790,131	460,417	72	288,230	188,468	53	789,580	462,086	71	287,404	189,510	52
Net Operating Income	7,991,181	6,489,867	23	3,011,833	2,362,892	27	8,226,203	6,752,803	22	3,090,661	2,454,853	26
Less : Expenses												
Personnel Expenses	2,012,737	1,721,023	17	724,008	580,596	25	2,036,038	1,747,408	17	731,288	589,215	24
Depreciation of Property, Plant and Equipment	213,344	177,706	20	73,847	63,176	17	222,067	186,355	19	76,745	66,073	16
Amortization of Intangible Assets	108,146	94,262	15	32,923	32,838	0	110,239	96,397	14	33,621	33,609	0
Other Operating Expenses	2,306,152	2,008,601	15	802,917	740,758	8	2,303,872	2,004,178	15	801,710	738,738	9
Total Operating Expenses	4,640,379	4,001,592	16	1,633,695	1,417,368	15	4,672,216	4,034,338	16	1,643,364	1,427,635	15
Operating Profit before Value Added Tax (VAT)	3,350,802	2,488,275	35	1,378,138	945,524	46	3,553,987	2,718,465	31	1,447,297	1,027,218	41
Less : Value Added Tax (VAT) on Financial Services	559,267	399,897	40	218,683	144,165	52	573,047	414,084	38	222,168	148,985	49
Profit before Income Tax	2,791,535	2,088,378	34	1,159,455	801,359	45	2,980,940	2,304,381	29	1,225,129	878,233	39
Less : Income Tax Expense	937,654	643,080	46	377,218	240,614	57	993,601	707,931	40	395,054	262,090	51
Profit for the Period	1,853,881	1,445,298	28	782,237	560,745	39	1,987,339	1,596,450	24	830,075	616,143	35
Earnings Per Share												
Basic Earnings Per Share (Rs.)	8.04	6.27	28	3.39	2.43	40	8.62	6.92	24	3.60	2.67	35

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF OTHER COMPREHENSIVE INCOME



	Bank						Group					
	Nine months ended 30 September			Quarter ended 30 September			Nine months ended 30 September			Quarter ended 30 September		
	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)
Profit for the period	1,853,881	1,445,298	28	782,237	560,745	39	1,987,339	1,596,450	24	830,075	616,143	35
Other Comprehensive Income												
Net gains on re-measuring Available-For-sale financial assets Sri Lanka Government Securities	74	-	100	74	-	100	74	-	100	74	-	100
Total Comprehensive Income for the Period, Net of Tax	1,853,955	1,445,298	28	782,311	560,745	40	1,987,413	1,596,450	24	830,149	616,143	35
Attributable to:												
Equity holders of the parent	1,853,955	1,445,298	28	782,311	560,745	40	1,987,413	1,596,450	24	830,149	616,143	35

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.09.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)	Change %	30.09.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)	Change %
On Balance sheet Assets						
Cash and Cash Equivalents	4,951,863	3,019,735	64	4,957,681	3,019,774	64
Balances with Central Bank of Sri Lanka	3,983,231	4,031,763	(1)	3,983,231	4,031,763	(1)
Placements with Banks	-	-	-	-	-	-
Derivative Financial Instruments	71,806	121,491	(41)	71,806	121,491	(41)
Reverse Repurchase Agreements	3,325,610	1,459,506	128	2,397,128	552,236	334
Other Financial Assets Held-for-Trading	18,760,487	23,365,388	(20)	19,809,820	24,460,493	(19)
Other Financial Assets	3,203,543	2,198,582	46	3,203,543	2,198,582	46
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Loans & Receivables to Banks	-	-	-	-	-	-
Loans & Receivables to Other Customers	89,242,758	81,128,760	10	89,932,058	82,327,255	9
Financial Investments - Available-for-sale	218,014	-	100	218,014	-	100
Financial Investments - Held-to-Maturity	22,402,540	19,734,821	14	22,470,186	19,794,014	14
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-	-
Property, Plant & Equipment	1,649,790	1,545,426	7	2,145,319	2,048,442	5
Investment Properties	-	-	-	-	-	-
Intangible Assets	1,091,830	665,130	64	1,104,616	680,007	62
Deferred Tax Assets	91,776	156,376	(41)	93,163	157,541	(41)
Other Assets	3,028,346	2,813,219	8	3,104,808	2,893,700	7
Total Assets	152,700,304	140,918,907	8	153,491,372	142,285,298	8

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.09.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)	Change %	30.09.2014 Rs. '000	31.12.2013 Rs. '000 (Audited)	Change %
On Balance sheet Liabilities						
Due to Banks	1,564,623	1,401,473	12	1,564,623	1,401,473	12
Derivative Financial Instruments	374,442	633,625	(41)	374,442	633,625	(41)
Other Financial liabilities Held-for-Trading	-	-	-	-	-	-
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Repurchase Agreements	20,100,381	18,101,824	11	19,735,326	18,067,817	9
Due to Other Customers	103,987,554	96,036,198	8	103,960,160	95,729,533	9
Other Borrowings	971,074	1,358,291	(29)	971,073	3,161,325	(69)
Debt Securities Issued	-	-	-	-	-	-
Current Tax Liabilities	530,874	332,732	60	558,738	383,318	46
Deferred Tax Liabilities	496,938	498,138	(0)	496,938	498,138	(0)
Other Liabilities	5,719,159	4,924,812	16	5,791,258	5,027,145	15
Due to Subsidiaries	-	-	-	-	-	-
Subordinated Term Debts	6,794,902	6,841,137	(1)	6,797,513	5,644,761	20
Total Liabilities	140,539,947	130,128,230	8	140,250,071	130,547,135	7
Equity						
Stated Capital / Assigned Capital (230,607,283 Ordinary Shares)	5,101,369	5,101,369	-	5,101,369	5,101,369	-
Statutory Reserve Fund	419,305	419,305	-	419,305	419,305	-
Retained Earnings	5,442,961	4,183,983	30	6,451,676	5,067,107	27
Other Reserves	1,196,722	1,086,020	10	1,268,951	1,150,382	10
Total Shareholders' Equity	12,160,357	10,790,677	13	13,241,301	11,738,163	13
Total Equity and Liabilities	152,700,304	140,918,907	8	153,491,372	142,285,298	8
Contingent Liabilities and Commitments	97,445,699	90,180,741	8	98,169,901	90,266,632	9
Memorandum Information						
Number of Employees	2,514	2228		2,547	2262	
Number of Branches	86	72		86	72	
Number of Off-Site ATMs	32	28		32	28	

CERTIFICATION :

I certify that these Financial Statements comply with the requirements of the Companies Act No.7 of 2007.

.....
(Sgd.) Ajith Akmeemana
Chief Financial Officer

We, the undersigned being the Chairman ,Director and Director / Chief Executive Officer of Nations Trust Bank 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.
(b) the information contained in these statements has been extracted from the unaudited financial statements of the Bank and its Subsidiaries unless indicated as audited.

.....
(Sgd.) K.N.J.Balendra
Chairman

.....
(Sgd.) A.R. Rasiah
Director

.....
(Sgd.) R.N. K. Fernando
Director / Chief Executive Officer

10 November 2014
Colombo

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
SELECTED PERFORMANCE INDICATORS (As per Regulatory Reporting)

Item	Bank		Group	
	30.09.2014	31.12.2013 (Audited)	30.09.2014	31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	10,306,401	10,790,677	11,244,388	11,728,663
Total Capital Base, Rs. '000	13,623,459	14,931,939	14,561,446	15,869,926
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	11.24%	13.91%	12.12%	14.78%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.85%	19.25%	15.70%	20.00%
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	4.61%	3.52%	4.59%	3.51%
Net-Non Performing Advances,%(net of interest in suspense and provision)	2.95%	2.14%	2.94%	2.13%
Profitability				
Interest Margin, %	5.86%	5.69%	-	-
Return on Assets (before Tax), %	2.55%	2.30%	2.70%	2.38%
Return on Equity, %	21.91%	21.34%	21.55%	19.49%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	30,837,810	33,620,716	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	25.11%	25.26%	-	-
Off-Shore Banking Unit	53.85%	41.92%	-	-
Net Assets Value Per Share (Rs.)	52.73	46.79	57.42	50.90
Market Price Per Share (Rs.)	30.09.2014 (Quarter ended)	30.09.2013 (Quarter ended)		
Highest	90.80	65.50		
Lowest	71.10	57.00		
Last Traded Price	90.00	60.50		

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY



BANK	Stated Capital	Retained Earnings	Statutory Reserve Fund	Investment Fund Account*	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2013	5,101,369	3,153,852	313,663	593,236	9,162,120
Profit For the Period	-	1,445,298	-	-	1,445,298
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	1,445,298	-	-	1,445,298
Dividend paid for 2012	-	(484,275)	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(363,660)	-	363,660	-
As at 30 September 2013	5,101,369	3,751,215	313,663	956,896	10,123,143
As at 01 January 2014	5,101,369	4,183,983	419,305	1,086,020	10,790,677
Profit For the Period	-	1,853,881	-	-	1,853,881
Other Comprehensive Income	-	74	-	-	74
Total Comprehensive Income	-	1,853,955	-	-	1,853,955
Dividend paid for 2013	-	(484,275)	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(110,702)	-	110,702	-
As at 30 September 2014	5,101,369	5,442,961	419,305	1,196,722	12,160,357
GROUP					
	Stated Capital	Retained Earnings	Statutory Reserve Fund	Investment Fund Account*	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2013	5,101,369	4,044,303	313,663	635,925	10,095,260
Profit For the Period	-	1,596,450	-	-	1,596,450
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	-	1,596,450	-	-	1,596,450
Dividend paid for 2012	-	(484,275)	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(379,318)	-	379,318	-
As at 30 September 2013	5,101,369	4,777,160	313,663	1,015,243	11,207,435
As at 01 January 2014	5,101,369	5,067,107	419,305	1,150,382	11,738,163
Profit For the Period	-	1,987,339	-	-	1,987,339
Other Comprehensive Income	-	74	-	-	74
Total Comprehensive Income	-	1,987,413	-	-	1,987,413
Dividend paid for 2013	-	(484,275)	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(118,569)	-	118,569	-
As at 30 September 2014	5,101,369	6,451,676	419,305	1,268,951	13,241,301

*Investment Fund Account is established and operated based on the Guidelines on the Operations of the Investment Fund Account issued by the Central Bank of Sri Lanka on April 29, 2011 with the concurrence of the Commissioner - General of Inland Revenue.

* Tax saving on the reduction of tax rates transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and Central Bank of Sri Lanka. Loans amounting to Rs. 988 Mn. were granted under this scheme.

For the Nine months Ended 30 September	Bank		Group	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	11,365,911	12,869,751	11,518,097	13,037,883
Receipts of Fees and Commission Income	2,081,259	1,861,269	2,188,272	1,943,043
Payments of Interest Expense	(5,770,589)	(8,076,850)	(5,774,714)	(8,081,042)
Payments of Fees and Commission Expense	(181,465)	(140,873)	(177,077)	(136,879)
Net Trading Income	390,305	(373,888)	390,305	(373,888)
Receipts from Other Operating Income	232,417	218,649	205,758	202,369
Gratuity Payments Made	(16,345)	(20,647)	(18,900)	(20,647)
Payments for Operating Expenses	(4,588,579)	(4,063,294)	(4,631,205)	(4,105,785)
Net Cash Flow from Operating Activities before Income Tax (A)	3,512,914	2,274,117	3,700,536	2,465,054
Income Tax paid	(413,053)	(540,333)	(479,903)	(595,426)
Operating Profit before Changes in Operating Assets and Liabilities	3,099,861	1,733,784	3,220,633	1,869,628
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	(1,846,447)	2,082,734	(1,825,042)	2,184,488
Derivative Financial Instruments	49,685	8,505	49,685	8,505
Financial Investments Held for Trading	4,689,834	(8,678,728)	4,735,606	(8,696,811)
Financial Investments-Held to Maturity	(1,973,055)	3,209,284	(1,981,508)	3,150,766
Financial Investments-Available-for-sale	(218,014)	-	(218,014)	-
Other Financial Assets	(1,030,604)	(236,349)	2,621,540	(236,133)
Loans & Receivables to Other Customers	(8,655,953)	(4,263,182)	(8,120,372)	(4,988,543)
Other Assets	(228,822)	(885,715)	(235,489)	(891,454)
(Increase)/Decrease in Operating Assets	(9,213,376)	(8,763,451)	(4,973,594)	(9,469,182)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	2,005,990	537,308	(1,998,646)	435,554
Due to Other Customers	7,738,516	8,269,399	8,017,787	8,556,604
Derivative Financial Instruments	(259,183)	(343,725)	(259,183)	(343,725)
Other Liabilities	580,371	1,429,589	527,801	1,423,173
Increase/(Decrease) in Operating Liabilities	10,065,694	9,892,571	6,287,759	10,071,606
Net Cash Flows from Operating Activities	3,952,179	2,862,904	4,534,798	2,472,052
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(318,852)	(265,156)	(320,089)	(267,172)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	941	1,124	941	1,124
Purchase of Intangible Assets	(534,846)	(139,531)	(534,847)	(139,969)
	(852,757)	(403,563)	(853,995)	(406,017)
Cash Flows from Financing Activities				
Net change in Debt issued and other Borrowed Funds	(456,787)	(1,223,116)	(1,038,169)	(779,808)
Repayment of Subordinated Debt	(67,325)	(1,634,650)	(67,325)	(1,634,650)
Interest paid on Subordinated Debt	(441,939)	(257,087)	(441,939)	(257,087)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	(1,450,326)	(3,599,128)	(2,031,708)	(3,155,820)
Net Increase in Cash and Cash Equivalents	1,649,096	(1,139,787)	1,649,095	(1,089,785)
Cash and Cash Equivalents at the beginning of the Period	6,960,012	7,510,041	6,960,051	7,510,139
Cash and Cash Equivalents at the end of the Period	8,609,108	6,370,254	8,609,146	6,420,354
Reconciliation of Cash and Cash Equivalents				
Cash on Hand	3,552,747	2,486,651	3,573,541	2,486,661
Statutory Deposit with the Central Bank of Sri Lanka	3,983,231	3,753,988	3,983,231	3,753,988
Balances with Banks	463,848	363,516	443,092	413,606
Money at Call and Short Notice	935,269	10,002	935,269	10,002
Deposits from Other Banks	(325,987)	(243,903)	(325,987)	(243,903)
	8,609,108	6,370,254	8,609,146	6,420,354
A. Reconciliation of Operating Profit				
Profit before Taxation	2,791,535	2,088,378	2,980,940	2,304,381
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	(667)	(1,537)	(667)	(1,537)
Impairment charge / (Reversal) for Loans and Receivables	789,516	490,316	788,965	491,985
Provision for Gratuity	75,933	66,228	77,325	68,105
(Increase) / Decrease in Interest Receivable	(1,114,056)	(264,762)	(1,112,251)	(268,780)
Increase/ (Decrease) in Interest Payable	763,796	(285,659)	760,482	(285,740)
Increase / (Decrease) in Financial Guarantee Liabilities	(2,589)	(4,500)	(2,589)	(4,500)
Other Receivables	14,640	-	14,640	-
Other Payables	143,942	-	143,942	-
Other Non cash items	67,209	206,300	68,649	181,786
Gratuity Payments Made	(16,345)	(20,647)	(18,900)	(20,647)
	3,512,914	2,274,117	3,700,536	2,465,054

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



	HFT at Fair Value		Financial Derivatives at Fair Value		HTM at Amortised Cost		L & R at Amortised Cost		AFS		Other Financial Liabilities at Amortised Cost		Total	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
BANK														
Rs. '000	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,951,863	3,019,735	-	-	-	-	4,951,863	3,019,735
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	3,983,231	4,031,763	-	-	-	-	3,983,231	4,031,763
Derivative Financial Instruments	-	-	71,806	121,491	-	-	-	-	-	-	-	-	71,806	121,491
Reverse Repurchase Agreements	-	-	-	-	-	-	3,325,610	1,459,506	-	-	-	-	3,325,610	1,459,506
Financial Assets - Held for Trading	18,760,487	23,365,388	-	-	-	-	-	-	-	-	-	-	18,760,487	23,365,388
Other Financial Assets	-	-	-	-	-	-	3,203,543	2,198,582	-	-	-	-	3,203,543	2,198,582
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	89,242,758	81,128,760	-	-	-	-	89,242,758	81,128,760
Financial Investments - Available-for-sale	-	-	-	-	-	-	-	-	218,014	-	-	-	218,014	-
Financial Assets - Held to Maturity	-	-	-	-	22,402,540	19,734,821	-	-	-	-	-	-	22,402,540	19,734,821
Total Financial Assets	18,760,487	23,365,388	71,806	121,491	22,402,540	19,734,821	104,707,005	91,838,346	218,014	-	-	-	146,159,851	135,060,046
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	1,564,623	1,401,473	1,564,623	1,401,473
Derivative Financial Instruments	-	-	374,442	633,625	-	-	-	-	-	-	-	-	374,442	633,625
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	20,100,381	18,101,824	20,100,381	18,101,824
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	103,987,554	96,036,198	103,987,554	96,036,198
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	7,765,976	8,199,428	7,765,976	8,199,428
Total Financial Liabilities	-	-	374,442	633,625	-	-	-	-	-	-	133,418,534	123,738,923	133,792,976	124,372,548

GROUP

	HFT at Fair Value		Financial Derivatives at Fair Value		HTM at Amortised Cost		L & R at Amortised Cost		AFS		Other Financial Liabilities at Amortised Cost		Total	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Rs. '000	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,957,681	3,019,774	-	-	-	-	4,957,681	3,019,774
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	3,983,231	4,031,763	-	-	-	-	3,983,231	4,031,763
Derivative Financial Instruments	-	-	71,806	121,491	-	-	-	-	-	-	-	-	71,806	121,491
Reverse Repurchase Agreements	-	-	-	-	-	-	2,397,128	552,236	-	-	-	-	2,397,128	552,236
Financial Assets - Held for Trading	19,809,820	24,460,493	-	-	-	-	-	-	-	-	-	-	19,809,820	24,460,493
Other Financial Assets	-	-	-	-	-	-	3,203,543	2,198,582	-	-	-	-	3,203,543	2,198,582
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	89,932,058	82,327,255	-	-	-	-	89,932,058	82,327,255
Financial Investments - Available-for-sale	-	-	-	-	-	-	-	-	218,014	-	-	-	218,014	-
Financial Assets - Held to Maturity	-	-	-	-	22,470,186	19,794,014	-	-	-	-	-	-	22,470,186	19,794,014
Total Financial Assets	19,809,820	24,460,493	71,806	121,491	22,470,186	19,794,014	104,473,641	92,129,610	218,014	-	-	-	147,043,466	136,505,608
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	1,564,623	1,401,473	1,564,623	1,401,473
Derivative Financial Instruments	-	-	374,442	633,625	-	-	-	-	-	-	-	-	374,442	633,625
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	19,735,326	18,067,817	19,735,326	18,067,817
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	103,960,160	95,729,533	103,960,160	95,729,533
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	7,768,586	8,806,086	7,768,586	8,806,086
Total Financial Liabilities	-	-	374,442	633,625	-	-	-	-	-	-	133,028,695	124,004,909	133,403,137	124,638,534

HFT -Held for Trading
HTM - Held-to-Maturity
L&R- Loans and Receivables
AFS- Available-for-sale

**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
ADDITIONAL QUARTERLY DISCLOSURES**

(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

	Bank		Group	
	30.09.2014 Rs. '000	31.12.2013 Rs. '000	30.09.2014 Rs. '000	31.12.2013 Rs. '000
1) Loans and Receivables To Other Customers				
Gross Loans and Receivables	89,808,306	81,533,347	90,496,106	82,730,891
(Less) : Individual Impairment	(620,363)	(620,978)	(620,363)	(620,978)
Collective Impairment	(1,453,340)	(1,154,216)	(1,451,840)	(1,153,265)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	87,734,603	79,758,153	88,423,903	80,956,648
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	87,734,603	79,758,153	88,423,903	80,956,648
Staff Loans	2,392,720	2,181,943	2,392,720	2,181,943
Less : Allowance for Day 1 Difference	(884,565)	(811,336)	(884,565)	(811,336)
	1,508,155	1,370,607	1,508,155	1,370,607
	89,242,758	81,128,760	89,932,058	82,327,255

	Bank		Group	
	30.09.2014 Rs. '000	31.12.2013 Rs. '000	30.09.2014 Rs. '000	31.12.2013 Rs. '000
2) Gross Loans and Receivables to Other Customers -By Product				
By Product -Domestic Currency				
Bills of Exchange	100,443	66,229	100,443	66,229
Overdrafts	17,404,515	17,739,197	17,404,515	17,739,197
Term Loans	24,593,769	20,606,186	24,593,769	20,606,185
Staff Loans	2,392,720	2,181,943	2,392,720	2,181,943
Leases	24,645,031	21,738,216	24,645,031	21,738,216
Credit Cards	11,459,094	9,997,774	11,459,094	9,997,774
Pawning Advance	1,354,963	2,422,265	1,354,963	2,422,265
Corporate Debt Securities	1,774,008	1,578,457	1,774,008	1,578,457
Housing Loans	1,362,076	985,152	1,362,076	985,152
Other Advances	3,516,347	2,171,617	4,204,146	3,369,162
Sub Total	88,602,966	79,487,036	89,290,765	80,684,580
By Product -Foreign Currency				
Bills of Exchange	407,592	368,743	407,592	368,743
Overdrafts	88,788	70,329	88,788	70,329
Term Loans	726,174	2,190,703	726,174	2,190,703
Other Advances	2,375,507	1,598,479	2,375,507	1,598,479
Sub Total	3,598,061	4,228,254	3,598,061	4,228,254
Total	92,201,027	83,715,290	92,888,826	84,912,834

(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Banks and Other Customers

	Bank		Group	
	30.09.2014 Rs. '000	31.12.2013 Rs. '000	30.09.2014 Rs. '000	31.12.2013 Rs. '000
Individual Impairment				
Opening Balance	620,978	1,120,502	620,978	1,120,502
Charge/ (Reversal) to Income Statement	(615)	(499,524)	(615)	(499,524)
Closing Balance	620,363	620,978	620,363	620,978
Collective Impairment				
Opening Balance	1,154,216	704,788	1,153,265	702,646
Charge/ (Reversal) to Income Statement	784,259	937,638	783,710	938,829
Amounts written off during the Period	(485,135)	(488,210)	(485,135)	(488,210)
Closing Balance	1,453,340	1,154,216	1,451,840	1,153,265
Total Impairment	2,073,703	1,775,194	2,072,203	1,774,243

4) Due to Other Customers -By Product

	Bank		Group	
	30.09.2014 Rs. '000	31.12.2013 Rs. '000	30.09.2014 Rs. '000	31.12.2013 Rs. '000
By Product -Domestic Currency				
Demand Deposits	11,052,130	8,715,316	11,024,736	8,664,708
Savings Deposits	15,408,998	11,687,808	15,408,998	11,687,808
Call Deposits	370,352	492,697	370,352	492,697
Fixed Deposits	61,920,092	56,437,719	61,920,092	56,181,662
Certificate of Deposits	1,531,972	2,867,362	1,531,972	2,867,362
Sub Total	90,283,544	80,200,902	90,256,150	79,894,237
By Product -Foreign Currency				
Demand Deposits	672,380	770,891	672,380	770,891
Savings Deposits	3,201,468	3,190,449	3,201,468	3,190,449
Call Deposits	10,798	239,381	10,798	239,381
Fixed Deposits	9,819,364	11,634,575	9,819,364	11,634,575
Sub Total	13,704,010	15,835,296	13,704,010	15,835,296
Total	103,987,554	96,036,198	103,960,160	95,729,533

DEBENTURE INFORMATION



The rated unsecured subordinated redeemable debentures 2011/16 and 2013/18 of the Bank are listed in the Colombo Stock Exchange.

Debenture Categories	CSE Listing	Interest Payable Frequency	Balance as at 30.09.2014 Rs. '000	Balance as at 30.09.2013 Rs. '000	Market Values			Interest Rates		Interest rate of Comparable Government Security		Other Ratios as at date of last trade	
					Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Effective Annual Yield %	30.09.2014 %	30.09.2013 %	Interest Yield %	Yield to Maturity %
Fixed Rate	NTBD0163	Semi -Annually	1,525,000	1,525,000	1,045.16	1,026.90	1,045.16	11.50	11.83	6.17	11.19	11.00	8.86
Fixed Rate	NTBD0164	Semi -Annually	200,000	200,000	Not traded			11.00	11.30	6.17	11.19	Not traded	
Fixed Rate	NTBD0165	Semi -Annually	275,000	275,000	Not traded			11.50	11.83	6.17	11.19	Not traded	
Fixed Rate	NTBD0266	Semi -Annually	3,000,000		111.95	111.95	111.95	13.00	13.42	6.55	0.00	11.61	9.50
Total Debentures			5,000,000	2,000,000									

Ratios of Debt	30.09.2014	30.09.2013
* Debt / Equity Ratio %	55.11%	37.38%
Interest Cover (Times)	6.27	5.93

* All Subordinated debt and listed Senior debt are considered as Debt (numerator)

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
SEGMENT INFORMATION



Operating Segments Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Operating income	6,711,150	6,399,400	2,105,179	635,972	276,146	233,838	(77,308)	(24,422)	9,015,168	7,244,788
Impairment Charge/(Reversal) for Loans and Receivables	789,516	490,316	-	-	-	-	(551)	1,669	788,965	491,985
Net Operating income	5,921,634	5,909,084	2,105,179	635,972	276,146	233,838	(76,757)	(26,091)	8,226,203	6,752,803
Extracts of results										
Interest Income	9,716,518	10,153,607	3,216,361	3,011,890	251,785	323,115	(65,544)	(173,121)	13,119,121	13,315,491
Inter Segment	(255,340)	349,107	255,340	(349,107)	-	-	-	-	-	-
Interest Expense	(4,915,845)	(6,056,921)	(1,564,867)	(1,689,367)	(97,843)	(226,491)	37,048	172,960	(6,541,508)	(7,799,818)
Net Interest Income	4,545,333	4,445,793	1,906,834	973,416	153,942	96,624	(28,496)	(160)	6,577,613	5,515,673
Fees and Commission Income	2,155,860	1,867,663	-	-	142,853	143,103	(106,891)	(36,326)	2,191,822	1,974,439
Fees and Commission Expense	(181,456)	(127,784)	(29,368)	(33,373)	(4,656)	(4,132)	33,812	24,409	(181,668)	(140,879)
Net fee and commission income	1,974,404	1,739,879	(29,368)	(33,373)	138,197	138,971	(73,079)	(11,917)	2,010,154	1,833,560
Net Trading Income	-	-	221,560	(310,293)	(15,993)	(1,757)	-	2,073	205,567	(309,976)
Other Operating Income	191,413	213,727	6,154	6,223	-	-	24,268	(14,419)	221,834	205,531
Depreciation of Property, Plant and Equipment	125,733	102,205	723	75,655	8,723	8,649	86,887	(154)	222,067	186,355
Amortization of Intangible Assets	22,454	45,620	9,210	48,488	2,093	2,135	76,482	154	110,239	96,397
Segment Profit / (Loss) before Value Added Tax	1,726,082	2,221,820	1,792,618	640,045	211,192	231,223	(175,904)	(374,624)	3,553,987	2,718,465
Value Added Tax & Income Tax Expense	-	-	-	-	(65,123)	(64,851)	(1,501,525)	(1,057,164)	(1,566,648)	(1,122,015)
Profit for the year	1,726,082	2,221,820	1,792,618	640,045	146,069	166,372	(1,677,429)	(1,431,787)	1,987,339	1,596,450
Capital Expenditures										
Property and Equipment	213,878	169,696	149	98,560	-	-	106,062	(1,085)	320,089	267,172
Other Intangible Assets	959	45,265	-	92,709	-	-	533,888	1,995	534,847	139,969
Total Assets	90,141,604	78,262,513	57,297,270	48,899,280	3,424,235	3,617,798	2,628,262	(409,525)	153,491,372	130,370,066
Total Liabilities	106,968,838	97,286,629	30,159,993	21,831,917	1,679,115	1,872,447	1,442,125	(1,828,362)	140,250,071	119,162,631

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES



Explanatory Notes:

- (1) The Group figures include those of the Subsidiaries, Waldock Mackenzie Limited, Allied Properties Limited, Nations Insurance Brokers Limited (formerly MLL Insurance Brokers Limited). Further a Liquidator has been appointed on 03 June 2013 to wind up Mercantile Leasing (Financial Services) Limited, Subsidiary of the Bank.
- (2) These Financial Statements are prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKASs) and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange and the Directions issued by the Central Bank of Sri Lanka. Comparative figures have been remeasured / reclassified where necessary to comply with the Central Bank guidelines and SLFRS / LKASs.
- (3) These Interim financial statements are presented in accordance with LKAS 34 - Interim Financial Reporting and there are no changes to the accounting policies and methods of computation as against those disclosed in the Annual Report for the year ended 31st December 2013.
- (4) There are no material changes to contingent assets and liabilities since 30.09.2014 and the balances reflected are due to transactions carried out in the normal course of Banking Business.
- (5) No material events have taken place since 30.09.2014 that require disclosure or/and adjustments in these accounts and all known expenditure have been provided in these financial statements.

The above figures are provisional and subject to audit.

NATIONS TRUST BANK PLC
FOR THE PERIOD ENDED 30 SEPTEMBER 2014



Twenty largest Shareholders

Name of the Shareholder	No. of Shares	%
John Keells Holdings PLC.	46,121,536	20.00
DFCC Bank A/C No 01	22,865,356	9.92
Mackinnons Keells Limited	22,830,159	9.90
HWIC Asia Fund	21,849,298	9.47
Central Finance Company PLC A/C No 03	20,715,400	8.98
CF Growth Fund Limited A/C No 01	14,813,273	6.42
CF Insurance Brokers (Pvt) Limited.	10,592,857	4.59
Janashakthi Insurance PLC (Share Holders)	3,856,244	1.67
The Ceylon Guardian Investment Trust PLC A/C #02	3,492,685	1.51
The Ceylon Investment PLC A/C #02	3,173,595	1.38
Mr.M.F. Hashim	2,600,000	1.13
Janashakthi Insurance PLC (Policy Holders)	2,111,728	0.92
Trading Partners (Pvt) Limited	2,092,171	0.91
Renuka City Hotels PLC	1,858,775	0.81
Capital Development and Investment Company PLC A/c No;02	1,718,611	0.75
Bank of Ceylon - A/C No 02	1,546,100	0.67
Mr. N.R. Somaiya	1,320,624	0.57
Timex Garments (PVT) Limited	1,238,465	0.54
Deutsche Bank AG as Trustee for Namal Acuity Value Fund	1,200,000	0.52
AIA Insurance Lanka PLC A/c No;07	1,161,352	0.50
	187,158,229	81.16
Others	43,449,054	18.84
Total	230,607,283	100.00

	30.09.2014
Number of shareholders representing the public holding	6,982 49.80%

Directors' holding in shares as at 30 September 2014

Name of Director	No of Shares
Mr. K.N.J.Balendra	107,700
Mr. A.R. Rasiah	16,304
Mr. C.H.S.K. Piyaratna	100,400
Mrs. R.N. K. Fernando (Director / CEO)	68,700
Mr.K.O.V.S.M.S. Wijesinghe	39,650
Mr. J.G.A. Cooray	8,400
Dr. (Ms.) D. Weerakoon	-
Mr. M.E. Wickremesinghe	-
Mr. M Jafferjee	-
Dr. (Mr.) Kemal De. Soysa	-
Mr. D.P. De Silva	-
Ms. N. S. Panditaratne	-
Mr. C.L.K.P. Jayasuriya	-