



# **NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**

**Company Number PQ 118**

**Interim Financial Statements**

**For the Three months ended March 31, 2015**

## **Nations Trust commences the year with a steady performance**

The Bank closed the first quarter ending 31<sup>st</sup> March 2015 with a post-tax profit of Rs 493Mn underpinned by a moderate growth of 9% in operating income and a commendable containment of operating expenses growth to 5% over the corresponding quarter. These levels of growth in income and expenses resulted in the Bank improving core operating margins considerably but was somewhat hindered by higher impairment charges which impacted bottom line growth.

Net interest income recorded a growth of 8% over the previous period as the low interest rate operating environment brought about many challenges on asset re-pricing which was partly off-set by reducing cost of liabilities with the re-pricing of shorter tenor deposits. The resultant drop in interest income of 8% over previous period was offset by the drop in interest expenses of 22%. Overall, Banks NIMs did not record any significant movement as continuous efforts to grow low cost deposits improved the deposit mix which also assisted in reducing the cost of liabilities. Net fees and commission income recorded a growth of 20% for the period under review driven by credit card fee based income. The Bank continued to look towards enhancing its fee based income from products such as debit cards, transactional accounts, remittances, bancassurance and trade related products. Many initiatives were taken to promote these products through a concerted effort from the branches with product expertise sourced centrally. Foreign exchange income also recorded good growth with enhanced customer volumes and favourable rate movements benefiting proprietary trading. Net trading income recorded a loss for the period owing to marked to market losses on the FIS portfolio as a result of unfavorable movements in the underlying Government Securities yields.

Bottom line growth for the current period slowed due to higher impairment charges amounting to Rs.530Mn. The impairment charge for the period increased by 73% as compared to the corresponding period of 2014. This is primarily due to a one off charge where specific facilities have been fully provided. The drop in collective impairment for the current quarter is mainly attributable to charges made on account of pawning portfolio in the corresponding period.

Operating expenses were contained at a growth of 5% with personnel expenses maintained at previous year levels accounting for 42% of total expenses. There was also minimal growth in other operating expenses accounting for a further 48% of the total cost. Cost management initiatives

coupled with the implementation of lean concepts across the organization assisted in containing cost escalations despite a year on year increase in the branch network of 24% and higher depreciation charges resulting from the Core Banking System upgrade. A rapid move into digitalization platforms and workflows is also expected to pay rich dividends in cost management in ensuing years. Cost income ratio dropped from 54% to 52% in the current quarter showcasing encouraging trends in driving this ratio below 50% in the medium term.

The Bank was able to grow the loan book by 2% in the first quarter of 2015 even though high market liquidity and severe price competition prevailed during the period. However, the total asset growth was contained since the maturing FIS portfolio was not reinstated to the same level until a clear interest rate direction was observed.

The capital position was sound at Rs.17.0Bn with Capital Adequacy Ratios both at Tier 1 and 2 maintained at comfortable levels. ROE recorded a drop over the level reported for the full year 2014 due to the relatively lower post tax profit for the quarter. However with the anticipated steady growth in quarterly profits, an upward trend in ROE is expected as the Bank remains firmly committed towards delivering sustainable returns.

The channel expansion drive continued with the opening of the 90<sup>th</sup> branch at Narahenpita and an offsite ATM at Kalubowila. At the end of the quarter, total customer touch points serviced by the Bank stood at 125 giving seamless accessibility and convenience across the geographies.

Bank has withstood multiple challenges of narrowing NIMs, slow demand for credit, higher impairment charges and talent retention to record a commendable performance in the first quarter.

We remain undeterred and focused as we relentlessly pursue our goal to become 'The Primary Bank' for our target customer segments.

**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES  
INCOME STATEMENT**

|  | Bank                        |                  |               | Group                       |                  |               |
|--|-----------------------------|------------------|---------------|-----------------------------|------------------|---------------|
|  | Three months ended 31 March |                  |               | Three months ended 31 March |                  |               |
|  | 2015<br>Rs. '000            | 2014<br>Rs. '000 | Change<br>(%) | 2015<br>Rs. '000            | 2014<br>Rs. '000 | Change<br>(%) |
| <b>Gross Income</b>  | <b>4,791,900</b>            | 5,024,622        | (5)           | <b>4,861,265</b>            | 5,125,245        | (5)           |
| Interest Income  | 3,990,721                   | 4,304,510        | (7)           | 4,025,730                   | 4,371,032        | (8)           |
| Less : Interest Expense  | (1,781,018)                 | (2,280,353)      | (22)          | (1,781,146)                 | (2,289,144)      | (22)          |
| <b>Net Interest Income</b>                                     | <b>2,209,703</b>            | <b>2,024,157</b> | <b>9</b>      | <b>2,244,584</b>            | <b>2,081,888</b> | <b>8</b>      |
| Fees and Commission Income                                     | 807,901                     | 672,580          | 20            | 843,063                     | 706,023          | 19            |
| Less : Fees and Commission Expense                             | (60,266)                    | (55,273)         | 9             | (61,622)                    | (55,096)         | 12            |
| <b>Net Fees and Commission Income</b>                          | <b>747,635</b>              | <b>617,307</b>   | <b>21</b>     | <b>781,441</b>              | <b>650,927</b>   | <b>20</b>     |
| Net Trading Income / (Expense)                                 | (75,224)                    | 7,782            | (1,067)       | (76,030)                    | 8,440            | (1,001)       |
| Other Operating Income   | 68,502                      | 39,750           | 72            | 68,502                      | 39,750           | 72            |
| <b>Total Operating Income</b>                                  | <b>2,950,616</b>            | <b>2,688,996</b> | <b>10</b>     | <b>3,018,497</b>            | <b>2,781,005</b> | <b>9</b>      |
| Impairment Charge /(Reversal ) for Loans and Receivables       | 529,564                     | 307,042          | 72            | 530,400                     | 306,183          | 73            |
| Individual Impairment  | 395,396                     | (104,102)        | 480           | 395,396                     | (104,102)        | 480           |
| Collective Impairment  | 134,168                     | 411,144          | (67)          | 135,004                     | 410,285          | (67)          |
| <b>Net Operating Income</b>                                    | <b>2,421,052</b>            | <b>2,381,954</b> | <b>2</b>      | <b>2,488,097</b>            | <b>2,474,822</b> | <b>-</b>      |
| <b>Less : Expenses</b>   |                             |                  |               |                             |                  |               |
| Personnel Expenses   | 657,686                     | 656,919          | -             | 665,225                     | 665,344          | -             |
| Depreciation of Property, Plant and Equipment                  | 86,912                      | 69,514           | 25            | 90,350                      | 72,425           | 25            |
| Amortization of Intangible Assets                              | 60,773                      | 37,767           | 61            | 61,471                      | 38,465           | 60            |
| Other Operating Expenses                                       | 765,684                     | 728,417          | 5             | 760,550                     | 727,113          | 5             |
| <b>Total Operating Expenses</b>                                | <b>1,571,055</b>            | <b>1,492,617</b> | <b>5</b>      | <b>1,577,596</b>            | <b>1,503,347</b> | <b>5</b>      |
| <b>Operating Profit Before Value Added Tax (VAT) &amp; NBT</b> | <b>849,997</b>              | 889,337          | (4)           | <b>910,501</b>              | 971,475          | (6)           |
| Less : Value Added Tax (VAT) on Financial Services & NBT       | 161,755                     | 162,402          | -             | 164,808                     | 168,786          | (2)           |
| <b>Profit Before Income Tax</b>                                | <b>688,242</b>              | <b>726,935</b>   | <b>(5)</b>    | <b>745,693</b>              | <b>802,689</b>   | <b>(7)</b>    |
| Less : Income Tax Expense                                      | 238,291                     | 233,124          | 2             | 252,973                     | 253,021          | -             |
| <b>Profit for the Period</b>                                   | <b>449,951</b>              | <b>493,811</b>   | <b>(9)</b>    | <b>492,720</b>              | <b>549,668</b>   | <b>(10)</b>   |
| <b>Earnings Per Share</b>                                      |                             |                  |               |                             |                  |               |
| Basic / Diluted Earnings Per Share (Rs.)                       | 1.95                        | 2.14             | (9)           | 2.14                        | 2.38             | (10)          |

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



|  | Bank                        |                  |               | Group                       |                  |               |
|--|-----------------------------|------------------|---------------|-----------------------------|------------------|---------------|
|  | Three months ended 31 March |                  |               | Three months ended 31 March |                  |               |
|  | 2015<br>Rs. '000            | 2014<br>Rs. '000 | Change<br>(%) | 2015<br>Rs. '000            | 2014<br>Rs. '000 | Change<br>(%) |
| Profit for the period  | 449,951                     | 493,811          | (9)           | 492,720                     | 549,668          | (10)          |
| <b>Other Comprehensive Income to be reclassified to profit or loss in subsequent period:</b>     |                             |                  |               |                             |                  |               |
| Net gains on re-measuring Available-For-sale financial assets                                    | (44,567)                    | -                | (100)         | (44,567)                    | -                | (100)         |
|  | (44,567)                    | -                | (100)         | (44,567)                    | -                | (100)         |
| <b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:</b> |                             |                  |               |                             |                  |               |
| Actuarial Loss   | -                           | -                | -             | -                           | -                | -             |
|  | -                           | -                | -             | -                           | -                | -             |
| <b>Total Other Comprehensive income</b>  | <b>(44,567)</b>             | <b>-</b>         | <b>(100)</b>  | <b>(44,567)</b>             | <b>-</b>         | <b>(100)</b>  |
| Net Income Tax Charge relating to components of Other Comprehensive income                       | 12,479                      | -                | 100           | 12,479                      | -                | 100           |
| <b>Other Comprehensive Income for the Year, Net of Tax</b>                                       | <b>(32,088)</b>             | <b>-</b>         | <b>(100)</b>  | <b>(32,088)</b>             | <b>-</b>         | <b>(100)</b>  |
| <b>Total Comprehensive Income for the Period, Net of Tax</b>                                     | <b>417,863</b>              | <b>493,811</b>   | <b>(15)</b>   | <b>460,632</b>              | <b>549,668</b>   | <b>(16)</b>   |
| Attributable to:   |                             |                  |               |                             |                  |               |
| <b>Equity holders of the parent</b>  | <b>417,863</b>              | <b>493,811</b>   | <b>(15)</b>   | <b>460,632</b>              | <b>549,668</b>   | <b>(16)</b>   |

**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**



| As at  | Bank                   |                        |             | Group                  |                        |             |
|--|------------------------|------------------------|-------------|------------------------|------------------------|-------------|
|  | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 | Change<br>% | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 | Change<br>% |
|  |                        | (Audited)              |             |                        | (Audited)              |             |
| <b>On Balance Sheet Assets</b>                                   |                        |                        |             |                        |                        |             |
| Cash and Cash Equivalents  | 4,830,618              | 6,898,881              | (30)        | 4,876,082              | 6,899,905              | (29)        |
| Balances with Central Bank of Sri Lanka                          | 4,049,098              | 3,992,118              | 1           | 4,049,098              | 3,992,118              | 1           |
| Placements with Banks  | -                      | -                      | -           | -                      | -                      | -           |
| Derivative Financial Instruments                                 | 120,506                | 128,053                | (6)         | 120,506                | 128,053                | (6)         |
| Reverse Repurchase Agreements                                    | 6,498,900              | 11,013,507             | (41)        | 6,498,900              | 11,013,507             | (41)        |
| Other Financial Assets Held-for-Trading                          | 7,678,038              | 15,648,717             | (51)        | 7,728,695              | 15,700,388             | (51)        |
| Other Financial Assets   | 3,749,219              | 3,820,746              | (2)         | 3,749,219              | 3,820,746              | (2)         |
| Financial Assets Designated at Fair Value through Profit or Loss | -                      | -                      | -           | -                      | -                      | -           |
| Loans & Receivables to Banks                                     | -                      | -                      | -           | -                      | -                      | -           |
| Loans & Receivables to Other Customers                           | 99,384,125             | 97,068,259             | 2           | 100,475,921            | 98,347,049             | 2           |
| Financial Investments - Available-for-Sale                       | 9,171,058              | 4,329,449              | 112         | 9,171,058              | 4,329,449              | 112         |
| Financial Investments - Held-to-Maturity                         | 9,668,837              | 9,586,218              | 1           | 9,737,097              | 9,653,000              | 1           |
| Investments in Subsidiaries                                      | 678,710                | 678,710                | -           | -                      | -                      | -           |
| Investments in Associates and Joint Ventures                     | -                      | -                      | -           | -                      | -                      | -           |
| Property, Plant & Equipment                                      | 1,691,726              | 1,717,856              | (2)         | 2,168,848              | 2,194,425              | (1)         |
| Investment Properties  | -                      | -                      | -           | -                      | -                      | -           |
| Intangible Assets  | 1,273,402              | 1,271,137              | -           | 1,284,791              | 1,283,223              | -           |
| Deferred Tax Assets  | 269,302                | 374,796                | (28)        | 341,777                | 376,127                | (9)         |
| Other Assets   | 2,703,932              | 2,437,804              | 11          | 2,759,420              | 2,506,350              | 10          |
| <b>Total Assets</b>  | <b>151,767,471</b>     | <b>158,966,251</b>     | <b>(5)</b>  | <b>152,961,412</b>     | <b>160,244,341</b>     | <b>(5)</b>  |

**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**



| As at   | Bank                   |                                     |             | Group                  |                                     |             |
|---|------------------------|-------------------------------------|-------------|------------------------|-------------------------------------|-------------|
|   | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000<br>(Audited) | Change<br>% | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000<br>(Audited) | Change<br>% |
| <b>On Balance Sheet Liabilities</b>                                   |                        |                                     |             |                        |                                     |             |
| Due to Banks  | 2,208,305              | 2,922,784                           | (24)        | 2,208,305              | 2,922,784                           | (24)        |
| Derivative Financial Instruments                                      | 105,851                | 166,370                             | (36)        | 105,851                | 166,370                             | (36)        |
| Other Financial liabilities Held-for-Trading                          | -                      | -                                   | -           | -                      | -                                   | -           |
| Financial Liabilities Designated at Fair Value through Profit or Loss | -                      | -                                   | -           | -                      | -                                   | -           |
| Repurchase Agreements   | 8,797,536              | 15,444,206                          | (43)        | 8,392,272              | 15,046,562                          | (44)        |
| Due to Other Customers  | 110,492,710            | 111,046,446                         | -           | 110,455,932            | 111,009,668                         | -           |
| Other Borrowings  | 2,957,781              | 2,890,223                           | 2           | 3,258,089              | 3,392,140                           | (4)         |
| Debt Securities Issued  | -                      | -                                   | -           | -                      | -                                   | -           |
| Current Tax Liabilities   | 672,651                | 639,359                             | 5           | 700,215                | 666,345                             | 5           |
| Deferred Tax Liabilities  | 704,985                | 789,848                             | (11)        | 775,781                | 789,601                             | (2)         |
| Other Liabilities   | 6,231,509              | 5,483,426                           | 14          | 6,318,149              | 5,559,037                           | 14          |
| Due to Subsidiaries   | -                      | -                                   | -           | -                      | -                                   | -           |
| Subordinated Term Debts   | 6,873,999              | 6,795,034                           | 1           | 6,875,936              | 6,797,307                           | 1           |
| <b>Total Liabilities</b>  | <b>139,045,328</b>     | <b>146,177,696</b>                  | <b>(5)</b>  | <b>139,090,530</b>     | <b>146,349,816</b>                  | <b>(5)</b>  |
| <b>Equity</b>   |                        |                                     |             |                        |                                     |             |
| Stated Capital / Assigned Capital ( 230,607,283 Ordinary Shares)      | 5,101,369              | 5,101,369                           | -           | 5,101,369              | 5,101,369                           | -           |
| Statutory Reserve Fund  | 538,205                | 538,205                             | -           | 538,205                | 538,205                             | -           |
| Retained Earnings   | 7,002,760              | 7,037,084                           | -           | 8,151,499              | 8,143,054                           | -           |
| AFS Reserve   | 79,809                 | 111,897                             | (29)        | 79,809                 | 111,897                             | (29)        |
| Other Reserves  | -                      | -                                   | -           | -                      | -                                   | -           |
| <b>Total Shareholders' Equity</b>                                     | <b>12,722,143</b>      | <b>12,788,555</b>                   | <b>(1)</b>  | <b>13,870,882</b>      | <b>13,894,525</b>                   | <b>(0)</b>  |
| <b>Total Equity and Liabilities</b>                                   | <b>151,767,471</b>     | <b>158,966,251</b>                  | <b>(5)</b>  | <b>152,961,412</b>     | <b>160,244,341</b>                  | <b>(5)</b>  |
| <b>Contingent Liabilities and Commitments</b>                         | <b>104,001,992</b>     | <b>98,688,631</b>                   | <b>5</b>    | <b>103,741,789</b>     | <b>98,799,150</b>                   | <b>5</b>    |
| <b>Memorandum Information</b>   |                        |                                     |             |                        |                                     |             |
| Number of Employees   | 2,516                  | 2,528                               |             | 2,540                  | 2,562                               |             |
| Number of Branches  | 90                     | 89                                  |             | 90                     | 89                                  |             |
| Number of Off-Site ATMs   | 35                     | 34                                  |             | 35                     | 34                                  |             |

**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 Executive Director 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

May 13 2015  
Colombo

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

| Item   | Bank                                 |                                      | Group      |                         |
|--|--------------------------------------|--------------------------------------|------------|-------------------------|
|  | 31.03.2015                           | 31.12.2014<br>(Audited)              | 31.03.2015 | 31.12.2014<br>(Audited) |
| <b>Regulatory Capital Adequacy</b>   |                                      |                                      |            |                         |
| Core Capital (Tier 1 Capital), Rs. '000  | 12,200,122                           | 12,684,394                           | 13,296,696 | 13,780,962              |
| Total Capital Base, Rs. '000   | 15,884,042                           | 16,695,595                           | 16,980,616 | 17,792,162              |
| Core Capital Adequacy Ratio, as % of Risk Weighted Assets<br>(Minimum Requirement, 5%)   | 12.63%                               | 13.25%                               | 13.55%     | 14.16%                  |
| Total Capital Adequacy Ratio, as % of Risk Weighted Assets<br>(Minimum Requirement, 10%) | 16.44%                               | 17.44%                               | 17.30%     | 18.28%                  |
| <b>Assets Quality (Quality of Loan Portfolio)</b>  |                                      |                                      |            |                         |
| Gross Non-Performing Advances Ratio, % (net of interest in<br>suspense)                  | 4.53%                                | 4.20%                                | 4.48%      | 4.14%                   |
| Net-Non Performing Advances,%(net of interest in suspense and<br>provision)              | 2.91%                                | 2.76%                                | 2.88%      | 2.73%                   |
| <b>Profitability</b>   |                                      |                                      |            |                         |
| Interest Margin, %   | 5.69%                                | 5.81%                                | -          | -                       |
| Return on Assets (before Tax), %   | 1.77%                                | 2.39%                                | 1.90%      | 2.53%                   |
| Return on Equity, %  | 14.11%                               | 20.18%                               | 14.20%     | 19.76%                  |
| <b>Regulatory Liquidity</b>  |                                      |                                      |            |                         |
| Statutory Liquid Assets, Rs. '000  | 30,414,965                           | 29,476,263                           | -          | -                       |
| Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)                              |                                      |                                      |            |                         |
| Domestic Banking Unit  | 23.00%                               | 23.17%                               | -          | -                       |
| Off-Shore Banking Unit   | 36.23%                               | 58.48%                               | -          | -                       |
| Net Assets Value Per Share (Rs.)   | 55.17                                | 55.46                                | 60.15      | 60.25                   |
| Market Price Per Share (Rs.)   | <b>31.03.2015</b><br>(Quarter ended) | <b>31.03.2014</b><br>(Quarter ended) |            |                         |
| Highest  | 115.60                               | 69.00                                |            |                         |
| Lowest   | 97.00                                | 62.00                                |            |                         |
| Last Traded Price  | 100.10                               | 64.90                                |            |                         |



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

| <b>BANK</b>                                | <b>Stated<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Available<br/>for Sale<br/>Reserve</b> | <b>Statutory<br/>Reserve<br/>Fund</b> | <b>Investment<br/>Fund<br/>Account*</b> | <b>Total</b>      |
|--|---------------------------|------------------------------|---|---------------------------------------|---|-------------------|
|  | <b>Rs. '000</b>           | <b>Rs. '000</b>              | <b>Rs. '000</b>                           | <b>Rs. '000</b>                       | <b>Rs. '000</b>                         | <b>Rs. '000</b>   |
| <b>As at 01 January 2014</b>               | <b>5,101,369</b>          | <b>4,183,983</b>             | -   | <b>419,305</b>                        | <b>1,086,020</b>                        | <b>10,790,677</b> |
| Profit For the Period                      | -                         | 2,377,993                    | -   | -                                     | -                                       | 2,377,993         |
| Other Comprehensive Income                 | -                         | (7,737)                      | 111,897                                   | -                                     | -                                       | 104,160           |
| Total Comprehensive Income                 | -                         | 2,370,256                    | 111,897                                   | -                                     | -                                       | 2,482,153         |
| Dividend paid for 2013                     | -                         | (484,275)                    | -   | -                                     | -                                       | (484,275)         |
| Transfers to the Investment Fund Account*  | -                         | 1,086,020                    | -   | -                                     | (1,086,020)                             | -                 |
| Transfers to the Reserve Fund              | -                         | (118,900)                    | -   | 118,900                               | -                                       | -                 |
| <b>As at 31 December 2014</b>              | <b>5,101,369</b>          | <b>7,037,084</b>             | <b>111,897</b>                            | <b>538,205</b>                        | -                                       | <b>12,788,555</b> |
| <b>As at 01 January 2015</b>               | <b>5,101,369</b>          | <b>7,037,084</b>             | <b>111,897</b>                            | <b>538,205</b>                        | -                                       | <b>12,788,555</b> |
| Profit For the Period                      | -                         | 449,951                      | -   | -                                     | -                                       | 449,951           |
| Other Comprehensive Income                 | -                         | -                            | (32,088)                                  | -                                     | -                                       | (32,088)          |
| Total Comprehensive Income                 | -                         | 449,951                      | (32,088)                                  | -                                     | -                                       | 417,863           |
| Dividend paid for 2014                     | -                         | (484,275)                    | -   | -                                     | -                                       | (484,275)         |
| Transfer from the Investment Fund Account* | -                         | -                            | -   | -                                     | -                                       | -                 |
| Transfers to the Reserve Fund              | -                         | -                            | -   | -                                     | -                                       | -                 |
| <b>As at 31 March 2015</b>                 | <b>5,101,369</b>          | <b>7,002,760</b>             | <b>79,809</b>                             | <b>538,205</b>                        | -                                       | <b>12,722,143</b> |
|  |                           |                              |   |                                       |   |                   |
| <b>GROUP</b>                               | <b>Stated<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Available<br/>for Sale<br/>Reserve</b> | <b>Statutory<br/>Reserve<br/>Fund</b> | <b>Investment<br/>Fund<br/>Account*</b> | <b>Total</b>      |
|  | <b>Rs. '000</b>           | <b>Rs. '000</b>              | <b>Rs. '000</b>                           | <b>Rs. '000</b>                       | <b>Rs. '000</b>                         | <b>Rs. '000</b>   |
| <b>As at 01 January 2014</b>               | <b>5,101,369</b>          | <b>5,067,107</b>             | -   | <b>419,305</b>                        | <b>1,150,382</b>                        | <b>11,738,163</b> |
| Profit For the Period                      | -                         | 2,536,580                    | -   | -                                     | -                                       | 2,536,580         |
| Other Comprehensive Income                 | -                         | (7,840)                      | 111,897                                   | -                                     | -                                       | 104,057           |
| Total Comprehensive Income                 | -                         | 2,528,740                    | 111,897                                   | -                                     | -                                       | 2,640,637         |
| Dividend paid for 2013                     | -                         | (484,275)                    | -   | -                                     | -                                       | (484,275)         |
| Transfers to the Investment Fund Account*  | -                         | 1,150,382                    | -   | -                                     | (1,150,382)                             | -                 |
| Transfers to the Reserve Fund              | -                         | (118,900)                    | -   | 118,900                               | -                                       | -                 |
| <b>As at 31 December 2014</b>              | <b>5,101,369</b>          | <b>8,143,054</b>             | <b>111,897</b>                            | <b>538,205</b>                        | -                                       | <b>13,894,525</b> |
| <b>As at 01 January 2015</b>               | <b>5,101,369</b>          | <b>8,143,054</b>             | <b>111,897</b>                            | <b>538,205</b>                        | -                                       | <b>13,894,525</b> |
| Profit For the Period                      | -                         | 492,720                      | -   | -                                     | -                                       | 492,720           |
| Other Comprehensive Income                 | -                         | -                            | (32,088)                                  | -                                     | -                                       | (32,088)          |
| Total Comprehensive Income                 | -                         | 492,720                      | (32,088)                                  | -                                     | -                                       | 460,632           |
| Dividend paid for 2014                     | -                         | (484,275)                    | -   | -                                     | -                                       | (484,275)         |
| Transfer from the Investment Fund Account* | -                         | -                            | -   | -                                     | -                                       | -                 |
| Transfers to the Reserve Fund              | -                         | -                            | -   | -                                     | -                                       | -                 |
| <b>As at 31 March 2015</b>                 | <b>5,101,369</b>          | <b>8,151,499</b>             | <b>79,809</b>                             | <b>538,205</b>                        | -                                       | <b>13,870,882</b> |

The operations of Investment Fund Account (IFA) was ceased from 01 October 2014. Accordingly, as per Central Bank guidelines dated 31 July 2014 the remaining balance in IFA was transferred to retained earnings through the Statement of Changes in Equity.

**Nations Trust Bank PLC and Its Subsidiaries**  
**Statement of Cash Flows**  
**For the Period Ended 31 March**



|  | Bank               |                    | Group              |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2015<br>Rs. '000   | 2014<br>Rs. '000   | 2015<br>Rs. '000   | 2014<br>Rs. '000   |
| <b>Cash Flows from Operating Activities</b>  |                    |                    |                    |                    |
| Receipts of Interest Income  | 3,177,694          | 4,589,234          | 3,230,579          | 4,647,790          |
| Receipts of Fees and Commission Income   | 801,477            | 674,573            | 840,373            | 723,349            |
| Payments of Interest Expense   | (139,276)          | (1,994,093)        | (161,219)          | (2,003,169)        |
| Payments of Fees and Commission Expense  | (60,266)           | (55,273)           | (58,718)           | (55,273)           |
| Net Trading Income   | 114,499            | 13,688             | 114,499            | 13,688             |
| Receipts from Other Operating Income   | 68,342             | 37,559             | 68,342             | 38,217             |
| Gratuity Payments Made   | (22,075)           | (4,419)            | (22,217)           | (4,419)            |
| Payments for Operating Expenses  | (1,557,410)        | (1,517,984)        | (1,565,654)        | (1,532,420)        |
| <b>Net Cash Flow from Operating Activities before Income Tax (A)</b>               | <b>2,382,985</b>   | <b>1,743,285</b>   | <b>2,445,985</b>   | <b>1,827,763</b>   |
| Income Tax paid  | (111,581)          | (111,602)          | (122,329)          | (121,507)          |
| <b>Operating Profit before Changes in Operating Assets and Liabilities</b>         | <b>2,271,404</b>   | <b>1,631,683</b>   | <b>2,323,656</b>   | <b>1,706,256</b>   |
| <b>(Increase)/Decrease in Operating Assets</b>                                     |                    |                    |                    |                    |
| Reverse Repurchase Agreements  | 4,499,053          | (73,136)           | 3,997,233          | (36,541)           |
| Derivative Financial Instruments   | 7,547              | 38,047             | 7,547              | 38,047             |
| Financial Investments Held for Trading   | 7,746,507          | 1,531,721          | 7,747,079          | 1,505,530          |
| Financial Investments-Held to Maturity   | 164,213            | (306,405)          | 162,734            | (310,005)          |
| Financial Assets-Available for Sale  | (4,886,177)        | -                  | (4,886,177)        | -                  |
| Other Financial Assets   | 61,900             | (827,027)          | 53,785             | (793,034)          |
| Loans & Receivables to Banks   | (2,687,984)        | (2,245,364)        | (2,763,250)        | (1,919,827)        |
| Loans & Receivables to Other Customers   |                    |                    |                    |                    |
| Other Assets   | (261,601)          | (707,416)          | (236,762)          | (716,434)          |
| <b>(Increase)/Decrease in Operating Assets</b>                                     | <b>4,643,458</b>   | <b>(2,589,580)</b> | <b>4,082,189</b>   | <b>(2,232,264)</b> |
| <b>Increase/(Decrease) in Operating Liabilities</b>                                |                    |                    |                    |                    |
| Repurchase Agreements  | (6,616,237)        | (1,817,266)        | (6,114,417)        | (2,167,984)        |
| Due to Other Customers   | (1,926,297)        | 2,023,235          | (1,912,468)        | 2,303,020          |
| Derivative Financial Instruments   | (60,520)           | (106,482)          | (60,520)           | (106,482)          |
| Other Liabilities  | 1,020,380          | 969,287            | 997,182            | 918,211            |
| <b>Increase/(Decrease) in Operating Liabilities</b>                                | <b>(7,582,674)</b> | <b>1,068,774</b>   | <b>(7,090,223)</b> | <b>946,765</b>     |
| <b>Net Cash Flows from Operating Activities</b>                                    | <b>(667,812)</b>   | <b>110,877</b>     | <b>(684,378)</b>   | <b>420,757</b>     |
| <b>Cash Flows from Investing Activities</b>  |                    |                    |                    |                    |
| Purchase of Property, Plant and Equipment  | (60,861)           | (59,844)           | (64,852)           | (59,873)           |
| Proceeds from Sale of Property, Plant and Equipment and Intangible Assets          | 239                | 926                | 239                | 926                |
| Purchase of Intangible Assets  | (63,038)           | (2,634)            | (63,039)           | (2,635)            |
|  | <b>(123,660)</b>   | <b>(61,552)</b>    | <b>(127,652)</b>   | <b>(61,582)</b>    |
| <b>Cash Flows from Financing Activities</b>  |                    |                    |                    |                    |
| Net change in Debt issued and other Borrowed Funds                                 | (763,923)          | 891,315            | (686,318)          | 581,465            |
| Repayment of Subordinated Debt   | -                  | (67,325)           | -                  | (67,325)           |
| Interest paid on Subordinated Debt   | (112,860)          | (162,910)          | (112,860)          | (162,910)          |
| Dividends paid to Equity Holders of the Parent                                     | (484,275)          | (484,275)          | (484,275)          | (484,275)          |
|  | <b>(1,361,058)</b> | <b>176,805</b>     | <b>(1,283,453)</b> | <b>(133,045)</b>   |
| Net Increase in Cash and Cash Equivalents  | (2,152,530)        | 226,130            | (2,095,483)        | 226,130            |
| Cash and Cash Equivalents at the beginning of the period                           | 10,491,563         | 6,960,012          | 10,479,982         | 6,960,051          |
| <b>Cash and Cash Equivalents at the end of the period</b>                          | <b>8,339,033</b>   | <b>7,186,142</b>   | <b>8,384,499</b>   | <b>7,186,181</b>   |
| <b>Reconciliation of Cash and Cash Equivalents</b>                                 |                    |                    |                    |                    |
| Cash on Hand   | 3,920,592          | 2,957,289          | 3,920,605          | 2,977,355          |
| Statutory Deposit with the Central Bank of Sri Lanka                               | 4,049,098          | 4,001,709          | 4,049,098          | 4,001,709          |
| Balances with Banks  | 227,907            | 356,259            | 273,360            | 336,232            |
| Money at Call and Short Notice   | 682,118            | -                  | 682,118            | -                  |
| Deposits from Other Banks  | (540,682)          | (129,115)          | (540,682)          | (129,115)          |
|  | <b>8,339,033</b>   | <b>7,186,142</b>   | <b>8,384,499</b>   | <b>7,186,181</b>   |
| <b>A. Reconciliation of Operating Profit</b>                                       |                    |                    |                    |                    |
| Profit before Taxation   | 688,242            | 726,935            | 745,693            | 802,689            |
| (Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets | (159)              | (710)              | (159)              | (710)              |
| Impairment charge / (Reversal) for Loans and Receivables                           | 529,565            | 307,042            | 530,401            | 306,183            |
| Provision for Gratuity   | 26,618             | 26,872             | 27,001             | 27,528             |
| (Increase) / Decrease in Interest Receivable                                       | (615,368)          | 423,984            | (615,192)          | 420,031            |
| Increase/ (Decrease) in Interest Payable   | 1,641,742          | 286,260            | 1,640,121          | 283,825            |
| Increase / (Decrease) in Financial Guarantee Liabilities                           | (6,424)            | 1,992              | (6,424)            | 1,992              |
| Other Receivables  | (4,526)            | (1,197)            | (4,526)            | (1,197)            |
| Other Payables   | (12,684)           | (18,543)           | (12,684)           | (18,543)           |
| Other Non cash items   | 158,054            | (4,931)            | 163,971            | 10,385             |
| Gratuity Payments Made   | (22,075)           | (4,419)            | (22,217)           | (4,419)            |
|  | <b>2,382,985</b>   | <b>1,743,285</b>   | <b>2,445,985</b>   | <b>1,827,763</b>   |

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              |                    |
|--|-------------------|-------------------|-------------------------------------|-------------------|-----------------------|-------------------|-------------------------|--------------------|-------------------|-------------------|---|--------------------|--------------------|--------------------|
|  | 31.03.2015        | 31.12.2014        | 31.03.2015                          | 31.12.2014        | 31.03.2015            | 31.12.2014        | 31.03.2015              | 31.12.2014         | 31.03.2015        | 31.12.2014        | 31.03.2015                                    | 31.12.2014         | 31.03.2015         | 31.12.2014         |
| <b>BANK</b>                                |                   |                   |                                     |                   |                       |                   |                         |                    |                   |                   |   |                    |                    |                    |
| <b>Rs. '000</b>                            | <b>31.03.2015</b> | <b>31.12.2014</b> | <b>31.03.2015</b>                   | <b>31.12.2014</b> | <b>31.03.2015</b>     | <b>31.12.2014</b> | <b>31.03.2015</b>       | <b>31.12.2014</b>  | <b>31.03.2015</b> | <b>31.12.2014</b> | <b>31.03.2015</b>                             | <b>31.12.2014</b>  | <b>31.03.2015</b>  | <b>31.12.2014</b>  |
| <b>Assets</b>                              |                   |                   |                                     |                   |                       |                   |                         |                    |                   |                   |   |                    |                    |                    |
| Cash and Cash Equivalents                  | -                 | -                 | -                                   | -                 | -                     | -                 | 4,830,618               | 6,898,881          | -                 | -                 | -   | -                  | 4,830,618          | 6,898,881          |
| Balances with Central Bank of Sri Lanka    | -                 | -                 | -                                   | -                 | -                     | -                 | 4,049,098               | 3,992,118          | -                 | -                 | -   | -                  | 4,049,098          | 3,992,118          |
| Derivative Financial Instruments           | -                 | -                 | 120,506                             | 128,053           | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 120,506            | 128,053            |
| Reverse Repurchase Agreements              | -                 | -                 | -                                   | -                 | -                     | -                 | 6,498,900               | 11,013,507         | -                 | -                 | -   | -                  | 6,498,900          | 11,013,507         |
| Financial Assets - Held for Trading        | 7,678,038         | 15,648,717        | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 7,678,038          | 15,648,717         |
| Other Financial Assets                     | -                 | -                 | -                                   | -                 | -                     | -                 | 3,749,219               | 3,820,746          | -                 | -                 | -   | -                  | 3,749,219          | 3,820,746          |
| Loans & Receivables to Banks               | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | -                  | -                  |
| Loans & Receivables to Other Customers     | -                 | -                 | -                                   | -                 | -                     | -                 | 99,384,125              | 97,068,259         | -                 | -                 | -   | -                  | 99,384,125         | 97,068,259         |
| Financial Investments - Available-for-Sale | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | 9,171,058         | 4,329,449         | -   | -                  | 9,171,058          | 4,329,449          |
| Financial Assets - Held to Maturity        | -                 | -                 | -                                   | -                 | 9,668,837             | 9,586,218         | -                       | -                  | -                 | -                 | -   | -                  | 9,668,837          | 9,586,218          |
| <b>Total Financial Assets</b>              | <b>7,678,038</b>  | <b>15,648,717</b> | <b>120,506</b>                      | <b>128,053</b>    | <b>9,668,837</b>      | <b>9,586,218</b>  | <b>118,511,960</b>      | <b>122,793,511</b> | <b>9,171,058</b>  | <b>4,329,449</b>  | <b>-</b>                                      | <b>-</b>           | <b>145,150,399</b> | <b>152,485,948</b> |
| <b>Liabilities</b>                         |                   |                   |                                     |                   |                       |                   |                         |                    |                   |                   |   |                    |                    |                    |
| Due to Banks                               | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 2,208,305                                     | 2,922,784          | 2,208,305          | 2,922,784          |
| Derivative Financial Instruments           | -                 | -                 | 105,851                             | 166,370           | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 105,851            | 166,370            |
| Repurchase Agreements                      | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 8,797,536                                     | 15,444,206         | 8,797,536          | 15,444,206         |
| Due to Other Customers                     | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 110,492,710                                   | 111,046,446        | 110,492,710        | 111,046,446        |
| Debt Issued and Other Borrowed Funds       | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 9,831,780                                     | 9,685,257          | 9,831,780          | 9,685,257          |
| <b>Total Financial Liabilities</b>         | <b>-</b>          | <b>-</b>          | <b>105,851</b>                      | <b>166,370</b>    | <b>-</b>              | <b>-</b>          | <b>-</b>                | <b>-</b>           | <b>-</b>          | <b>-</b>          | <b>131,330,331</b>                            | <b>139,098,693</b> | <b>131,436,182</b> | <b>139,265,063</b> |

**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              |                    |
|--|-------------------|-------------------|-------------------------------------|-------------------|-----------------------|-------------------|-------------------------|--------------------|-------------------|-------------------|---|--------------------|--------------------|--------------------|
|  | 31.03.2015        | 31.12.2014        | 31.03.2015                          | 31.12.2014        | 31.03.2015            | 31.12.2014        | 31.03.2015              | 31.12.2014         | 31.03.2015        | 31.12.2014        | 31.03.2015                                    | 31.12.2014         | 31.03.2015         | 31.12.2014         |
| <b>Rs. '000</b>                            | <b>31.03.2015</b> | <b>31.12.2014</b> | <b>31.03.2015</b>                   | <b>31.12.2014</b> | <b>31.03.2015</b>     | <b>31.12.2014</b> | <b>31.03.2015</b>       | <b>31.12.2014</b>  | <b>31.03.2015</b> | <b>31.12.2014</b> | <b>31.03.2015</b>                             | <b>31.12.2014</b>  | <b>31.03.2015</b>  | <b>31.12.2014</b>  |
| <b>Assets</b>                              |                   |                   |                                     |                   |                       |                   |                         |                    |                   |                   |   |                    |                    |                    |
| Cash and Cash Equivalents                  | -                 | -                 | -                                   | -                 | -                     | -                 | 4,876,082               | 6,899,905          | -                 | -                 | -   | -                  | 4,876,082          | 6,899,905          |
| Balances with Central Bank of Sri Lanka    | -                 | -                 | -                                   | -                 | -                     | -                 | 4,049,098               | 3,992,118          | -                 | -                 | -   | -                  | 4,049,098          | 3,992,118          |
| Derivative Financial Instruments           | -                 | -                 | 120,506                             | 128,053           | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 120,506            | 128,053            |
| Reverse Repurchase Agreements              | -                 | -                 | -                                   | -                 | -                     | -                 | 6,498,900               | 11,013,507         | -                 | -                 | -   | -                  | 6,498,900          | 11,013,507         |
| Financial Assets - Held for Trading        | 7,728,695         | 15,700,388        | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 7,728,695          | 15,700,388         |
| Other Financial Assets                     | -                 | -                 | -                                   | -                 | -                     | -                 | 3,749,219               | 3,820,746          | -                 | -                 | -   | -                  | 3,749,219          | 3,820,746          |
| Loans & Receivables to Banks               | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | -                  | -                  |
| Loans and Advances to Customers            | -                 | -                 | -                                   | -                 | -                     | -                 | 100,475,921             | 98,347,049         | -                 | -                 | -   | -                  | 100,475,921        | 98,347,049         |
| Financial Investments - Available-for-Sale | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | 9,171,058         | 4,329,449         | -   | -                  | 9,171,058          | 4,329,449          |
| Financial Assets - Held to Maturity        | -                 | -                 | -                                   | -                 | 9,737,097             | 9,653,000         | -                       | -                  | -                 | -                 | -   | -                  | 9,737,097          | 9,653,000          |
| <b>Total Financial Assets</b>              | <b>7,728,695</b>  | <b>15,700,388</b> | <b>120,506</b>                      | <b>128,053</b>    | <b>9,737,097</b>      | <b>9,653,000</b>  | <b>119,649,220</b>      | <b>124,073,325</b> | <b>9,171,058</b>  | <b>4,329,449</b>  | <b>-</b>                                      | <b>-</b>           | <b>146,406,576</b> | <b>153,884,215</b> |
| <b>Liabilities</b>                         |                   |                   |                                     |                   |                       |                   |                         |                    |                   |                   |   |                    |                    |                    |
| Due to Banks                               | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 2,208,306                                     | 2,922,784          | 2,208,306          | 2,922,784          |
| Derivative Financial Instruments           | -                 | -                 | 105,851                             | 166,370           | -                     | -                 | -                       | -                  | -                 | -                 | -   | -                  | 105,851            | 166,370            |
| Repurchase Agreements                      | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 8,392,272                                     | 15,046,562         | 8,392,272          | 15,046,562         |
| Due to Other Customers                     | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 110,455,932                                   | 111,009,668        | 110,455,932        | 111,009,668        |
| Debt Issued and Other Borrowed Funds       | -                 | -                 | -                                   | -                 | -                     | -                 | -                       | -                  | -                 | -                 | 10,134,025                                    | 10,189,447         | 10,134,025         | 10,189,447         |
| <b>Total Financial Liabilities</b>         | <b>-</b>          | <b>-</b>          | <b>105,851</b>                      | <b>166,370</b>    | <b>-</b>              | <b>-</b>          | <b>-</b>                | <b>-</b>           | <b>-</b>          | <b>-</b>          | <b>131,190,535</b>                            | <b>139,168,461</b> | <b>131,296,386</b> | <b>139,334,831</b> |

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                  |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 |
| <b>(1) (1) Loans and Receivables To Other Customers</b>                                       |                        |                        |                        |                        |
| <b>Gross Loans and Receivables</b>  | <b>99,875,680</b>      | <b>97,200,304</b>      | <b>100,967,360</b>     | <b>98,478,823</b>      |
| (Less) : Individual Impairment  | (778,632)              | (383,239)              | (778,631)              | (383,238)              |
| Collective Impairment   | (1,614,067)            | (1,553,360)            | (1,613,952)            | (1,553,089)            |
| <b>Net Loans and Advances including those designated at Fair Value through Profit or Loss</b> | <b>97,482,981</b>      | <b>95,263,705</b>      | <b>98,574,777</b>      | <b>96,542,496</b>      |
| (Less) : Loans and Advances designated at Fair Value through Profit or Loss                   | -                      | -                      | -                      | -                      |
| <b>Net Loans and Advances</b>   | <b>97,482,981</b>      | <b>95,263,705</b>      | <b>98,574,777</b>      | <b>96,542,496</b>      |
| <b>Staff Loans</b>  | <b>2,537,739</b>       | <b>2,491,861</b>       | <b>2,537,739</b>       | <b>2,491,861</b>       |
| Less : Allowance for Day 1 Difference   | (636,595)              | (687,308)              | (636,595)              | (687,308)              |
|   | <b>1,901,144</b>       | <b>1,804,553</b>       | <b>1,901,144</b>       | <b>1,804,553</b>       |
|   | <b>99,384,125</b>      | <b>97,068,258</b>      | <b>100,475,921</b>     | <b>98,347,049</b>      |
| <b>(2) 2) Gross Loans and Receivables to Other Customers -By Product</b>                      |                        |                        |                        |                        |
|   |                        |                        |                        |                        |
| <b>By Product -Domestic Currency</b>  |                        |                        |                        |                        |
| Bills of Exchange   | 110,169                | 46,132                 | 110,169                | 46,132                 |
| Overdrafts  | 19,963,132             | 19,041,870             | 19,963,132             | 19,041,870             |
| Term Loans  | 31,608,478             | 27,637,790             | 31,608,478             | 27,637,790             |
| Staff Loans   | 2,537,739              | 2,491,861              | 2,537,739              | 2,491,861              |
| Leases  | 27,583,637             | 25,695,994             | 27,583,637             | 25,695,994             |
| Credit Cards  | 12,051,185             | 12,066,137             | 12,051,185             | 12,066,137             |
| Pawning Advance   | 901,349                | 1,261,819              | 901,349                | 1,261,819              |
| Corporate Debt Securities   | 1,657,480              | 1,531,212              | 1,657,480              | 1,531,212              |
| Housing Loans   | 1,221,616              | 1,310,648              | 1,221,616              | 1,310,648              |
| Other Advances  | 114,790                | 3,574,905              | 1,206,475              | 4,853,427              |
| <b>Sub Total</b>  | <b>97,749,575</b>      | <b>94,658,368</b>      | <b>98,841,260</b>      | <b>95,936,890</b>      |
| <b>By Product -Foreign Currency</b>   |                        |                        |                        |                        |
| Bills of Exchange   | 13,236                 | -                      | 13,236                 | -                      |
| Overdrafts  | 133,983                | 188,996                | 133,983                | 188,993                |
| Term Loans  | 4,516,621              | 1,718,025              | 4,516,621              | 1,718,025              |
| Staff Loans   | -                      | -                      | -                      | -                      |
| Import Loans  | -                      | -                      | -                      | -                      |
| Packing Loans   | -                      | -                      | -                      | -                      |
| Other Advances  | -                      | 3,126,775              | -                      | 3,126,775              |
| Leases  | -                      | -                      | -                      | -                      |
| Corporate Debt Securities   | -                      | -                      | -                      | -                      |
| <b>Sub Total</b>  | <b>4,663,840</b>       | <b>5,033,796</b>       | <b>4,663,840</b>       | <b>5,033,793</b>       |
| <b>Total</b>  | <b>102,413,415</b>     | <b>99,692,164</b>      | <b>103,505,100</b>     | <b>100,970,683</b>     |

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES  
 ADDITIONAL QUARTERLY DISCLOSURES ( Contd')

(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                  |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 |
| <b>Individual Impairment</b>           |                        |                        |                        |                        |
| Opening Balance                        | 383,236                | 620,978                | 383,236                | 620,978                |
| Charge/ (Reversal) to Income Statement | 395,396                | (237,742)              | 395,396                | (237,742)              |
| <b>Closing Balance</b>                 | <b>778,632</b>         | <b>383,236</b>         | <b>778,632</b>         | <b>383,236</b>         |
| <b>Collective Impairment</b>           |                        |                        |                        |                        |
| Opening Balance                        | 1,553,360              | 1,154,216              | 1,553,091              | 1,153,265              |
| Charge/ (Reversal) to Income Statement | 134,168                | 1,394,471              | 135,004                | 1,395,153              |
| Amounts written off during the Period  | (73,461)               | (995,327)              | (73,461)               | (995,327)              |
| <b>Closing Balance</b>                 | <b>1,614,067</b>       | <b>1,553,360</b>       | <b>1,613,952</b>       | <b>1,553,091</b>       |
| <b>Total Impairment</b>                | <b>2,392,699</b>       | <b>1,936,596</b>       | <b>2,392,583</b>       | <b>1,936,327</b>       |

(4) (3) Due to Other Customers -By Product

|                                      | Bank                   |                        | Group                  |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 | 31.03.2015<br>Rs. '000 | 31.12.2014<br>Rs. '000 |
| <b>By Product -Domestic Currency</b> |                        |                        |                        |                        |
| Demand Deposits                      | 12,044,375             | 11,889,763             | 12,007,597             | 11,852,985             |
| Savings Deposits                     | 18,794,913             | 17,784,373             | 18,794,913             | 17,784,373             |
| Call Deposits                        | 454,340                | 364,217                | 454,340                | 364,217                |
| Fixed Deposits                       | 62,497,010             | 61,987,694             | 62,497,010             | 61,987,694             |
| Certificate of Deposits              | 2,082,505              | 1,758,927              | 2,082,505              | 1,758,927              |
| <b>Sub Total</b>                     | <b>95,873,143</b>      | <b>93,784,974</b>      | <b>95,836,365</b>      | <b>93,748,196</b>      |
| <b>By Product -Foreign Currency</b>  |                        |                        |                        |                        |
| Demand Deposits                      | 648,017                | 4,129,082              | 648,017                | 4,129,082              |
| Savings Deposits                     | 3,720,521              | 3,272,078              | 3,720,521              | 3,272,078              |
| Call Deposits                        | 1,656                  | 1,632                  | 1,656                  | 1,632                  |
| Fixed Deposits                       | 10,249,373             | 9,858,680              | 10,249,373             | 9,858,680              |
| <b>Sub Total</b>                     | <b>14,619,567</b>      | <b>17,261,472</b>      | <b>14,619,567</b>      | <b>17,261,472</b>      |
| <b>Total</b>                         | <b>110,492,710</b>     | <b>111,046,446</b>     | <b>110,455,932</b>     | <b>111,009,668</b>     |

## 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 31.03.2015<br>Rs. '000 | Balance as at 31.03.2014<br>Rs. '000 | Market Values |            |                | Interest Rates |                          | Interest rate of Comparable Government Security |              | Other Ratios as at date of last trade |                     |
|-------------------------|-------------|----------------------------|--------------------------------------|--------------------------------------|---------------|------------|----------------|----------------|--------------------------|---|--------------|---------------------------------------|---------------------|
|                         |             |                            |                                      |                                      | Highest Rs.   | Lowest Rs. | Period End Rs. | Coupon Rate %  | Effective Annual Yield % | 31.03.2015 %                                    | 31.03.2014 % | Interest Yield %                      | Yield to Maturity % |
| Fixed Rate              | NTBD0163    | Semi -Annually             | 1,525,000                            | 1,525,000                            | Not traded    |            |                | 11.50          | 11.83                    | 7.07  | 7.58         | Not traded                            |                     |
| Fixed Rate              | NTBD0164    | Semi -Annually             | 200,000                              | 200,000                              | Not traded    |            |                | 11.00          | 11.30                    | 7.07  | 7.58         | Not traded                            |                     |
| Fixed Rate              | NTBD0165    | Semi -Annually             | 275,000                              | 275,000                              | Not traded    |            |                | 11.50          | 11.83                    | 7.07  | 7.58         | Not traded                            |                     |
| Fixed Rate              | NTBD0266    | Semi -Annually             | 3,000,000                            | 3,000,000                            | 112.00        | 112.00     | 112.00         | 13.00          | 13.42                    | 8.58  | 9.04         | 11.61                                 | 9.05                |
| <b>Total Debentures</b> |             |                            | <b>5,000,000</b>                     | <b>5,000,000</b>                     |               |            |                |                |                          |   |              |                                       |                     |

| Ratios of Debt          | 31.03.2015 | 31.03.2014 |
|-------------------------|------------|------------|
| * Debt / Equity Ratio % | 52.93%     | 62.03%     |
| Interest Cover (Times)  | 4.93       | 5.12       |

\* All Subordinated debt are considered as Debt (numerator)

**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**  
**SEGMENT INFORMATION**



| Operating Segments<br>Rs. '000                          | Bank               |                    | Treasury Functions |                   | Others           |                  | Unallocated/ Eliminations |                    | Total Group        |                    |
|---|--------------------|--------------------|--------------------|-------------------|------------------|------------------|---------------------------|--------------------|--------------------|--------------------|
|   | 31.03.2015         | 31.03.2014         | 31.03.2015         | 31.03.2014        | 31.03.2015       | 31.03.2014       | 31.03.2015                | 31.03.2014         | 31.03.2015         | 31.03.2014         |
| <b>Operating income</b>                                 | <b>2,342,745</b>   | <b>2,051,528</b>   | <b>617,297</b>     | <b>631,161</b>    | <b>79,231</b>    | <b>102,379</b>   | <b>(20,776)</b>           | <b>(4,064)</b>     | <b>3,018,497</b>   | <b>2,781,005</b>   |
| Impairment Charge/(Reversal ) for Loans and Receivables | 529,565            | 307,042            | -                  | -                 | -                | -                | 835                       | (859)              | 530,400            | 306,183            |
| <b>Net Operating income</b>                             | <b>1,813,180</b>   | <b>1,744,486</b>   | <b>617,297</b>     | <b>631,161</b>    | <b>79,231</b>    | <b>102,379</b>   | <b>(21,611)</b>           | <b>(3,206)</b>     | <b>2,488,097</b>   | <b>2,474,822</b>   |
| <b>Extracts of results</b>                              |                    |                    |                    |                   |                  |                  |                           |                    |                    |                    |
| Interest Income   | 3,087,246          | 3,124,253          | 933,849            | 1,175,094         | 45,250           | 100,623          | (40,615)                  | (28,938)           | 4,025,730          | 4,371,032          |
| Inter Segment   | (213,198)          | 54,064             | 213,198            | (54,064)          | -                | -                | -                         | -                  | -                  | -                  |
| Interest Expense  | (1,343,879)        | (1,784,930)        | (460,111)          | (491,614)         | (10,369)         | (42,776)         | 33,212                    | 30,175             | (1,781,146)        | (2,289,144)        |
| <b>Net Interest Income</b>                              | <b>1,530,169</b>   | <b>1,393,387</b>   | <b>686,937</b>     | <b>629,416</b>    | <b>34,881</b>    | <b>57,848</b>    | <b>(7,402)</b>            | <b>1,237</b>       | <b>2,244,584</b>   | <b>2,081,888</b>   |
| Fees and Commission Income                              | 809,693            | 668,352            | -                  | -                 | 48,059           | 45,249           | (14,689)                  | (7,578)            | 843,063            | 706,023            |
| Fees and Commission Expense                             | (52,662)           | (48,021)           | (2,465)            | (6,795)           | (2,904)          | (1,375)          | (3,590)                   | 1,094              | (61,622)           | (55,096)           |
| <b>Net fee and commission income</b>                    | <b>757,031</b>     | <b>620,331</b>     | <b>(2,465)</b>     | <b>(6,795)</b>    | <b>45,155</b>    | <b>43,874</b>    | <b>(18,279)</b>           | <b>(6,484)</b>     | <b>781,441</b>     | <b>650,926</b>     |
| Net Trading Income                                      | -                  | -                  | (70,505)           | 7,782             | (806)            | 658              | (4,719)                   | -                  | (76,030)           | 8,440              |
| Other Operating Income                                  | 55,546             | 37,811             | 3,331              | 757               | -                | -                | 9,624                     | 1,183              | 68,502             | 39,750             |
| Depreciation of Property, Plant and Equipment           | 53,131             | 39,800             | 253                | 243               | 3,438            | -                | 33,528                    | 32,382             | 90,350             | 72,425             |
| Amortization of Intangible Assets                       | 7,729              | 15,858             | 3,070              | 3,070             | 698              | -                | 49,974                    | 19,537             | 61,471             | 38,465             |
| Other Expenses  |                    |                    |                    |                   |                  |                  |                           |                    |                    |                    |
| <b>Segment Profit / (Loss) before Value Added Tax</b>   | <b>428,361</b>     | <b>418,339</b>     | <b>473,091</b>     | <b>319,151</b>    | <b>60,464</b>    | <b>80,058</b>    | <b>(51,413)</b>           | <b>153,928</b>     | <b>910,501</b>     | <b>971,475</b>     |
| Value Added Tax & Income Tax Expense                    |                    |                    |                    |                   | (17,741)         | (64,851)         | (400,041)                 | (356,956)          | (417,782)          | (421,807)          |
| <b>Profit for the year</b>                              | <b>428,361</b>     | <b>418,339</b>     | <b>473,091</b>     | <b>319,151</b>    | <b>42,723</b>    | <b>15,206</b>    | <b>(451,454)</b>          | <b>(203,028)</b>   | <b>492,720</b>     | <b>549,668</b>     |
| <b>Capital Expenditures</b>                             |                    |                    |                    |                   |                  |                  |                           |                    |                    |                    |
| Property and Equipment                                  | 46,448             | 45,868             | 132                | -                 | 3,991            | -                | 14,281                    | 13,976             | 64,852             | 59,844             |
| Other Intangible Assets                                 | 561                | 89                 | -                  | -                 | -                | -                | 62,478                    | 2,545              | 63,039             | 2,634              |
| <b>Total Assets</b>                                     | <b>101,830,662</b> | <b>83,687,971</b>  | <b>45,740,302</b>  | <b>56,085,827</b> | <b>2,303,625</b> | <b>3,770,637</b> | <b>3,086,823</b>          | <b>404,093</b>     | <b>152,961,412</b> | <b>143,948,528</b> |
| <b>Total Liabilities</b>                                | <b>113,384,130</b> | <b>101,009,223</b> | <b>23,743,021</b>  | <b>30,561,968</b> | <b>491,574</b>   | <b>2,118,952</b> | <b>1,471,805</b>          | <b>(1,545,169)</b> | <b>139,090,530</b> | <b>132,144,973</b> |

## NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES



### **Explanatory Notes:**

- (1) The Group figures include those of the Subsidiaries, Waddock Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited.
- (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 2014.
- (4) An imposition of a Super Gains Tax has been recommended for the approval of Parliament per a Bill dated 27 March 2015. Since the Bill had not been approved by the parliament as at the reporting date, being 31 March 2015, the Bank has not provided for the potential liability in the Financial Statements for the period ended 31 March 2015. Based on the provisions of the Draft Bill, an amount of Rs 733 Mn will be payable by the Bank (Group - Rs 820 Mn) as Super Gains Tax before 30 September 2015, if the Bill as currently drafted, is approved by Parliament.
- (5) A one off impairment of Rs 365 Mn has been provided against lending to some customers at two of our branches which has been made against security that has been fraudulently provided. Whilst every effort is being made to recover these sums, as a matter of prudence, a 100% impairment charge has been made.
- (6) There are no material changes to contingent assets and liabilities since 31.03.2015 and the balances reflected are due to transactions carried out in the normal course of Banking Business.
- (7) No material events have taken place since 31.03.2015 that require disclosure or/and adjustments in these accounts and all known expenditure have been provided in these financial statements.
- (8) The above Income Statement for the 3 months ended 31.03.2015 has been reviewed by the Bank's external auditors Messrs. Ernst & Young.

**The above figures are provisional and subject to audit.**



**NATIONS TRUST BANK PLC  
FOR THE PERIOD ENDED 31 MARCH 2015**



**Twenty largest Shareholders**

| <b>Name of the Shareholder</b>                          | <b>No. of Shares</b> | <b>%</b>      |
|---|----------------------|---------------|
| JOHN KEELLS HOLDINGS PLC                                | 46,121,536           | 20.00%        |
| HWIC ASIA FUND  | 34,591,092           | 15.00%        |
| MACKINNON KEELLS LIMITED.                               | 22,830,159           | 9.90%         |
| CENTRAL FINANCE COMPANY PLC A/C NO 03                   | 20,715,400           | 8.98%         |
| CF GROWTH FUND LTD A/C NO.01                            | 14,813,273           | 6.42%         |
| CF INSURANCE BROKERS (PVT) LTD                          | 10,592,857           | 4.59%         |
| JANASHAKTHI GENERAL INSURANCE LIMITED*                  | 8,325,244            | 3.61%         |
| SEYLAN BANK PLC./JANASHAKTHI LIMITED*                   | 6,341,450            | 2.75%         |
| COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI LIMITED*      | 4,250,602            | 1.84%         |
| HATTON NATIONAL BANK PLC A/C NO 1                       | 3,703,543            | 1.61%         |
| 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 HASHIM   | 2,600,000            | 1.13%         |
| JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)*             | 2,111,728            | 0.92%         |
| BANK OF CEYLON-NO2 A/C                                  | 1,546,100            | 0.67%         |
| AIA INSURANCE LANKA PLC A/C NO.07                       | 1,501,170            | 0.65%         |
| JANASHAKTHI PLC ACCOUNT NO. 1*                          | 1,470,244            | 0.64%         |
| MR SOMAIYA  | 1,320,624            | 0.57%         |
| TIMEX GARMENTS (PVT) LTD                                | 1,238,465            | 0.54%         |
| DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND | 1,200,000            | 0.52%         |
|   | 191,939,767          | 83.23         |
| Others  | 38,667,516           | 16.77         |
| <b>Total</b>  | <b>230,607,283</b>   | <b>100.00</b> |

|  |                   |        |
|--|-------------------|--------|
|  | <b>31.03.2015</b> |        |
| Number of shareholders representing the public holding | 6,401             | 34.84% |

**Directors' holding in shares as at 31 March 2015**

| <b>Name of Director</b>                | <b>No of Shares</b> |
|--|---------------------|
| Mr. K.N.J.Balendra                     | 107,700             |
| Mr. A.R. Rasiah                        | 16,304              |
| 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                | -                   |
| Mr. H Raghavan                         | -                   |