



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

INTERIM FINANCIAL STATEMENTS

For the Six months ended June 30, 2015

Nations Trust continues its steady performance

The Bank closed the first 6 months ending 30th June 2015 with a post-tax profit of Rs.1,257Mn a growth of 9% over the corresponding period. The results for the quarter were significantly better with post tax profits recording a commendable growth of 26%. Operating margins improved during the first 6 months as core revenue recorded a faster rate of growth than operating expenses. However, the improved operating margins did not translate to a similar bottom line growth owing to higher impairment charges. Loans and advances recorded a steady growth of 5% for the first 6 months amidst high market liquidity and intense price competition.

Net interest income recorded a growth of 8% over the previous period with NIMs narrowing marginally. The drop in interest expenses of 20% outweighed the drop in interest income of 6% thereby improving NII. The challenges present in the current low interest rate operating environment was somewhat mitigated by timely re-pricing of assets and liabilities. Portfolios such as Corporate and Leasing in particular, felt the pinch of declining yields and narrowing NIMs. The Bank continued its push for growth in low cost deposits which recorded a 6% growth with CASA improving to 31% of deposits.

Net fees and commission income grew by 17% for the period under review. Good growth was recorded across the spectrum of fee based products and services. Fee base income from cards recorded a growth of 18% followed by a 11% growth in other areas including remittances, bancassurance and transactional fees. Trade related fee income also recorded a moderate growth of 11% as import/export volumes picked up considerably in the 2Q. Foreign exchange income recorded good growth with enhanced customer volumes and favourable rate movements benefiting proprietary trading. Trading income attributable to FIS portfolio recorded a loss for the period owing to market losses as a result of unfavorable movements in the underlying Government Securities yields.

The impairment charge for the period amounted to Rs.732Mn which is a 65% increase compared to the corresponding period of 2014. This comprised of a one off provision booked during 1Q for specific facilities. Impairment charge excluding this one off provision improved by 21% compared to the corresponding period. The drop in collective impairment for the current period is mainly attributable to reversals made on account of the pawning portfolio

compared to the higher charges made in the corresponding period. Collective impairment on credits cards also recorded a significant drop.

Operating expenses were contained at a growth of 5% with Cost Income ratio trending down to 52% from 54% reported for the corresponding period. Continued focus on process efficiencies and digitalized workflows has assisted in yielding productivity improvements across the Bank. The higher growth of 39% in depreciation and amortization charges is due to the core-banking upgrade which was implemented in 3Q of 2014.

The capital position was sound at Rs.16.6Bn with Capital Adequacy Ratios both at Tier 1 and 2 maintained at comfortable levels. Drop in ROE is due to the relatively lower post tax profit for the 6 months. An upward trend in ROE is expected with the anticipated growth in quarterly profits.

Review of Operations

Consumer

Consumer banking pillar which plays a pivotal role in taking Nations Trust Brand to “Become the Primary Bank” consolidated its resources under the “Consumer” umbrella by reorganizing its expertise to manage customer lifecycle expectations. To this end much work was undertaken in customer profiling by establishing a data analytics team. Consumer lending portfolio was revamped to benefit from the low interest rate scenario prevailing in the market, thus recording a steep MoM growth in new disbursements for the 6 months. In the payments space, Debit and Travel Cards which were launched in 2014 continued to gather momentum. Strengthening its position further in the premium credit card space, the Bank signed with Diners Club International to become the exclusive issuer and acquirer for the globally-recognized Diners Club franchise in the country.

SME

SME loans and advances portfolio crossed Rs.25Bn during the first 6 months, contributing to 16% of the Bank revenue. Business drive through the branches was strengthened with regional offices and central unit providing assistance for facilitating quick turn around in approvals, disbursements whilst effectively managing collections and credit risk. Credit sanctioning process review and implementation of workflow also supported in bringing in the efficiencies.

Nations Trader product was a catalyst in enhancing trade and FX income from SMEs. Branch staff was on continuous training to build product expertise to promote this product.

Leasing

Leasing unit faced heavy price competition which prevailed in the market as demand for hire purchase vehicles became almost extinct overnight with the changes in the tax legislation and the entire new business volumes executed for the 1H 2015 came from finance leases. New business volumes surpassed the Rs. 7.5Bn mark with the portfolio growing by 14% YoY.

Corporate Banking

Corporate lending book saw large volatility which was subsequently stabilized towards the quarter end as intense price competition prevailed in the industry resulting from excess liquidity in the market. Corporate book recorded a moderate growth and NIMs reduced steadily, impacting portfolio revenue. The Unit looked towards enhancing fee based income both on the trade and foreign exchange fronts. Sourcing new customers from industries with high growth potential was strategically carried out for diversification. The Unit also pursued strategies to build on the medium term funding book to bring stability to the portfolio.

Treasury

The treasury division pursued its expertise in building the corporate debt portfolio. The unfavourable movements in the yield curves resulted in FIS portfolio recording M2M losses for the current period. On a positive note, customer FX profitability improved due to enhanced volumes and increased spreads.

Channels

The 90th branch was opened at Narahenpita with an offsite ATM at Kalubowila. At the end of 6 months, total customer touch points serviced by the Bank stood at 125 giving seamless accessibility and convenience across the geographies. After an accelerated expansion drive on the branch network over the last few years which saw Nations Trust presence being established in selected geographies, the Bank is looking towards consolidating its network in 2015. Branches' primary mandate in 2015 is to enhance customer acquisitions

and make a life cycle product offering to these customers while strengthening the operational controls and efficiency of the network.

Looking forward

The positive macro outlook is expected to continue and we are confident that the positive trends seen in credit growth will continue beyond 2015. The banking landscape is fast changing with the low interest rate regime bringing about many challenges but at the same time opportunities. We are embracing new concepts of banking such as digitalization, lean, analytics and making them part of our culture to maintain relevance. People continue to be our biggest strength and we believe that the development and retention of our talent is vital. This will be one of the key areas of focus for Nations Trust Bank as we look towards concluding yet another rewarding year.

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
INCOME STATEMENT



	Bank						Group					
	Six months ended 30 June			Quarter ended 30 June			Six months ended 30 June			Quarter ended 30 June		
	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)
Gross Income	9,750,961	9,987,854	(2)	4,954,141	4,960,443	-	9,866,005	10,144,856	(3)	4,999,821	5,016,822	-
Interest Income	8,057,229	8,548,310	(6)	4,066,508	4,243,800	(4)	8,121,536	8,656,464	(6)	4,095,806	4,285,432	(4)
Less : Interest Expense	(3,581,807)	(4,443,650)	(19)	(1,800,789)	(2,163,297)	(17)	(3,576,372)	(4,444,182)	(20)	(1,795,226)	(2,155,038)	(17)
Net Interest Income	4,475,422	4,104,660	9	2,265,719	2,080,503	9	4,545,164	4,212,282	8	2,300,580	2,130,394	8
Fees and Commission Income	1,565,952	1,345,100	16	758,050	672,520	13	1,635,643	1,412,039	16	792,580	706,017	12
Less : Fees and Commission Expense	(124,156)	(108,658)	14	(63,890)	(53,385)	20	(124,165)	(108,658)	14	(62,543)	(53,562)	17
Net Fees and Commission Income	1,441,796	1,236,442	17	694,160	619,135	12	1,511,478	1,303,381	16	730,037	652,455	12
Net Trading Income / (Expense)	(21,838)	(46,479)	(53)	53,386	(54,260)	198	(23,303)	(53,320)	(56)	52,727	(61,760)	185
Other Operating Income	149,618	140,923	6	76,197	98,383	(23)	132,129	129,673	2	58,708	87,133	(33)
Total Operating Income	6,044,998	5,435,546	11	3,089,462	2,743,761	13	6,165,468	5,592,016	10	3,142,052	2,808,222	12
Impairment Charge /(Reversal) for Loans and Receivables	732,978	444,282	65	198,494	134,452	48	731,764	444,558	65	196,444	135,586	45
Individual Impairment	448,022	(64,755)	792	52,626	39,347	34	448,022	(64,755)	792	52,626	39,347	34
Collective Impairment	280,135	501,900	(44)	145,967	90,757	61	278,921	502,176	(44)	143,917	91,891	57
Others -Charges Receivable	4,821	7,137	(32)	(99)	4,348	(102)	4,821	7,137	(32)	(99)	4,348	(102)
Net Operating Income	5,312,020	4,991,264	6	2,890,968	2,609,309	11	5,433,704	5,147,458	6	2,945,608	2,672,636	10
Less : Expenses												
Personnel Expenses	1,347,303	1,288,729	5	689,617	631,810	9	1,361,193	1,304,750	4	695,968	639,406	9
Depreciation of Property, Plant and Equipment	183,240	139,497	31	96,328	69,983	38	190,123	145,322	31	99,774	72,897	37
Amortization of Intangible Assets	117,436	75,223	56	56,663	37,456	51	118,824	76,618	55	57,354	38,154	50
Other Operating Expenses	1,530,892	1,515,150	1	765,208	786,732	(3)	1,524,238	1,514,077	1	763,687	786,962	(3)
Total Operating Expenses	3,178,871	3,018,599	5	1,607,816	1,525,981	5	3,194,378	3,040,767	5	1,616,783	1,537,419	5
Operating Profit Before Value Added Tax (VAT) & NBT	2,133,149	1,972,665	8	1,283,152	1,083,328	18	2,239,326	2,106,691	6	1,328,825	1,135,217	17
Less : Value Added Tax (VAT) on Financial Services & NBT	360,078	340,584	6	198,323	178,182	11	366,096	350,879	4	201,288	182,094	11
Profit Before Income Tax	1,773,071	1,632,081	9	1,084,829	905,146	20	1,873,230	1,755,812	7	1,127,537	953,123	18
Less : Income Tax Expense	583,460	560,436	4	345,169	327,312	5	615,457	598,547	3	362,484	345,526	5
Profit for the Period	1,189,611	1,071,645	11	739,660	577,834	28	1,257,773	1,157,265	9	765,053	607,597	26
Earnings Per Share												
Basic / Diluted Earnings Per Share (Rs.)	5.16	4.65	11	3.21	2.51	28	5.45	5.02	9	3.32	2.63	26

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



	Bank						Group					
	Six months ended 30 June			Quarter ended 30 June			Six months ended 30 June			Quarter ended 30 June		
	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)	2015 Rs. '000	2014 Rs. '000	Change (%)
Profit for the period	1,189,611	1,071,645	11	739,660	577,834	28	1,257,773	1,157,265	9	765,053	607,597	26
Other Comprehensive Income to be reclassified to profit or loss in subsequent period:												
Net gains on re-measuring Available-For-Sale financial assets	56,125	-	100	100,692	-	100	56,125	-	100	100,692	-	100
	56,125	-	100	100,692	-	100	56,125	-	100	100,692	-	100
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:												
Actuarial Loss	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive income	56,125	-	100	100,692	-	100	56,125	-	100	100,692	-	100
Net Income Tax Charge relating to components of Other Comprehensive income	(15,715)	-	(100)	(28,194)	-	(100)	(15,715)	-	(100)	(28,194)	-	(100)
Other Comprehensive Income for the Period, Net of Tax	40,410	-	100	72,498	-	100	40,410	-	100	72,498	-	100
Total Comprehensive Income for the Period, Net of Tax	1,230,021	1,071,645	15	812,158	577,834	41	1,298,183	1,157,265	12	837,551	607,597	38
Attributable to:												
Equity holders of the parent	1,230,021	1,071,645	15	812,158	577,834	41	1,298,183	1,157,265	12	837,551	607,597	38

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.06.2015 Rs. '000	31.12.2014 Rs. '000	Change %	30.06.2015 Rs. '000	31.12.2014 Rs. '000	Change %
		(Audited)			(Audited)	
On Balance Sheet Assets						
Cash and Cash Equivalents	4,421,899	6,898,881	(36)	4,421,944	6,899,905	(36)
Balances with Central Bank of Sri Lanka	4,424,822	3,992,118	11	4,424,822	3,992,118	11
Placements with Banks	-	-	-	-	-	-
Derivative Financial Instruments	41,989	128,053	(67)	41,989	128,053	(67)
Reverse Repurchase Agreements	259,772	11,013,507	(98)	259,772	11,013,507	(98)
Other Financial Assets Held-for-Trading	11,363,695	15,648,717	(27)	11,415,200	15,700,388	(27)
Other Financial Assets	5,118,435	3,820,746	34	5,118,435	3,820,746	34
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Loans & Receivables to Banks	-	-	-	-	-	-
Loans & Receivables to Other Customers	102,478,755	97,068,259	6	103,276,623	98,347,049	5
Financial Investments - Available-for-Sale	14,494,550	4,329,449	235	14,494,550	4,329,449	235
Financial Investments - Held-to-Maturity	11,571,319	9,586,218	21	11,638,697	9,653,000	21
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Investments in Associates and Joint Ventures	-	-	-	-	-	-
Property, Plant & Equipment	1,676,259	1,717,856	(2)	2,150,466	2,194,425	(2)
Investment Properties	-	-	-	-	-	-
Intangible Assets	1,182,363	1,271,137	(7)	1,193,056	1,283,223	(7)
Deferred Tax Assets	345,062	374,796	(8)	346,253	376,127	(8)
Other Assets	2,934,595	2,437,804	20	2,981,693	2,506,351	19
Total Assets	160,992,225	158,966,251	1	161,763,500	160,244,341	1

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	Change %	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	Change %
On Balance Sheet Liabilities						
Due to Banks	1,380,545	2,922,784	(53)	1,380,545	2,922,784	(53)
Derivative Financial Instruments	123,734	166,370	(26)	123,734	166,370	(26)
Other Financial liabilities Held-for-Trading	-	-	-	-	-	-
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-	-	-	-	-
Repurchase Agreements	14,734,315	15,444,206	(5)	14,305,978	15,046,562	(5)
Due to Other Customers	113,475,328	111,046,446	2	113,433,543	111,009,668	2
Other Borrowings	3,715,540	2,890,224	29	3,715,540	3,392,140	10
Debt Securities Issued	-	-	-	-	-	-
Current Tax Liabilities	836,565	639,359	31	862,779	666,345	29
Deferred Tax Liabilities	833,651	789,849	6	833,154	789,602	6
Other Liabilities	5,537,311	5,483,425	1	5,577,260	5,559,037	-
Due to Subsidiaries	-	-	-	-	-	-
Subordinated Term Debts	6,820,935	6,795,033	-	6,822,534	6,797,308	-
Total Liabilities	147,457,924	146,177,696	1	147,055,067	146,349,816	-
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	538,205	538,205	-	538,205	538,205	-
Retained Earnings	7,742,420	7,037,084	10	8,916,552	8,143,054	9
AFS Reserve	152,307	111,897	36	152,307	111,897	36
Other Reserves	-	-	-	-	-	-
Total Shareholders' Equity	13,534,301	12,788,555	6	14,708,433	13,894,525	6
Total Equity and Liabilities	160,992,225	158,966,251	1	161,763,500	160,244,341	1
Contingent Liabilities and Commitments	97,411,789	98,688,631	(1)	97,732,808	98,799,150	(1)
Memorandum Information						
Number of Employees	2,531	2,528		2,554	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 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

July 29,2015
Colombo

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

Item	Bank		Group	
	30.06.2015	31.12.2014 (Audited)	30.06.2015	31.12.2014 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	12,200,122	12,684,394	13,296,696	13,780,962
Total Capital Base, Rs. '000	15,549,637	16,695,595	16,646,212	17,792,162
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	12.12%	13.25%	13.05%	14.16%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	15.45%	17.44%	16.34%	18.28%
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	4.05%	4.20%	4.02%	4.14%
Net-Non Performing Advances,%(net of interest in suspense and provision)	2.15%	2.76%	2.13%	2.73%
Profitability				
Interest Margin, %	5.69%	5.81%	-	-
Return on Assets (before Tax), %	2.26%	2.39%	2.37%	2.53%
Return on Equity, %	18.28%	20.18%	17.77%	19.76%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	33,078,848	29,476,263	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	24.58%	23.17%	-	-
Off-Shore Banking Unit	30.81%	58.48%	-	-
Net Assets Value Per Share (Rs.)	58.69	55.46	63.78	60.25
Market Price Per Share (Rs.)	30.06.2015 (Quarter ended)	30.06.2014 (Quarter ended)		
Highest	107.00	71.50		
Lowest	95.00	63.00		
Last Traded Price	97.20	71.10		

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

BANK	Stated Capital	Retained Earnings	Available for Sale Reserve	Statutory Reserve Fund	Investment Fund Account*	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2014	5,101,369	4,183,983	-	419,305	1,086,020	10,790,677
Profit For the Period	-	1,071,645	-	-	-	1,071,645
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	1,071,645	-	-	-	1,071,645
Dividend paid for 2013	-	(484,275)	-	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(96,336)	-	-	96,336	-
As at 30 June 2014	5,101,369	4,675,017	-	419,305	1,182,356	11,378,047
As at 01 January 2015	5,101,369	7,037,084	111,897	538,205	-	12,788,555
Profit For the Period	-	1,189,611	-	-	-	1,189,611
Other Comprehensive Income	-	-	40,410	-	-	40,410
Total Comprehensive Income	-	1,189,611	40,410	-	-	1,230,021
Dividend paid for 2014	-	(484,275)	-	-	-	(484,275)
Transfer from the Investment Fund Account*	-	-	-	-	-	-
Transfers to the Reserve Fund	-	-	-	-	-	-
As at 30 June 2015	5,101,369	7,742,420	152,307	538,205	-	13,534,301
GROUP						
	Stated Capital	Retained Earnings	Available for Sale Reserve	Statutory Reserve Fund	Investment Fund Account*	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2014	5,101,369	5,067,107	-	419,305	1,150,382	11,738,163
Profit For the Period	-	1,157,265	-	-	-	1,157,265
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	1,157,265	-	-	-	1,157,265
Dividend paid for 2013	-	(484,275)	-	-	-	(484,275)
Transfers to the Investment Fund Account*	-	(102,376)	-	-	102,376	-
As at 30 June 2014	5,101,369	5,637,721	-	419,305	1,252,758	12,411,153
As at 01 January 2015	5,101,369	8,143,054	111,897	538,205	-	13,894,525
Profit For the Period	-	1,257,773	-	-	-	1,257,773
Other Comprehensive Income	-	-	40,410	-	-	40,410
Total Comprehensive Income	-	1,257,773	40,410	-	-	1,298,183
Dividend paid for 2014	-	(484,275)	-	-	-	(484,275)
Transfer from the Investment Fund Account*	-	-	-	-	-	-
As at 30 June 2015	5,101,369	8,916,552	152,307	538,205	-	14,708,433

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 30 June



	Bank		Group	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	7,121,010	7,828,087	7,231,856	7,931,520
Receipts of Fees and Commission Income	1,556,323	1,346,974	1,638,621	1,425,471
Payments of Interest Expense	(954,515)	(4,140,988)	(998,295)	(4,140,801)
Payments of Fees and Commission Expense	(124,156)	(120,574)	(118,583)	(117,649)
Net Trading Income	146,207	(34,117)	146,207	(34,117)
Receipts from Other Operating Income	149,120	132,011	128,996	114,504
Gratuity Payments Made	(17,992)	(12,451)	(18,134)	(12,451)
Payments for Operating Expenses	(3,146,732)	(2,839,616)	(3,180,027)	(2,871,689)
Net Cash Flow from Operating Activities before Income Tax (A)	4,729,265	2,159,326	4,830,642	2,294,788
Income Tax paid	(209,294)	(207,326)	(240,195)	(233,971)
Operating Profit before Changes in Operating Assets and Liabilities	4,519,971	1,952,000	4,590,447	2,060,817
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	10,677,489	(1,109)	10,198,739	(22,159)
Derivative Financial Instruments	86,064	62,750	86,064	62,750
Financial Investments Held for Trading	4,466,492	783,251	4,465,173	845,036
Financial Investments-Held to Maturity	(1,782,193)	(733,453)	(1,782,789)	(740,438)
Financial Assets-Available for Sale	(10,108,977)	-	(10,108,977)	-
Other Financial Assets	(1,281,021)	(934,997)	(1,312,181)	(901,015)
Loans & Receivables to Other Customers	(5,934,693)	(4,176,374)	(5,734,617)	(3,628,068)
Other Assets	(458,061)	(919,254)	(433,862)	(927,704)
(Increase)/Decrease in Operating Assets	(4,334,900)	(5,919,186)	(4,622,450)	(5,311,598)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	(707,800)	3,168,068	(229,050)	2,854,030
Due to Other Customers	210,480	2,707,110	219,304	2,986,895
Derivative Financial Instruments	(42,636)	(191,885)	(42,636)	(191,885)
Other Liabilities	20,695	260,853	(10,798)	217,456
Increase/(Decrease) in Operating Liabilities	(519,261)	5,944,146	(63,180)	5,866,496
Net Cash Flows from Operating Activities	(334,190)	1,976,960	(95,183)	2,615,715
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(97,231)	(156,830)	(101,745)	(156,925)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	584	926	584	926
Purchase of Intangible Assets	(73,159)	(15,140)	(73,159)	(15,140)
	(169,806)	(171,044)	(174,320)	(171,139)
Cash Flows from Financing Activities				
Net change in Debt issued and other Borrowed Funds	(652,533)	(155,593)	(875,400)	(779,403)
Repayment of Subordinated Debt	-	(67,325)	-	(67,325)
Interest paid on Subordinated Debt	(347,760)	(338,499)	(347,760)	(338,499)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	(1,484,568)	(1,045,692)	(1,707,435)	(1,669,502)
Net Increase in Cash and Cash Equivalents	(1,988,564)	760,224	(1,976,938)	775,074
Cash and Cash Equivalents at the beginning of the period	10,491,563	6,960,012	10,479,982	6,960,051
Cash and Cash Equivalents at the end of the period	8,502,999	7,720,236	8,503,044	7,735,125
Reconciliation of Cash and Cash Equivalents				
Cash on Hand	3,610,301	3,074,228	3,610,314	3,109,144
Statutory Deposit with the Central Bank of Sri Lanka	4,424,822	3,891,557	4,424,822	3,891,557
Balances with Banks	454,539	1,056,543	454,571	1,036,516
Money at Call and Short Notice	357,059	104,276	357,059	104,276
Deposits from Other Banks	(343,722)	(406,368)	(343,722)	(406,368)
	8,502,999	7,720,236	8,503,044	7,735,125
A. Reconciliation of Operating Profit				
Profit before Taxation	1,773,071	1,632,081	1,873,230	1,755,812
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	(499)	(710)	(499)	(710)
Impairment charge / (Reversal) for Loans and Receivables	732,978	444,282	731,764	444,558
Provision for Gratuity	53,434	53,743	53,807	54,746
(Increase) / Decrease in Interest Receivable	(763,402)	(423,844)	(762,868)	(421,685)
Increase/ (Decrease) in Interest Payable	2,627,291	302,663	2,625,496	299,561
Increase / (Decrease) in Financial Guarantee Liabilities	(9,629)	1,874	(9,629)	1,874
Other Receivables	(383)	3,059	(2,957)	3,059
Other Payables	8,195	188,007	8,195	188,007
Other Non cash items	326,201	(29,378)	332,236	(17,983)
Gratuity Payments Made	(17,992)	(12,451)	(18,134)	(12,451)
	4,729,265	2,159,326	4,830,642	2,294,788

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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
BANK														
Rs. '000	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,421,899	6,898,881	-	-	-	-	4,421,899	6,898,881
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	4,424,822	3,992,118	-	-	-	-	4,424,822	3,992,118
Derivative Financial Instruments	-	-	41,989	128,053	-	-	-	-	-	-	-	-	41,989	128,053
Reverse Repurchase Agreements	-	-	-	-	-	-	259,772	11,013,507	-	-	-	-	259,772	11,013,507
Financial Assets - Held for Trading	11,363,695	15,648,717	-	-	-	-	-	-	-	-	-	-	11,363,695	15,648,717
Other Financial Assets	-	-	-	-	-	-	5,118,435	3,820,746	-	-	-	-	5,118,435	3,820,746
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	102,478,755	97,068,259	-	-	-	-	102,478,755	97,068,259
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	14,494,550	4,329,449	-	-	14,494,550	4,329,449
Financial Assets - Held to Maturity	-	-	-	-	11,571,319	9,586,218	-	-	-	-	-	-	11,571,319	9,586,218
Total Financial Assets	11,363,695	15,648,717	41,989	128,053	11,571,319	9,586,218	116,703,683	122,793,511	14,494,550	4,329,449	-	-	154,175,236	152,485,948
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	1,380,545	2,922,784	1,380,545	2,922,784
Derivative Financial Instruments	-	-	123,734	166,370	-	-	-	-	-	-	-	-	123,734	166,370
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,734,315	15,444,206	14,734,315	15,444,206
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	113,475,328	111,046,446	113,475,328	111,046,446
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	10,536,475	9,685,257	10,536,475	9,685,257
Total Financial Liabilities	-	-	123,734	166,370	-	-	-	-	-	-	140,126,663	139,098,693	140,250,397	139,265,063

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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Rs. '000	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,421,944	6,899,905	-	-	-	-	4,421,944	6,899,905
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	4,424,822	3,992,118	-	-	-	-	4,424,822	3,992,118
Derivative Financial Instruments	-	-	41,989	128,053	-	-	-	-	-	-	-	-	41,989	128,053
Reverse Repurchase Agreements	-	-	-	-	-	-	259,772	11,013,507	-	-	-	-	259,772	11,013,507
Financial Assets - Held for Trading	11,415,200	15,700,388	-	-	-	-	-	-	-	-	-	-	11,415,200	15,700,388
Other Financial Assets	-	-	-	-	-	-	5,118,435	3,820,746	-	-	-	-	5,118,435	3,820,746
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	103,276,623	98,347,049	-	-	-	-	103,276,623	98,347,049
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	14,494,550	4,329,449	-	-	14,494,550	4,329,449
Financial Assets - Held to Maturity	-	-	-	-	11,638,697	9,653,000	-	-	-	-	-	-	11,638,697	9,653,000
Total Financial Assets	11,415,200	15,700,388	41,989	128,053	11,638,697	9,653,000	117,501,596	124,073,325	14,494,550	4,329,449	-	-	155,092,032	153,884,215
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	1,380,545	2,922,784	1,380,545	2,922,784
Derivative Financial Instruments	-	-	123,734	166,370	-	-	-	-	-	-	-	-	123,734	166,370
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,305,978	15,046,562	14,305,978	15,046,562
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	113,433,543	111,009,668	113,433,543	111,009,668
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	10,538,074	10,189,448	10,538,074	10,189,448
Total Financial Liabilities	-	-	123,734	166,370	-	-	-	-	-	-	139,658,140	139,168,462	139,781,874	139,334,832

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

(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	
	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
(1) Loans and Receivables To Other Customers				
Gross Loans and Receivables	102,945,561	97,200,303	103,741,944	98,478,822
(Less) : Individual Impairment	(831,258)	(383,237)	(831,258)	(383,237)
Collective Impairment	(1,555,099)	(1,553,360)	(1,553,614)	(1,553,089)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	100,559,204	95,263,706	101,357,072	96,542,496
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	100,559,204	95,263,706	101,357,072	96,542,496
Staff Loans	2,537,737	2,491,861	2,537,737	2,491,861
Less : Allowance for Day 1 Difference	(618,186)	(687,308)	(618,186)	(687,308)
	1,919,551	1,804,553	1,919,551	1,804,553
	102,478,755	97,068,259	103,276,623	98,347,049
(2) Gross Loans and Receivables to Other Customers -By Product				
By Product -Domestic Currency				
Bills of Exchange	90,598	46,132	90,598	46,132
Overdrafts	21,840,381	19,041,870	21,840,381	19,041,870
Term Loans	31,167,817	27,637,790	31,167,817	27,637,790
Staff Loans	2,537,736	2,491,861	2,537,736	2,491,861
Leases	26,517,834	25,695,994	26,517,834	25,695,994
Credit Cards	12,419,261	12,066,137	12,419,261	12,066,137
Pawning Advance	716,698	1,261,819	716,698	1,261,819
Corporate Debt Securities	1,693,553	1,531,212	1,693,553	1,531,212
Housing Loans	1,195,910	1,310,648	1,195,910	1,310,648
Other Advances	3,711,784	3,574,905	4,508,167	4,853,427
Sub Total	101,891,572	94,658,368	102,687,955	95,936,890
By Product -Foreign Currency				
Overdrafts	150,664	188,996	150,664	188,993
Term Loans	848,366	1,718,025	848,366	1,718,025
Other Advances	2,592,696	3,126,775	2,592,696	3,126,775
Sub Total	3,591,726	5,033,796	3,591,726	5,033,793
Total	105,483,298	99,692,164	106,279,681	100,970,683

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	
	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
Individual Impairment				
Opening Balance	383,237	620,978	383,237	620,978
Charge/ (Reversal) to Income Statement	448,021	(237,741)	448,021	(237,741)
Closing Balance	831,258	383,237	831,258	383,237
Collective Impairment				
Opening Balance	1,553,360	1,154,216	1,553,089	1,153,263
Charge/ (Reversal) to Income Statement	280,135	1,394,471	278,921	1,395,153
Amounts written off during the Period	(278,396)	(995,327)	(278,396)	(995,327)
Closing Balance	1,555,099	1,553,360	1,553,614	1,553,089
Total Impairment	2,386,357	1,936,597	2,384,872	1,936,326

(4) Due to Other Customers -By Product

	Bank		Group	
	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	30.06.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	12,227,237	11,889,763	12,185,452	11,852,985
Savings Deposits	19,193,480	17,784,373	19,193,480	17,784,373
Call Deposits	326,895	364,217	326,895	364,217
Fixed Deposits	64,109,736	61,987,694	64,109,736	61,987,694
Certificate of Deposits	2,448,749	1,758,927	2,448,749	1,758,927
Sub Total	98,306,097	93,784,974	98,264,312	93,748,196
By Product -Foreign Currency				
Demand Deposits	474,326	4,129,082	474,326	4,129,082
Savings Deposits	4,018,750	3,272,078	4,018,750	3,272,078
Call Deposits	67,683	1,632	67,683	1,632
Fixed Deposits	10,608,472	9,858,680	10,608,472	9,858,680
Sub Total	15,169,231	17,261,472	15,169,231	17,261,472
Total	113,475,328	111,046,446	113,433,543	111,009,668

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 30.06.2015 Rs. '000	Balance as at 30.06.2014 Rs. '000	Market Values for the Quarter ended 30.06.2015			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 %	30.06.2015 %	30.06.2014 %	Interest Yield %	Yield to Maturity %
Fixed Rate	NTBD0163	Semi -Annually	1,525,000	1,525,000	Not traded			11.50	11.83	6.55	7.27	Not traded	
Fixed Rate	NTBD0164	Semi -Annually	200,000	200,000	Not traded			11.00	11.30	6.55	7.27	Not traded	
Fixed Rate	NTBD0165	Semi -Annually	275,000	275,000	Not traded			11.50	11.83	6.55	7.27	Not traded	
Fixed Rate	NTBD0266	Semi -Annually	3,000,000	3,000,000	111.79	111.76	111.76	13.00	13.42	7.79	8.41	11.63	8.91
Total Debentures			5,000,000	5,000,000									
Ratios of Debt		30.06.2015	30.06.2014										
* Debt / Equity Ratio %		50.40%	59.44%										
Interest Cover (Times)		6.04	5.64										
* All Subordinated 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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Operating income	4,669,681	4,298,122	1,373,521	1,125,186	159,835	187,893	(37,569)	(19,186)	6,165,468	5,592,016
Impairment Charge/(Reversal) for Loans and Receivables	732,978	437,145	-	-	-	-	(1,214)	7,412	731,764	444,558
Net Operating income	3,936,703	3,860,977	1,373,521	1,125,186	159,835	187,893	(36,354)	(26,599)	5,433,704	5,147,458
Extracts of results										
Interest Income	6,228,537	6,361,686	1,845,014	2,117,020	88,306	180,212	(40,321)	(2,454)	8,121,536	8,656,464
Inter Segment	(403,019)	(8,678)	403,019	8,678	-	-	-	-	-	-
Interest Expense	(2,743,977)	(3,432,201)	(847,672)	(939,675)	(19,240)	(72,590)	34,517	284	(3,576,372)	(4,444,182)
Net Interest Income	3,081,540	2,920,806	1,400,361	1,186,023	69,066	107,622	(5,803)	(2,170)	4,545,164	4,212,282
Fees and Commission Income	1,578,162	1,354,253	-	-	97,824	90,337	(40,342)	(32,551)	1,635,643	1,412,039
Fees and Commission Expense	(109,624)	(106,573)	(4,954)	(17,995)	(5,651)	(3,075)	(3,937)	18,985	(124,165)	(108,658)
Net Fee and Commission Income	1,468,538	1,247,680	(4,954)	(17,995)	92,173	87,262	(44,279)	(13,566)	1,511,478	1,303,381
Net Trading Income	-	-	(25,958)	(46,479)	(1,405)	(6,990)	4,059	148	(23,303)	(53,320)
Other Operating Income	119,603	129,636	4,071	3,636	-	-	8,455	(3,599)	132,129	129,673
Depreciation of Property, Plant and Equipment	108,052	80,876	514	482	6,884	5,825	74,674	58,139	190,123	145,322
Amortization of Intangible Assets	15,459	15,048	6,116	6,140	1,388	1,395	95,861	54,035	118,824	76,618
Other Expenses										
Segment Profit / (Loss) before Value Added Tax	1,123,058	1,100,646	1,087,636	929,632	121,297	143,535	(92,665)	(67,122)	2,239,326	2,106,691
Value Added Tax & Income Tax Expense					(36,058)	(47,196)	(945,494)	(902,230)	(981,553)	(949,426)
Profit for the year	1,123,058	1,100,646	1,087,636	929,632	85,238	96,338	(1,038,159)	(969,352)	1,257,773	1,157,265
Capital Expenditures										
Property and Equipment	68,473	122,993	718	145	3,991	-	28,563	33,787	101,745	156,925
Other Intangible Assets	1,370	807	-	-	-	-	71,789	14,334	73,159	15,141
Total Assets	104,309,225	85,843,275	52,107,244	57,079,831	2,663,568	3,004,051	2,683,463	2,638,048	161,763,500	148,565,205
Total Liabilities	116,685,162	101,301,745	30,906,343	33,541,023	828,502	1,308,661	(1,364,940)	2,623	147,055,067	136,154,052

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES



Explanatory Notes:

(1) The Group figures include those of the Subsidiaries, Waldock 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 31 December 2014.

(4) There are no material changes to contingent assets and liabilities since 30 June 2015 and the balances reflected are arising from transactions carried out in the normal course of Banking Business.

(5) No material events have taken place since 30 June 2015 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 JUNE 2015**



Twenty largest Shareholders

Name of the Shareholder	No. of Shares	%
John Keells Holdings PLC	46,121,536	20.00%
Hwic Asia Fund	34,591,092	15.00%
Mackinnons 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	4,425,123	1.92%
Hatton National Bank PLC A/C No 1	3,703,543	1.61%
HSBC Intl Nom Ltd - Ssbt - National Westminster Bank PLC As Depository Of First State Asia Pacific Fund	3,355,500	1.46%
Mr. Hashim	2,600,000	1.13%
The Ceylon Guardian Investment Trust PLC A/C # 02	2,492,685	1.08%
The Ceylon Investment PLCA/C # 02	2,173,595	0.94%
Janashakthi Insurance PLC (Policy Holders)	2,111,728	0.92%
Bank Of Ceylon-No2 A/C	1,546,100	0.67%
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%
AIA Insurance Lanka PLC A/C No.07	1,201,170	0.52%
	191,969,788	83.25
Others	38,637,495	16.75
Total	230,607,283	100.00

	30.06.2015	
Number of shareholders representing the public holding	6,384	34.84%

Directors' holding in shares as at 30 June 2015

Name of Director	No of Shares
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	-