



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

**Company Number PQ 118**

**INTERIM FINANCIAL STATEMENTS**  
**For the Twelve months ended December 31, 2015**

## **Nations Trust Bank records a resilient performance**

The Bank closed the year 31<sup>st</sup> December 2015 with a post-tax profit of Rs.2,614Mn, up by 3% over the previous year. The post tax profit for the quarter was up by 21% mainly owing to lower impairment charges compared to the corresponding period last year. Profit for the year was unfavourably impacted due to marked to market losses made on the FIS portfolio and the one off provision booked for specific facilities in the first quarter. Excluding these, the Bank's core business performed commendably with a post tax profit growth of 16% underpinned by strong volume growth in loans and advances together with a reduction in impairment charges which somewhat offset the impact of narrowing NIMs. Credit growth was subdued during the first half of 2015, recovering only towards the latter part of the year as sentiment improved. Loans and advances portfolio recorded a growth of 23% with deposits recording a growth of 16% during the year.

The Group's net interest income growth moderated to 2% during the year, reflective of declining yields in several business lines amidst rising cost of funds and intensified competitive pressures. The Bank aggressively pursued strategies to grow CASA to keep cost of funds low. Low cost deposits recorded a 13% growth with the CASA mix improving to 32% of deposits.

Net fee and commission income recorded a growth of 15% primarily driven by growth in credit card business income and transactional fees. In trade services, the Bank successfully pursued a strategy of penetrating trade hubs resulting in trade related fees growing by 23% during the period. The Bank's net trading income recorded a decline in comparison to previous year due to unfavourable interest rate movements which resulted in marked to market losses on the FIS portfolio. Customer forex income recorded strong growth of 50% underpinned by incremental customer volumes.

Total impairment charges for the period declined to Rs.985.5Mn, largely due to a significant reduction in collective impairment. This improvement reflects the Bank's emphasis on quality loan growth and substantial improvements in collection efforts during the year. Individual impairment increased in comparison to the previous year due to a one-off charge on specific facilities which has been fully provided for. Overall, the Bank made significant improvements in portfolio quality in several key business lines including leasing, credit cards and SME which is reflected in NPL ratio improving to 2.8% in 2015 from 4.2% in the previous year.

The ongoing focus on lean initiatives and workflow methods together with increased automation and more reliance on digital channels enabled the Group to contain the increase in operating expenses to 8% during the year. Personnel expenses grew by 7% as 133 employees were added to our team during the year. Depreciation and amortization expenses grew by 25% largely due to increased charges on the Bank's core banking system which was launched in 2014. Overall, the Group's cost to income ratio declined from 52% to 55% largely owing to lower growth in revenue arising from narrowing NIMs.

The capital position was sound at Rs.17.8Bn with Capital Adequacy Ratios both at Tier 1 and 2 maintained at comfortable levels.

## **Review of Operations**

### **Consumer**

The Consumer Banking pillar consolidated its resources to better manage customer lifecycle expectations and strengthen the digital infrastructure during the year. Increased investments in the application and analysis of customer data during the year provided deep insights into customer behaviour, and have enabled the Bank to consistently enhance the service proposition. The first-of-its kind digital branch at the World Trade Centre was opened during the year enabling customers to conduct a host of banking operations through self-service channels. During the year, the Bank entered into a partnership with Diners Club International, becoming the exclusive issuer and acquirer of Diners Club International cards. The Bank strengthened its remittance presence by expanding into 2 new markets, Germany & South Korea whilst maintaining strong positioning in traditional markets such as Dubai, Qatar, Saudi Arabia, Kuwait.

### **SME**

The Bank's SME proposition was further strengthened during the year with emphasis placed on up skilling employees, streamlining and increasing process efficiencies and targeted marketing. The sector's growth strategy for the year was underpinned by targeted, relationship-driven marketing to selected SMEs representing all regions and industry sectors. Particular emphasis was placed on supporting key growth sectors of the country's economy. The Bank's strategy of strengthening its geographical presence has augured well for the SME sector, which successfully grew its portfolio outside the Western Province. The Nations Business Seminar was conducted under the patronage of external experts targeting SME customers island-wide.

### **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 year came from finance leases. Portfolio growth during the year was underpinned by the extremely successful launch of a new product targeting the salaried and professional segment. The leasing division placed strategic focus on improving the credit quality of its book during the first half of the year. This was facilitated through strengthening the division's credit appraisal and underwriting standards whilst emphasis was also placed on enhancing employees' underwriting skills through focused training

### **Corporate Banking**

Corporate lending book saw large volatility which was subsequently stabilized towards the 2H with the portfolio expanding rapidly. The Corporate loan book revenue moderated during the year reflecting the impact of narrowing NIMs as intense price competition prevailed. In a bid to soften the impact of margin pressure, emphasis was placed on strengthening fee generating businesses including trade finance and foreign currency. The Division's performance was also upheld by significant growth in foreign exchange customer flows, as the Bank strategically pursued growth opportunities through deeper engagement and synergies with the Treasury unit.

**Treasury**

As anticipated, fixed income operations were challenging due to movements in interest rates which resulted in the FIS portfolio booking in marked to market losses. The customer forex segment was a key driver of the Division's performance during the year which recorded an increase of 50% as the Treasury sales unit worked closely with the Corporate and SME business units to provide tailored solutions for customers.

**Looking forward**

The solid foundation established in 2015 would support strong growth anticipated in 2016 as the macro economic outlook remains positive. We will continue to break new ground as we embrace the digital frontier, enhancing customer experience and reducing complexity of doing business. People continue to be our biggest strength and we believe that the development and retention of our talent is vital. We remain committed in delivering sustainable returns to all our stakeholders and look forward to yet another exciting year.

**NATIONS TRUST BANK PLC**  
**INCOME STATEMENT**

	Bank						Group					
	Tweleve months ended 31 December			Quarter ended 31 December			Tweleve months ended 31 December			Quarter ended 31 December		
	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 (%)
<b>Gross Income</b>	<b>20,045,087</b>	20,546,712	(2)	<b>5,362,409</b>	5,050,165	6	<b>20,278,528</b>	20,853,812	(3)	<b>5,412,412</b>	5,115,469	6
Interest Income	16,511,774	17,267,659	(4)	4,347,366	4,309,604	1	16,628,050	17,452,461	(5)	4,372,618	4,333,340	1
Less : Interest Expense	(7,543,595)	(8,521,173)	(11)	(2,048,169)	(1,986,789)	3	(7,522,866)	(8,512,713)	(12)	(2,040,093)	(1,971,205)	3
<b>Net Interest Income</b>	<b>8,968,179</b>	<b>8,746,486</b>	<b>3</b>	<b>2,299,197</b>	<b>2,322,815</b>	<b>(1)</b>	<b>9,105,184</b>	<b>8,939,748</b>	<b>2</b>	<b>2,332,525</b>	<b>2,362,135</b>	<b>(1)</b>
Fees and Commission Income	3,301,302	2,862,268	15	892,282	778,420	15	3,437,530	3,008,084	14	917,026	816,262	12
Less : Fees and Commission Expense	(229,843)	(224,576)	2	(51,624)	(43,111)	20	(236,255)	(224,576)	5	(58,027)	(42,908)	35
<b>Net Fees and Commission Income</b>	<b>3,071,459</b>	<b>2,637,692</b>	<b>16</b>	<b>840,658</b>	<b>735,309</b>	<b>14</b>	<b>3,201,275</b>	<b>2,783,508</b>	<b>15</b>	<b>858,999</b>	<b>773,354</b>	<b>11</b>
Net Trading Income / (Expense)	(92,347)	123,639	(175)	8,658	(97,921)	109	(93,933)	111,370	(184)	8,658	(94,196)	109
Other Operating Income	324,358	293,146	11	114,103	60,062	90	306,881	281,897	9	114,110	60,063	90
<b>Total Operating Income</b>	<b>12,271,649</b>	<b>11,800,963</b>	<b>4</b>	<b>3,262,616</b>	<b>3,020,265</b>	<b>8</b>	<b>12,519,407</b>	<b>12,116,523</b>	<b>3</b>	<b>3,314,292</b>	<b>3,101,356</b>	<b>7</b>
Impairment Charge /(Reversal ) for Loans and Receivables and Available for Sale on Financial Assets	985,757	1,181,060	(17)	175,941	360,078	(51)	985,478	1,181,739	(17)	175,632	361,308	(51)
Individual Impairment - Loans and Advances	278,926	(237,742)	217	(159,288)	(237,125)	(33)	278,926	(237,742)	217	(159,288)	(237,126)	(33)
Collective Impairment - Loans and Advances	636,546	1,394,472	(54)	284,139	604,340	(53)	636,267	1,395,151	(54)	283,830	605,571	(53)
Others - Available for Sale and Charges Receivable	70,285	24,330	189	51,090	(7,137)	816	70,285	24,330	189	51,090	(7,137)	816
<b>Net Operating Income</b>	<b>11,285,892</b>	<b>10,619,903</b>	<b>6</b>	<b>3,086,675</b>	<b>2,660,187</b>	<b>16</b>	<b>11,533,929</b>	<b>10,934,784</b>	<b>5</b>	<b>3,138,660</b>	<b>2,740,048</b>	<b>15</b>
<b>Less : Expenses</b>												
Personnel Expenses	2,856,534	2,665,130	7	828,199	652,393	27	2,883,133	2,700,398	7	836,888	664,361	26
Depreciation of Property, Plant and Equipment	363,065	295,244	23	89,431	81,900	9	377,043	323,753	16	93,034	101,687	(9)
Amortization of Intangible Assets	236,155	168,557	40	59,983	60,411	(1)	240,021	171,348	40	60,747	61,109	(1)
Other Operating Expenses	3,396,816	3,166,658	7	957,838	884,834	8	3,361,620	3,167,858	6	931,408	888,315	5
<b>Total Operating Expenses</b>	<b>6,852,570</b>	<b>6,295,589</b>	<b>9</b>	<b>1,935,451</b>	<b>1,679,538</b>	<b>15</b>	<b>6,861,817</b>	<b>6,363,357</b>	<b>8</b>	<b>1,922,077</b>	<b>1,715,472</b>	<b>12</b>
<b>Operating Profit Before Value Added Tax (VAT) &amp; NBT</b>	<b>4,433,322</b>	<b>4,324,314</b>	<b>3</b>	<b>1,151,224</b>	<b>980,649</b>	<b>17</b>	<b>4,672,112</b>	<b>4,571,427</b>	<b>2</b>	<b>1,216,583</b>	<b>1,024,576</b>	<b>19</b>
Less : Value Added Tax (VAT) on Financial Services & NBT	755,030	726,576	4	207,202	167,309	24	766,712	744,474	3	209,893	171,427	22
<b>Profit Before Income Tax</b>	<b>3,678,292</b>	<b>3,597,738</b>	<b>2</b>	<b>944,022</b>	<b>813,340</b>	<b>16</b>	<b>3,905,400</b>	<b>3,826,953</b>	<b>2</b>	<b>1,006,690</b>	<b>853,149</b>	<b>18</b>
Less : Income Tax Expense	1,225,602	1,219,745	-	314,265	282,091	11	1,291,409	1,290,373	-	331,346	296,772	12
<b>Profit for the Period</b>	<b>2,452,690</b>	<b>2,377,993</b>	<b>3</b>	<b>629,757</b>	<b>531,249</b>	<b>19</b>	<b>2,613,991</b>	<b>2,536,580</b>	<b>3</b>	<b>675,344</b>	<b>556,377</b>	<b>21</b>
<b>Earnings Per Share</b>												
Basic / Diluted Earnings Per Share (Rs.)	<b>10.64</b>	10.31	3	<b>2.73</b>	<b>2.30</b>	<b>19</b>	<b>11.34</b>	11.00	3	<b>2.93</b>	2.41	21

NATIONS TRUST BANK PLC  
STATEMENT OF COMPREHENSIVE INCOME



	Bank						Group					
	Tweleve months ended 31 December			Quarter ended 31 December			Tweleve months ended 31 December			Quarter ended 31 December		
	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 (%)
<b>Profit for the period</b>	2,452,690	2,377,993	3	629,757	531,249	19	2,613,991	2,536,580	3	675,344	556,377	21
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent period:</b>												
Net gains / (loss) on re-measuring available-for-sale financial assets	(53,632)	155,413	(135)	57,579	155,339	(63)	(53,632)	155,413	(135)	57,579	155,339	(63)
Net income tax charge / (reversal) relating to components of re-measuring available-for-sale financial assets	15,017	(43,516)	135	(16,122)	(43,495)	(63)	15,017	(43,516)	135	(16,122)	(43,495)	(63)
	<u>(38,615)</u>	<u>111,897</u>	<u>(135)</u>	<u>41,457</u>	<u>111,844</u>	<u>(63)</u>	<u>(38,615)</u>	<u>111,897</u>	<u>(135)</u>	<u>41,457</u>	<u>111,844</u>	<u>(63)</u>
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:</b>												
Actuarial gain / (loss) on defined benefit plan	7,504	(10,746)	170	7,504	(10,746)	170	8,755	(10,983)	180	8,755	(10,983)	(180)
Net income tax charge / (reversal) relating to components of defined benefit plan	(2,101)	3,009	(170)	(2,101)	3,009	(170)	(2,429)	3,143	(177)	(2,429)	3,143	(177)
	<u>5,403</u>	<u>(7,737)</u>	<u>(170)</u>	<u>5,403</u>	<u>(7,737)</u>	<u>(170)</u>	<u>6,326</u>	<u>(7,840)</u>	<u>(181)</u>	<u>6,326</u>	<u>(7,840)</u>	<u>(181)</u>
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<u>(33,212)</u>	<u>104,160</u>	<u>(132)</u>	<u>46,860</u>	<u>104,107</u>	<u>(55)</u>	<u>(32,289)</u>	<u>104,057</u>	<u>(131)</u>	<u>47,783</u>	<u>104,004</u>	<u>(54)</u>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<u>2,419,478</u>	<u>2,482,153</u>	<u>(3)</u>	<u>676,617</u>	<u>635,356</u>	<u>6</u>	<u>2,581,702</u>	<u>2,640,637</u>	<u>(2)</u>	<u>723,127</u>	<u>660,381</u>	<u>10</u>
Attributable to:												
<b>Equity holders of the parent</b>	<u>2,419,478</u>	<u>2,482,153</u>	<u>(3)</u>	<u>676,617</u>	<u>635,356</u>	<u>6</u>	<u>2,581,702</u>	<u>2,640,637</u>	<u>(2)</u>	<u>723,127</u>	<u>660,381</u>	<u>10</u>

NATIONS TRUST BANK PLC  
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2015 Rs. '000	31.12.2014 Rs. '000	Change %	31.12.2015 Rs. '000	31.12.2014 Rs. '000	Change %
<b>On Balance Sheet Assets</b>						
Cash and Cash Equivalents	6,392,393	6,898,881	(7)	6,392,437	6,899,905	(7)
Balances with Central Bank of Sri Lanka	5,283,866	3,992,118	32	5,283,866	3,992,118	32
Placements with Banks	-	-		-	-	
Derivative Financial Instruments	554,030	128,053	333	554,030	128,053	333
Reverse Repurchase Agreements	302,249	11,013,507	(97)	302,249	11,013,507	(97)
Other Financial Assets Held-for-Trading	2,044,144	15,648,717	(87)	2,044,144	15,700,388	(87)
Other Financial Assets	6,511,361	3,820,746	70	6,511,361	3,820,746	70
Financial Assets Designated at Fair Value through Profit or Loss	-	-		-	-	
Loans & Receivables to Banks	-	-		-	-	
Loans & Receivables to Other Customers	120,314,568	97,068,259	24	121,143,065	98,347,049	23
Financial Investments - Available-for-Sale	16,532,917	4,329,449	282	16,532,917	4,329,449	282
Financial Investments - Held-to-Maturity	12,675,717	9,586,218	32	12,743,763	9,653,000	32
Investments in Subsidiaries	678,710	678,710	-	-	-	
Investments in Associates and Joint Ventures	-	-		-	-	
Property, Plant & Equipment	1,672,448	1,717,856	(3)	2,143,187	2,194,425	(2)
Investment Properties	-	-		-	-	
Intangible Assets	1,214,095	1,271,137	(4)	1,224,159	1,283,223	(5)
Deferred Tax Assets	428,313	374,796	14	429,068	376,127	14
Other Assets	1,339,553	1,350,872	(1)	1,386,357	1,419,419	(2)
<b>Total Assets</b>	<b>175,944,364</b>	<b>157,879,319</b>	<b>11</b>	<b>176,690,603</b>	<b>159,157,409</b>	<b>11</b>

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



As at	Bank			Group		
	31.12.2015 Rs. '000	31.12.2014 Rs. '000	Change %	31.12.2015 Rs. '000	31.12.2014 Rs. '000	Change %
<b>On Balance Sheet Liabilities</b>						
Due to Banks	2,275,840	2,922,784	(22)	2,275,840	2,922,784	(22)
Derivative Financial Instruments	53,327	166,370	(68)	53,327	166,370	(68)
Other Financial liabilities Held-for-Trading	-	-		-	-	
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-		-	-	
Repurchase Agreements	10,874,122	15,444,206	(30)	10,405,880	15,046,562	(31)
Due to Other Customers	129,240,876	111,046,446	16	129,158,190	111,009,668	16
Other Borrowings	6,004,700	2,890,224	108	6,004,700	3,392,140	77
Debt Securities Issued	-	-		-	-	
Current Tax Liabilities	396,396	639,359	(38)	426,466	666,345	(36)
Deferred Tax Liabilities	1,161,866	789,849	47	1,161,647	789,603	47
Other Liabilities	4,978,921	4,396,493	13	5,064,059	4,472,104	13
Due to Subsidiaries	-	-		-	-	
Subordinated Term Debts	6,968,130	6,795,033	3	6,969,054	6,797,308	3
<b>Total Liabilities</b>	<b>161,954,178</b>	<b>145,090,764</b>	<b>12</b>	<b>161,519,163</b>	<b>145,262,884</b>	<b>11</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	660,840	538,205	23	660,840	538,205	23
Retained Earnings	8,154,695	7,037,084	16	9,335,949	8,143,054	15
AFS Reserve	73,282	111,897	(35)	73,282	111,897	(35)
Other Reserves	-	-		-	-	
<b>Total Shareholders' Equity</b>	<b>13,990,186</b>	<b>12,788,555</b>	<b>9</b>	<b>15,171,440</b>	<b>13,894,525</b>	<b>9</b>
<b>Total Equity and Liabilities</b>	<b>175,944,364</b>	<b>157,879,319</b>	<b>11</b>	<b>176,690,603</b>	<b>159,157,409</b>	<b>11</b>
<b>Contingent Liabilities and Commitments</b>	<b>96,818,431</b>	<b>98,688,631</b>	<b>(2)</b>	<b>96,791,786</b>	<b>98,799,150</b>	<b>(2)</b>
<b>Memorandum Information</b>						
Number of Employees	2,671	2,528		2,695	2,562	
Number of Branches	92	89		92	89	
Number of Off-Site ATMs	39	34		39	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 Directors 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 audited financial statements of the Bank and its Subsidiaries.

.....  
(Sgd) Suran Wijesinghe  
Director

.....  
(Sgd) N. Shalini Panditaratne  
Director

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

February 26, 2016  
Colombo



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

Item	Bank		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Regulatory Capital Adequacy</b>				
Core Capital (Tier 1 Capital), Rs. '000	13,919,237	12,684,394	15,090,171	13,780,962
Total Capital Base, Rs. '000	16,644,603	16,695,595	17,815,536	17,792,162
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	12.26%	13.25%	13.15%	14.16%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	14.67%	17.44%	15.53%	18.28%
<b>Assets Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	2.77%	4.20%	2.76%	4.14%
Net-Non Performing Advances,%(net of interest in suspense and provision)	1.07%	2.76%	1.06%	2.73%
<b>Profitability</b>				
Interest Margin, %	5.46%	5.81%	-	-
Return on Assets (before Tax), %	2.24%	2.39%	2.36%	2.53%
Return on Equity, %	18.07%	20.18%	17.72%	19.76%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets, Rs. '000	31,179,949	29,476,263	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.77%	23.17%	-	-
Off-Shore Banking Unit	33.23%	58.48%	-	-
Net Assets Value Per Share (Rs.)	60.67	55.46	65.79	60.25
Market Price Per Share (Rs.)	<b>31.12.2015</b> (Quarter ended)	<b>31.12.2014</b> (Quarter ended)		
Highest	98.50	101.90		
Lowest	80.00	88.00		
Last Traded Price	86.30	97.00		

**NATIONS TRUST BANK PLC**  
**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
<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 from the Investment Fund Account*	-	1,086,020	-	-	(1,086,020)	-
Transfers to the Statutory 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>
Charge relating to Super Gain Tax	-	(733,572)	-	-	-	(733,572)
Profit For the Period	-	2,452,690	-	-	-	2,452,690
Other Comprehensive Income	-	5,403	(38,615)	-	-	(33,212)
Total Comprehensive Income	-	2,458,093	(38,615)	-	-	2,419,478
Dividend paid for 2014	-	(484,275)	-	-	-	(484,275)
Transfers from the Reserve Fund	-	(122,635)	-	122,635	-	-
<b>As at 31 December 2015</b>	<b>5,101,369</b>	<b>8,154,695</b>	<b>73,282</b>	<b>660,840</b>	-	<b>13,990,186</b>
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
<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 from the Investment Fund Account*	-	1,150,382	-	-	(1,150,382)	-
Transfers from the Statutory 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>
Charge relating to Super Gain Tax	-	(820,512)	-	-	-	(820,512)
Profit For the Period	-	2,613,991	-	-	-	2,613,991
Other Comprehensive Income	-	6,326	(38,615)	-	-	(32,289)
Total Comprehensive Income	-	2,620,317	(38,615)	-	-	2,581,702
Dividend paid for 2014	-	(484,275)	-	-	-	(484,275)
Transfers from the Reserve Fund	-	(122,635)	-	122,635	-	-
<b>As at 31 December 2015</b>	<b>5,101,369</b>	<b>9,335,949</b>	<b>73,282</b>	<b>660,840</b>	-	<b>15,171,440</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 December**



	Bank		Group	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
<b>Cash Flows from Operating Activities</b>				
Receipts of Interest Income	15,341,128	13,705,157	15,553,713	14,117,853
Receipts of Fees and Commission Income	3,289,984	2,849,584	3,425,246	3,018,049
Payments of Interest Expense	(6,273,715)	(7,608,365)	(6,353,699)	(7,832,288)
Payments of Fees and Commission Expense	(229,843)	(224,576)	(223,583)	(213,008)
Net Trading Income	138,192	(342,800)	138,192	(342,800)
Receipts from Other Operating Income	330,756	292,478	313,635	281,961
Gratuity Payments Made	(50,284)	(22,075)	(50,743)	(25,323)
Payments for Operating Expenses	(6,876,405)	(5,826,411)	(6,896,267)	(5,889,047)
<b>Net Cash Flow from Operating Activities before Income Tax (A)</b>	<b>5,669,813</b>	<b>2,822,992</b>	<b>5,906,494</b>	<b>3,115,399</b>
Income Tax paid	(911,088)	(546,321)	(1,056,538)	(634,171)
Super Gain Tax Paid	(733,574)		(820,511)	
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>4,025,151</b>	<b>2,276,671</b>	<b>4,029,445</b>	<b>2,481,228</b>
<b>(Increase)/Decrease in Operating Assets</b>				
Reverse Repurchase Agreements	10,635,826	(9,478,187)	10,196,982	(9,987,629)
Derivative Financial Instruments	(425,977)	(6,562)	(425,977)	(6,562)
Financial Investments Held for Trading	13,207,746	8,859,817	13,256,330	9,882,306
Financial Investments-Held to Maturity	(2,606,006)	11,784,725	(2,607,273)	11,777,136
Financial Investments-Available for Sale	(12,010,430)	(4,168,576)	(12,010,430)	(4,168,576)
Other Financial Assets	(2,647,131)	(1,610,120)	(2,719,131)	(1,717,111)
Loans & Receivables to Other Customers	(23,961,736)	(16,458,248)	(23,789,092)	(16,521,155)
Other Assets	116,563	393,326	119,435	365,386
<b>(Increase)/Decrease in Operating Assets</b>	<b>(17,691,144)</b>	<b>(10,683,824)</b>	<b>(17,979,156)</b>	<b>(10,376,204)</b>
<b>Increase/(Decrease) in Operating Liabilities</b>				
Repurchase Agreements	(4,585,845)	(862,471)	(4,147,000)	(353,029)
Due to Other Customers	17,684,209	14,938,936	17,652,131	14,952,766
Derivative Financial Instruments	(113,043)	(467,255)	(113,043)	(467,255)
Other Liabilities	558,686	(139,239)	591,071	(163,291)
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>13,544,008</b>	<b>13,469,971</b>	<b>13,983,159</b>	<b>13,969,191</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(121,985)</b>	<b>5,062,819</b>	<b>33,447</b>	<b>6,074,214</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(283,030)	(467,946)	(291,177)	(470,009)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	3,456	941	3,456	941
Purchase of Intangible Assets	(223,592)	(774,565)	(225,434)	(774,566)
	<b>(503,166)</b>	<b>(1,241,569)</b>	<b>(513,155)</b>	<b>(1,243,634)</b>
<b>Cash Flows from Financing Activities</b>				
Net change in Debt issued and other Borrowed Funds	2,884,412	966,542	2,663,658	(41,806)
Repayment of Subordinated Debt	-	(67,325)	-	(67,325)
Interest paid on Subordinated Debt	(697,068)	(704,638)	(697,068)	(704,638)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	<b>1,703,069</b>	<b>(289,696)</b>	<b>1,482,315</b>	<b>(1,298,044)</b>
Net Increase in Cash and Cash Equivalents	1,077,916	3,531,551	1,002,607	3,532,536
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>11,569,479</b>	<b>10,491,563</b>	<b>11,482,589</b>	<b>10,492,587</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash on Hand	3,763,144	3,500,746	3,676,222	3,500,759
Statutory Deposit with the Central Bank of Sri Lanka	5,283,866	3,992,118	5,283,866	3,992,118
Balances with Banks	1,129,002	359,164	1,129,034	360,175
Money at Call and Short Notice	1,500,247	3,038,972	1,500,247	3,038,971
Deposits from Other Banks	(106,780)	(399,436)	(106,780)	(399,436)
	<b>11,569,479</b>	<b>10,491,563</b>	<b>11,482,589</b>	<b>10,492,587</b>
<b>A. Reconciliation of Operating Profit</b>				
Profit before Taxation	3,678,292	3,597,738	3,905,400	3,826,953
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	6,398	(667)	6,398	(667)
Impairment charge / (Reversal) for Loans and Receivables	985,757	1,156,730	985,478	1,157,409
Provision for Gratuity	80,160	82,523	81,186	83,527
(Increase) / Decrease in Interest Receivable	(902,432)	(2,918,025)	(899,433)	(2,915,805)
Increase/ (Decrease) in Interest Payable	1,269,879	912,808	1,267,991	911,419
Increase / (Decrease) in Financial Guarantee Liabilities	(11,318)	(12,684)	(11,318)	(12,684)
Other Receivables	(6,121)	(17,906)	(5,697)	(17,172)
Other Payables	12,772	623,366	12,772	623,362
Other Non cash items	606,710	(578,816)	614,458	(515,622)
Gratuity Payments Made	(50,284)	(22,075)	(50,743)	(25,323)
	<b>5,669,813</b>	<b>2,822,992</b>	<b>5,906,494</b>	<b>3,115,399</b>

NATIONS TRUST BANK PLC  
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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>BANK</b>														
<b>Rs. '000</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Assets</b>														
Cash and Cash Equivalents	-	-	-	-	-	-	6,392,393	6,898,881	-	-	-	-	6,392,393	6,898,881
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	5,283,866	3,992,118	-	-	-	-	5,283,866	3,992,118
Derivative Financial Instruments	-	-	554,030	128,053	-	-	-	-	-	-	-	-	554,030	128,053
Reverse Repurchase Agreements	-	-	-	-	-	-	302,249	11,013,507	-	-	-	-	302,249	11,013,507
Financial Assets - Held for Trading	2,044,144	15,648,717	-	-	-	-	-	-	-	-	-	-	2,044,144	15,648,717
Other Financial Assets	-	-	-	-	-	-	6,511,361	3,820,746	-	-	-	-	6,511,361	3,820,746
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	120,314,568	97,068,259	-	-	-	-	120,314,568	97,068,259
Financial Investments - Available-for-Sale	-	-	-	-	12,675,717	9,586,218	-	-	16,532,917	4,329,449	-	-	16,532,917	4,329,449
Financial Assets - Held to Maturity	-	-	-	-	-	-	-	-	-	-	-	-	12,675,717	9,586,218
<b>Total Financial Assets</b>	<b>2,044,144</b>	<b>15,648,717</b>	<b>554,030</b>	<b>128,053</b>	<b>12,675,717</b>	<b>9,586,218</b>	<b>138,804,437</b>	<b>122,793,511</b>	<b>16,532,917</b>	<b>4,329,449</b>	<b>-</b>	<b>-</b>	<b>170,611,245</b>	<b>152,485,948</b>
<b>Liabilities</b>														
Due to Banks	-	-	-	-	-	-	-	-	-	-	2,275,840	2,922,784	2,275,840	2,922,784
Derivative Financial Instruments	-	-	53,327	166,370	-	-	-	-	-	-	-	-	53,327	166,370
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	10,874,122	15,444,206	10,874,122	15,444,206
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	129,240,876	111,046,446	129,240,876	111,046,446
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	12,972,829	9,685,257	12,972,829	9,685,257
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>53,327</b>	<b>166,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,363,667</b>	<b>139,098,693</b>	<b>155,416,994</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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Rs. '000</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Assets</b>														
Cash and Cash Equivalents	-	-	-	-	-	-	6,392,437	6,899,905	-	-	-	-	6,392,437	6,899,905
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	5,283,866	3,992,118	-	-	-	-	5,283,866	3,992,118
Derivative Financial Instruments	-	-	554,030	128,053	-	-	-	-	-	-	-	-	554,030	128,053
Reverse Repurchase Agreements	-	-	-	-	-	-	302,249	11,013,507	-	-	-	-	302,249	11,013,507
Financial Assets - Held for Trading	2,044,144	15,700,388	-	-	-	-	-	-	-	-	-	-	2,044,144	15,700,388
Other Financial Assets	-	-	-	-	-	-	6,511,361	3,820,746	-	-	-	-	6,511,361	3,820,746
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	121,143,065	98,347,049	-	-	-	-	121,143,065	98,347,049
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	16,532,917	4,329,449	-	-	16,532,917	4,329,449
Financial Assets - Held to Maturity	-	-	-	-	12,743,763	9,653,000	-	-	-	-	-	-	12,743,763	9,653,000
<b>Total Financial Assets</b>	<b>2,044,144</b>	<b>15,700,388</b>	<b>554,030</b>	<b>128,053</b>	<b>12,743,763</b>	<b>9,653,000</b>	<b>139,632,978</b>	<b>124,073,325</b>	<b>16,532,917</b>	<b>4,329,449</b>	<b>-</b>	<b>-</b>	<b>171,507,832</b>	<b>153,884,215</b>
<b>Liabilities</b>														
Due to Banks	-	-	-	-	-	-	-	-	-	-	2,275,840	2,922,784	2,275,840	2,922,784
Derivative Financial Instruments	-	-	53,327	166,370	-	-	-	-	-	-	-	-	53,327	166,370
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	10,405,880	15,046,562	10,405,880	15,046,562
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	129,158,190	111,009,668	129,158,190	111,009,668
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	12,973,753	10,189,448	12,973,753	10,189,448
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>53,327</b>	<b>166,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,813,663</b>	<b>139,168,462</b>	<b>154,866,990</b>	<b>139,334,832</b>

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	
	31.12.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	31.12.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
<b>(1) Loans and Receivables To Other Customers</b>				
<b>Gross Loans and Receivables</b>	<b>120,348,390</b>	<b>97,200,303</b>	<b>121,176,337</b>	<b>98,478,822</b>
(Less) : Individual Impairment	(662,163)	(383,237)	(662,163)	(383,237)
Collective Impairment	(1,398,171)	(1,553,360)	(1,397,622)	(1,553,089)
<b>Net Loans and Advances including those designated at Fair Value through Profit or Loss</b>	<b>118,288,056</b>	<b>95,263,706</b>	<b>119,116,553</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>118,288,056</b>	<b>95,263,706</b>	<b>119,116,553</b>	<b>96,542,496</b>
<b>Staff Loans</b>	<b>2,596,464</b>	<b>2,491,861</b>	<b>2,596,464</b>	<b>2,491,861</b>
Less : Allowance for Day 1 Difference	(569,952)	(687,308)	(569,952)	(687,308)
	<b>2,026,512</b>	<b>1,804,553</b>	<b>2,026,512</b>	<b>1,804,553</b>
	<b>120,314,568</b>	<b>97,068,259</b>	<b>121,143,065</b>	<b>98,347,049</b>
<b>(2) Gross Loans and Receivables to Other Customers -By Product</b>				
<b>By Product -Domestic Currency</b>				
Bills of Exchange	30,810	46,132	30,810	46,132
Overdrafts	24,210,450	19,041,870	24,210,450	19,041,870
Term Loans	40,179,106	27,637,790	40,179,106	27,637,790
Staff Loans	2,596,464	2,491,861	2,596,464	2,491,861
Leases	28,936,324	25,695,994	28,936,324	25,695,994
Credit Cards	13,960,650	12,066,137	13,960,650	12,066,137
Pawning Advance	655,734	1,261,819	655,734	1,261,819
Corporate Debt Securities	1,427,994	1,531,212	1,427,994	1,531,212
Housing Loans	1,376,117	1,310,648	1,376,117	1,310,648
Other Advances	5,414,738	3,574,905	6,242,685	4,853,427
<b>Sub Total</b>	<b>118,788,387</b>	<b>94,658,368</b>	<b>119,616,334</b>	<b>95,936,890</b>
<b>By Product -Foreign Currency</b>				
Overdrafts	71,682	188,996	71,682	188,993
Term Loans	1,290,988	1,718,025	1,290,988	1,718,025
Other Advances	2,793,797	3,126,775	2,793,797	3,126,775
<b>Sub Total</b>	<b>4,156,467</b>	<b>5,033,796</b>	<b>4,156,467</b>	<b>5,033,793</b>
<b>Total</b>	<b>122,944,854</b>	<b>99,692,164</b>	<b>123,772,801</b>	<b>100,970,683</b>

NATIONS TRUST BANK PLC  
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	
	31.12.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	30.09.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
<b>Individual Impairment</b>				
Opening Balance	383,237	620,979	383,237	620,979
Charge/ (Reversal) to Income Statement	278,926	(237,742)	278,926	(237,742)
<b>Closing Balance</b>	<b>662,163</b>	<b>383,237</b>	<b>662,163</b>	<b>383,237</b>
<b>Collective Impairment</b>				
Opening Balance	1,553,360	1,154,215	1,553,089	1,153,265
Charge/ (Reversal) to Income Statement	636,546	1,394,472	636,267	1,395,151
Amounts written off during the Period	(791,735)	(995,327)	(791,735)	(995,327)
<b>Closing Balance</b>	<b>1,398,171</b>	<b>1,553,360</b>	<b>1,397,621</b>	<b>1,553,089</b>
<b>Total Impairment</b>	<b>2,060,334</b>	<b>1,936,597</b>	<b>2,059,784</b>	<b>1,936,326</b>

(4) Due to Other Customers -By Product

	Bank		Group	
	31.12.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)	30.09.2015 Rs. '000	31.12.2014 Rs. '000 (Audited)
<b>By Product -Domestic Currency</b>				
Demand Deposits	13,788,379	11,889,763	13,705,693	11,852,985
Savings Deposits	22,372,361	17,784,373	22,372,361	17,784,373
Call Deposits	274,272	364,217	274,272	364,217
Fixed Deposits	74,297,798	61,987,694	74,297,798	61,987,694
Certificate of Deposits	2,391,765	1,758,927	2,391,765	1,758,927
<b>Sub Total</b>	<b>113,124,575</b>	<b>93,784,974</b>	<b>113,041,889</b>	<b>93,748,196</b>
<b>By Product -Foreign Currency</b>				
Demand Deposits	1,226,066	4,129,082	1,226,066	4,129,082
Savings Deposits	4,386,356	3,272,078	4,386,356	3,272,078
Call Deposits	858	1,632	858	1,632
Fixed Deposits	10,503,021	9,858,680	10,503,021	9,858,680
<b>Sub Total</b>	<b>16,116,301</b>	<b>17,261,472</b>	<b>16,116,301</b>	<b>17,261,472</b>
<b>Total</b>	<b>129,240,876</b>	<b>111,046,446</b>	<b>129,158,190</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 31.12.2015 Rs. '000	Balance as at 31.12.2014 Rs. '000	Market Values for the Quarter ended 31.12.2015			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 %	31.12.2015 %	31.12.2014 %	Interest Yield %	Yield to Maturity %
Fixed Rate	NTBD0163	Semi -Annually	1,525,000	1,525,000	Not traded			11.50	11.83	6.84	6.42	Not traded	
Fixed Rate	NTBD0164	Semi -Annually	200,000	200,000	Not traded			11.00	11.30	6.84	6.42	Not traded	
Fixed Rate	NTBD0165	Semi -Annually	275,000	275,000	Not traded			11.50	11.83	6.84	6.42	Not traded	
Fixed Rate	NTBD0266	Semi -Annually	3,000,000	3,000,000	Not traded			13.00	13.42	9.03	7.14	Not traded	
<b>Total Debentures</b>			<b>5,000,000</b>	<b>5,000,000</b>									
<b>Ratios of Debt</b>		<b>31.12.2015</b>	<b>31.12.2014</b>										
* Debt / Equity Ratio %		49.81%	52.53%										
Interest Cover (Times)		6.16	6.08										
* All Subordinated debt are considered as Debt (numerator)													

NATIONS TRUST BANK PLC  
SEGMENT INFORMATION



Operating Segments Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Operating income</b>	<b>9,729,108</b>	<b>9,005,449</b>	<b>2,616,741</b>	<b>2,863,480</b>	<b>334,102</b>	<b>367,688</b>	<b>(160,542)</b>	<b>(120,095)</b>	<b>12,519,407</b>	<b>12,116,523</b>
Impairment Charge/(Reversal ) for Loans and Receivables	985,757	1,181,061	-	-	-	-	(279)	678	985,478	1,181,739
<b>Net Operating income</b>	<b>8,743,350</b>	<b>7,824,388</b>	<b>2,616,741</b>	<b>2,863,480</b>	<b>334,102</b>	<b>367,688</b>	<b>(160,263)</b>	<b>(120,772)</b>	<b>11,533,929</b>	<b>10,934,784</b>
<b>Extracts of results</b>										
Interest Income	12,838,983	12,975,185	3,742,173	4,590,533	164,928	303,601	(118,034)	(416,858)	16,628,050	17,452,461
Inter Segment	(772,815)	(480,231)	772,815	480,231	-	-	-	-	-	(0.00)
Interest Expense	(5,753,039)	(6,306,347)	(1,795,397)	(2,318,231)	(29,275)	(110,340)	54,846	222,204	(7,522,866)	(8,512,713)
<b>Net Interest Income</b>	<b>6,313,129</b>	<b>6,188,607</b>	<b>2,719,591</b>	<b>2,752,533</b>	<b>135,653</b>	<b>193,261</b>	<b>(63,188)</b>	<b>(194,654)</b>	<b>9,105,184</b>	<b>8,939,748</b>
Fees and Commission Income	3,385,760	2,739,990	-	-	212,936	192,810	(161,166)	75,284	3,437,530	3,008,084
Fees and Commission Expense	(201,207)	(205,236)	(9,838)	(16,267)	(12,902)	(6,114)	(12,308)	3,042	(236,255)	(224,576)
<b>Net Fee and Commission Income</b>	<b>3,184,553</b>	<b>2,534,754</b>	<b>(9,838)</b>	<b>(16,267)</b>	<b>200,035</b>	<b>186,696</b>	<b>(173,474)</b>	<b>78,325</b>	<b>3,201,275</b>	<b>2,783,508</b>
Net Trading Income	-	-	(101,324)	121,986	(1,586)	(12,269)	8,977	1,653	(93,933)	111,370
Other Operating Income	231,426	282,088	8,311	5,228	-	-	67,144	(5,419)	306,881	281,897
Depreciation of Property, Plant and Equipment	188,746	175,283	1,188	972	13,978	13,520	173,131	133,978	377,043	323,753
Amortization of Intangible Assets	124,052	56,400	12,111	12,280	3,866	2,791	99,992	99,877	240,021	171,348
Other Expenses										
<b>Segment Profit / (Loss) before Value Added Tax</b>	<b>2,740,527</b>	<b>2,373,932</b>	<b>2,001,798</b>	<b>2,364,636</b>	<b>254,215</b>	<b>272,607</b>	<b>(324,429)</b>	<b>(439,749)</b>	<b>4,672,112</b>	<b>4,571,427</b>
Value Added Tax & Income Tax Expense					(75,538)	(87,276)	(1,982,582)	(1,947,571)	(2,058,121)	(2,034,847)
<b>Profit for the year</b>	<b>2,740,527</b>	<b>2,373,932</b>	<b>2,001,798</b>	<b>2,364,636</b>	<b>178,677</b>	<b>185,332</b>	<b>(2,307,012)</b>	<b>(2,387,320)</b>	<b>2,613,991</b>	<b>2,536,580</b>
<b>Capital Expenditures</b>										
Property and Equipment	127,171	336,411	3,887	361	-	-	118,385	134,110	249,443	470,882
Other Intangible Assets	78,731	752,448	-	-	-	-	158,410	22,116	237,141	774,564
<b>Total Assets</b>	<b>122,297,121</b>	<b>100,065,019</b>	<b>49,688,786</b>	<b>58,534,711</b>	<b>2,256,967</b>	<b>-</b>	<b>2,447,729</b>	<b>557,679</b>	<b>176,690,603</b>	<b>159,157,409</b>
<b>Total Liabilities</b>	<b>131,848,100</b>	<b>113,707,384</b>	<b>30,486,329</b>	<b>31,767,955</b>	<b>414,477</b>	<b>-</b>	<b>(1,229,744)</b>	<b>(212,455)</b>	<b>161,519,163</b>	<b>145,262,884</b>



## NATIONS TRUST BANK PLC



### **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 2015.
- (4) There are no material changes to contingent assets and liabilities since 31 December 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 31 December 2015 that require disclosure or/and adjustments in these accounts and all known expenditure have been provided in these financial statements.
- (6) Subject to approval of the Shareholders at the forthcoming Annual General Meeting, the Directors recommended the payment of a first and final dividend of Rs 2.10 per share for the year ended 31 December 2015.

**NATIONS TRUST BANK PLC**  
**FOR THE PERIOD ENDED 31 DECEMBER 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%
Mackinnons Keells Limited.	22,830,159	9.90%
Central Finance Company PLC A/C No 03	20,715,400	8.98%
Janashakthi General Insurance Limited	18,582,682	8.06%
CF Growth Fund Ltd A/C No.01	14,813,273	6.42%
CF Insurance Brokers (Pvt) Ltd	10,592,857	4.59%
HSBC Intl Nom Ltd-SSBT-National Westminster Bank PLC As Depository Of First State Asia Pacific Fund	9,639,200	4.18%
Janashakthi Insurance PLC (Policy Holders)	4,091,107	1.77%
Hatton National Bank PLC A/C No 1	3,703,543	1.61%
Mr . M. F. Hashim	2,600,000	1.13%
Bank Of Ceylon-No2 A/C	1,546,100	0.67%
Mr. N.R 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%
Malship Ceylon Ltd	1,063,857	0.46%
Mr D.J.M Blackler	1,000,000	0.43%
AIA Insurance Lanka PLC A/C No.07	951,170	0.41%
HSBC Intl Nom Ltd-SSBT-Parametric Tax-Managed Emerging Markets Fund	934,186	0.41%
Deutsche Bank AG-National Equity Fund	842,134	0.37%
	198,377,385	86.02%
Others	32,229,898	13.98%
<b>Total</b>	<b>230,607,283</b>	<b>100.00%</b>

	<b>31.12.2015</b>	
Number of shareholders representing the public holding	6,655	34.85%

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

<b>Name of Director</b>	<b>No of Shares</b>
Mr. K.N.J.Balendra	107,700
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 Jafferjee	-
Dr. (Mr.) Kemal De. Soysa	-
Mr. D.P. De Silva	-
Ms. N. S. Panditaratne	-
Mr. C.L.K.P. Jayasuriya	-
Mr. H Raghavan	-