



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

INTERIM FINANCIAL STATEMENTS

For the Twelve months ended December 31, 2016

Nations Trust Bank records resilient performance amidst challenges

Nations Trust Bank closed the financial year 31st December 2016 with a post-tax profit of Rs.2, 869Mn, up by 10% over the previous year with pre-tax profits increasing by 16%. Profit for the year was impacted by the narrowing of NIMs despite strong volume growth in loans and advances of 24% together with a reduction in impairment charges.

The Group's net interest income growth moderated to 7% during the year, reflective of the rising cost of funds and a conscious rebalancing of the loan portfolio towards corporate and SME from consumer lending.

Net fee and commission income increased by 12% as the Bank placed strategic focus on widening its transactional banking proposition including pursuing of cross sell opportunities, offering enhanced online banking services, trade related services and customer foreign exchange trading. Other operating income increased by 85% due to profits generated on the disposal of shares held in MasterCard. Net trading losses for the year amounted to Rs.241Mn which is reflective of the swap costs arising from an increased forex SWAP portfolio and unfavorable movements in forward premiums. However, the Bank benefited from the relatively lower funding costs of the forex swaps compared to high cost rupee deposits.

The impairment charge declined by 30% to Rs.690Mn, reflecting the overall improvement in credit quality. Substantial improvement on individual impairment was recorded for the current year compared to 2015 which saw a significant one-off charge on a specific facility. Collective impairment increased marginally by 6% to Rs. 676Mn. Overall, the Bank's NPL ratio was at a healthy 2.41% improving from 2.76% reported as at end of 2015.

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 11% during the year despite expenses related to investments in technology and people. Efforts on consolidation of the network also assisted in containing expenses whilst cost management initiatives assisted in rationalizing expenditure and minimizing increases over previous year in some of the key cost lines.

Loan book growth of 24% was well balanced across the portfolios with SME (48%) and corporate (28%) recording significant growth. Deposits too recorded a growth of 17%, however mobilization of term deposits was in the forefront as CASA contracted with a notable shift from low cost to term deposits seen partly due to increasing interest rates.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated “Nations Trust has demonstrated a resilient performance which has withstood multiple industry challenges in year 2016. Economic growth is expected to pick up pace in 2017 against the backdrop of conducive interest rates, as well as macroeconomic policies to boost domestic and foreign investor confidence. We have also embarked on our three year strategic plan aligned to the medium term growth prospects of the country. Our prospects for growth in all our target segments looks positive and we will seek to strengthen our position to become one of the leading players in the banking industry in Sri Lanka”.

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		
	2016	2015	Change	2016	2015	Change	2016	2015	Change	2016	2015	Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
Gross Income	25,300,051	20,045,087	26	7,301,884	5,362,409	36	25,547,459	20,278,528	26	7,386,322	5,412,412	36
Interest Income	21,269,532	16,511,774	29	6,066,731	4,347,366	40	21,383,877	16,628,050	29	6,097,944	4,372,618	39
Less : Interest Expense	(11,646,713)	(7,543,595)	(54)	(3,518,376)	(2,048,169)	(72)	(11,598,266)	(7,522,866)	(54)	(3,503,203)	(2,040,093)	(72)
Net Interest Income	9,622,819	8,968,179	7	2,548,355	2,299,197	11	9,785,611	9,105,184	7	2,594,741	2,332,525	11
Fees and Commission Income	3,680,228	3,301,302	11	1,023,221	892,282	15	3,836,765	3,437,530	12	1,076,446	917,026	17
Less : Fees and Commission Expense	(245,474)	(229,843)	(7)	(88,450)	(51,624)	(71)	(238,456)	(236,255)	(1)	(81,210)	(58,027)	(40)
Net Fees and Commission Income	3,434,754	3,071,459	12	934,771	840,658	11	3,598,309	3,201,275	12	995,236	858,999	16
Net Trading Income / (Expense)	(241,381)	(92,347)	(161)	(113,205)	8,658	(1,408)	(241,381)	(93,933)	(157)	(113,205)	8,658	(1,408)
Other Operating Income	591,672	324,358	82	325,137	114,103	185	568,198	306,881	85	325,137	114,110	185
Total Operating Income	13,407,864	12,271,649	9	3,695,058	3,262,616	13	13,710,737	12,519,407	10	3,801,909	3,314,292	15
Impairment Charge /(Reversal) for Loans and Receivables and Available for Sale on Financial Assets	674,810	985,757	32	150,630	175,941	14	690,272	985,478	30	150,577	175,632	14
Individual Impairment - Loans and Advances	3,402	278,926	99	(79,694)	(159,288)	50	3,402	278,926	99	(79,694)	(159,288)	50
Collective Impairment - Loans and Advances	661,066	636,546	(4)	224,383	284,139	21	676,528	636,267	(6)	224,330	283,830	21
Others - Charges Receivable and Available for Sale	10,342	70,285	85	5,941	51,090	88	10,342	70,285	85	5,941	51,090	88
Net Operating Income	12,733,054	11,285,892	13	3,544,428	3,086,675	15	13,020,465	11,533,929	13	3,651,332	3,138,660	16
Less : Expenses												
Personnel Expenses	3,301,854	2,856,534	(16)	969,278	828,199	(17)	3,330,970	2,883,133	(16)	979,018	836,888	(17)
Depreciation of Property, Plant and Equipment	347,977	363,065	4	86,374	89,431	3	362,221	377,043	4	89,945	93,034	3
Amortization of Intangible Assets	260,292	236,155	(10)	66,489	59,983	(11)	263,495	240,021	(10)	67,299	60,747	(11)
Other Operating Expenses	3,669,804	3,396,816	(8)	974,738	957,838	(2)	3,663,299	3,361,620	(9)	973,010	931,408	(4)
Total Operating Expenses	7,579,927	6,852,570	(11)	2,096,879	1,935,451	(8)	7,619,985	6,861,817	(11)	2,109,272	1,922,077	(10)
Operating Profit Before Value Added Tax (VAT) & NBT	5,153,127	4,433,322	16	1,447,549	1,151,224	26	5,400,480	4,672,112	16	1,542,060	1,216,583	27
Less : Value Added Tax (VAT) on Financial Services & NBT	1,046,211	755,030	(39)	348,959	207,202	(68)	1,060,284	766,712	(38)	353,468	209,893	(68)
Profit Before Income Tax	4,106,916	3,678,292	12	1,098,590	944,022	16	4,340,196	3,905,400	11	1,188,592	1,006,690	18
Less : Income Tax Expense	1,395,707	1,225,602	(14)	332,971	314,265	(6)	1,471,110	1,291,409	(14)	357,378	331,345	(8)
Profit for the Period	2,711,209	2,452,690	11	765,619	629,757	22	2,869,086	2,613,991	10	831,214	675,345	23
Earnings Per Share												
Basic / Diluted Earnings Per Share (Rs.)	11.76	10.64	11	3.32	2.73	22	12.44	11.34	10	3.60	2.93	23

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		
	2016 Rs. '000	2015 Rs. '000	Change (%)	2016 Rs. '000	2015 Rs. '000	Change (%)	2016 Rs. '000	2015 Rs. '000	Change (%)	2016 Rs. '000	2015 Rs. '000	Change (%)
Profit for the period	2,711,209	2,452,690	11	765,619	629,757	22	2,869,086	2,613,991	10	831,214	675,345	23
Other Comprehensive Income to be reclassified to profit or loss in subsequent period:												
Net gains / (loss) on re-measuring available-for-sale financial assets	(138,564)	(53,632)	(158)	(84,059)	57,579	(45)	(138,564)	(53,632)	(158)	(84,059)	57,579	(45)
Less: Reclassification adjustment to the Statement of Profit or Loss	(210,546)	-	(100)	(210,546)	-	(100)	(210,546)	-	(100)	(210,546)	-	(100)
Net income tax (charge) / reversal relating to components of re-measuring available-for-sale financial assets	97,751	15,017	551	82,489	(16,122)	612	97,751	15,017	551	82,489	(16,122)	612
	<u>(251,359)</u>	<u>(38,615)</u>	(551)	<u>(212,116)</u>	<u>41,457</u>	(612)	<u>(251,359)</u>	<u>(38,615)</u>	(551)	<u>(212,116)</u>	<u>41,457</u>	(612)
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:												
Actuarial gain / (loss) on defined benefit plan	21,299	7,504	(184)	21,299	7,504	184	21,823	8,755	(149)	21,823	8,755	149
Net income tax charge / (reversal) relating to components of defined benefit plan	(5,964)	(2,101)	184	(5,964)	(2,101)	184	(6,111)	(2,429)	152	(6,111)	(2,429)	152
	<u>15,335</u>	<u>5,403</u>	(184)	<u>15,335</u>	<u>5,403</u>	184	<u>15,712</u>	<u>6,326</u>	(148)	<u>15,712</u>	<u>6,326</u>	148
Other Comprehensive Income for the Period, Net of Tax	<u>(236,024)</u>	<u>(33,212)</u>	(611)	<u>(196,781)</u>	<u>46,860</u>	(520)	<u>(235,647)</u>	<u>(32,289)</u>	(630)	<u>(196,404)</u>	<u>47,783</u>	(511)
Total Comprehensive Income for the Period, Net of Tax	<u>2,475,185</u>	<u>2,419,478</u>	2	<u>568,838</u>	<u>676,617</u>	(16)	<u>2,633,439</u>	<u>2,581,702</u>	2	<u>634,810</u>	<u>723,128</u>	(12)
Attributable to:												
Equity holders of the parent	<u>2,475,185</u>	<u>2,419,478</u>	2	<u>568,838</u>	<u>676,617</u>	(16)	<u>2,633,439</u>	<u>2,581,702</u>	2	<u>634,810</u>	<u>723,128</u>	(12)

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2016 Rs. '000	31.12.2015 Rs. '000	Change %	31.12.2016 Rs. '000	31.12.2015 Rs. '000	Change %
On Balance Sheet Assets						
Cash and Cash Equivalents	4,187,605	6,392,393	(34)	4,187,649	6,392,437	(34)
Balances with Central Bank of Sri Lanka	8,511,509	5,283,866	61	8,511,509	5,283,866	61
Placements with Banks	-	-		-	-	
Derivative Financial Instruments	65,356	554,030	(88)	65,356	554,030	(88)
Reverse Repurchase Agreements	14,930	302,249	(95)	14,930	302,249	(95)
Other Financial Assets Held-for-Trading	1,574,952	2,044,144	(23)	1,574,952	2,044,144	(23)
Other Financial Assets	6,860,950	6,511,361	5	6,860,950	6,511,361	5
Financial Assets Designated at Fair Value through Profit or Loss	-	-		-	-	
Loans & Receivables to Banks	-	-		-	-	
Loans & Receivables to Other Customers	148,924,734	120,314,568	24	149,817,941	121,143,065	24
Financial Investments - Available-for-Sale	22,148,963	16,532,917	34	22,148,963	16,532,917	34
Financial Investments - Held-to-Maturity	12,929,523	12,675,717	2	12,998,988	12,743,763	2
Investments in Subsidiaries	678,710	678,710	-	-	-	
Investments in Associates and Joint Ventures	-	-		-	-	
Property, Plant & Equipment	1,536,664	1,672,448	(8)	1,996,208	2,143,187	(7)
Investment Properties	-	-		-	-	
Intangible Assets	1,180,699	1,214,095	(3)	1,188,841	1,224,159	(3)
Deferred Tax Assets	522,545	428,313	22	523,580	429,068	22
Other Assets	1,776,550	1,339,553	33	1,813,688	1,386,357	31
Total Assets	210,913,690	175,944,364	20	211,703,555	176,690,603	20

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2016 Rs. '000	31.12.2015 Rs. '000	Change %	31.12.2016 Rs. '000	31.12.2015 Rs. '000	Change %
On Balance Sheet Liabilities						
Due to Banks	11,850,888	2,275,840	421	11,850,888	2,275,840	421
Derivative Financial Instruments	130,017	53,327	144	130,017	53,327	144
Other Financial liabilities Held-for-Trading	-	-		-	-	
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-		-	-	
Repurchase Agreements	9,850,773	13,684,942	(28)	9,261,110	13,216,700	(30)
Due to Other Customers	151,559,668	129,240,876	17	151,502,236	129,158,190	17
Other Borrowings	4,098,408	3,193,880	28	4,098,408	3,193,880	28
Debt Securities Issued	-	-		-	-	
Current Tax Liabilities	439,215	396,396	11	478,011	426,466	12
Deferred Tax Liabilities	1,492,958	1,161,866	28	1,492,734	1,161,647	29
Other Liabilities	5,463,970	4,978,921	10	5,522,850	5,064,059	9
Due to Subsidiaries	-	-		-	-	
Subordinated Term Debts	10,046,697	6,968,130	44	10,046,697	6,969,054	44
Total Liabilities	194,932,594	161,954,178	20	194,382,951	161,519,163	20
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	796,400	660,840	21	796,400	660,840	21
Retained Earnings	10,261,404	8,154,695	26	11,600,912	9,335,949	24
AFS Reserve	(178,077)	73,282	(343)	(178,077)	73,282	(343)
Total Shareholders' Equity	15,981,096	13,990,186	14	17,320,604	15,171,440	14
Total Equity and Liabilities	210,913,690	175,944,364	20	211,703,555	176,690,603	20
Contingent Liabilities and Commitments	124,017,916	96,818,431	28	123,584,888	96,791,786	28
Memorandum Information						
Number of Employees	2,747	2,671		2,770	2,695	
Number of Branches	93	92		93	92	
Number of Off-Site ATMs	39	39		39	39	

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 audited financial statements of the Bank and its Subsidiaries

.....
(Sgd.) Krishan Balendra
Chairman

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

.....
(Sgd.) Renuka Fernando
Director / Chief Executive Officer

27 February 2017
Colombo

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

Item	Bank		Group	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	14,965,471	13,919,237	16,286,138	15,090,171
Total Capital Base, Rs. '000	21,291,422	16,644,603	22,612,088	17,815,536
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.57%	12.26%	11.40%	13.15%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	15.04%	14.67%	15.82%	15.53%
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	2.42%	2.77%	2.41%	2.76%
Net-Non Performing Advances,%(net of interest in suspense and provision)	0.65%	1.07%	0.65%	1.06%
Profitability				
Interest Margin, %	4.90%	5.46%	-	-
Return on Assets (before Tax), %	2.09%	2.24%	2.20%	2.36%
Return on Equity, %	18.19%	18.07%	17.74%	17.72%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	38,929,441	31,179,949	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.72%	21.77%	-	-
Off-Shore Banking Unit	33.38%	33.23%	-	-
Net Assets Value Per Share (Rs.)	69.30	60.67	75.11	65.79
Market Price Per Share (Rs.)	31.12.2016 (Quarter ended)	31.12.2015 (Quarter ended)		
Highest	85.00	98.50		
Lowest	75.10	80.00		
Last Traded Price	80.90	86.30		

NATIONS TRUST BANK PLC
STATEMENT OF CHANGES IN EQUITY

BANK	Stated Capital	Retained Earnings	Available for Sale Reserve	Statutory Reserve Fund	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2015	5,101,369	7,037,084	111,897	538,205	12,788,555
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	-
As at 31 December 2015	5,101,369	8,154,695	73,282	660,840	13,990,186
As at 01 January 2016	5,101,369	8,154,695	73,282	660,840	13,990,186
Profit For the Period	-	2,711,209	-	-	2,711,209
Other Comprehensive Income	-	15,335	(251,359)	-	(236,024)
Total Comprehensive Income	-	2,726,544	(251,359)	-	2,475,185
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
Transfers from the Reserve Fund	-	(135,560)	-	135,560	-
As at 31 December 2016	5,101,369	10,261,404	(178,077)	796,400	15,981,096
GROUP	Stated Capital	Retained Earnings	Available for Sale Reserve	Statutory Reserve Fund	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 01 January 2015	5,101,369	8,143,054	111,897	538,205	13,894,525
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	-
As at 31 December 2015	5,101,369	9,335,949	73,282	660,840	15,171,440
As at 01 January 2016	5,101,369	9,335,949	73,282	660,840	15,171,440
Charge relating to Super Gain Tax		-			-
Profit For the Period	-	2,869,086	-	-	2,869,086
Other Comprehensive Income	-	15,712	(251,359)	-	(235,647)
Total Comprehensive Income	-	2,884,798	(251,359)	-	2,633,439
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
Transfers from the Reserve Fund	-	(135,560)	-	135,560	-
As at 31 December 2016	5,101,369	11,600,912	(178,077)	796,400	17,320,604

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



	Bank		Group	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	20,395,332	15,341,128	20,635,355	15,553,713
Receipts of Fees and Commission Income	3,676,301	3,289,984	3,855,703	3,425,246
Payments of Interest Expense	(10,030,686)	(6,273,715)	(10,108,747)	(6,353,699)
Payments of Fees and Commission Expense	(245,474)	(229,843)	(232,882)	(223,583)
Net Trading Income	(232,852)	138,192	(232,852)	138,192
Receipts from Other Operating Income	584,536	330,756	578,783	313,635
Gratuity Payments Made	(57,073)	(50,284)	(57,504)	(50,743)
Payments for Operating Expenses	(7,753,475)	(6,876,405)	(7,798,626)	(6,896,267)
Net Cash Flow from Operating Activities before Income Tax (A)	6,336,609	5,669,814	6,639,231	5,906,493
Income Tax paid	(760,145)	(911,088)	(819,584)	(1,056,538)
Operating Profit before Changes in Operating Assets and Liabilities	5,576,463	4,025,151	5,819,645	4,029,445
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	287,631	10,635,826	(29,793)	10,196,982
Derivative Financial Instruments	488,674	(425,977)	488,674	(425,977)
Financial Investments Held for Trading	461,654	13,207,746	461,654	13,256,330
Financial Investments-Held to Maturity	(341,496)	(2,606,006)	(342,911)	(2,607,273)
Financial Investments-Available for Sale	(5,814,595)	(12,010,430)	(5,814,595)	(12,010,430)
Other Financial Assets	(312,980)	(2,647,131)	(434,643)	(2,719,131)
Loans & Receivables to Other Customers	(28,938,440)	(23,961,736)	(29,141,685)	(23,789,092)
Other Assets	(355,134)	116,563	(346,060)	119,435
(Increase)/Decrease in Operating Assets	(34,524,687)	(17,691,144)	(35,159,358)	(17,979,156)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	(3,808,901)	(4,585,845)	(3,491,478)	(4,147,000)
Due to Other Customers	21,508,454	17,684,209	21,533,708	17,652,131
Derivative Financial Instruments	76,690	(113,043)	76,690	(113,043)
Other Liabilities	394,317	558,686	308,208	591,071
Increase/(Decrease) in Operating Liabilities	18,170,559	13,544,008	18,427,127	13,983,159
Net Cash Flows from Operating Activities	(10,777,664)	(121,985)	(10,912,587)	33,447
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(244,731)	(283,030)	(247,779)	(291,177)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	7,618	3,456	7,618	3,456
Purchase of Intangible Assets	(226,898)	(223,592)	(228,182)	(225,434)
	(464,011)	(503,166)	(468,343)	(513,155)
Cash Flows from Financing Activities				
Net change in Debt issued and other Borrowed Funds	10,530,327	2,884,412	10,669,581	2,663,658
Proceeds from the issue of Debentures	5,076,876	-	5,076,876	-
Repayment of Subordinated Debt	(2,084,596)	-	(2,084,596)	-
Interest paid on Subordinated Debt	(761,621)	(697,068)	(761,621)	(697,068)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	12,276,711	1,703,069	12,415,966	1,482,315
Net Increase in Cash and Cash Equivalents	1,035,036	1,077,916	1,035,036	1,002,608
Cash and Cash Equivalents at the beginning of the period	11,569,479	10,491,563	11,569,526	10,566,918
Cash and Cash Equivalents at the end of the period	12,604,514	11,569,479	12,604,559	11,569,526
Reconciliation of Cash and Cash Equivalents				
Cash on Hand	3,745,304	3,763,144	3,745,317	3,763,159
Statutory Deposit with the Central Bank of Sri Lanka	8,511,509	5,283,866	8,511,509	5,283,866
Balances with Banks	442,301	1,129,002	442,332	1,129,034
Money at Call and Short Notice	-	1,500,247	-	1,500,247
Deposits from Other Banks	(94,599)	(106,780)	(94,599)	(106,780)
	12,604,514	11,569,479	12,604,559	11,569,526
A. Reconciliation of Operating Profit				
Profit before Taxation	4,106,916	3,678,292	4,340,197	3,905,400
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	(7,136)	6,398	(7,136)	6,398
Impairment charge / (Reversal) for Loans and Receivables	674,812	985,757	690,273	985,478
Provision for Gratuity	88,421	80,160	89,435	81,186
(Increase) / Decrease in Interest Receivable	(681,288)	(902,432)	(681,050)	(899,433)
Increase/ (Decrease) in Interest Payable	1,616,026	1,269,879	1,616,098	1,267,991
Increase / (Decrease) in Financial Guarantee Liabilities	(3,928)	(11,318)	(3,928)	(11,318)
Other Receivables	14,618	(6,121)	8,857	(5,697)
Other Payables	84,611	12,772	84,613	12,772
Other Non cash items	500,629	606,710	559,374	614,458
Gratuity Payments Made	(57,073)	(50,284)	(57,504)	(50,743)
	6,336,609	5,669,814	6,639,231	5,906,493

NATIONS TRUST BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



	HFT at Fair Value		Financial Derivatives at Fair Value		HTM at Amortised Cost		Amortised Cost		AFS		Other Financial Liabilities at Amortised Cost		Total	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
BANK														
Rs. '000														
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,187,605	6,392,393	-	-	-	-	4,187,605	6,392,393
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	8,511,509	5,283,866	-	-	-	-	8,511,509	5,283,866
Derivative Financial Instruments	-	-	65,356	554,030	-	-	-	-	-	-	-	-	65,356	554,030
Reverse Repurchase Agreements	-	-	-	-	-	-	14,930	302,249	-	-	-	-	14,930	302,249
Financial Assets - Held for Trading	1,574,952	2,044,144	-	-	-	-	-	-	-	-	-	-	1,574,952	2,044,144
Other Financial Assets	-	-	-	-	-	-	6,860,950	6,511,361	-	-	-	-	6,860,950	6,511,361
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	148,924,734	120,314,568	-	-	-	-	148,924,734	120,314,568
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	22,148,963	16,532,917	-	-	22,148,963	16,532,917
Financial Assets - Held to Maturity	-	-	-	-	12,929,523	12,675,717	-	-	-	-	-	-	12,929,523	12,675,717
Total Financial Assets	1,574,952	2,044,144	65,356	554,030	12,929,523	12,675,717	168,499,728	138,804,437	22,148,963	16,532,917	-	-	205,218,522	170,611,245
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	11,850,888	2,275,840	11,850,888	2,275,840
Derivative Financial Instruments	-	-	130,017	53,327	-	-	-	-	-	-	-	-	130,017	53,327
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	9,850,773	13,684,942	9,850,773	13,684,942
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	151,559,668	129,240,876	151,559,668	129,240,876
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	14,145,105	10,162,010	14,145,105	10,162,010
Total Financial Liabilities	-	-	130,017	53,327	-	-	-	-	-	-	187,406,434	155,363,668	187,536,451	155,416,995

GROUP

	HFT at Fair Value		Financial Derivatives at Fair Value		HTM at Amortised Cost		Amortised Cost		AFS		Other Financial Liabilities at Amortised Cost		Total	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Rs. '000														
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	4,187,649	6,392,437	-	-	-	-	4,187,649	6,392,437
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	8,511,509	5,283,866	-	-	-	-	8,511,509	5,283,866
Derivative Financial Instruments	-	-	65,356	554,030	-	-	-	-	-	-	-	-	65,356	554,030
Reverse Repurchase Agreements	-	-	-	-	-	-	14,929,611	302,249	-	-	-	-	14,929,611	302,249
Financial Assets - Held for Trading	1,574,952	2,044,144	-	-	-	-	-	-	-	-	-	-	1,574,952	2,044,144
Other Financial Assets	-	-	-	-	-	-	6,860,950	6,511,361	-	-	-	-	6,860,950	6,511,361
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	149,817,941	121,143,065	-	-	-	-	149,817,941	121,143,065
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	22,148,963	16,532,917	-	-	22,148,963	16,532,917
Financial Assets - Held to Maturity	-	-	-	-	12,998,988	12,743,763	-	-	-	-	-	-	12,998,988	12,743,763
Total Financial Assets	1,574,952	2,044,144	65,356	554,030	12,998,988	12,743,763	184,307,660	139,632,978	22,148,963	16,532,917	-	-	221,095,919	171,507,832
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	11,850,888	2,275,840	11,850,888	2,275,840
Derivative Financial Instruments	-	-	130,017	53,327	-	-	-	-	-	-	-	-	130,017	53,327
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	9,261,110	13,216,700	9,261,110	13,216,700
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	151,502,236	129,158,190	151,502,236	129,158,190
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	14,145,105	10,162,934	14,145,105	10,162,934
Total Financial Liabilities	-	-	130,017	53,327	-	-	-	-	-	-	186,759,339	154,813,664	186,889,356	154,866,991

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	
	31.12.2016 Rs. '000	31.12.2015 Rs. '000	31.12.2016 Rs. '000	31.12.2015 Rs. '000
(1) Loans and Receivables To Other Customers				
Gross Loans and Receivables	148,975,699	120,348,390	149,868,485	121,176,337
(Less) : Individual Impairment	(702,650)	(662,162)	(702,650)	(662,162)
Collective Impairment	(1,575,427)	(1,398,172)	(1,575,006)	(1,397,622)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	146,697,622	118,288,056	147,590,829	119,116,553
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	146,697,622	118,288,056	147,590,829	119,116,553
Staff Loans	2,807,963	2,596,464	2,807,963	2,596,464
Less : Allowance for Day 1 Difference	(580,851)	(569,952)	(580,851)	(569,952)
	2,227,112	2,026,512	2,227,112	2,026,512
	148,924,734	120,314,568	149,817,941	121,143,065
(2) Gross Loans and Receivables to Other Customers -By Product				
By Product -Domestic Currency				
Bills of Exchange	67,545	30,810	67,545	30,810
Overdrafts	30,365,184	24,141,671	30,365,184	24,141,671
Term Loans	56,786,371	42,952,414	56,786,371	40,179,106
Staff Loans	2,807,963	2,596,464	2,807,963	2,596,464
Leases	31,422,446	28,936,324	31,422,446	28,936,324
Credit Cards	16,282,718	13,960,650	16,282,718	13,960,650
Pawning Advance	455,544	655,734	455,544	655,734
Corporate Debt Securities	948,429	1,427,994	948,429	1,427,994
Housing Loans	2,556,287	1,376,117	2,556,287	1,376,117
Other Advances	3,861,526	2,710,209	4,754,312	6,311,464
Sub Total	145,554,013	118,788,387	146,446,799	119,616,334
By Product -Foreign Currency				
Overdrafts	218,047	71,682	218,047	71,682
Term Loans	3,355,482	1,290,988	3,355,482	1,290,988
Other Advances	2,656,120	2,793,797	2,656,120	2,793,797
Sub Total	6,229,649	4,156,467	6,229,649	4,156,467
Total	151,783,662	122,944,854	152,676,448	123,772,801

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	
	31.12.2016 Rs. '000	31.12.2015 Rs. '000	31.12.2016 Rs. '000	31.12.2015 Rs. '000
Individual Impairment				
Opening Balance	662,162	383,236	662,162	383,236
AFS Impairment transferred during year 2016	37,086	-	37,086	-
Charge/ (Reversal) to Income Statement	3,402	278,926	3,402	278,926
Closing Balance	702,650	662,162	702,650	662,162
Collective Impairment				
Opening Balance	1,398,172	1,553,361	1,397,622	1,553,089
Charge/ (Reversal) to Income Statement	661,066	636,546	676,529	636,268
Amounts written off during the Period	(483,811)	(791,735)	(499,145)	(791,735)
Closing Balance	1,575,427	1,398,172	1,575,006	1,397,622
Total Impairment	2,278,077	2,060,334	2,277,656	2,059,784

(4) Due to Other Customers -By Product

	Bank		Group	
	31.12.2016 Rs. '000	31.12.2015 Rs. '000	31.12.2016 Rs. '000	31.12.2015 Rs. '000
By Product -Domestic Currency				
Demand Deposits	13,310,172	13,788,379	13,252,740	13,705,693
Savings Deposits	23,281,051	22,372,361	23,281,051	22,372,361
Call Deposits	92,910	274,272	92,910	274,272
Fixed Deposits	94,403,995	74,297,798	94,403,995	74,297,798
Certificate of Deposits	2,441,050	2,391,765	2,441,050	2,391,765
Sub Total	133,529,178	113,124,575	133,471,746	113,041,889
By Product -Foreign Currency				
Demand Deposits	757,263	1,226,066	757,263	1,226,066
Savings Deposits	5,084,916	4,386,356	5,084,916	4,386,356
Call Deposits	38,507	858	38,507	858
Fixed Deposits	12,149,804	10,503,021	12,149,804	10,503,021
Sub Total	18,030,490	16,116,301	18,030,490	16,116,301
Total	151,559,668	129,240,876	151,502,236	129,158,190

DEBENTURE INFORMATION

The rated unsecured subordinated redeemable debentures 2013/18 and 2016/21 of the Bank are listed in the Colombo Stock Exchange.



Debenture Categories	CSE Listing	Interest Payable Frequency	Balance as at 31.12.2016 Rs. '000	Balance as at 31.12.2015 Rs. '000	Market Values for the Quarter ended 31.12.2016			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 %	31.12.2016 %	31.12.2015 %	Interest Yield %	Yield to Maturity -
Fixed Rate	NTBD0164	Semi -Annually		200,000				11.00	11.3		6.84		
Fixed Rate	NTBD0165	Semi -Annually		275,000				11.50	11.83		6.84		
Fixed Rate	NTBD0163	Semi -Annually		1,525,000				11.50	11.83		6.84		
Fixed Rate	NTBD0266	Semi -Annually	3,000,000	3,000,000	Not traded during the current period			13.00	13.42	11.42	9.03	Not traded during the current period	
Floating	NTB-BD-08/11/21-C2363	Semi -Annually	2,410		Not traded during the current period			12.02	12.38	12.15		Not traded during the current period	
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi -Annually	3,885,800		100	100	100	12.65	13.05	12.15		12.65	12.64
Fixed Rate	NTB-BD-08/11/21-C2364-12.8	Annually	1,111,790		100	100	100	12.80	12.80	12.15		12.80	12.79
Total Debentures			8,000,000	5,000,000									

Ratios of Debt	31.12.2016	31.12.2015
* Debt / Equity Ratio %	62.87%	49.81%
Interest Cover (Times)	6.60	6.16
Quick Asset Ratio	87%	87%

* All Subordinated debt are considered as Debt (numerator)

NATIONS TRUST BANK PLC
SEGMENT INFORMATION



Operating Segments Rs. '000	Banking Operations		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Operating income	11,915,555	9,729,108	1,974,748	2,616,741	370,001	334,100	(549,567)	(160,542)	13,710,737	12,519,407
Impairment Charge/(Reversal) for Loans and Receivables	563,041	985,757	111,976	-	-	-	15,255	(279)	690,272	985,478
Net Operating income	11,352,514	8,743,351	1,862,772	2,616,741	370,001	334,100	(564,822)	(160,263)	13,020,465	11,533,929
Extracts of results										
Interest Income	16,858,589	12,838,983	4,476,115	3,742,173	177,478	164,928	(128,305)	(118,034)	21,383,877	16,628,050
Inter Segment	(253,772)	(772,815)	253,772	772,815	-	-	-	-	-	-
Interest Expense	(9,214,137)	(5,753,039)	(2,501,515)	(1,795,397)	(15,611)	(29,276)	132,997	54,846	(11,598,266)	(7,522,866)
Net Interest Income	7,390,680	6,313,129	2,228,372	2,719,591	161,867	135,652	4,692	(63,188)	9,785,611	9,105,184
Fees and Commission Income	3,752,350	3,385,760	1,686	-	221,424	212,936	(138,695)	(161,166)	3,836,765	3,437,530
Fees and Commission Expense	(212,078)	(201,207)	(14,693)	(9,838)	(13,305)	(12,902)	1,620	(12,308)	(238,456)	(236,255)
Net Fee and Commission Income	3,540,272	3,184,553	(13,007)	(9,838)	208,119	200,034	(137,075)	(173,474)	3,598,309	3,201,275
Net Trading Income	448,711	-	(240,619)	(101,324)	-	(1,586)	(449,473)	8,977	(241,381)	(93,933)
Other Operating Income	535,892	231,426	-	8,311	15	-	32,291	67,144	568,198	306,881
Depreciation of Property, Plant and Equipment	240,018	188,746	1,615	1,188	14,243	13,978	106,345	173,131	362,221	377,043
Amortization of Intangible Assets	40,040	124,052	12,009	12,111	3,203	3,866	208,243	99,992	263,495	240,021
Other Expenses										
Segment Profit / (Loss) before Value Added Tax	4,062,562	2,740,527	1,553,399	2,001,798	285,379	254,216	(500,860)	(324,429)	5,400,480	4,672,112
Value Added Tax & Income Tax Expense					(84,834)	(75,539)	(2,446,560)	(1,982,582)	(2,531,394)	(2,058,121)
Profit for the year	4,062,562	2,740,527	1,553,399	2,001,798	200,545	178,677	(2,947,420)	(2,307,011)	2,869,086	2,613,991
Capital Expenditures										
Property and Equipment	164,414	127,171	808	3,887	3,047	-	79,450	118,385	247,719	249,443
Other Intangible Assets	39,653	78,731	820	-	1,284	-	186,425	158,410	228,182	237,141
Total Assets	148,409,426	122,297,121	55,810,743	49,726,217	2,324,201	2,256,967	5,159,185	2,410,298	211,703,555	176,690,603
Total Liabilities	154,090,464	131,848,100	34,988,727	30,486,329	306,873	414,478	4,996,887	(1,229,744)	194,382,951	161,519,163

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 2016.
- (4) There are no material changes to contingent assets and liabilities since 31 December 2016 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 2016 that require disclosure or/and adjustments in these accounts and all known expenditure have been provided in these financial statements.
- (6) The Board has declared a first and final dividend of Rs 2.10 per share for the year ended 31 December 2016.

NATIONS TRUST BANK PLC
FOR THE PERIOD ENDED 31 DECEMBER 2016

Twenty largest Shareholders

Name of the Shareholder	No. of Shares	%
John Keels Holdings PLC	46,121,536	20.00
HWIC Asia Fund	34,591,092	15.00
Mackinnons Keels 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
HSBC INTL NOM LTD - SSBT - First State Investment ICVC - Stewart Investors Asia Pacific Fund	14,366,325	6.23
CF Insurance Brokers (PVT) LTD	10,592,857	4.59
Janashakthi Insurance PLC (Policy Holders)	4,091,107	1.77
Hatton National Bank PLC A/C No.1	3,703,543	1.61
Mr. Hashim	2,600,000	1.13
Mr. Somaiya	1,320,624	0.57
Timex Garments (PVT) LTD	1,238,465	0.54
Bank Of Ceylon - No 2 A/C	1,236,880	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. Blackler	1,000,000	0.43
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
Mr. Arachchi	820,000	0.36
	202,664,120	87.89
Others	27,943,163	12.11
Total	230,607,283	100.00

	31.12.2016	
Number of shareholders representing the public holding	6,347	34.84%

Directors' holding in shares as at 31 December 2016

Name of Director	No of Shares
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
Mr. M Jafferjee	-
Dr. K. De. Soysa	-
Mr. D.P. De Silva	-
Mrs. N. S. Panditaratne	-
Mr. C.L.K.P. Jayasuriya	-
Mr. H Raghavan	-
Mr. J.C.A.D' Souza	-
Ms. R.D. Rajapaksa	-
Mr. N. I. R. De Mel	-