



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

INTERIM FINANCIAL STATEMENTS

For the Six months ended June 30, 2017

Nations Trust Bank 1H pre tax profits up by 27%

The Bank closed the first half ending 30th June 2017 with a pre tax profit of Rs. 2,977Mn up by 27% over the corresponding period in the previous year. Post tax profits increased at a lower rate of 12% as a result of the increase in the effective tax rate stemming from higher financial services VAT as well as the additional tax provision of Rs. 90Mn for the inter company dividend transfer which impacted the Group bottom line growth. However the dividend income received from the subsidiaries resulted in a higher profit growth for the Bank and further strengthened the capital base of the Bank.

Performance was driven by the momentum achieved in the Bank's core activities which posted a revenue growth of 21% while the operating expenses increase was kept at 11%. The resulting improvement to operating margins were somewhat subdued by higher impairment charges for the period under review.

Net interest income increased by 19% as the volume growth outperformed the impact arising from the narrowing of NIMs. Interest income increased by 45% whilst interest expense increased at a faster rate of 70% as deposit rates in the market continued to increase due to tight liquidity.

Net fees and commission based income recorded a growth of 32% primarily driven by cards and trade related products. Other operating income also recorded good growth due to non trade related FX income. Net trading losses for the year amounted to Rs. 267Mn which is reflective of the swap cost arising from an increase in the funding FX SWAP book and unfavorable movements in forward premiums. However, the Bank continued to benefit from the relatively lower funding costs of the forex swaps compared to high cost rupee deposits.

Expenses recorded a growth of 11% with personnel and other operating expenses contributing towards the increase. Growth in expenses were impacted by the higher taxes applicable for the current period on account of the increase in the VAT rate and the impact of regulatory allowances. Continued focus on efficiencies and digitalization of processes of fast growing transactional and servicing volumes have yielded productivity improvements across the Bank. Higher revenue growth and well managed expenses growth resulted in the cost income ratio declining from 57.5% to 52.7%.

Impairment charges recorded a 86% increase partly due to the increase in collective impairment charges related to the growth in the loan book and partly due to a fallback of stringent recovery targets in some portfolios in the second quarter. The bank has taken immediate action to review and further strengthen its collections capacity and processes in order to achieve its collection targets.

Growth in the loan portfolio was primarily driven by SME and Corporate whilst moderate growth was recorded in leasing and credit cards. CASA grew by 9% with new products launched during the early part of the year boosting growth in SA. The Bank successfully concluded a \$50Mn funding line from IFC adding more diversity to the medium term funding structure of the bank.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated “The first half results for our Bank demonstrates commendable performance across all our businesses as seen by the growth numbers across all key portfolios. We will continue to drive our growth while ensuring that we do not compromise on our strong risk management platform. We also saw a number of our projects on the digital front come to fruition this year and have launched unparalleled, state of the art experiences to our customers with our Nations mobile banking app as well as our new payment and digital banking platform, FriMi. Internally we continue to drive our efficiencies through innovative technology such as robotics and AI and will continue our focus towards leveraging these efficiencies. We are confident that these technological capabilities will enable us to steer Nations Trust Bank through its next phase of growth in a fast changing environment

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank						Group					
	Six months ended 30 June			Quarter ended 30 June			Six months ended 30 June			Quarter ended 30 June		
	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)
Gross Income	16,363,246	11,264,471	45	8,732,145	5,813,899	50	16,181,510	11,368,320	42	8,459,286	5,875,563	44
Interest Income	13,851,037	9,530,974	45	7,354,283	5,032,746	46	13,918,957	9,583,441	45	7,388,880	5,060,760	46
Less : Interest Expense	(8,474,027)	(4,995,608)	(70)	(4,499,162)	(2,652,127)	(70)	(8,440,079)	(4,975,278)	(70)	(4,482,727)	(2,640,443)	(70)
Net Interest Income	5,377,010	4,535,366	19	2,855,121	2,380,619	20	5,478,878	4,608,163	19	2,906,153	2,420,317	20
Fees and Commission Income	2,181,043	1,665,790	31	1,099,597	837,391	31	2,286,868	1,717,158	33	1,147,623	871,035	32
Less : Fees and Commission Expense	(147,591)	(95,144)	(55)	(74,091)	(32,352)	(129)	(148,347)	(98,488)	(51)	(74,772)	(34,024)	(120)
Net Fees and Commission Income	2,033,452	1,570,646	29	1,025,506	805,039	27	2,138,521	1,618,670	32	1,072,851	837,011	28
Net Trading Income / (Expense)	(267,002)	(82,981)	(222)	(211,328)	(141,428)	(49)	(267,002)	(82,981)	(222)	(211,328)	(141,428)	(49)
Other Operating Income	598,168	150,688	297	489,593	85,190	475	242,687	150,702	61	134,112	85,196	57
Total Operating Income	7,741,628	6,173,719	25	4,158,892	3,129,420	33	7,593,084	6,294,554	21	3,901,788	3,201,096	22
Impairment Charge /(Reversal) for Loans and Receivables and Available for Sale on Financial Assets	605,455	310,548	(95)	428,058	110,319	(288)	606,005	326,300	(86)	428,095	125,716	(241)
Individual Impairment - Loans and Advances	112,435	99,809	(13)	100,191	18,318	(447)	112,435	99,809	(13)	100,191	18,318	(447)
Collective Impairment - Loans and Advances	488,289	211,150	(131)	322,855	93,456	(245)	488,839	226,902	(115)	322,892	108,853	(197)
Others - Charges Receivable	4,731	(411)	(1,252)	5,012	(1,455)	(444)	4,731	(411)	(1,252)	5,012	(1,455)	(444)
Net Operating Income	7,136,173	5,863,171	22	3,730,834	3,019,101	24	6,987,079	5,968,254	17	3,473,691	3,075,380	13
Less : Expenses												
Personnel Expenses	1,680,043	1,505,058	(12)	778,477	735,614	(6)	1,693,818	1,517,993	(12)	785,364	742,124	(6)
Depreciation of Property, Plant and Equipment	173,279	174,542	1	87,080	87,831	1	180,455	181,660	1	90,676	91,391	1
Amortization of Intangible Assets	133,159	129,832	(3)	66,660	64,642	(3)	134,777	131,419	(3)	67,469	65,451	(3)
Other Operating Expenses	1,998,242	1,804,365	(11)	994,445	920,589	(8)	2,000,566	1,786,258	(12)	997,218	911,725	(9)
Total Operating Expenses	3,984,723	3,613,797	(10)	1,926,662	1,808,676	(7)	4,009,616	3,617,330	(11)	1,940,727	1,810,691	(7)
Operating Profit Before Value Added Tax (VAT) & NBT	3,151,450	2,249,374	40	1,804,172	1,210,425	49	2,977,463	2,350,924	27	1,532,964	1,264,689	21
Less : Value Added Tax (VAT) on Financial Services & NBT	676,807	408,182	(66)	360,523	214,814	(68)	690,451	413,903	(67)	369,850	217,945	(70)
Profit Before Income Tax	2,474,643	1,841,192	34	1,443,649	995,611	45	2,287,012	1,937,021	18	1,163,114	1,046,744	11
Less : Income Tax Expense	773,608	631,168	(23)	399,413	343,667	(16)	859,368	658,916	(30)	460,614	360,860	(28)
Profit for the Period	1,701,035	1,210,024	41	1,044,236	651,944	60	1,427,644	1,278,105	12	702,500	685,884	2
Earnings Per Share												
Basic / Diluted Earnings Per Share (Rs.)	7.38	5.25	41	4.53	2.83	60	6.19	5.54	12	3.05	2.97	2

NATIONS TRUST BANK PLC
STATEMENT OF COMPREHENSIVE INCOME



	Bank						Group					
	Six months ended 30 June			Quarter ended 30 June			Six months ended 30 June			Quarter ended 30 June		
	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)	2017 Rs. '000	2016 Rs. '000	Change (%)
Profit for the period	1,701,035	1,210,024	41	1,044,236	651,944	60	1,427,644	1,278,105	12	702,500	685,884	2
Other Comprehensive Income to be reclassified to profit or loss in subsequent period:												
Net gains / (loss) on re-measuring available-for-sale financial assets	285,121	(292,131)	198	294,901	186,279	58	285,121	(292,131)	198	294,901	186,279	58
Net income tax (charge) / reversal relating to components of re-measuring available-for-sale financial assets	(79,834)	81,797	(198)	(82,573)	(52,158)	(58)	(79,834)	81,797	(198)	(82,573)	(52,158)	(58)
	<u>205,287</u>	<u>(210,334)</u>	198	<u>212,328</u>	<u>134,121</u>	58	<u>205,287</u>	<u>(210,334)</u>	198	<u>212,328</u>	<u>134,121</u>	58
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:												
Actuarial gain / (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	-	-	-
Net income tax charge / (reversal) relating to components of defined benefit plan	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
Other Comprehensive Income for the Period, Net of Tax	<u>205,287</u>	<u>(210,334)</u>	198	<u>212,328</u>	<u>134,121</u>	58	<u>205,287</u>	<u>(210,334)</u>	198	<u>212,328</u>	<u>134,121</u>	58
Total Comprehensive Income for the Period, Net of Tax	<u>1,906,322</u>	<u>999,690</u>	91	<u>1,256,564</u>	<u>786,065</u>	60	<u>1,632,931</u>	<u>1,067,771</u>	53	<u>914,828</u>	<u>820,005</u>	12
Attributable to:												
Equity holders of the parent	<u>1,906,322</u>	<u>999,690</u>	91	<u>1,256,564</u>	<u>786,065</u>	60	<u>1,632,931</u>	<u>1,067,771</u>	53	<u>914,828</u>	<u>820,005</u>	12

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %
On Balance Sheet Assets						
Cash and Cash Equivalents	5,069,895	4,187,605	21	5,069,949	4,187,649	21
Balances with Central Bank of Sri Lanka	10,533,733	8,511,509	24	10,533,733	8,511,509	24
Placements with Banks	-	-		-	-	
Derivative Financial Instruments	142,836	65,356	119	142,836	65,356	119
Reverse Repurchase Agreements	1,004,663	14,930	6,629	1,004,663	14,930	6,629
Other Financial Assets Held-for-Trading	1,267,714	1,574,953	(20)	1,267,714	1,574,953	(20)
Other Financial Assets	6,922,147	6,860,949	1	6,922,147	6,860,949	1
Financial Assets Designated at Fair Value through Profit or Loss	-	-		-	-	
Loans & Receivables to Banks	-	-		-	-	
Loans & Receivables to Other Customers	168,266,147	148,924,733	13	169,103,499	149,817,940	13
Financial Investments - Available-for-Sale	37,690,037	22,148,962	70	37,690,037	22,148,962	70
Financial Investments - Held-to-Maturity	9,863,817	12,929,523	(24)	9,934,028	12,998,988	(24)
Investments in Subsidiaries	678,710	678,710	-	-	-	
Investments in Associates and Joint Ventures	-	-		-	-	
Property, Plant & Equipment	1,592,670	1,536,664	4	2,046,932	1,996,206	3
Investment Properties	-	-		-	-	
Intangible Assets	1,187,673	1,180,700	1	1,194,200	1,188,846	-
Deferred Tax Assets	525,350	522,545	1	526,385	523,580	1
Other Assets	1,789,542	1,776,551	1	1,824,017	1,813,689	1
Total Assets	246,534,934	210,913,690	17	247,260,140	211,703,557	17

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %
On Balance Sheet Liabilities						
Due to Banks	12,186,252	11,850,888	3	12,186,252	11,850,888	3
Derivative Financial Instruments	139,503	130,017	7	139,503	130,017	7
Other Financial liabilities Held-for-Trading	-	-		-	-	
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-		-	-	
Repurchase Agreements	14,411,585	9,850,773	46	14,042,593	9,261,110	52
Due to Other Customers	181,515,745	151,559,668	20	181,451,403	151,502,235	20
Other Borrowings	3,755,830	4,098,408	(8)	3,755,830	4,098,408	(8)
Debt Securities Issued	-	-		-	-	
Current Tax Liabilities	590,397	439,215	34	636,940	478,011	33
Deferred Tax Liabilities	1,702,406	1,492,958	14	1,701,905	1,492,733	14
Other Liabilities	4,753,280	5,463,971	(13)	4,799,660	5,522,851	(13)
Due to Subsidiaries	-	-		-	-	
Subordinated Term Debts	10,076,794	10,046,699	-	10,076,793	10,046,698	-
Total Liabilities	229,131,792	194,932,595	18	228,790,879	194,382,952	18
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	796,401	796,401	-	796,401	796,401	-
Retained Earnings	11,478,163	10,261,403	12	12,544,282	11,600,913	8
AFS Reserve	27,209	(178,078)	115	27,209	(178,078)	115
Other Reserves	-	-		-	-	
Total Shareholders' Equity	17,403,142	15,981,095	9	18,469,261	17,320,605	7
Total Equity and Liabilities	246,534,934	210,913,690	17	247,260,140	211,703,557	17
Contingent Liabilities and Commitments	153,486,197	124,017,916	24	153,162,560	123,584,888	24
Memorandum Information						
Number of Employees	2,837	2,747		2,860	2,770	
Number of Branches	93	93		93	93	
Number of Off-Site ATMs	40	39		40	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 unaudited financial statements of the Bank and its Subsidiaries unless indicated as audited.

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

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

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

14 August 2017
Colombo

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

Item	Bank		Group	
	30.06.2017	31.12.2016 (Audited)	30.06.2017	31.12.2016 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	16,175,259	14,965,471	17,224,152	16,286,138
Total Capital Base, Rs. '000	21,541,704	21,291,422	22,590,597	22,612,088
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.05%	10.57%	10.64%	11.40%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	13.39%	15.04%	13.96%	15.82%
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	2.52%	2.42%	2.51%	2.41%
Net-Non Performing Advances,%(net of interest in suspense and provision)	1.02%	0.65%	1.02%	0.65%
Profitability				
Interest Margin, %	4.68%	4.90%	-	-
Return on Assets (before Tax), %	2.16%	2.09%	1.99%	2.20%
Return on Equity, %	20.61%	18.19%	16.06%	17.74%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	45,653,334	38,929,441	-	-
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	21.60%	21.72%	-	-
Off-Shore Banking Unit	22.44%	33.38%	-	-
Net Assets Value Per Share (Rs.)	75.47	60.67	80.09	65.79
Market Price Per Share (Rs.)	30.06.2017 (Quarter ended)	30.06.2016 (Quarter ended)		
Highest	84.50	88.90		
Lowest	74.50	73.00		
Last Traded Price	82.00	75.10		

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 2016	5,101,369	8,154,695	73,282	660,840	13,990,186
Profit For the Period	-	1,210,024	-	-	1,210,024
Other Comprehensive Income	-	-	(210,334)	-	(210,334)
Total Comprehensive Income	-	1,210,024	(210,334)	-	999,690
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
As at 30 June 2016	5,101,369	8,880,444	(137,052)	660,840	14,505,601
As at 01 January 2017	5,101,369	10,261,403	(178,078)	796,401	15,981,095
Profit For the Period	-	1,701,035	-	-	1,701,035
Other Comprehensive Income	-	-	205,287	-	205,287
Total Comprehensive Income	-	1,701,035	205,287	-	1,906,322
Dividend paid for 2016	-	(484,275)	-	-	(484,275)
As at 30 June 2017	5,101,369	11,478,163	27,209	796,401	17,403,142
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 2016	5,101,369	9,335,949	73,282	660,840	15,171,440
Profit For the Period	-	1,278,105	-	-	1,278,105
Other Comprehensive Income	-	-	(210,334)	-	(210,334)
Total Comprehensive Income	-	1,278,105	(210,334)	-	1,067,771
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
As at 30 June 2016	5,101,369	10,129,779	(137,052)	660,840	15,754,936
As at 01 January 2017	5,101,369	11,600,913	(178,078)	796,401	17,320,605
Profit For the Period	-	1,427,644	-	-	1,427,644
Other Comprehensive Income	-	-	205,287	-	205,287
Total Comprehensive Income	-	1,427,644	205,287	-	1,632,931
Dividend paid for 2016	-	(484,275)	-	-	(484,275)
As at 30 June 2017	5,101,369	12,544,282	27,209	796,401	18,469,261

Nations Trust Bank PLC and Its Subsidiaries
Statement of Cash Flows
For the Period Ended 30 June



	Bank		Group	
	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	13,129,626	9,252,831	13,266,953	9,352,980
Receipts of Fees and Commission Income	2,180,131	1,663,540	2,288,001	1,737,236
Payments of Interest Expense	(7,312,932)	(4,312,365)	(7,356,562)	(4,343,706)
Payments of Fees and Commission Expense	(147,591)	(95,144)	(141,298)	(92,041)
Net Trading Income	(271,908)	(91,340)	(271,908)	(91,340)
Receipts from Other Operating Income	598,146	150,688	598,398	144,935
Gratuity Payments Made	(30,208)	(35,992)	(30,208)	(35,992)
Payments for Operating Expenses	(4,242,539)	(3,169,040)	(4,276,313)	(3,177,286)
Net Cash Flow from Operating Activities before Income Tax (A)	3,902,725	3,363,178	4,077,063	3,494,786
Income Tax paid	(463,738)	(376,694)	(537,861)	(403,648)
Operating Profit before Changes in Operating Assets and Liabilities	3,438,986	2,986,484	3,539,202	3,091,138
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	(986,570)	258,231	(1,674,310)	(135,406)
Derivative Financial Instruments	(77,480)	346,754	(77,480)	346,754
Financial Investments Held for Trading	355,000	(957,679)	355,000	(957,679)
Financial Investments-Held to Maturity	2,964,377	(338,982)	2,963,614	(339,667)
Financial Investments-Available for Sale	(15,170,320)	(8,191,063)	(15,170,320)	(8,191,063)
Other Financial Assets	(91,780)	8,920	203,722	(36,080)
Loans & Receivables to Other Customers	(19,484,545)	(7,766,263)	(19,627,379)	(7,922,027)
Other Assets	75,716	(347,631)	61,190	(343,477)
(Increase)/Decrease in Operating Assets	(32,415,602)	(16,987,713)	(32,965,963)	(17,578,644)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	4,593,305	4,256,799	5,206,230	4,650,436
Due to Other Customers	29,317,093	7,507,336	29,317,093	7,431,795
Derivative Financial Instruments	9,485	204,551	9,485	204,551
Other Liabilities	(592,100)	(1,262,865)	(956,340)	(1,315,995)
Increase/(Decrease) in Operating Liabilities	33,327,783	10,705,821	33,576,469	10,970,786
Net Cash Flows from Operating Activities	4,351,168	(3,295,408)	4,149,707	(3,516,720)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(260,047)	(211,449)	(261,943)	(211,647)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	23	-	23	-
Purchase of Intangible Assets	(143,362)	(83,320)	(143,362)	(84,604)
	(403,386)	(294,767)	(405,282)	(296,250)
Cash Flows from Financing Activities				
Net change in Debt issued and other Borrowed Funds	(304,131)	3,842,850	(100,005)	3,981,970
Interest paid on Subordinated Debt	(611,883)	(355,893)	(611,883)	(355,893)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	(1,400,289)	3,002,682	(1,196,163)	3,141,803
Net Increase in Cash and Cash Equivalents	2,547,496	(587,493)	2,548,262	(671,168)
Cash and Cash Equivalents at the beginning of the period	12,604,514	11,569,479	12,603,802	11,569,523
Cash and Cash Equivalents at the end of the period	15,152,010	10,981,986	15,152,064	10,898,355
Reconciliation of Cash and Cash Equivalents				
Cash on Hand	4,271,303	3,840,602	4,271,325	3,840,615
Statutory Deposit with the Central Bank of Sri Lanka	10,533,733	7,075,197	10,533,733	7,075,197
Balances with Banks	798,619	699,636	798,651	615,992
Money at Call and Short Notice	-	-	-	-
Deposits from Other Banks	(451,645)	(633,449)	(451,645)	(633,449)
	15,152,010	10,981,986	15,152,064	10,898,355
A. Reconciliation of Operating Profit				
Profit before Taxation	2,474,643	1,841,192	2,287,011	1,937,022
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	(23)	-	(23)	-
Impairment charge / (Reversal) for Loans and Receivables	605,455	310,548	606,005	326,301
Provision for Gratuity	40,224	71,983	40,910	72,549
(Increase) / Decrease in Interest Receivable	(561,260)	(181,475)	(561,260)	(181,670)
Increase/ (Decrease) in Interest Payable	1,161,096	683,244	1,160,957	683,200
Increase / (Decrease) in Financial Guarantee Liabilities	(912)	(2,251)	(912)	(2,251)
Other Receivables	2,152	(622)	2,404	(6,383)
Other Payables	16,897	340,332	16,900	340,334
Other Non cash items	194,661	336,217	555,277	361,674
Gratuity Payments Made	(30,208)	(35,992)	(30,208)	(35,992)
	3,902,725	3,363,178	4,077,063	3,494,786

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
BANK														
Rs. '000	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	5,069,895	4,187,605	-	-	-	-	5,069,895	4,187,605
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	10,533,733	8,511,509	-	-	-	-	10,533,733	8,511,509
Derivative Financial Instruments	-	-	142,836	65,356	-	-	-	-	-	-	-	-	142,836	65,356
Reverse Repurchase Agreements	-	-	-	-	-	-	1,004,663	14,930	-	-	-	-	1,004,663	14,930
Financial Assets - Held for Trading	1,267,714	1,574,953	-	-	-	-	-	-	-	-	-	-	1,267,714	1,574,953
Other Financial Assets	-	-	-	-	-	-	6,922,147	6,860,949	-	-	-	-	6,922,147	6,860,949
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	168,266,147	148,924,733	-	-	-	-	168,266,147	148,924,733
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	37,690,037	22,148,962	-	-	37,690,037	22,148,962
Financial Assets - Held to Maturity	-	-	-	-	9,863,817	12,929,523	-	-	-	-	-	-	9,863,817	12,929,523
Total Financial Assets	1,267,714	1,574,953	142,836	65,356	9,863,817	12,929,523	191,796,585	168,499,726	37,690,037	22,148,962	-	-	240,760,989	205,218,520
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	12,186,252	11,850,888	12,186,252	11,850,888
Derivative Financial Instruments	-	-	139,503	130,017	-	-	-	-	-	-	-	-	139,503	130,017
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,411,585	9,850,773	14,411,585	9,850,773
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	181,515,745	151,559,668	181,515,745	151,559,668
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	13,832,623	14,145,106	13,832,623	14,145,106
Total Financial Liabilities	-	-	139,503	130,017	-	-	-	-	-	-	221,946,205	187,406,435	222,085,708	187,536,452

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Rs. '000	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	5,069,949	4,187,649	-	-	-	-	5,069,949	4,187,649
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	10,533,733	8,511,509	-	-	-	-	10,533,733	8,511,509
Derivative Financial Instruments	-	-	142,836	65,356	-	-	-	-	-	-	-	-	142,836	65,356
Reverse Repurchase Agreements	-	-	-	-	-	-	1,004,663	14,930	-	-	-	-	1,004,663	14,930
Financial Assets - Held for Trading	1,267,714	1,574,953	-	-	-	-	-	-	-	-	-	-	1,267,714	1,574,953
Other Financial Assets	-	-	-	-	-	-	6,922,147	6,860,949	-	-	-	-	6,922,147	6,860,949
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	169,103,499	149,817,940	-	-	-	-	169,103,499	149,817,940
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	37,690,037	22,148,962	-	-	37,690,037	22,148,962
Financial Assets - Held to Maturity	-	-	-	-	9,934,028	12,998,988	-	-	-	-	-	-	9,934,028	12,998,988
Total Financial Assets	1,267,714	1,574,953	142,836	65,356	9,934,028	12,998,988	192,633,991	169,392,977	37,690,037	22,148,962	-	-	241,668,606	206,181,236
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	12,186,252	11,850,888	12,186,252	11,850,888
Derivative Financial Instruments	-	-	139,503	130,017	-	-	-	-	-	-	-	-	139,503	130,017
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,042,593	9,261,110	14,042,593	9,261,110
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	181,451,403	151,502,235	181,451,403	151,502,235
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	13,832,623	14,145,105	13,832,623	14,145,105
Total Financial Liabilities	-	-	139,503	130,017	-	-	-	-	-	-	221,512,871	186,759,338	221,652,374	186,889,355

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	
	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
(1) Loans and Receivables To Other Customers				
Gross Loans and Receivables	168,551,594	148,975,699	169,388,946	149,868,485
(Less) : Individual Impairment	(815,085)	(702,650)	(815,085)	(702,650)
Collective Impairment	(1,762,397)	(1,575,427)	(1,762,397)	(1,575,006)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	165,974,112	146,697,623	166,811,464	147,590,829
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	165,974,112	146,697,623	166,811,464	147,590,829
Staff Loans	2,910,716	2,807,963	2,910,716	2,807,963
Less : Allowance for Day 1 Difference	(618,681)	(580,851)	(618,681)	(580,851)
	2,292,035	2,227,112	2,292,035	2,227,112
	168,266,147	148,924,733	169,103,499	149,817,940
(2) Gross Loans and Receivables to Other Customers -By Product				
By Product -Domestic Currency				
Bills of Exchange	33,100	67,545	33,100	67,545
Overdrafts	30,890,285	30,365,184	30,890,285	30,365,184
Term Loans	64,033,879	56,786,371	64,033,879	56,786,371
Staff Loans	2,910,716	2,807,963	2,910,716	2,807,963
Leases	34,740,578	31,422,446	34,740,578	31,422,446
Credit Cards	17,484,409	16,282,718	17,484,409	16,282,718
Pawning Advance	308,143	455,544	308,143	455,544
Corporate Debt Securities	527,862	948,429	527,862	948,429
Housing Loans	2,971,424	2,556,287	2,971,424	2,556,287
Other Advances	6,628,847	3,861,526	7,466,199	4,754,312
Sub Total	160,529,245	145,554,013	161,366,596	146,446,799
By Product -Foreign Currency				
Overdrafts	226,781	218,047	226,781	218,047
Term Loans	5,984,092	3,355,482	5,984,092	3,355,482
Other Advances	4,722,194	2,656,120	4,722,194	2,656,120
Sub Total	10,933,067	6,229,649	10,933,067	6,229,649
Total	171,462,312	151,783,662	172,299,663	152,676,448

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	
	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
Individual Impairment				
Opening Balance	702,650	699,248	702,650	699,248
Charge/ (Reversal) to Income Statement	112,435	3,402	112,435	3,402
Closing Balance	815,085	702,650	815,085	702,650
Collective Impairment				
Opening Balance	1,575,427	1,398,171	1,575,006	1,397,621
Charge/ (Reversal) to Income Statement	488,289	661,069	488,709	676,529
Amounts written off during the Period	(301,319)	(483,812)	(301,319)	(499,144)
Closing Balance	1,762,397	1,575,427	1,762,397	1,575,006
Total Impairment	2,577,481	2,278,077	2,577,481	2,277,656

(4) Due to Other Customers -By Product

	Bank		Group	
	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.06.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	13,855,166	13,310,172	13,790,824	13,252,740
Savings Deposits	25,825,415	23,281,051	25,825,415	23,281,050
Call Deposits	46,878	92,910	46,878	92,910
Fixed Deposits	118,353,569	94,403,995	118,353,569	94,403,995
Certificate of Deposits	2,320,965	2,441,050	2,320,965	2,441,050
Sub Total	160,401,993	133,529,178	160,337,651	133,471,745
By Product -Foreign Currency				
Demand Deposits	1,109,102	757,263	1,109,102	757,263
Savings Deposits	5,421,975	5,084,916	5,421,975	5,084,916
Call Deposits	941	38,507	941	38,507
Fixed Deposits	14,581,734	12,149,804	14,581,734	12,149,804
Sub Total	21,113,752	18,030,490	21,113,752	18,030,490
Total	181,515,745	151,559,668	181,451,403	151,502,235

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 30.06.2017 Rs. '000	Balance as at 31.12.2016 Rs. '000	Market Values for the Quarter ended 30.06.2017			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 %	30.06.2017 %	31.12.2016 %	Interest Yield %	Yield to Maturity -
Fixed Rate	NTB/BC/19/12/18A13	Semi -Annually	3,000,000	3,000,000	100.65	100.65	100.65	13.00	13.42	10.67	11.25	12.92	12.53
Floating	NTB-BD-08/11/21-C2363	Semi -Annually	2,410	2,410	Not traded during the current period			12.02	13.64	11.25	12.15	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi -Annually	3,885,800	3,885,800	Not traded during the current period			12.65	13.05	11.25	12.15	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2364-12.8	Annually	1,111,790	1,111,790	Not traded during the current period			12.80	12.80	11.25	12.15	Not traded	
Total Debentures			8,000,000	8,000,000									

Ratios of Debt	30.06.2017	31.12.2016
* Debt / Equity Ratio %	79.81%	88.51%
Interest Cover (Times)	4.14	5.14
Quick Asset Ratio	102%	87%
* Borrowing over one year original maturity is taken for debt		

NATIONS TRUST BANK PLC
SEGMENT INFORMATION



Operating Segments Rs. '000	Banking Operations		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Operating income	6,691,512	5,113,422	1,072,456	1,080,463	228,296	155,986	(399,181)	(55,317)	7,593,083	6,294,554
Impairment Charge/(Reversal) for Loans and Receivables	602,186	223,624	-	90,000	-	-	3,818	12,676	606,004	326,300
Net Operating income	6,089,326	4,889,798	1,072,456	990,463	228,295	155,985	(402,998)	(67,991)	6,987,079	5,968,254
Extracts of results										
Interest Income	11,112,025	7,491,153	2,803,456	2,051,195	105,927	78,173	(102,452)	(37,079)	13,918,957	9,583,441
Inter Segment	(538,956)	(213,715)	538,956	213,715	-	-	-	-	-	-
Interest Expense	(6,476,235)	(3,921,796)	(1,992,630)	(1,093,278)	(4,984)	(6,050)	33,769	45,846	(8,440,079)	(4,975,278)
Net Interest Income	4,096,835	3,355,642	1,349,782	1,171,631	100,943	72,123	(68,685)	8,765	5,478,877	4,608,163
Fees and Commission Income	2,313,439	1,699,132	-	-	134,610	90,477	(161,180)	(72,450)	2,286,868	1,717,158
Fees and Commission Expense	(126,672)	(80,163)	(8,491)	(6,568)	(7,259)	(6,616)	(5,925)	(5,142)	(148,347)	(98,488)
Net Fee and Commission Income	2,186,766	1,618,969	(8,491)	(6,568)	127,351	83,861	(167,105)	(77,592)	2,138,521	1,618,670
Net Trading Income	235,957	-	(268,835)	(84,600)	-	-	(234,124)	1,619	(267,002)	(82,981)
Other Operating Income	171,954	138,811	-	-	-	-	70,733	11,891	242,687	150,702
Depreciation of Property, Plant and Equipment	117,547	112,709	772	831	7,176	7,118	54,960	61,001	180,455	181,660
Amortization of Intangible Assets	16,466	70,612	6,053	5,995	1,618	1,588	110,639	53,225	134,777	131,419
Other Expenses										
Segment Profit / (Loss) before Value Added Tax	2,146,312	1,717,639	908,143	863,162	181,119	116,627	(358,111)	(346,504)	2,877,463	2,350,924
Value Added Tax & Income Tax Expense					(59,903)	(33,469)	(1,389,916)	(1,039,350)	(1,449,819)	(1,072,818)
Profit for the year	2,146,312	1,717,639	908,143	863,162	121,215	83,158	(1,748,026)	(1,385,854)	1,427,644	1,278,105
Capital Expenditures										
Property and Equipment	56,183	72,433	173	260	3,047	-	117,774	41,369	177,177	114,063
Other Intangible Assets	20,695	34,743	-	-	1,284	-	58,756	48,576	80,734	83,320
Total Assets	168,861,755	128,810,365	70,704,344	58,014,127	1,830,029	2,085,410	5,864,012	4,140,803	247,260,140	193,050,705
Total Liabilities	170,106,008	139,567,581	53,054,707	38,916,462	86,476	159,762	5,543,687	(1,348,037)	228,790,877	177,295,769

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 30 June 2017 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 2017 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 2017



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%
Janashakthi General Insurance Limited	18,582,682	8.06%
Hsbc Intl Nom Ltd-Ssbt-First State Investments Icvc-Stewart Investors Asia Pacific Fund	15,285,500	6.63%
CF Growth Fund Ltd A/C No.01	14,813,273	6.42%
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. M.F. Hashim	2,600,000	1.13%
Mr. N.R. Somaiya	1,320,624	0.57%
Timex Garments (Pvt) Ltd	1,238,465	0.54%
Bank Of Ceylon-No2 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. D.J.M. 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. P.P. Arachchi	820,000	0.36%
	203,583,295	88.29%
Others	27,023,988	11.71%
Total	230,607,283	100.00%

	30.06.2017	
Number of shareholders representing the public holding	6,303	34.81%

Directors' holding in shares as at 30 June 2017

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	70,826
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	-

Nations Trust Bank PLC ("The Company") – Utilization of funds raised via Capital Market as at 30.06.2017

The utilization of Rs 5 billion raised through the issue of debentures on 08 November 2016.

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in LKR	Proposed date of Utilisation as Per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilised in LKR (B) Bn	% of utilisation against allocation (B/A)	Clarification if not fully utilised
1	Expansion of Leasing portfolio	3.0Bn	Within 12 months from date of receipt of cash flows	3.0Bn	60%	3.0Bn	100%	N/A
2	Expansion of Consumer Finance portfolio	1.5Bn	Within 12 months from date of receipt of cash flows	1.5Bn	30%	1.5Bn		N/A
3	Expansion of Housing portfolio	0.5Bn	Within 12 months from date of receipt of cash flows	0.5Bn	10%	0.5Bn		N/A
4	Improve the Tier II capital base thus, increasing the Capital Adequacy Ratio (CAR)	5.0Bn	Subsequent to CBSL approval	5.0Bn				