



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

INTERIM FINANCIAL STATEMENTS
For the Nine months ended September 30, 2017

Nations Trust Bank 9 months pre-tax profits up by 31%

The Bank closed the first nine months of the year ending 30th September 2017 with a pre-tax profit of Rs. 5,063Mn, up by 31% over the corresponding period in the previous year. Post-tax profits increased at a lower rate of 20% as a result of the increase in the effective tax rate stemming from the increase in the financial services VAT rate as well as the additional tax provided for the inter-company dividend payments which impacted the Group bottom line growth. The dividend income received from the subsidiaries resulted in a higher other operating income for the Bank.

Net interest income increase of 21% was mainly driven by the volume growth which offset the unfavorable impact arising from declining NIMs. The faster increase in deposits rates which mirrored market trends due to tight liquidity resulted in interest expenses increasing by 65% whilst the corresponding increase in interest income was lower at 44%. However, NIMs are expected to improve in the forthcoming quarter with the stability of market rates and improved liquidity evidenced during 3Q.

Net fees and commission based income recorded a growth of 31% 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.492Mn which is partly reflective of the swap cost arising from an increase in the funding FX SWAP book of 21% and increase in SWAP premiums by 112bps. However, the Bank continued to benefit from the relatively lower funding costs of the forex swaps compared to high cost rupee deposits. Realized capital gains on fixed income securities portfolio amounted to Rs. 131Mn for the period under review compared to Rs. 21Mn in the corresponding year.

Expenses recorded a growth of 12% with personnel and other operating expenses contributing towards the increase. Overheads expense growth of 14% is owing to the increase in business volumes, regulatory charges and due to increased branding and business promotion activities. The Bank also witnessed productivity and efficiency improvements in processing areas during the year thereby enhancing the customer experience quite apart from cost optimization. Higher revenue growth and well managed expenses growth resulted in the cost income ratio declining from 55.5% to 51.4%.

Impairment charges recorded a 38% increase mainly due to the increase in individual impairment under the SME portfolio. Collective impairment charges which saw an increase in the previous quarters due to a fall back in recovery targets on consumer portfolios has been fully arrested in the 3Q as seen by the lower collective impairment provisions for the quarter.

Total asset growth for the 9 months is 21%, driven by the loan book growth of 18% primarily driven by SME lending. Deposits recorded a growth of 21% while CASA grew by 13%. CASA mix was maintained at 26%.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated “It is indeed pleasing to see our core businesses reaching scale and delivering enhanced earnings year on year and our first 9 months results are reflective of the collaboration efforts across the enterprise. We are also relentlessly pursuing our digital journey in providing state of the art experiences to our customers whilst leveraging technology which will enable Nations Trust to be future ready and steer ahead in the next phase of growth”.

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank						Group					
	Nine months ended 30 September			Quarter ended 30 September			Nine months ended 30 September			Quarter ended 30 September		
	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	25,687,699	17,998,170	43	9,324,454	6,733,698	38	25,510,687	18,161,137	40	9,329,177	6,792,815	37
Interest Income	21,918,341	15,202,803	44	8,067,304	5,671,829	42	22,021,744	15,285,935	44	8,102,787	5,702,493	42
Less : Interest Expense	(13,375,793)	(8,128,336)	(65)	(4,901,766)	(3,132,728)	(56)	(13,333,749)	(8,095,064)	(65)	(4,893,670)	(3,119,786)	(57)
Net Interest Income	8,542,548	7,074,467	21	3,165,538	2,539,101	25	8,687,995	7,190,871	21	3,209,117	2,582,707	24
Fees and Commission Income	3,455,837	2,657,008	30	1,274,794	991,218	29	3,615,499	2,760,318	31	1,328,630	1,043,160	27
Less : Fees and Commission Expense	(213,634)	(157,024)	(36)	(66,043)	(61,880)	(7)	(213,859)	(157,246)	(36)	(65,512)	(58,757)	(11)
Net Fees and Commission Income	3,242,203	2,499,984	30	1,208,751	929,338	30	3,401,640	2,603,072	31	1,263,118	984,403	28
Net Trading Income / (Expense)	(492,519)	(128,176)	(284)	(225,516)	(45,196)	(399)	(492,519)	(128,176)	(284)	(225,516)	(45,196)	(399)
Other Operating Income	806,040	266,535	202	207,872	115,847	79	365,963	243,060	51	123,276	92,358	33
Total Operating Income	12,098,272	9,712,810	25	4,356,645	3,539,090	23	11,963,079	9,908,827	21	4,369,995	3,614,272	21
Impairment Charge /(Reversal) for Loans and Receivables and Available for Sale on Financial Assets	744,651	524,182	(42)	139,196	213,633	35	745,201	539,696	(38)	139,196	213,394	35
Individual Impairment - Loans and Advances	205,609	83,096	(147)	93,174	(16,714)	(657)	205,609	83,096	(147)	93,174	(16,714)	(657)
Collective Impairment - Loans and Advances	534,092	436,685	(22)	45,803	225,536	80	534,642	452,199	(18)	45,803	225,297	80
Others - Charges Receivable	4,950	4,401	(12)	219	4,811	95	4,950	4,401	(12)	219	4,811	95
Net Operating Income	11,353,621	9,188,628	24	4,217,449	3,325,457	27	11,217,878	9,369,131	20	4,230,799	3,400,878	24
Less : Expenses												
Personnel Expenses	2,603,071	2,332,575	(12)	923,028	827,517	(12)	2,623,843	2,351,952	(12)	930,025	833,959	(12)
Depreciation of Property, Plant and Equipment	260,906	261,604	-	87,627	87,062	(1)	271,749	272,277	-	91,294	90,617	(1)
Amortization of Intangible Assets	200,870	193,803	(4)	67,712	63,971	(6)	203,298	196,196	(4)	68,521	64,777	(6)
Other Operating Expenses	3,055,611	2,695,067	(13)	1,057,369	890,702	(19)	3,055,164	2,690,289	(14)	1,054,598	904,031	(17)
Total Operating Expenses	6,120,458	5,483,049	(12)	2,135,736	1,869,252	(14)	6,154,054	5,510,714	(12)	2,144,438	1,893,384	(13)
Operating Profit Before Value Added Tax (VAT) & NBT	5,233,163	3,705,579	41	2,081,713	1,456,205	43	5,063,824	3,858,417	31	2,086,361	1,507,494	38
Less : Value Added Tax (VAT) on Financial Services & NBT	1,095,451	697,252	(57)	418,643	289,070	(45)	1,114,001	706,816	(58)	423,550	292,913	(45)
Profit Before Income Tax	4,137,712	3,008,327	38	1,663,070	1,167,135	42	3,949,823	3,151,601	25	1,662,811	1,214,581	37
Less : Income Tax Expense	1,392,496	1,062,737	(31)	618,888	431,569	(43)	1,509,495	1,113,732	(36)	650,127	454,817	(43)
Profit for the Period	2,745,216	1,945,590	41	1,044,182	735,566	42	2,440,328	2,037,869	20	1,012,684	759,764	33
Earnings Per Share												
Basic / Diluted Earnings Per Share (Rs.)	11.90	8.44	41	4.53	3.19	42	10.58	8.84	20	4.39	3.29	33

NATIONS TRUST BANK PLC
STATEMENT OF COMPREHENSIVE INCOME



	Bank						Group					
	Nine months ended 30 September			Quarter ended 30 September			Nine months ended 30 September			Quarter ended 30 September		
	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	2,745,216	1,945,590	41	1,044,182	735,566	42	2,440,328	2,037,869	20	1,012,684	759,764	33
Other Comprehensive Income to be reclassified to profit or loss in subsequent period:												
Net gains / (loss) on re-measuring available-for-sale financial assets	586,457	(54,505)	1,176	301,336	237,626	27	586,457	(54,505)	1,176	301,336	237,626	27
Net income tax (charge) / reversal relating to components of re-measuring available-for-sale financial assets	(164,208)	15,261	(1,176)	(84,374)	(66,535)	(27)	(164,208)	15,261	(1,176)	(84,374)	(66,535)	(27)
	<u>422,249</u>	<u>(39,244)</u>	1,176	<u>216,962</u>	<u>171,091</u>	27	<u>422,249</u>	<u>(39,244)</u>	1,176	<u>216,962</u>	<u>171,091</u>	27
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>422,249</u>	<u>(39,244)</u>	1,176	<u>216,962</u>	<u>171,091</u>	27	<u>422,249</u>	<u>(39,244)</u>	1,176	<u>216,962</u>	<u>171,091</u>	27
Total Comprehensive Income for the Period, Net of Tax	<u>3,167,465</u>	<u>1,906,346</u>	66	<u>1,261,144</u>	<u>906,657</u>	39	<u>2,862,577</u>	<u>1,998,625</u>	43	<u>1,229,646</u>	<u>930,855</u>	32
Attributable to:												
Equity holders of the parent	<u>3,167,465</u>	<u>1,906,346</u>	66	<u>1,261,144</u>	<u>906,657</u>	39	<u>2,862,577</u>	<u>1,998,625</u>	43	<u>1,229,646</u>	<u>930,855</u>	32

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %
On Balance Sheet Assets						
Cash and Cash Equivalents	5,840,421	4,187,605	39	5,840,476	4,187,649	39
Balances with Central Bank of Sri Lanka	11,008,732	8,511,509	29	11,008,732	8,511,509	29
Placements with Banks	-	-		-	-	
Derivative Financial Instruments	163,881	65,356	151	163,881	65,356	151
Reverse Repurchase Agreements	3,008,127	14,930	20,049	3,008,127	14,930	20,049
Other Financial Assets Held-for-Trading	510,835	1,574,953	(68)	510,835	1,574,953	(68)
Other Financial Assets	6,782,603	6,860,949	(1)	6,782,603	6,860,949	(1)
Financial Assets Designated at Fair Value through Profit or Loss	-	-		-	-	
Loans & Receivables to Banks	-	-		-	-	
Loans & Receivables to Other Customers	175,676,480	148,924,733	18	176,494,572	149,817,940	18
Financial Investments - Available-for-Sale	36,192,052	22,148,962	63	36,192,052	22,148,962	63
Financial Investments - Held-to-Maturity	9,798,859	12,929,523	(24)	9,870,670	12,998,988	(24)
Investments in Subsidiaries	678,710	678,710	-	-	-	
Investments in Associates and Joint Ventures	-	-		-	-	
Property, Plant & Equipment	1,597,835	1,536,664	4	2,049,996	1,996,206	3
Investment Properties	-	-		-	-	
Intangible Assets	1,124,898	1,180,700	(5)	1,130,616	1,188,846	(5)
Deferred Tax Assets	527,246	522,545	1	528,280	523,580	1
Other Assets	1,896,998	1,776,551	7	1,945,490	1,813,689	7
Total Assets	254,807,677	210,913,690	21	255,526,330	211,703,557	21

NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	Change %
On Balance Sheet Liabilities						
Due to Banks	9,349,344	11,850,888	(21)	9,349,344	11,850,888	(21)
Derivative Financial Instruments	720,401	130,017	454	720,401	130,017	454
Other Financial liabilities Held-for-Trading	-	-		-	-	
Financial Liabilities Designated at Fair Value through Profit or Loss	-	-		-	-	
Repurchase Agreements	14,592,560	9,850,773	48	14,222,256	9,261,110	54
Due to Other Customers	183,775,019	151,559,668	21	183,718,932	151,502,236	21
Other Borrowings	11,624,117	4,098,408	184	11,624,117	4,098,408	184
Debt Securities Issued	-	-		-	-	
Current Tax Liabilities	745,615	439,215	70	786,778	478,011	65
Deferred Tax Liabilities	1,894,444	1,492,958	27	1,893,485	1,492,733	27
Other Liabilities	5,125,565	5,463,969	(6)	5,195,784	5,522,851	(6)
Due to Subsidiaries	-	-		-	-	
Subordinated Term Debts	8,316,327	10,046,699	(17)	8,316,326	10,046,698	(17)
Total Liabilities	236,143,392	194,932,595	21	235,827,423	194,382,952	21
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	12,522,344	10,261,403	22	13,556,966	11,600,913	17
AFS Reserve	244,171	(178,078)	237	244,171	(178,078)	237
Other Reserves	-	-		-	-	
Total Shareholders' Equity	18,664,285	15,981,095	17	19,698,907	17,320,605	14
Total Equity and Liabilities	254,807,677	210,913,690	21	255,526,330	211,703,557	21
Contingent Liabilities and Commitments	159,512,970	124,017,916	29	159,063,346	123,584,888	29
Memorandum Information						
Number of Employees	2,891	2,747		2,914	2,770	
Number of Branches	93	93		93	93	
Number of Off-Site ATMs	42	39		42	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

02 November 2017
Colombo

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

Item	Bank		Group	
	30.09.2017	31.12.2016 (Audited)	30.09.2017	31.12.2016 (Audited)
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	2.45%	2.42%	2.44%	2.41%
Net-Non Performing Advances, % (net of interest in suspense and provision)	0.87%	0.65%	0.87%	0.65%
Profitability				
Interest Margin, %	4.83%	4.90%	-	-
Return on Assets (before Tax), %	2.34%	2.09%	2.23%	2.20%
Return on Equity, %	21.47%	18.19%	17.82%	17.74%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit (LKR'000)	47,449,536	37,803,737		
Off-Shore Banking Unit (USD'000)	12,186	7,537		
Statutory Liquid Assets Ratio, % (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	21.91%	21.72%		
Off-Shore Banking Unit (%)	27.84%	33.38%		
Liquidity Coverage Ratio (%)				
Rupee (Minimum Requirement - 80%)	332.79%	155.57%		
All Currency (Minimum Requirement - 80%)	222.23%	131.80%		
Net Assets Value Per Share (Rs.)	80.94	69.30	85.42	75.11
Market Price Per Share (Rs.)	30.09.2017 (Quarter ended)	30.09.2016 (Quarter ended)		
Highest	81.00	84.00		
Lowest	77.00	75.00		
Last Traded Price	80.00	83.90		

	Bank		Group	
	30.09.2017	31.12.2016 (Audited)	30.09.2017	31.12.2016 (Audited)
	Basel III	Basel II	Basel III	Basel II
Regulatory Capital (LKR '000)				
Common Equity Tier 1	15,597,141		16,657,541	
Tier 1 Capital	15,597,141	14,965,472	16,657,541	16,286,138
Total Capital	21,179,143	21,291,422	22,239,543	22,612,088
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 5.75%)	9.62%		10.18%	
Tier 1 Capital Ratio (Minimum Requirement - 5%) (Minimum Requirement - 7.25%)		10.57%		11.40%
Total Capital Ratio (Minimum Requirement - 10%) (Minimum Requirement - 11.25%)	9.62%		10.18%	
		15.04%		15.82%
	13.07%		13.59%	

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	-	1,945,590	-	-	1,945,590
Other Comprehensive Income	-	-	(39,244)	-	(39,244)
Total Comprehensive Income	-	1,945,590	(39,244)	-	1,906,346
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
As at 30 September 2016	5,101,369	9,616,010	34,038	660,840	15,412,257
As at 01 January 2017	5,101,369	10,261,403	(178,078)	796,401	15,981,095
Profit For the Period	-	2,745,216	-	-	2,745,216
Other Comprehensive Income	-	-	422,249	-	422,249
Total Comprehensive Income	-	2,745,216	422,249	-	3,167,465
Dividend paid for 2016	-	(484,275)	-	-	(484,275)
As at 30 September 2017	5,101,369	12,522,344	244,171	796,401	18,664,285
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	-	2,037,869	-	-	2,037,869
Other Comprehensive Income	-	-	(39,244)	-	(39,244)
Total Comprehensive Income	-	2,037,869	(39,244)	-	1,998,625
Dividend paid for 2015	-	(484,275)	-	-	(484,275)
As at 30 September 2016	5,101,369	10,889,543	34,038	660,840	16,685,790
As at 01 January 2017	5,101,369	11,600,913	(178,078)	796,401	17,320,605
Profit For the Period	-	2,440,328	-	-	2,440,328
Other Comprehensive Income	-	-	422,249	-	422,249
Total Comprehensive Income	-	2,440,328	422,249	-	2,862,577
Dividend paid for 2016	-	(484,275)	-	-	(484,275)
As at 30 September 2017	5,101,369	13,556,966	244,171	796,401	19,698,907

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



	Bank		Group	
	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	21,294,515	14,740,502	21,483,604	14,906,333
Receipts of Fees and Commission Income	3,454,596	2,653,814	3,614,278	2,774,825
Payments of Interest Expense	(11,712,866)	(7,324,135)	(11,764,803)	(7,375,777)
Payments of Fees and Commission Expense	(213,634)	(157,024)	(203,286)	(147,578)
Net Trading Income	(508,160)	(129,794)	(508,160)	(129,794)
Receipts from Other Operating Income	806,016	266,657	743,956	260,905
Gratuity Payments Made	(30,208)	(78,644)	(30,208)	(79,074)
Payments for Operating Expenses	(6,822,673)	(4,903,499)	(6,855,904)	(4,937,249)
Net Cash Flow from Operating Activities before Income Tax (A)	6,267,586	5,067,878	6,479,477	5,272,590
Income Tax paid	(705,353)	(376,694)	(828,726)	(420,600)
Operating Profit before Changes in Operating Assets and Liabilities	5,562,233	4,691,184	5,650,751	4,851,988
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	(2,989,070)	264,931	(3,758,256)	(642,156)
Derivative Financial Instruments	(98,525)	506,720	(98,525)	506,720
Financial Investments Held for Trading	1,097,000	(649,679)	1,097,000	(649,679)
Financial Investments-Held to Maturity	2,971,962	(340,708)	2,970,802	(341,749)
Financial Investments-Available for Sale	(13,505,222)	(7,761,487)	(13,505,222)	(7,761,487)
Other Financial Assets	79,980	(19,680)	415,565	(88,680)
Loans & Receivables to Other Customers	(26,956,313)	(15,132,701)	(27,084,685)	(15,304,890)
Other Assets	4,871	(177,803)	(258)	(170,299)
(Increase)/Decrease in Operating Assets	(39,395,317)	(23,310,408)	(39,963,579)	(24,452,220)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	4,760,476	840,036	5,413,484	1,747,123
Due to Other Customers	31,318,116	18,308,724	31,318,116	18,233,183
Derivative Financial Instruments	590,384	114,125	590,384	114,125
Other Liabilities	(214,280)	(1,379,071)	(658,591)	(1,434,831)
Increase/(Decrease) in Operating Liabilities	36,454,696	17,883,814	36,663,393	18,659,599
Net Cash Flows from Operating Activities	2,621,613	(735,411)	2,350,565	(940,633)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(328,997)	(172,238)	(332,459)	(172,436)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	23	(603,479)	23	(603,478.80)
Purchase of Intangible Assets	(113,302)	(216,306)	(113,302)	(217,590)
	(442,276)	(389,147)	(445,738)	(390,629)
Cash Flows from Financing Activities				
Net change in Debt issued and other Borrowed Funds	2,771,414	3,857,924	2,975,539	3,997,249
Interest paid on Subordinated Debt	(634,941)	(520,126)	(634,941)	(520,126)
Dividends paid to Equity Holders of the Parent	(484,275)	(484,275)	(484,275)	(484,275)
	1,652,198	2,853,523	1,856,323	2,992,849
Net Increase in Cash and Cash Equivalents	3,831,535	1,728,966	3,823,462	1,661,587
Cash and Cash Equivalents at the beginning of the period	12,604,514	11,569,479	12,612,641	11,569,523
Cash and Cash Equivalents at the end of the period	16,436,049	13,298,443	16,436,103	13,231,110
Reconciliation of Cash and Cash Equivalents				
Cash on Hand	3,988,128	3,884,467	3,988,150	3,884,480
Statutory Deposit with the Central Bank of Sri Lanka	11,008,732	8,322,542	11,008,732	8,322,542
Balances with Banks	537,368	1,701,269	537,400	1,633,921
Money at Call and Short Notice	1,321,291	220,359	1,321,291	220,359
Deposits from Other Banks	(419,470)	(830,193)	(419,470)	(830,193)
	16,436,049	13,298,443	16,436,103	13,231,110
A. Reconciliation of Operating Profit				
Profit before Taxation	4,137,712	3,008,327	3,949,823	3,151,601
(Profit) / Loss on disposal of Property, Plant and Equipment and Intangible Assets	(23)	122	(23)	122
Impairment charge / (Reversal) for Loans and Receivables	744,652	524,182	745,202	539,695
Provision for Gratuity	66,284	114,636	67,312	115,595
(Increase) / Decrease in Interest Receivable	(385,814)	(311,293)	(387,048)	(312,379)
Increase/ (Decrease) in Interest Payable	1,662,927	804,201	1,662,789	804,202
Increase / (Decrease) in Financial Guarantee Liabilities	(1,242)	(3,194)	(1,242)	(3,194)
Other Receivables	(10,464)	12,432	(10,212)	6,671
Other Payables	(127,485)	629,402	(127,482)	628,639
Other Non cash items	211,247	367,706	610,566	420,709
Gratuity Payments Made	(30,208)	(78,644)	(30,208)	(79,074)
	6,267,586	5,067,878	6,479,477	5,272,590

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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
BANK														
Rs. '000	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	5,840,421	4,187,605	-	-	-	-	5,840,421	4,187,605
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	11,008,732	8,511,509	-	-	-	-	11,008,732	8,511,509
Derivative Financial Instruments	-	-	163,881	65,356	-	-	-	-	-	-	-	-	163,881	65,356
Reverse Repurchase Agreements	-	-	-	-	-	-	3,008,127	14,930	-	-	-	-	3,008,127	14,930
Financial Assets - Held for Trading	510,835	1,574,953	-	-	-	-	-	-	-	-	-	-	510,835	1,574,953
Other Financial Assets	-	-	-	-	-	-	6,782,603	6,860,949	-	-	-	-	6,782,603	6,860,949
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & Receivables to Other Customers	-	-	-	-	-	-	175,676,480	148,924,733	-	-	-	-	175,676,480	148,924,733
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	36,192,052	22,148,962	-	-	36,192,052	22,148,962
Financial Assets - Held to Maturity	-	-	-	-	9,798,859	12,929,523	-	-	-	-	-	-	9,798,859	12,929,523
Total Financial Assets	510,835	1,574,953	163,881	65,356	9,798,859	12,929,523	202,316,365	168,499,726	36,192,052	22,148,962	-	-	248,981,992	205,218,520
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	9,349,344	11,850,888	9,349,344	11,850,888
Derivative Financial Instruments	-	-	720,401	130,017	-	-	-	-	-	-	-	-	720,401	130,017
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,592,560	9,850,773	14,592,560	9,850,773
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	183,775,019	151,559,668	183,775,019	151,559,668
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	19,940,443	14,145,106	19,940,443	14,145,106
Total Financial Liabilities	-	-	720,401	130,017	-	-	-	-	-	-	227,657,366	187,406,435	228,377,767	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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Rs. '000	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Assets														
Cash and Cash Equivalents	-	-	-	-	-	-	5,840,476	4,187,649	-	-	-	-	5,840,476	4,187,649
Balances with Central Bank of Sri Lanka	-	-	-	-	-	-	11,008,732	8,511,509	-	-	-	-	11,008,732	8,511,509
Derivative Financial Instruments	-	-	163,881	65,356	-	-	-	-	-	-	-	-	163,881	65,356
Reverse Repurchase Agreements	-	-	-	-	-	-	3,008,127	14,930	-	-	-	-	3,008,127	14,930
Financial Assets - Held for Trading	510,835	1,574,953	-	-	-	-	-	-	-	-	-	-	510,835	1,574,953
Other Financial Assets	-	-	-	-	-	-	6,782,603	6,860,949	-	-	-	-	6,782,603	6,860,949
Loans & Receivables to Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances to Customers	-	-	-	-	-	-	176,494,572	149,817,940	-	-	-	-	176,494,572	149,817,940
Financial Investments - Available-for-Sale	-	-	-	-	-	-	-	-	36,192,052	22,148,962	-	-	36,192,052	22,148,962
Financial Assets - Held to Maturity	-	-	-	-	9,870,670	12,998,988	-	-	-	-	-	-	9,870,670	12,998,988
Total Financial Assets	510,835	1,574,953	163,881	65,356	9,870,670	12,998,988	203,134,510	169,392,977	36,192,052	22,148,962	-	-	249,871,950	206,181,236
Liabilities														
Due to Banks	-	-	-	-	-	-	-	-	-	-	9,349,344	11,850,888	9,349,344	11,850,888
Derivative Financial Instruments	-	-	720,401	130,017	-	-	-	-	-	-	-	-	720,401	130,017
Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	14,222,256	9,261,110	14,222,256	9,261,110
Due to Other Customers	-	-	-	-	-	-	-	-	-	-	183,718,932	151,502,235	183,718,932	151,502,235
Debt Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-	19,940,443	14,145,105	19,940,443	14,145,105
Total Financial Liabilities	-	-	720,401	130,017	-	-	-	-	-	-	227,230,974	186,759,338	227,951,377	186,889,355

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

NATIONS TRUST BANK PLC
ADDITIONAL QUARTERLY DISCLOSURES



(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

(1) Loans and Receivables To Other Customers	Bank		Group	
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
Gross Loans and Receivables	175,991,774	148,975,698	176,809,866	149,868,484
(Less) : Individual Impairment	(908,259)	(702,650)	(908,259)	(702,650)
Collective Impairment	(1,652,080)	(1,575,427)	(1,652,080)	(1,575,006)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	173,431,435	146,697,621	174,249,527	147,590,828
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	173,431,435	146,697,621	174,249,527	147,590,828
Staff Loans	2,875,111	2,807,963	2,875,111	2,807,963
Less : Allowance for Day 1 Difference	(630,066)	(580,851)	(630,066)	(580,851)
	2,245,045	2,227,112	2,245,045	2,227,112
	175,676,480	148,924,733	176,494,572	149,817,940

(2) Gross Loans and Receivables to Other Customers -By	Bank		Group	
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
By Product -Domestic Currency				
Bills of Exchange	42,812	67,545	42,812	67,545
Overdrafts	32,817,460	30,365,184	32,817,460	30,365,184
Term Loans	66,319,993	56,786,371	66,319,993	56,786,371
Staff Loans	2,875,111	2,807,963	2,875,111	2,807,963
Leases	36,568,413	31,422,446	36,568,413	31,422,446
Credit Cards	18,079,384	16,282,718	18,079,384	16,282,718
Pawning Advance	274,488	455,544	274,488	455,544
Corporate Debt Securities	410,740	948,429	410,740	948,429
Housing Loans	3,160,975	2,556,287	3,160,975	2,556,287
Other Advances	7,473,530	3,861,526	8,291,622	4,754,312
Sub Total	168,022,906	145,554,013	168,840,996	146,446,799
By Product -Foreign Currency				
Overdrafts	405,188	218,047	405,188	218,047
Term Loans	5,879,131	3,355,482	5,879,131	3,355,482
Other Advances	4,559,665	2,656,120	4,559,665	2,656,120
Sub Total	10,843,983	6,229,649	10,843,983	6,229,649
Total	178,866,889	151,783,662	179,684,980	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	
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.09.2017 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	205,609	3,402	205,609	3,402
Closing Balance	908,259	702,650	908,259	702,650
Collective Impairment				
Opening Balance	1,575,427	1,398,171	1,575,006	1,397,621
Charge/ (Reversal) to Income Statement	534,092	661,069	534,642	676,529
Amounts written off during the Period	(457,439)	(483,812)	(457,439)	(499,144)
Closing Balance	1,652,080	1,575,427	1,652,080	1,575,006
Total Impairment	2,560,339	2,278,077	2,560,339	2,277,656

(4) Due to Other Customers -By Product

	Bank		Group	
	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)	30.09.2017 Rs. '000	31.12.2016 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	13,531,490	13,310,172	13,475,403	13,252,740
Savings Deposits	27,995,990	23,281,051	27,995,990	23,281,051
Call Deposits	96,035	92,910	96,035	92,910
Fixed Deposits	118,318,308	94,403,995	118,318,308	94,403,995
Certificate of Deposits	1,948,368	2,441,050	1,948,368	2,441,050
Sub Total	161,890,190	133,529,178	161,834,104	133,471,746
By Product -Foreign Currency				
Demand Deposits	973,113	757,263	973,113	757,263
Savings Deposits	6,093,702	5,084,916	6,093,702	5,084,916
Call Deposits	231,528	38,507	231,528	38,507
Fixed Deposits	14,586,485	12,149,804	14,586,485	12,149,804
Sub Total	21,884,829	18,030,490	21,884,828	18,030,490
Total	183,775,019	151,559,668	183,718,932	151,502,236

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 30.09.2017	Balance as at 31.12.2016	Market Values for the Quarter ended 30.09.2017			Interest Rates		Interest Rate of Comparable Government Security		Other Ratios as at date of last trade	
			Rs. '000	Rs. '000	Highest Rs.	Lowest Rs.	Period End Rs.	Coupon Rate %	Effective Annual Yield %	30.09.2017 %	31.12.2016 %	Interest Yield %	Yield to Maturity -
Fixed Rate	NTB/BC/19/12/18A13	Semi -Annually	3,000,000	3,000,000	Not traded during the current period			13.00	13.42	9.35	11.25	Not traded	
Floating	NTB-BD-08/11/21-C2363	Semi -Annually	2,410	2,410	Not traded during the current period			12.02	13.64	10.00	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	10.00	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	10.00	12.15	Not traded	
Total Debentures			8,000,000	8,000,000									

Ratios of Debt	30.09.2017	31.12.2016
* Debt / Equity Ratio %	106.77%	88.51%
Interest Cover (Times)	4.63	5.14
Quick Asset Ratio	112%	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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016	30.09.2017	30.06.2016	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Operating income	10,596,584	8,168,581	1,605,680	1,584,548	337,385	251,994	(576,569)	(96,296)	11,963,079	9,908,826
Impairment Charge/(Reversal) for Loans and Receivables	745,212	417,630	-	105,000	-	-	(10)	17,065	745,202	539,694
Net Operating income	9,851,372	7,750,951	1,605,680	1,479,548	337,384	251,994	(576,558)	(113,359)	11,217,878	9,369,131
Extracts of results										
Interest Income	17,546,599	11,964,185	4,454,322	3,293,715	149,717	125,332	(128,894)	(97,297)	22,021,744	15,285,935
Inter Segment	(905,938)	(185,884)	905,938	185,884	-	-	-	-	-	-
Interest Expense	(10,122,689)	(6,401,147)	(3,245,597)	(1,760,438)	(5,194)	(9,852)	39,731	76,373	(13,333,749)	(8,095,064)
Net Interest Income	6,517,971	5,377,154	2,114,664	1,719,161	144,523	115,480	(89,165)	(20,926)	8,687,995	7,190,869
Fees and Commission Income	3,578,353	2,718,383	-	1,200	203,810	146,465	(166,664)	(105,731)	3,615,499	2,760,318
Fees and Commission Expense	(179,306)	(141,027)	(13,559)	(11,002)	(10,950)	(9,954)	(10,045)	4,736	(213,859)	(157,246)
Net Fee and Commission Income	3,399,047	2,577,356	(13,559)	(9,802)	192,860	136,512	(176,709)	(100,995)	3,401,640	2,603,072
Net Trading Income	348,070	-	(495,425)	(124,812)	-	-	(345,163)	(3,364)	(492,519)	(128,176)
Other Operating Income	331,496	214,071	-	-	-	-	34,468	28,990	365,963	243,060
Depreciation of Property, Plant and Equipment	173,377	168,479	1,178	1,231	10,843	10,673	86,351	91,894	271,749	272,277
Amortization of Intangible Assets	22,527	100,321	9,080	8,992	2,427	2,393	169,263	84,489	203,298	196,196
Other Expenses										
Segment Profit / (Loss) before Value Added Tax	3,885,150	2,648,265	1,355,699	1,257,429	270,364	190,916	(447,389)	(238,191)	5,063,824	3,858,417
Value Added Tax & Income Tax Expense					(86,974)	(56,684)	(2,536,522)	(1,816,028)	(2,623,496)	(1,872,712)
Profit for the year	3,885,150	2,648,265	1,355,699	1,257,429	183,390	134,232	(2,983,912)	(2,056,646)	2,440,328	2,037,869
Capital Expenditures										
Property and Equipment	120,712	114,161	910	260	3,047	-	207,789	58,015	332,459	172,436
Other Intangible Assets	116,625	100,321	-	8,992	1,284	-	(4,607)	108,277	113,302	217,590
Total Assets	175,578,434	136,106,205	70,942,417	59,962,589	1,816,406	2,276,742	7,189,072	3,500,190	255,526,330	201,846,505
Total Liabilities	178,053,544	150,700,596	51,015,605	30,033,202	104,352	326,121	6,653,922	4,154,608	235,827,424	185,160,715

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 September 2017 and the balances reflected are arising from transactions carried out in the normal course of Banking Business.
- (5) The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has by letter dated 12th October 2017 informed the Bank that the Monetary Board of the CBSL has permitted the John Keells Group and Central Finance Group to retain their respective current shareholdings in the Bank till 31st December 2020 and to reduce it to 15% each with effect from that date. The Monetary Board has also required the Bank to limit the voting rights of the John Keells Group and Central Finance Group to 10% each with effect from 31st March 2018.
- (6) The Board of Directors of the Bank at their meeting held on 31st October 2017 resolved to issue upto 40,105,614 Convertible Non-voting Shares (Convertible to Ordinary Voting Shares) at a price of Rs. 80 per share in order to raise a sum of upto Rs. 3,208,449,120.

The shares will be issued in the proportion of 4 Convertible Non-voting Shares for every 23 Ordinary Voting Shares held by the Shareholders in the Register of Shareholders, as at the relevant date.

Such issued Convertible Non-voting Shares shall have the option of convertibility into Ordinary Voting Shares at every calendar quarter at a conversion ratio of 1 Ordinary Voting Share for every 1 Convertible Non-voting Share.

The Rights Issue is subject to the Colombo Stock Exchange approving in principle the issue and listing of the Convertible Non-voting Shares, the listing of the Ordinary Voting Shares post conversion of the Convertible Non-voting Shares and the Bank obtaining the Shareholders approval at a General Meeting to issue the Convertible Non-voting Shares.

- (7) No other material events have taken place since 30 September 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 SEPTEMBER 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%
Bnymansv Re-First State Investments Icvc-Stewart Investors Asia Pacific Fund	15,388,889	6.67%
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%
Rubber Investment Trust Limited A/C # 01	1,063,764	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%
	203,930,448	88.43%
Others	26,676,835	11.57%
Total	230,607,283	100.00%

	30.09.2017
Number of shareholders representing the public holding	6,098 34.81%

Directors' holding in shares as at 30 September 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 30.09.2017

We refer to you letter dated 17 March 2017, and disclose herewith 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				