



**NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES**

**Company Number PQ 118**

**INTERIM FINANCIAL STATEMENTS  
For the Twelve months ended December 31, 2018**

## Nations Trust Bank records a resilient performance

The Group closed the year ending 31<sup>st</sup> December 2018 with a post-tax profit of Rs. 3,702Mn, up by 10% over previous year in a difficult operating environment which witnessed increased non-performing loans, tightening of liquidity, moderation of credit growth and higher taxes and levies. The Bank strategically steered its resources in consolidating of selective portfolios and managing impairment.

Net interest income increased by 27% mainly attributed to growth in volumes (up by 21%) and better management of NIMs, despite tight liquidity in the market exerting pressure on cost of deposits. Concerted efforts towards increasing fee-based activity resulted in the Group's non-interest income increasing by 18% during the year. Trade, Card and Bancassurance together with structured financing fees contributed primarily towards this growth. Net trading losses narrowed (dropped by 24%) during period under review mainly due to lower amount of losses arising from FX funding SWAPs. Bank continued to adopt the strategy of utilising FX SWAP book to fund its rupee loan growth due to the benefit arising from the relatively lower funding costs of the FX SWAPS compared to high cost rupee deposits. Additionally, FX income arising from customer and trading also recorded a good growth for the year arising from both increased volumes and favourable exchange rate movements.

Impairment charges for the current year increased significantly due to growth in the loan book, cash flow stresses witnessed in some segments stemming from subdued economic conditions and due to the implementation of SLFRS 9, with the more forward-looking "expected credit loss" model which requires banks to exercise judgement on how changes in economic factors may affect expected credit loss. Bank further strengthened its underwriting and post disbursement monitoring with better alignment of collection processes.

Expenses recorded a growth of 15% mainly due to expenses arising from ongoing investments for the future in areas of digital, infrastructure, training and development and brand visibility. The Group's Cost: Income ratio continued to record consistent improvement, declining below 50% for the first time to record 47.81% in 2018 from 51.57% reported in the previous year. The improvements in cost efficiencies reflect the Bank's continuous investments in lean culture, productivity enhancements and Robotic Process Automation over the recent past.

Loan book growth was mainly driven by Corporate Banking (+46%) followed by Credit Cards(+25%) and Leasing (+20%). Growth in the Consumer and SME segments were relatively moderate at 15% and 11% respectively, reflecting stressed market conditions and the Bank's efforts in consolidating these portfolios. Deposits recorded a growth of 19% faster than the industry average of 15% with fixed deposits growing by 24% while CASA recording a subdued growth of 7%. Furthermore, the Bank continued to diversify its funding base by securing a USD 50 mn funding line from a DFI in August 2018.

The Group's Tier 1 and overall Capital Adequacy Ratios strengthened to 12.15% and 15.59% by year end following the capital raised through a LKR 3.20 Bn rights issue and a LKR 3.5Bn 5-year debenture issue in April 2018. The elevated capital ratios and capital buffers would afford a strong platform for future growth.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated "Our performance for the year demonstrates our resilience during testing times and our ability to progress towards our medium term strategic goals. We have built a strong strategic foundation, an agile business model driven by a passionate team. It is with great optimism that we embrace the future as we look forward to building a new era in banking"

NATIONS TRUST BANK PLC  
INCOME STATEMENT



	Bank						Group					
	Twelve Months ended 31 December			Quarter ended 31 December			Twelve Months ended 31 December			Quarter ended 31 December		
	2018*	2017	Change	2018	2017	Change	2018*	2017	Change	2018	2017	Change
Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	
	(Audited)	(Audited)		(Audited)	(Audited)		(Audited)	(Audited)		(Audited)	(Audited)	
<b>Gross Income</b>	<b>43,220,119</b>	<b>36,097,195</b>	<b>20</b>	<b>11,551,217</b>	<b>10,409,495</b>	<b>11</b>	<b>43,237,247</b>	<b>35,332,973</b>	<b>22</b>	<b>11,627,150</b>	<b>9,822,284</b>	<b>18</b>
Interest Income	37,034,354	29,882,481	24	10,126,292	8,248,469	23	37,050,409	30,005,170	23	10,127,967	8,267,755	22
Less : Interest Expense	(21,924,562)	(18,152,375)	(21)	(6,012,917)	(4,776,581)	(26)	(21,886,502)	(18,096,662)	(21)	(6,001,406)	(4,762,914)	(26)
<b>Net Interest Income</b>	<b>15,109,792</b>	<b>11,730,106</b>	<b>29</b>	<b>4,113,375</b>	<b>3,471,888</b>	<b>18</b>	<b>15,163,907</b>	<b>11,908,508</b>	<b>27</b>	<b>4,126,561</b>	<b>3,504,841</b>	<b>18</b>
Fees and Commission Income	5,791,962	5,133,765	13	1,484,865	1,393,598	7	6,082,044	5,358,853	13	1,558,950	1,459,025	7
Less : Fees and Commission Expense	(272,277)	(322,737)	16	(14,160)	(109,103)	87	(272,277)	(322,743)	16	(14,160)	(108,884)	87
<b>Net Fees and Commission Income</b>	<b>5,519,685</b>	<b>4,811,028</b>	<b>15</b>	<b>1,470,705</b>	<b>1,284,495</b>	<b>14</b>	<b>5,809,767</b>	<b>5,036,110</b>	<b>15</b>	<b>1,544,790</b>	<b>1,350,141</b>	<b>14</b>
Net Trading Income / (Expense)	(426,964)	(558,453)	24	(167,026)	(65,935)	(153)	(426,793)	(558,453)	24	(166,855)	(65,935)	(153)
Other Operating Income	820,767	1,639,402	(50)	107,086	833,363	(87)	531,587	527,403	1	107,088	161,438	(34)
<b>Total Operating Income</b>	<b>21,023,280</b>	<b>17,622,083</b>	<b>19</b>	<b>5,524,140</b>	<b>5,523,811</b>	<b>0</b>	<b>21,078,468</b>	<b>16,913,568</b>	<b>25</b>	<b>5,611,584</b>	<b>4,950,486</b>	<b>13</b>
Impairment Charge /(Reversal)	3,272,708	1,088,404	(201)	1,021,621	343,754	(197)	3,274,036	1,088,825	(201)	1,022,949	343,624	(198)
Loans and Advances	3,153,963	1,083,868	(191)	911,846	344,168	165	3,153,963	1,084,289	(191)	911,846	344,038	(165)
Guarantees & Commitments	47,248	-	(100)	47,248	-	(100)	47,248	-	(100)	47,248	-	(100)
Other Financial Assets	71,497	4,536	(1,476)	62,527	(414)	15,208	72,825	4,536	(1,505)	63,855	(414)	15,529
<b>Net Operating Income</b>	<b>17,750,572</b>	<b>16,533,679</b>	<b>7</b>	<b>4,502,519</b>	<b>5,180,057</b>	<b>(13)</b>	<b>17,804,432</b>	<b>15,824,743</b>	<b>13</b>	<b>4,588,635</b>	<b>4,606,862</b>	<b>(0)</b>
<b>Less : Expenses</b>												
Personnel Expenses	4,143,993	3,825,570	(8)	1,069,555	1,222,499	13	4,173,771	3,856,988	(8)	1,079,103	1,233,145	12
Depreciation of Property, Plant and Equipment	367,437	352,319	(4)	91,839	91,413	-	395,736	366,855	(8)	99,542	95,105	(5)
Amortization of Intangible Assets	302,733	272,581	(11)	79,842	71,710	(11)	305,948	275,817	(11)	80,629	72,519	(11)
Other Operating Expenses	5,249,595	4,276,602	(23)	1,525,787	1,220,990	(25)	5,202,937	4,273,394	(22)	1,514,418	1,218,230	(24)
<b>Total Operating Expenses</b>	<b>10,063,758</b>	<b>8,727,072</b>	<b>(15)</b>	<b>2,767,023</b>	<b>2,606,612</b>	<b>(6)</b>	<b>10,078,392</b>	<b>8,773,054</b>	<b>(15)</b>	<b>2,773,692</b>	<b>2,618,999</b>	<b>(6)</b>
<b>Operating Profit Before Taxes on Financial Services</b>	<b>7,686,814</b>	<b>7,806,607</b>	<b>(2)</b>	<b>1,735,496</b>	<b>2,573,445</b>	<b>(33)</b>	<b>7,726,040</b>	<b>7,051,689</b>	<b>10</b>	<b>1,814,943</b>	<b>1,987,863</b>	<b>(9)</b>
Less : Value Added Tax (VAT), Nation Building Tax (NBT) & Debt Repayment Levy (DRL) on Financial Services	1,863,948	1,636,093	(14)	563,945	540,642	(4)	1,866,739	1,658,207	(13)	564,278	544,206	(4)
<b>Profit Before Income Tax</b>	<b>5,822,866</b>	<b>6,170,514</b>	<b>(6)</b>	<b>1,171,551</b>	<b>2,032,803</b>	<b>(42)</b>	<b>5,859,301</b>	<b>5,393,482</b>	<b>9</b>	<b>1,250,665</b>	<b>1,443,657</b>	<b>(13)</b>
Less : Income Tax Expense	2,054,898	1,883,873	(9)	450,213	491,377	8	2,157,418	2,021,993	(7)	467,343	512,497	9
<b>Profit for the Period</b>	<b>3,767,968</b>	<b>4,286,641</b>	<b>(12)</b>	<b>721,338</b>	<b>1,541,426</b>	<b>(53)</b>	<b>3,701,883</b>	<b>3,371,489</b>	<b>10</b>	<b>783,322</b>	<b>931,160</b>	<b>(16)</b>
<b>Earnings Per Share</b>												
Basic / Diluted Earnings Per Share (Rs.)	13.33	17.50	(24)	2.54	6.29	(60)	13.10	13.76	(5)	2.76	3.80	(27)

\* The Financial Statements for the year ended 31 December 2018 have been prepared in accordance with Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments), whereas prior period Financial Statements have not been restated.

NATIONS TRUST BANK PLC  
STATEMENT OF COMPREHENSIVE INCOME



	Bank						Group					
	Twelve Months ended 31 December			Quarter ended 31 December			Twelve Months ended 31 December			Quarter ended 31 December		
	2018* Rs. '000	2017 Rs. '000	Change (%)	2018 Rs. '000	2017 Rs. '000	Change (%)	2018* Rs. '000	2017 Rs. '000	Change (%)	2018 Rs. '000	2017 Rs. '000	Change (%)
<b>Profit for the period</b>	3,767,968	4,286,641	(12)	721,338	1,541,426	(53)	3,701,883	3,371,489	10	783,322	931,160	(16)
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent period:</b>												
<b>Available for Sale Financial Assets</b>												
Net Change in Fair Value during the year	-	535,663	(100)	-	(50,793)	100	-	535,663	(100)	-	(50,793)	100
Net income tax (charge) / reversal relating to components of re-measuring available-for-sale financial assets	-	(149,986)	100	-	14,222	(100)	-	(149,986)	100	-	14,222	(100)
<b>Debt Instruments at Fair Value through Other Comprehensive Income</b>												
Net Change in Fair Value during the year	(424,559)	-	(100)	(257,164)	-	(100)	(424,559)	-	(100)	(257,164)	-	(100)
Net income tax (charge) / reversal relating to components of re-measuring debt instruments at fair value through OCI	118,877	-	100	72,006	-	100	118,877	-	100	72,006	-	100
	<u>(305,682)</u>	<u>385,677</u>	<u>(179)</u>	<u>(185,158)</u>	<u>(36,571)</u>	<u>(406)</u>	<u>(305,682)</u>	<u>385,677</u>	<u>(179)</u>	<u>(185,158)</u>	<u>(36,571)</u>	<u>(406)</u>
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:</b>												
Actuarial gain / (loss) on defined benefit plan	24,551	(50,049)	149	23,447	(50,049)	147	25,125	(50,201)	150	24,021	(50,201)	148
Net income tax (charge) / reversal relating to components of defined benefit plan	(6,874)	14,014	(149)	(6,565)	14,014	(147)	(7,061)	14,056	(150)	(6,752)	14,056	(148)
Gain/(Loss) on Revaluation of Land & Building	-	936,988	(100)	-	936,988	(100)	-	1,267,627	(100)	-	1,267,627	(100)
Deferred Tax charge / (reversal) relating to revaluation gain	-	(262,357)	100	-	(262,357)	100	-	(354,936)	100	-	(354,936)	100
	<u>17,677</u>	<u>638,596</u>	<u>(97)</u>	<u>16,882</u>	<u>638,596</u>	<u>(97)</u>	<u>18,064</u>	<u>876,546</u>	<u>(98)</u>	<u>17,269</u>	<u>876,546</u>	<u>(98)</u>
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<u>(288,005)</u>	<u>1,024,273</u>	<u>(128)</u>	<u>(168,276)</u>	<u>602,025</u>	<u>(128)</u>	<u>(287,618)</u>	<u>1,262,223</u>	<u>(123)</u>	<u>(167,889)</u>	<u>839,975</u>	<u>(120)</u>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<u>3,479,963</u>	<u>5,310,914</u>	<u>(34)</u>	<u>553,062</u>	<u>2,143,451</u>	<u>(74)</u>	<u>3,414,265</u>	<u>4,633,712</u>	<u>(26)</u>	<u>615,433</u>	<u>1,771,135</u>	<u>(65)</u>
Attributable to:												
<b>Equity holders of the parent</b>	<u>3,479,963</u>	<u>5,310,914</u>	<u>(34)</u>	<u>553,062</u>	<u>2,143,451</u>	<u>(74)</u>	<u>3,414,265</u>	<u>4,633,712</u>	<u>(26)</u>	<u>615,433</u>	<u>1,771,135</u>	<u>(65)</u>

NATIONS TRUST BANK PLC  
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2018* Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)	Change %	31.12.2018* Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)	Change %
<b>On Balance Sheet Assets</b>						
Cash and Cash Equivalents	6,437,519	6,847,210	(6)	6,437,573	6,849,683	(6)
Balances with Central Bank of Sri Lanka	12,762,122	11,213,278	14	12,762,122	11,213,278	14
Derivative Financial Instruments	2,403,787	230,217	944	2,403,787	230,217	944
Reverse Repurchase Agreements	180,593	10,798	1,572	180,593	10,798	1,572
Financial Assets - Recognised through Profit or Loss	668,812	521,389	28	668,812	521,389	28
Financial Assets at Amortised Cost – Loans and Advances	221,500,656	186,536,712	19	221,505,692	186,745,711	19
Financial Assets at Fair Value through Other Comprehensive Income	57,463,831	-	100	57,463,831	-	100
Financial Assets - Available-for-Sale	-	38,852,046	(100)	-	38,852,046	(100)
Financial Assets at Amortised Cost - Debt Instruments	15,941,247	-	100	15,941,247	-	100
Other Financial Assets	-	6,797,607	(100)	-	6,797,607	(100)
Financial Assets - Held-to-Maturity	-	9,879,390	(100)	-	9,950,433	(100)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,867,825	2,584,301	11	3,668,502	3,363,792	9
Intangible Assets	1,301,248	1,148,646	13	1,302,940	1,153,552	13
Other Assets	2,626,586	1,893,474	39	2,680,894	1,940,988	38
<b>Total Assets</b>	<b>324,832,936</b>	<b>267,193,778</b>	<b>22</b>	<b>325,015,993</b>	<b>267,629,494</b>	<b>21</b>
<b>On Balance Sheet Liabilities</b>						
Due to Banks	18,474,545	12,314,853	50	18,474,545	12,314,853	50
Derivative Financial Instruments	484,373	495,517	(2)	484,373	495,517	(2)
Financial liabilities at amortised cost						
Repurchase Agreements	7,784,017	10,718,199	(27)	7,681,669	10,339,794	(26)
Due to Depositors	231,936,769	194,296,718	19	231,462,599	194,268,995	19
Due to Other Borrowers	20,248,816	11,662,223	74	20,248,816	11,662,223	74
Current Tax Liabilities	1,547,833	803,249	93	1,574,972	847,501	86
Deferred Tax Liabilities	960,783	1,737,512	(45)	1,050,358	1,827,929	(43)
Other Liabilities	8,188,087	6,282,421	30	8,234,340	6,327,290	30
Subordinated Term Debts	8,745,611	8,075,351	8	8,745,611	8,075,351	8
<b>Total Liabilities</b>	<b>298,370,834</b>	<b>246,386,043</b>	<b>21</b>	<b>297,957,283</b>	<b>246,159,453</b>	<b>21</b>
<b>Equity</b>						
Stated Capital	8,865,523	5,101,369	74	8,865,523	5,101,369	74
Statutory Reserve Fund	1,199,130	1,010,732	19	1,199,130	1,010,732	19
Retained Earnings	15,820,900	13,813,403	15	16,179,448	14,237,649	14
Revaluation Reserve	674,631	674,631	-	912,691	912,691	-
OCI Reserve	(98,082)	207,600	(147)	(98,082)	207,600	(147)
<b>Total Shareholders' Equity</b>	<b>26,462,102</b>	<b>20,807,735</b>	<b>27</b>	<b>27,058,710</b>	<b>21,470,041</b>	<b>26</b>
<b>Total Equity and Liabilities</b>	<b>324,832,936</b>	<b>267,193,778</b>	<b>22</b>	<b>325,015,993</b>	<b>267,629,494</b>	<b>21</b>
<b>Contingent Liabilities and Commitments</b>	<b>190,599,308</b>	<b>173,130,996</b>	<b>10</b>	<b>190,602,464</b>	<b>171,587,167</b>	<b>11</b>
<b>Memorandum Information</b>						
Number of Employees	3,105	2,921		3,128	2,943	
Number of Branches	94	93		94	93	
Number of Off-Site ATMs & CRMs	45	42		45	42	

**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).....  
Gihan Cooray  
Chairman

(Sgd).....  
Rachini Rajapaksa  
Director

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

27 February 2019  
Colombo

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

Item	Bank		Group	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Regulatory Capital (LKR '000)</b>				
Common Equity Tier 1	24,935,511	18,070,743	25,292,362	18,489,947
Tier 1 Capital	24,935,511	18,070,743	25,292,362	18,489,947
Total Capital	32,106,836	23,305,824	32,463,687	23,725,029
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 5.75%) (Minimum Requirement - 6.375%)		10.58%	12.15%	10.83%
Tier 1 Capital Ratio (Minimum Requirement - 7.25%) (Minimum Requirement - 7.875%)	11.96%	10.58%	12.15%	10.83%
Total Capital Ratio (Minimum Requirement - 11.25%) (Minimum Requirement - 11.875%)	15.40%	13.64%	15.59%	13.89%
<b>Assets Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio, % (net of interest in suspense)	4.58%	2.29%	4.58%	2.29%
Net-Non Performing Advances,%(net of interest in suspense and provision)	2.13%	0.71%	2.13%	0.71%
<b>Profitability</b>				
Interest Margin, %	5.03%	5.00%	-	-
Return on Assets (before Tax), %	1.94%	2.55%	1.95%	2.22%
Return on Equity, %	15.04%	24.08%	14.47%	17.84%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets, Rs. '000	64,964,889	48,666,095		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	22.32%	21.13%		
Off-Shore Banking Unit	22.29%	21.81%		
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 80%)		437.86%		
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 90%)	250.57%			
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 80%)		204.73%		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 90%)	189.66%			
Net Assets Value Per Share (Rs.)	95.27	90.23	97.42	93.10
<b>Market Price Per Share (Rs.)</b>	<b>31.12.2018</b>	<b>31.12.2017</b>		
	(Quarter ended)	(Quarter ended)		
Highest - Voting	91.00	87.00		
- Non Voting	85.00			
Lowest - Voting	85.00	77.50		
- Non Voting	77.20			
Last Traded Price - Voting	89.20	78.00		
- Non Voting	82.10			

**NATIONS TRUST BANK PLC**  
**STATEMENT OF CHANGES IN EQUITY**

BANK	Stated Capital		Retained Earnings	Revaluation Reserve	OCI Reserve	Statutory Reserve Fund	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Voting	Non Voting					
<b>As at 01 January 2017</b>	<b>5,101,369</b>	-	<b>10,261,404</b>	-	<b>(178,077)</b>	<b>796,400</b>	<b>15,981,096</b>
Profit For the Period	-	-	4,286,641	-	-	-	4,286,641
Other Comprehensive Income	-	-	(36,035)	674,631	385,677	-	1,024,273
Total Comprehensive Income	-	-	4,250,606	674,631	385,677	-	5,310,914
Dividend paid for 2016	-	-	(484,275)	-	-	-	(484,275)
Transfers to the Statutory Reserve Fund	-	-	(214,332)	-	-	214,332	-
<b>As at 31 December 2017</b>	<b>5,101,369</b>	-	<b>13,813,403</b>	<b>674,631</b>	<b>207,600</b>	<b>1,010,732</b>	<b>20,807,735</b>
<b>As at 31 December 2017</b>	<b>5,101,369</b>	-	<b>13,813,403</b>	<b>674,631</b>	<b>207,600</b>	<b>1,010,732</b>	<b>20,807,735</b>
Impact of adopting SLFRS 9	-	-	(1,021,253)	-	-	-	(1,021,253)
<b>Restated balance as at 01 January 2018</b>	<b>5,101,369</b>	-	<b>12,792,150</b>	<b>674,631</b>	<b>207,600</b>	<b>1,010,732</b>	<b>19,786,482</b>
Profit For the Period	-	-	3,767,968	-	-	-	3,767,968
Other Comprehensive Income	-	-	17,677	-	(305,682)	-	(288,005)
Total Comprehensive Income	-	-	3,785,645	-	(305,682)	-	3,479,963
Rights Issue	-	3,208,449	-	-	-	-	3,208,449
Dividend - Scrip Issue	473,347	82,358	(568,497)	-	-	-	(12,792)
Conversion of Non Voting Shares to Voting Shares	165,200	(165,200)	-	-	-	-	-
Transfers to the Statutory Reserve Fund	-	-	(188,398)	-	-	188,398	-
<b>As at 31 December 2018</b>	<b>5,739,916</b>	<b>3,125,607</b>	<b>15,820,900</b>	<b>674,631</b>	<b>(98,082)</b>	<b>1,199,130</b>	<b>26,462,102</b>

  

GROUP	Stated Capital		Retained Earnings	Revaluation Reserve	OCI Reserve	Statutory Reserve Fund	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	Voting	Non Voting					
<b>As at 01 January 2017</b>	<b>5,101,369</b>	-	<b>11,600,912</b>	-	<b>(178,077)</b>	<b>796,400</b>	<b>17,320,604</b>
Profit For the Period	-	-	3,371,489	-	-	-	3,371,489
Other Comprehensive Income	-	-	(36,145)	912,691	385,677	-	1,262,223
Total Comprehensive Income	-	-	3,335,344	912,691	385,677	-	4,633,712
Dividend paid for 2016	-	-	(484,275)	-	-	-	(484,275)
Transfers to the Statutory Reserve Fund	-	-	(214,332)	-	-	214,332	-
<b>As at 31 December 2017</b>	<b>5,101,369</b>	-	<b>14,237,649</b>	<b>912,691</b>	<b>207,600</b>	<b>1,010,732</b>	<b>21,470,041</b>
<b>As at 31 December 2017</b>	<b>5,101,369</b>	-	<b>14,237,649</b>	<b>912,691</b>	<b>207,600</b>	<b>1,010,732</b>	<b>21,470,041</b>
Impact of adopting SLFRS 9	-	-	(1,021,253)	-	-	-	(1,021,253)
<b>Restated balance as at 01 January 2018</b>	<b>5,101,369</b>	-	<b>13,216,396</b>	<b>912,691</b>	<b>207,600</b>	<b>1,010,732</b>	<b>20,448,788</b>
Profit For the Period	-	-	3,701,883	-	-	-	3,701,883
Other Comprehensive Income	-	-	18,064	-	(305,682)	-	(287,618)
Total Comprehensive Income	-	-	3,719,947	-	(305,682)	-	3,414,265
Rights Issue	-	3,208,449	-	-	-	-	3,208,449
Dividend - Scrip Issue	473,347	82,358	(568,497)	-	-	-	(12,792)
Conversion of Non Voting Shares to Voting Shares	165,200	(165,200)	-	-	-	-	-
Transfers to the Statutory Reserve Fund	-	-	(188,398)	-	-	188,398	-
<b>As at 31 December 2018</b>	<b>5,739,916</b>	<b>3,125,607</b>	<b>16,179,448</b>	<b>912,691</b>	<b>(98,082)</b>	<b>1,199,130</b>	<b>27,058,710</b>

**Nations Trust Bank PLC and Its Subsidiaries**  
**Statement of Cash Flows**



	Bank		Group	
	Twelve Months ended 31 December		Twelve Months ended 31 December	
	2018	2017	2018	2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Receipts of Interest Income	36,742,998	29,783,292	36,754,782	29,905,982
Receipts of Fees and Commission Income	6,071,711	4,752,679	6,351,140	4,977,767
Payments of Interest Expense	(19,188,583)	(15,894,217)	(19,149,770)	(15,835,132)
Payments of Fees and Commission Expense	(267,935)	(322,737)	(267,935)	(322,743)
Net Trading Income	(2,607,920)	(351,031)	(2,607,749)	(351,031)
Receipts from Other Operating Income	830,377	1,638,709	539,848	526,708
Gratuity Payments Made	(60,162)	(64,828)	(60,162)	(64,828)
Payments for Operating Expenses	(9,047,695)	(7,906,260)	(9,025,292)	(7,930,906)
Payments for VAT & NBT on Financial Services	(1,719,257)	(1,606,641)	(1,722,670)	(1,625,135)
Payments for Debt Repayment Levy	(125,625)	-	(125,625)	-
<b>Net Cash Flow from Operating Activities before Income Tax (A)</b>	<b>10,627,909</b>	<b>10,028,966</b>	<b>10,686,567</b>	<b>9,280,682</b>
Income Tax Paid	(1,475,104)	(765,268)	(1,561,683)	(898,794)
Tax Paid on Dividends	(12,792)	-	(45,074)	-
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>9,140,013</b>	<b>9,263,698</b>	<b>9,079,810</b>	<b>8,381,888</b>
<b>(Increase)/Decrease in Operating Assets</b>				
Reverse Repurchase Agreements	(169,800)	3,900	(169,800)	3,900
Financial Assets - At Fair Value through Profit or Loss	(144,500)	1,073,716	(144,500)	1,073,716
Financial Assets - At Amortized Cost	140,528	-	215,629	-
Financial Assets - At Fair Value through Other Comprehensive Income	(20,061,154)	-	(20,061,154)	-
Financial Assets - Held to Maturity	-	3,145,812	-	3,144,234
Financial Assets-Available for Sale	-	(16,645,792)	-	(16,645,792)
Other Financial Assets	-	58,488	-	58,488
Financial Assets - At Amortized Cost - Loans & Advances	(38,200,630)	(38,714,252)	(37,996,666)	(38,030,465)
Other Assets	(126,589)	(60,699)	(140,753)	(71,131)
<b>(Increase)/Decrease in Operating Assets</b>	<b>(58,562,145)</b>	<b>(51,138,827)</b>	<b>(58,297,244)</b>	<b>(50,467,050)</b>
<b>Increase/(Decrease) in Operating Liabilities</b>				
Repurchase Agreements	4,023,975	2,455,070	4,299,765	2,662,956
Due to Other Customers	36,379,620	41,661,611	35,933,680	41,691,320
Other Liabilities	876,392	695,327	869,386	673,977
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>41,279,987</b>	<b>44,812,008</b>	<b>41,102,831</b>	<b>45,028,253</b>
<b>Net Cash Flows from Operating Activities</b>	<b>(8,142,145)</b>	<b>2,936,879</b>	<b>(8,114,603)</b>	<b>2,943,091</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(660,636)	(373,311)	(691,945)	(377,094)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	23,821	694	25,169	694
Purchase of Intangible Assets	(303,957)	(135,853)	(303,957)	(135,853)
	<b>(940,772)</b>	<b>(508,470)</b>	<b>(970,733)</b>	<b>(512,253)</b>
<b>Cash Flows from Financing Activities</b>				
Net Change in Debt Issued and Other Borrowed Funds	8,223,977	4,519,075	8,223,977	4,519,075
Proceeds from Rights Issue	3,208,449	-	3,208,449	-
Interest Paid on Subordinated Debt	(1,150,600)	(1,153,275)	(1,150,600)	(1,153,275)
Dividends Paid to Equity Holders of the Parent	-	(484,275)	-	(484,275)
	<b>10,281,826</b>	<b>2,881,525</b>	<b>10,281,826</b>	<b>2,881,525</b>
Net Increase in Cash and Cash Equivalents	1,198,909	5,309,934	1,196,490	5,312,363
Cash and Cash Equivalents at the Beginning of the Period	17,914,449	12,604,515	17,916,922	12,604,559
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>19,113,358</b>	<b>17,914,449</b>	<b>19,113,412</b>	<b>17,916,922</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash in Hand	5,419,519	5,589,806	5,419,542	5,589,829
Balances with Central Bank of Sri Lanka	12,762,122	11,213,278	12,762,122	11,213,278
Balances with Banks	1,018,271	1,257,404	1,018,302	1,259,854
Deposits from Other Banks	(86,554)	(146,039)	(86,554)	(146,039)
	<b>19,113,358</b>	<b>17,914,449</b>	<b>19,113,412</b>	<b>17,916,922</b>
<b>A. Reconciliation of Operating Profit</b>				
Profit before Taxation	5,822,866	6,170,514	5,859,301	5,393,482
(Profit) / Loss on Disposal of Property, Plant and Equipment and Intangible Assets	9,609	(694)	8,261	(694)
Impairment charge / (Reversal ) for Loans and Receivables	3,272,708	1,088,404	3,274,036	1,088,825
Provision for Gratuity	110,127	109,772	111,348	111,031
(Increase) / Decrease in Interest Receivable	732,863	133,102	728,805	133,102
Increase/ (Decrease) in Interest Payable	1,564,325	973,714	1,565,077	977,085
Increase / (Decrease) in Financial Guarantee Liabilities & Deferred Income	318,844	(1,317)	317,815	(1,317)
(Increase) / Decrease in Fees & Commission Receivable	(39,095)	(8,951)	(48,720)	(8,951)
Increase / (Decrease) in Fees & Commission and Operating Expenses Payable	259,174	29,452	262,854	35,377
Other Non Cash Items	(2,513,950)	446,523	(2,482,648)	464,295
Interest Paid on Subordinated Debt	1,150,600	1,153,275	1,150,600	1,153,275
Gratuity Payments Made	(60,162)	(64,828)	(60,162)	(64,828)
	<b>10,627,909</b>	<b>10,028,966</b>	<b>10,686,567</b>	<b>9,280,682</b>



NATIONS TRUST BANK PLC  
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



**Bank**

As at 31 December

	2018			Total Rs. '000
	AC Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	
<b>Assets</b>				
Cash and Cash Equivalents	6,437,519	-	-	6,437,519
Balances with Central Bank of Sri Lanka	12,762,122	-	-	12,762,122
Reverse Repurchase Agreements	180,593	-	-	180,593
Derivative Financial Instruments	-	2,403,787	-	2,403,787
Financial Assets - Recognised through Profit or Loss	-	668,812	-	668,812
Financial Assets at Fair Value through Other Comprehensive Income	-	-	57,463,831	57,463,831
Financial Assets at Amortised Cost - Debt Instruments	15,941,247	-	-	15,941,247
Financial Assets at Amortised Cost – Loans and Advances	221,500,656	-	-	221,500,656
<b>Total Financial Assets</b>	<b>256,822,137</b>	<b>3,072,599</b>	<b>57,463,831</b>	<b>317,358,568</b>
<b>Liabilities</b>				
Due to Banks	18,474,545	-	-	18,474,545
Derivative Financial Instruments	-	484,373	-	484,373
Financial liabilities at amortised cost				
Due to Depositors	231,936,769	-	-	231,936,769
Repurchase Agreements	7,784,017	-	-	7,784,017
Due to Other Borrowers	20,248,816	-	-	20,248,816
Debt Securities Issued	8,745,611	-	-	8,745,611
<b>Total Financial Liabilities</b>	<b>287,189,757</b>	<b>484,373</b>	-	<b>287,674,130</b>

**Group**

As at 31 December

	2018			Total LKR '000
	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	
<b>Assets</b>				
Cash and Cash Equivalents	6,437,573	-	-	6,437,573
Balances with Central Bank of Sri Lanka	12,762,122	-	-	12,762,122
Reverse Repurchase Agreements	180,593	-	-	180,593
Derivative Financial Instruments	-	2,403,787	-	2,403,787
Financial Assets - Recognised through Profit or Loss	-	668,812	-	668,812
Financial Assets at Fair Value through Other Comprehensive Income	-	-	57,463,831	57,463,831
Financial Assets at Amortised Cost - Debt Instruments	15,941,247	-	-	15,941,247
Financial Assets at Amortised Cost – Loans and Advances	221,505,692	-	-	221,505,692
<b>Total Financial Assets</b>	<b>256,827,227</b>	<b>3,072,599</b>	<b>57,463,831</b>	<b>317,363,658</b>
<b>Liabilities</b>				
Due to Banks	18,474,545	-	-	18,474,545
Derivative Financial Instruments	-	484,373	-	484,373
Financial liabilities at amortised cost				
Due to Depositors	231,462,599	-	-	231,462,599
Repurchase Agreements	7,681,669	-	-	7,681,669
Due to Other Borrowers	20,248,816	-	-	20,248,816
Debt Securities Issued	8,745,611	-	-	8,745,611
<b>Total Financial Liabilities</b>	<b>286,613,240</b>	<b>484,373</b>	-	<b>287,097,613</b>

AC – Financial assets/liabilities measured at amortised cost

FVPL – Financial assets/liabilities measured at fair value through profit or loss

FVOCI – Financial assets measured at fair value through other comprehensive income

**Bank**

As at 31 December

	2017						Total LKR '000
	HFT at Fair Value	Financial Derivatives at Fair Value	HTM at Amortized Cost	Available for Sale at Fair Value	L & R at Amortized Cost	Other Financial Assets & Liabilities at Amortized Cost	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
<b>Assets</b>							
Cash and Cash Equivalents	-	-	-	-	6,847,210	-	6,847,210
Balances with Central Bank of Sri Lanka	-	-	-	-	11,213,278	-	11,213,278
Reverse Repurchase Agreements	-	-	-	-	10,798	-	10,798
Derivative Financial Instruments	-	230,217	-	-	-	-	230,217
Financial Assets - Held for Trading	521,389	-	-	-	-	-	521,389
Financial Assets-Available for Sale	-	-	-	38,852,046	-	-	38,852,046
Financial Assets - Held to Maturity	-	-	9,879,390	-	-	-	9,879,390
Other Financial Assets	-	-	-	-	6,797,607	-	6,797,607
Loans and Advances to Customers	-	-	-	-	186,536,712	-	186,536,712
<b>Total Financial Assets</b>	<b>521,389</b>	<b>230,217</b>	<b>9,879,390</b>	<b>38,852,046</b>	<b>211,405,605</b>	<b>-</b>	<b>260,888,647</b>
<b>Liabilities</b>							
Due to Banks	-	-	-	-	-	12,314,853	12,314,853
Derivative Financial Instruments	-	495,517	-	-	-	-	495,517
Repurchase Agreements	-	-	-	-	-	10,718,199	10,718,199
Due to Customers	-	-	-	-	-	194,296,718	194,296,718
Due to Other Borrowers	-	-	-	-	-	11,662,223	11,662,223
Debt Securities Issued	-	-	-	-	-	8,075,351	8,075,351
<b>Total Financial Liabilities</b>	<b>-</b>	<b>495,517</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,067,344</b>	<b>237,562,861</b>

**Group**

As at 31 December

	2017						Total LKR '000
	HFT at Fair Value	Financial Derivatives at Fair Value	HTM at Amortized Cost	Available for Sale at Fair Value	L & R at Amortized Cost	Other Financial Assets & Liabilities at Amortized Cost	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
<b>Assets</b>							
Cash and Cash Equivalents	-	-	-	-	6,849,683	-	6,849,683
Balances with Central Bank of Sri Lanka	-	-	-	-	11,213,278	-	11,213,278
Reverse Repurchase Agreements	-	-	-	-	10,798	-	10,798
Derivative Financial Instruments	-	230,217	-	-	-	-	230,217
Financial Assets - Held for Trading	521,389	-	-	-	-	-	521,389
Financial Assets-Available for Sale	-	-	-	38,852,046	-	-	38,852,046
Financial Assets - Held to Maturity	-	-	9,950,433	-	-	-	9,950,433
Other Financial Assets	-	-	-	-	6,797,607	-	6,797,607
Loans and Advances to Customers	-	-	-	-	186,745,711	-	186,745,711
<b>Total Financial Assets</b>	<b>521,389</b>	<b>230,217</b>	<b>9,950,433</b>	<b>38,852,046</b>	<b>211,617,077</b>	<b>-</b>	<b>261,171,162</b>
<b>Liabilities</b>							
Due to Banks	-	-	-	-	-	12,314,853	12,314,853
Derivative Financial Instruments	-	495,517	-	-	-	-	495,517
Repurchase Agreements	-	-	-	-	-	10,339,794	10,339,794
Due to Customers	-	-	-	-	-	194,268,995	194,268,995
Due to Other Borrowers	-	-	-	-	-	11,662,223	11,662,223
Debt Securities Issued	-	-	-	-	-	8,075,351	8,075,351
<b>Total Financial Liabilities</b>	<b>-</b>	<b>495,517</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,661,216</b>	<b>237,156,732</b>

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)

	Bank		Group	
	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)
(1) Loans and Receivables To Other Customers				
Gross Loans and Receivables	225,193,787	187,069,652	225,198,693	187,278,521
(Less) : Individual Impairment (Note 3.1)	(1,862,542)	(1,056,964)	(1,862,542)	(1,056,964)
Collective Impairment (Note 3.2)	(3,895,514)	(1,551,951)	(3,895,384)	(1,551,821)
Net Loans and Advances including those designated at Fair Value through Profit or Loss	219,435,731	184,460,737	219,440,767	184,669,736
(Less) : Loans and Advances designated at Fair Value through Profit or Loss	-	-	-	-
Net Loans and Advances	219,435,731	184,460,737	219,440,767	184,669,736
Staff Loans	2,811,782	2,715,078	2,811,782	2,715,078
Less : Allowance for Day 1 Difference	(746,857)	(639,103)	(746,857)	(639,103)
	2,064,925	2,075,975	2,064,925	2,075,975
	221,500,656	186,536,712	221,505,692	186,745,711
(2) Gross Loans and Receivables to Other Customers - By Product				
By Product - Domestic Currency				
Bills of Exchange	41,390	37,337	41,390	37,337
Trade Finance	33,674,136	9,594,294	33,674,136	9,594,294
Overdrafts	40,195,645	36,001,909	40,195,645	36,001,909
Term Loans	55,072,951	67,601,219	55,072,951	67,601,217
Staff Loans	3,391,441	2,985,543	3,391,441	2,985,543
Leases	44,864,827	37,253,690	44,864,827	37,253,690
Credit Cards	24,872,190	20,185,840	24,872,190	20,185,840
Pawning	329,280	279,281	329,280	279,281
Corporate Debt Securities	-	325,243	-	325,243
Other Advances	149,062	179,635	153,968	388,505
Sub Total	202,590,922	174,443,991	202,595,828	174,652,859
By Product - Foreign Currency				
Bills of Exchange	8,578	-	8,578	-
Overdrafts	1,698,311	188,728	1,698,311	188,728
Term Loans	16,037,751	10,111,095	16,037,751	10,111,095
Other Advances	7,670,007	5,040,917	7,670,007	5,040,917
Sub Total	25,414,647	15,340,740	25,414,647	15,340,740
Total	228,005,569	189,784,730	228,010,475	189,993,599

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	
	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)
<b>(3.1) Individual Impairment</b>				
Opening Balance	1,056,964	702,650	1,056,964	702,650
Charge/ (Reversal) to Income Statement	805,578	354,314	805,578	354,314
Amounts written off during the Period	-	-	-	-
<b>Closing Balance</b>	<b>1,862,542</b>	<b>1,056,964</b>	<b>1,862,542</b>	<b>1,056,964</b>
<b>(3.2) Collective Impairment</b>				
Opening Balance	1,551,951	1,575,427	1,551,821	1,574,878
Impact of adopting SLFRS 9	972,575	-	972,575	-
Charge/ (Reversal) to Income Statement	2,348,385	729,554	2,348,385	729,973
Amounts written off during the Period	(977,397)	(753,030)	(977,397)	(753,030)
<b>Closing Balance</b>	<b>3,895,514</b>	<b>1,551,951</b>	<b>3,895,384</b>	<b>1,551,821</b>
<b>Total Impairment</b>	<b>5,758,056</b>	<b>2,608,915</b>	<b>5,757,926</b>	<b>2,608,785</b>

(3.3) Movement in Impairment for Expected Credit Losses on Loans & Receivables to Other Customers - Based on Exposure to Credit Risk

	Bank			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 January 2018	453,772	154,674	2,000,469	2,608,915
Impact of adopting SLFRS 9	549,706	157,736	265,133	972,575
Charge/(Write back) to income statement	44,091	(15,979)	3,125,851	3,153,963
Write-off during the year	-	-	(977,397)	(977,397)
<b>Balance as at 31 December 2018</b>	<b>1,047,569</b>	<b>296,431</b>	<b>4,414,056</b>	<b>5,758,056</b>

	Group			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 01 January 2018	453,642	154,674	2,000,469	2,608,785
Impact of adopting SLFRS 9	549,706	157,736	265,133	972,575
Charge/(Write back) to income statement	44,091	(15,979)	3,125,851	3,153,963
Write-off during the year	-	-	(977,397)	(977,397)
<b>Balance as at 31 December 2018</b>	<b>1,047,439</b>	<b>296,431</b>	<b>4,414,056</b>	<b>5,757,926</b>

(4) Due to Other Customers -By Product

	Bank		Group	
	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2017 Rs. '000 (Audited)
<b>By Product -Domestic Currency</b>				
Demand Deposits	15,065,795	15,862,077	15,054,502	15,834,353
Savings Deposits	32,322,881	28,955,328	32,322,881	28,955,329
Call Deposits	70,739	54,246	70,739	54,246
Fixed Deposits	151,358,135	124,068,840	150,895,258	124,068,840
Certificate of Deposits	230,272	1,851,002	230,272	1,851,002
<b>Sub Total</b>	<b>199,047,822</b>	<b>170,791,493</b>	<b>198,573,652</b>	<b>170,763,770</b>
<b>By Product -Foreign Currency</b>				
Demand Deposits	2,075,072	2,163,972	2,075,072	2,163,972
Savings Deposits	8,550,199	7,147,595	8,550,199	7,147,595
Call Deposits	1,248,982	4,329	1,248,982	4,329
Fixed Deposits	21,014,694	14,189,329	21,014,694	14,189,329
<b>Sub Total</b>	<b>32,888,947</b>	<b>23,505,225</b>	<b>32,888,947</b>	<b>23,505,225</b>
<b>Total</b>	<b>231,936,769</b>	<b>194,296,718</b>	<b>231,462,599</b>	<b>194,268,995</b>

**DEBENTURE INFORMATION**

The rated unsecured subordinated redeemable debentures 2013/18, 2016/21 and 2018/23 of the Bank are listed in the Colombo Stock Exchange.



Debenture Categories	CSE Listing	Interest Payable Frequency	Balance as at 31.12.2018 Rs. '000	Balance as at 31.12.2017 Rs. '000	Market Values for the Quarter ended 31.12.2018			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 %	31.12.2018 %	31.12.2017 %	Interest Yield %	Yield to Maturity -
Fixed Rate	NTB/BC/19/12/18A13	Semi -Annually	-	3,000,000	Not traded during the current period			-	-	-	8.90	Not traded	
Floating	NTB-BD-08/11/21-C2363	Semi -Annually	2,410	2,410	Not traded during the current period			11.25	11.57	11.49	9.84	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi -Annually	3,885,800	3,885,800	94.6	94.6	94.6	12.65	13.05	11.49	9.84	13.37	15.01
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	11.49	9.84	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2402-12.65	Semi -Annually	2,213,000	-	Not traded during the current period			12.65	13.05	11.54	-	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2401-13	Annually	1,287,000	-	Not traded during the current period			13.00	13.00	11.54	-	Not traded	
<b>Total Debentures</b>			<b>8,500,000</b>	<b>8,000,000</b>									
<b>Ratios of Debt</b>	<b>31.12.2018</b>	<b>31.12.2017</b>											
* Debt / Equity Ratio %	99.75%	78.48%											
Interest Cover (Times)	3.76	6.31											
Quick Asset Ratio	115%	112%											

\* Borrowings of which original maturity with five years or more are considered for debt.

NATIONS TRUST BANK PLC  
SEGMENT INFORMATION



Operating Segments Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Operating Income</b>	<b>18,676,747</b>	<b>14,850,291</b>	<b>2,881,347</b>	<b>2,357,604</b>	<b>430,736</b>	<b>447,126</b>	<b>(910,361)</b>	<b>(741,451)</b>	<b>21,078,468</b>	<b>16,913,569</b>
Impairment Charge /(Reversal )	3,261,668	1,086,588	11,039	-	1,329	-	-	2,236	3,274,036	1,088,825
<b>Net Operating Income</b>	<b>15,415,079</b>	<b>13,763,702</b>	<b>2,870,308</b>	<b>2,357,604</b>	<b>429,407</b>	<b>447,125</b>	<b>(910,361)</b>	<b>(743,686)</b>	<b>17,804,433</b>	<b>15,824,744</b>
<b>Extracts of Results</b>										
Interest Income	30,597,694	24,029,383	6,560,825	5,954,905	55,904	185,460	(164,014)	(164,578)	37,050,409	30,005,170
Inter Segment	(2,323,242)	(1,202,484)	2,323,242	1,202,484	-	-	-	-	-	-
Interest Expense	(16,276,575)	(13,917,528)	(5,751,249)	(4,292,940)	(1,789)	(7,984)	143,112	121,790	(21,886,502)	(18,096,662)
<b>Net Interest Income</b>	<b>11,997,877</b>	<b>8,909,372</b>	<b>3,132,818</b>	<b>2,864,449</b>	<b>54,115</b>	<b>177,476</b>	<b>(20,902)</b>	<b>(42,789)</b>	<b>15,163,907</b>	<b>11,908,508</b>
Fees and Commission Income	5,924,625	5,256,392	95,009	74,998	384,496	284,305	(322,086)	(256,842)	6,082,044	5,358,853
Fees and Commission Expense	(230,833)	(263,816)	(21,223)	(19,085)	(8,046)	(14,657)	(12,175)	(25,185)	(272,277)	(322,743)
<b>Net Fee and Commission Income</b>	<b>5,693,792</b>	<b>4,992,576</b>	<b>73,786</b>	<b>55,913</b>	<b>376,450</b>	<b>269,647</b>	<b>(334,261)</b>	<b>(282,027)</b>	<b>5,809,767</b>	<b>5,036,110</b>
Net Trading Income / (Expense)	583,219	479,512	(426,964)	(562,759)	171	-	(583,219)	(475,206)	(426,793)	(558,453)
Other Operating Income	401,859	468,831	101,708	-	-	-	28,021	58,573	531,587	527,403
Depreciation of Property, Plant and Equipment	209,185	229,858	8,610	2,768	28,299	14,536	149,642	119,693	395,736	366,855
Amortization of Intangible Assets	69,334	30,732	22,973	13,919	3,215	3,236	210,426	227,930	305,948	275,817
Other Expenses								0		
<b>Profit before Income Tax</b>	<b>4,710,254</b>	<b>4,381,015</b>	<b>1,924,246</b>	<b>1,541,679</b>	<b>336,862</b>	<b>333,119</b>	<b>(1,112,062)</b>	<b>(862,331)</b>	<b>5,859,301</b>	<b>5,393,482</b>
Income Tax Expense					(70,239)	(89,544)	(2,087,179)	(1,932,449)	(2,157,418)	(2,021,993)
<b>Profit for the Year</b>	<b>4,710,254</b>	<b>4,381,015</b>	<b>1,924,246</b>	<b>1,541,679</b>	<b>266,623</b>	<b>243,575</b>	<b>(3,199,241)</b>	<b>(2,794,780)</b>	<b>3,701,883</b>	<b>3,371,489</b>
<b>Capital Expenditures</b>										
Property and Equipment	149,316	174,890	-	29,184	49,480	2,542	506,775	260,353	705,570	466,970
Other Intangible Assets	56,471	21,360	-	76,099	-	1,300	333,932	141,769	390,403	240,528
<b>Total Assets</b>	<b>226,637,823</b>	<b>186,869,846</b>	<b>92,994,684</b>	<b>73,655,325</b>	<b>1,121,640</b>	<b>1,189,330</b>	<b>4,261,846</b>	<b>5,914,993</b>	<b>325,015,993</b>	<b>267,629,494</b>
<b>Total Liabilities</b>	<b>218,937,309</b>	<b>188,483,941</b>	<b>69,212,155</b>	<b>50,827,829</b>	<b>74,044</b>	<b>87,804</b>	<b>9,733,775</b>	<b>6,759,878</b>	<b>297,957,283</b>	<b>246,159,453</b>

## NATIONS TRUST BANK PLC



### Explanatory Notes:

- (1) The Group figures include those of the Subsidiaries, Waldo Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited.
  - (2) These Financial Statements are prepared in accordance with LKAS 34 - Interim Financial Reporting 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.
  - (3) 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 2017 other than the item disclosed in Notes 8 & 9 below.
  - (4) There are no material changes to contingent assets and liabilities since 31 December 2018 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 12 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 31 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 31 March 2018.
  - (6) The Group's External Auditors, M/S Ernst & Young carried out an audit for the year ended 31 December 2018 and have expressed an unqualified opinion on the Financial Statements of the Bank and the Group as at 31 December 2018.
  - (7) Other than items disclosed in Note 7.1 below, there are no material events that took place after the reporting date which require adjustment to or disclosure in the Financial Statements.
- (7.1) Proposed Dividend**  
A dividend of Rs. 2.10 per share in respect of year 2018 is declared by the Board of Directors to be paid in the form of a Scrip issue in the proportion of 01 share for every 46.10018487 voting shares amounting to a total of 5,179,011 new voting shares and 01 share for every 42.00693871 convertible non-voting shares, amounting to a total of 928,270 new convertible non-voting shares. Fractions in shares will be paid in cash.
- (8) **Sri Lanka Accounting Standard - SLFRS 15 (Revenue from Contracts With Customers)**  
Sri Lanka Accounting Standard - SLFRS 15 (Revenue from Contracts With Customers) became effective for the financial periods beginning on or after 1 January 2018. The Group did not have any material impact on its fee & commission income with the adoption of SLFRS 15 at the transition date, 01 January 2018.

(9) Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments)

The Group has adopted the modified retrospective method to prepare Annual Financial Statements for the year ended 31 December 2018 and has not restated comparative information for 2017 for financial instruments within the scope of SLFRS 9. The comparative information for 2017 is reported under LKAS 39 and is not comparable to the information presented for 2018.

The following notes set out the impact of adopting SLFRS 9 at transition date, 01 January 2018 on the Statement of Financial Position, and retained earnings including the effect of replacing incurred credit loss calculations under LKAS 39 with expected credit loss (ECL) calculations under SLFRS 9.

A reconciliation between the carrying amounts under LKAS 39 to the balances reported under SLFRS 9 as of 01 January 2018 is as follows:

Bank	Ref	LKAS 39 Measurement Category	Re-measurement				SLFRS 9 Category	
			Amount Rs. '000	Re- classification Rs. '000	ECL Rs. '000	Other Rs. '000		Amount Rs. '000
<b>Financial Assets</b>								
Cash and Cash Equivalents	D	L&R	6,847,210	-	(228)	-	6,846,982	AC
Balances with Central Bank of Sri Lanka		L&R	11,213,278	-	-	-	11,213,278	AC
Reverse Repurchase Agreements		L&R	10,798	-	-	-	10,798	AC
Derivative Financial Instruments		FVPL	230,217	-	-	-	230,217	FVPL (Mandatory)
Financial Assets - Held for Trading		FVPL	521,389	-	-	-	521,389	FVPL (Mandatory)
Financial Assets-Available for Sale		AFS	38,852,046	(38,852,046)	-	-	N/A	
To: Debt Instruments at FVOCI	A		-	(38,846,109)	-	-		
To: Equity Instruments at FVOCI	B		-	(5,937)	-	-		
Financial Assets - Held to Maturity		HTM	9,879,390	(9,879,390)	-	-	N/A	
To: Financial Assets at Amortised Cost	C			(9,879,390)				
Other Financial Assets		L&R	6,797,607	(6,797,607)	-	-	N/A	
To: Financial Assets at Amortised Cost	C			(6,797,607)				
Debt Instruments at FVOCI			N/A	38,846,109	-	-	38,846,109	FVOCI
From: Financial Assets - AFS	A			38,846,109				
Equity Instruments at FVOCI			N/A	5,937	-	-	5,937	FVOCI
From: Financial Assets - AFS	B			5,937				
Financial Assets at Amortised Cost	D		N/A	16,676,997	(20,785)	-	16,656,212	AC
From: Financial Assets - Held to Maturity	C			9,879,390	-	-		
From: Other Financial Assets	C			6,797,607	(20,785)			
Loans and Advances to Customers	D	L&R	186,536,712	-	(972,575)	-	185,564,137	AC
Other Assets	D	L&R	1,893,474	-	(584)	-	1,892,890	AC
<b>Total Assets</b>			<b>262,782,121</b>	<b>-</b>	<b>(994,172)</b>	<b>-</b>	<b>261,787,949</b>	
<b>Financial Liabilities</b>								
Due to Banks		AC	12,314,853	-	-	-	12,314,853	AC
Repurchase Agreements		AC	10,718,199	-	-	-	10,718,199	AC
Derivative Financial Instruments		FVPL	495,517	-	-	-	495,517	FVPL (Mandatory)
Due to Customers		AC	194,296,718	-	-	-	194,296,718	AC
Other Borrowings		AC	11,662,223	-	-	-	11,662,223	AC
Subordinated Term Debts		AC	8,075,351	-	-	-	8,075,351	AC
Other Liabilities	D	AC	6,282,421	-	424,236	-	6,706,657	AC
Deferred Tax Liability	E	N/A	1,737,512	-	-	(397,154)	1,340,358	
<b>Total Liabilities</b>			<b>245,582,793</b>	<b>-</b>	<b>424,236</b>	<b>(397,154)</b>	<b>245,609,875</b>	
<b>Equity</b>								
Retained Earnings		N/A	13,813,403	-	(1,418,408)	397,154	12,792,150	N/A
			<b>13,813,403</b>	<b>-</b>	<b>(1,418,408)</b>	<b>397,154</b>	<b>12,792,150</b>	



Group	Ref	LKAS 39 Measurement		Re-classification	Re-measurement		SLFRS 9		
		Category	Amount Rs. '000		ECL Rs. '000	Other Rs. '000	Amount Rs. '000	Category	
<b>Financial Assets</b>									
Cash and Cash Equivalents	D	L&R	6,849,683	-	(228)	-	6,849,455	AC	
Balances with Central Bank of Sri Lanka		L&R	11,213,278	-	-	-	11,213,278	AC	
Reverse Repurchase Agreements		L&R	10,798	-	-	-	10,798	AC	
Derivative Financial Instruments		FVPL	230,217	-	-	-	230,217	FVPL (Mandatory)	
Financial Assets - Held for Trading		FVPL	521,389	-	-	-	521,389	FVPL (Mandatory)	
Financial Assets-Available for Sale		AFS	38,852,046	(38,852,046)	-	-	N/A		
To: Debt Instruments at FVOCI	A		-	(38,846,109)	-	-			
To: Equity Instruments at FVOCI	B		-	(5,937)	-	-			
Financial Assets - Held to Maturity		HTM	9,950,433	(9,950,433)	-	-	N/A		
To: Financial Assets at Amortised Cost	C			(9,950,433)	-	-			
Other Financial Assets		L&R	6,797,607	(6,797,607)	-	-	N/A		
To: Financial Assets at Amortised Cost	C			(6,797,607)	-	-			
Debt Instruments at FVOCI			N/A	38,846,109	-	-	38,846,109	FVOCI	
From: Financial Assets - AFS	A			38,846,109	-	-			
Equity Instruments at FVOCI			N/A	5,937	-	-	5,937	FVOCI	
From: Financial Assets - AFS	B			5,937	-	-			
Financial Assets at Amortised Cost	D		N/A	16,748,040	(20,785)	-	16,727,255	AC	
From: Financial Assets - Held to Maturity	C			9,950,433	-	-			
From: Other Financial Assets	C			6,797,607	(20,785)	-			
Loans and Advances to Customers	D	L&R	186,745,711	-	(972,575)	-	185,773,136	AC	
Other Assets	D	L&R	1,940,988	-	(584)	-	1,940,404	AC	
<b>Total Assets</b>			<b>263,112,150</b>	<b>-</b>	<b>(994,172)</b>	<b>-</b>	<b>262,117,979</b>		
<b>Financial Liabilities</b>									
Due to Banks		AC	12,314,853	-	-	-	12,314,853	AC	
Repurchase Agreements		AC	10,339,794	-	-	-	10,339,794	AC	
Derivative Financial Instruments		FVPL	495,517	-	-	-	495,517	FVPL (Mandatory)	
Due to Customers		AC	194,268,995	-	-	-	194,268,995	AC	
Other Borrowings		AC	11,662,223	-	-	-	11,662,223	AC	
Subordinated Term Debts		AC	8,075,351	-	-	-	8,075,351	AC	
Other Liabilities	D	AC	6,327,290	-	424,236	-	6,751,526	AC	
Deferred Tax Liability	E	N/A	1,827,929	-	-	(397,154)	1,430,775		
<b>Total Liabilities</b>			<b>245,311,951</b>	<b>-</b>	<b>424,236</b>	<b>(397,154)</b>	<b>245,339,033</b>		
<b>Equity</b>									
Retained Earnings		N/A	14,237,649	-	(1,418,408)	397,154	13,216,395	N/A	
			<b>14,237,649</b>	<b>-</b>	<b>(1,418,408)</b>	<b>397,154</b>	<b>13,216,395</b>		

L&R - Loans and Receivables, AC - Amortised Cost, FVPL - Fair Value through P&L, AFS - Available for Sale, HTM - Held to Maturity, FVOCI - Fair Value through Other Comprehensive Income, N/A - Not Applicable

- A As of 01 January 2018, the Bank has assessed its liquid assets which had previously been classified as AFS debt instruments. The Bank concluded that apart from the equity instruments as described in Note B below, all government debt instruments are managed within a business model of collecting contractual cash flows and selling the financial assets. Accordingly, the Bank has classified these investments as debt instruments measured at FVOCI.
- B The Bank has elected the option to irrevocably designate some of its previous AFS equity instruments as Equity instruments at FVOCI.
- C As of 01 January 2018, the Bank did not have any debt instruments that did not meet the SPPI and business model testing criterion within its held-to-maturity portfolio. Therefore, it elected to classify all of these instruments as debt instruments measured at amortised cost.
- D The impact of replacing LKAS 39 incurred loss model on impairment with the SLFRS 9 expected credit loss model on impairment is reflected in Loans and Advances including Financial Guarantees, Letters of Credit and Other Commitments, Due from Banks balances and Debt Instruments at Amortised Cost.
- E The impact of adopting SLFRS 9 on deferred tax.

The impact on retained earnings by transition to SLFRS 9 is as follows:

	<b>Retained Earnings</b>	
	<b>Bank</b>	<b>Group</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Closing balance under LKAS 39 (As at 31 December 2017)</b>	13,813,403	14,237,649
<b>Remeasurement adjustment on adoption of SLFRS 9</b>		
Recognition of SLFRS 9 ECLs	(1,418,408)	(1,418,408)
Deferred tax in relation to the above	397,154	397,154
<b>Total change in equity due to adoption of SLFRS 9</b>	<b>(1,021,253)</b>	<b>(1,021,253)</b>
<b>Opening balance under SLFRS 9 (As at 01 January 2018)</b>	<b>12,792,150</b>	<b>13,216,396</b>

The following table reconciles the aggregate opening impairment provision under LKAS 39 to the ECL provision under SLFRS 9.

<b>Bank</b>	<b>Loan loss provision under LKAS 39 as at 31 December 2017</b>	<b>Re-measurement</b>	<b>ECLs under SLFRS 9 as at 1 January 2018</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Impairment allowance for;			
Financial assets at Amortised cost - Loans and Advances	2,608,915	972,575	3,581,490
Financial asset at Amortised cost - Debt Instruments	-	20,785	20,785
Lease Receivables	4,074	584	4,658
Cash & Cash Equivalents	-	228	228
	<b>2,612,989</b>	<b>994,172</b>	<b>3,607,161</b>
Financial guarantees	-	64,607	64,607
Letters of credit for customers	-	7,680	7,680
Other commitments	-	351,949	351,949
	-	424,236	424,236
	<b>2,612,989</b>	<b>1,418,408</b>	<b>4,031,397</b>

<b>Group</b>	<b>Loan loss provision under LKAS 39 as at 31 December 2017</b>	<b>Re-measurement</b>	<b>ECLs under SLFRS 9 as at 1 January 2018</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
Impairment allowance for;			
Financial assets at Amortised cost - Loans and Advances	2,608,785	972,575	3,581,360
Financial assets at Amortised cost - Debt Instruments	-	20,785	20,785
Lease Receivables	4,074	584	4,658
Cash & Cash Equivalents	-	228	228
	<b>2,612,859</b>	<b>994,172</b>	<b>3,607,031</b>
Financial guarantees	-	64,607	64,607
Letters of credit for customers	-	7,680	7,680
Other commitments	-	351,949	351,949
	-	424,236	424,236
	<b>2,612,859</b>	<b>1,418,408</b>	<b>4,031,267</b>

(9.1) As per the Directive No. 4 of 2018 issued by Central Bank of Sri Lanka on "Adoption of Sri Lanka Accounting Standard - SLFRS 9: Financial Instruments", for the purpose of calculating capital adequacy ratio, Banks shall stagger additional credit loss provision arising from SLFRS 9 at the transition date, 01 January 2018. The Bank has charged only 25% of the first day impact (Rs. 255.3 Mn) against the retained earnings of the Bank for the purpose of calculating Capital Adequacy Ratio as at 31 December 2018. If 100% of the first day impact is considered, the total Tier 1 Capital ratio and Total Capital ratio would be decreased by 0.37%.

**NATIONS TRUST BANK PLC**  
**FOR THE PERIOD ENDED 31 December 2018**

**Twenty largest Shareholders**

Name of the Shareholder	Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	47,320,605	19.83%
HWIC Asia Fund	35,799,700	15.00%
Central Finance Company PLC A/C No 03	23,612,729	9.89%
Mackinnons Keells Limited.	23,423,698	9.81%
Janashakthi Insurance PLC - Equity Fund	19,065,795	7.99%
Bnymansv Re-First State Investments Icvc-Stewart Investors Asia Pacific Fund	16,588,969	6.95%
CF Insurance Brokers (Pvt) Ltd	11,894,248	4.98%
CF Growth Fund Ltd A/C No.01	11,813,621	4.95%
Janashakthi Insurance PLC (Policy Holders)	4,197,467	1.76%
Hatton National Bank PLC A/C No 1	3,799,827	1.59%
Rubber Investment Trust Limited A/C # 01	2,887,165	1.21%
Mr. M.F. Hashim	2,668,324	1.12%
City Bank New York S/A Norges Bank Account 02	2,152,294	0.90%
Mr. Premalal Brahammanage	2,105,399	0.88%
Mr. N.R. Somaiya	1,354,957	0.57%
Timex Garments (Pvt) Ltd	1,270,662	0.53%
Malship Ceylon Ltd	1,091,515	0.46%
Mr. D.J.M. Blackler	1,025,998	0.43%
SSBT- Parametric Tax-Managed Emerging Markets Fund	958,472	0.40%
E.W. Balasuriya & Co. (Pvt) Ltd	602,215	0.25%
	213,633,660	89.51%
Others	25,031,013	10.49%
<b>Total</b>	<b>238,664,673</b>	<b>100.00%</b>

Name of the Shareholder	Non Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	14,506,193	37.12%
Central Finance Company PLC A/C No 03	7,184,555	18.38%
HWIC Asia Fund	5,862,934	15.00%
Mackinnons Keells Limited.	4,073,686	10.42%
CF Insurance Brokers (Pvt) Ltd	2,068,564	5.29%
CF Growth Fund Ltd A/C No.01	2,054,542	5.26%
Bnymansv Re-First State Investments Icvc-Stewart Investors Asia Pacific Fund	1,945,907	4.98%
Mr. H. N.Esufally	311,066	0.80%
Mr. M. A. H.Esufally	205,199	0.53%
Mr. S. G. H. I. Jafferjee	138,769	0.36%
Mr. M.A. Jafferjee	136,800	0.35%
Mr. M. G. H. I. Jafferjee	136,799	0.35%
Mr. D.J.M. Blackler	128,249	0.33%
J.B. Cocoshell (Pvt) Ltd	56,827	0.15%
The Incorporated Trustees of the Church of Ceylon	24,534	0.06%
Mr. K.N.J.Balendra	19,216	0.05%
Mr. S. J . Hirdaramani	17,843	0.05%
Mr. A. K . L . Hirdaramani	15,502	0.04%
Mr. D. C . Fernando	15,181	0.04%
Vinik (Pvt) Ltd	12,489	0.03%
	38,914,855	99.57%
Others	167,608	0.43%
<b>Total</b>	<b>39,082,463</b>	<b>100.00%</b>

	31.12.2018	
	Number	%
Number of shareholders representing the public holding (Voting)	5,711	35.28%
Number of shareholders representing the public holding (Non Voting)	258	8.15%
Compliant under Option 2 - Float Adjusted Market Capitalization	Rs. 7.77 Bn	

**Directors' holding in shares as at 31 December 2018**

Name of Director	No of Shares	
	Voting	Non Voting
Mr. J.G.A. Cooray	8,618	1,497
Mrs. R.N. K. Fernando (Director / CEO)	70,486	-
Mr. M. A. Jafferjee	447,283	136,800
Mr.K.O.V.S.M.S. Wijesinghe	40,680	7,074
Mr. D.P. De Silva	-	-
Mr. J.C.A.D' Souza	-	-
Ms. R.D. Rajapaksa	-	-
Mr. N.I.R. De Mel	-	-
Mr. S. Maheshwari	-	-
Mr. S.L. Sebastian	-	-
Ms. R.S. Cader	-	-
Mr. C.H.A.W. Wickramasuriya	-	-