



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

**INTERIM FINANCIAL STATEMENTS
For the Three months ended March 31, 2019**

Nations Trust Bank records subdued performance

The Bank's performance during the quarter ending 31st March 2019 reflected a continuation of the issues witnessed in the previous few quarters with increasing non-performing loans and moderation of credit growth. The increased credit cost arising from both higher NPLs and policy changes relating to SLFRS 9 impairment provisioning added further pressure to the results of the quarter when compared with the corresponding period. Despite these unfavorable conditions, Group pre-tax profits remained relatively constant at previous year levels, recording LKR 1,938 Mn whilst post-tax profits were affected largely due to the LKR 209 Mn impact arising from the Debt Repayment Levy. Therefore, Group post-tax profits for the quarter recorded LKR 773 Mn down by 18% over the corresponding period. Notably, Bank post-tax profits recorded a larger drop due to the inter-company dividend income of LKR 291 Mn received last year resulting in a higher operating income for the comparative quarter.

Net interest income growth was weak at 8% owing to the pressure of narrowing NIMs to 4.89% from 5.46% reported in the corresponding quarter. Interest income growth moderated at 18% mainly due to a cautious lending approach adopted for selective portfolios coupled with some impact stemming from changes in impairment policy rules. A higher increase of 26% is seen in interest expenses due to rising cost of funds and a higher mix of medium term funding raised for better diversification of the funding base.

Fees and commission income growth reduced to 6% reflecting the sluggish rate of growth witnessed in fee generating transactional volumes across product lines. Net trading losses arising from the movement in SWAP premiums is largely negated by the revaluation gains arising from balance sheet positions accounted under Net other operating income. The Bank continued to benefit from the relatively lower funding costs of the forex swaps compared to high cost rupee deposits.

Impairment charges recorded an increase of 10% mainly due to the continued cash flow stresses witnessed in selective portfolios as evidenced in the deterioration of the Group NPL ratio to 4.88% from 4.58% reported in December 2018. The Bank continued its efforts in improving asset quality with prudent risk management practices and better alignment of collection processes.

Expenses recorded a growth of 12% of which relatively higher increases are attributable to personnel expenses (+16%) owing to increased head count, annual increments, continuous investments made in up-skilling of our staff; Depreciation (+144%) owing to re-classification of prepaid rent of premises under new accounting standards relating to leases; and Amortization cost (+16%) owing to investments made in digital/technology of which a larger part was made during the 2H of 2018.

Growth in the loans and advances portfolio of 6% is primarily driven by Corporate and Leasing. CASA growth was recorded at 10% with a larger contribution coming from Current Account balances. Acquisition of new accounts/customers on CASA is a focus area for the Bank and the momentum is expected to continue.

Group capital position was sound at LKR 32.3 Bn with Capital Adequacy Ratios both at Tier 1 and 2 maintained at comfortable levels of 11.56% and 14.64% against the required 8.50% and 12.50% respectively.

Our digital transformation initiatives continued to drive customer migration to digital channels with 70% of all customer originated transactions including cash and cheque transactions being migrated to digital channels comprising of mobile, online, debit, POS, ATM and CRMs. This ratio increased from 60% reported by end December 2018. FriMi, our digital banking platform

continued to gain traction with developments being carried out to design and offer first to market features. The Bank also has been driving initiatives towards leveraging on Open API banking and rolling out the new Cash Management System to bring in the full cash flow ecosystem of Corporate customers to the Bank.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated “Despite top-line numbers showing restrained growth largely due to multiple changes in accounting rules impacting the current quarter coupled with a slow recovery of the economy, the core foundations put in place in our business pillars remains strong. We will continue to focus our efforts on managing impairment and driving our strategic agenda set at the beginning of the year.”

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank			Group		
	Three Months ended 31 March			Three Months ended 31 March		
	2019 Rs. '000	2018 Rs. '000	Change (%)	2019 Rs. '000	2018 Rs. '000	Change (%)
Gross Income	11,153,117	9,942,887	12	11,236,266	9,729,401	15
Interest Income	9,876,382	8,348,750	18	9,876,601	8,358,392	18
Less: Interest Expense	(6,065,797)	(4,825,010)	(26)	(6,049,273)	(4,817,301)	(26)
Net Interest Income	3,810,585	3,523,740	8	3,827,328	3,541,091	8
Fee and Commission Income	1,399,363	1,359,893	3	1,482,293	1,427,293	4
Less: Fee and Commission Expense	(70,616)	(93,146)	24	(70,616)	(93,146)	24
Net Fee and Commission Income	1,328,747	1,266,747	5	1,411,677	1,334,147	6
Net Gains/(Losses) from Trading	(2,008,744)	269,055	(847)	(2,008,744)	269,055	(847)
Net Fair Value Gains/(Losses) on:						
Financial Assets at Fair Value through Profit or Loss	2,844	(10,130)	128	2,844	(10,130)	128
Financial Liabilities at Fair Value through Profit or Loss	-	-	-	-	-	-
Net Gains/(Losses) on Derecognition of Financial Assets:						
At Fair Value through Profit or Loss	-	-	-	-	-	-
At Amortised Cost	-	-	-	-	-	-
At Fair Value through Other Comprehensive Income	-	-	-	-	-	-
Net Other Operating Income/(Loss)	1,886,116	(34,811)	5,518	1,886,116	(325,340)	680
Total Operating Income	5,019,548	5,014,601	0	5,119,221	4,808,823	6
Impairment Charges/(Reversal)	525,319	478,929	(10)	525,094	478,929	(10)
Loans and Advances	488,542	477,829	(2)	488,542	477,829	(2)
Guarantees & Commitments	(32,266)	-	100	(32,266)	-	100
Other Financial Assets	69,043	1,100	(6,178)	68,818	1,100	(6,158)
Net Operating Income	4,494,229	4,535,672	(1)	4,594,127	4,329,894	6
Less: Expenses						
Personnel Expenses	1,149,547	992,816	(16)	1,156,281	999,831	(16)
Depreciation of Property, Plant and Equipment	261,272	92,056	(184)	247,632	101,563	(144)
Amortization of Intangible Assets	84,326	72,785	(16)	85,070	73,594	(16)
Other Operating Expenses	1,153,599	1,200,491	4	1,166,772	1,187,722	2
Total Operating Expenses	2,648,744	2,358,148	(12)	2,655,755	2,362,710	(12)
Operating Profit before Taxes on Financial Services	1,845,485	2,177,524	(15)	1,938,372	1,967,184	(1)
Less: Value Added Tax (VAT) on Financial Services	382,640	396,872	4	382,940	398,066	4
Nation Building Tax (NBT) on Financial Services	52,415	54,299	3	52,415	54,471	4
Debt Repayment Levy (DRL)	208,921	-	(100)	208,921	-	(100)
Profit before Income Tax	1,201,509	1,726,353	(30)	1,294,096	1,514,647	(15)
Less: Income Tax Expense	500,299	525,767	5	521,190	575,501	9
Profit for the Period	701,210	1,200,586	(42)	772,906	939,146	(18)
Profit Attributable to:						
Equity Holders of the Parent	701,210	1,200,586	(42)	772,906	939,146	(18)
Non-Controlling Interests	-	-	-	-	-	-
Earnings Per Share						
Basic/Diluted Earnings Per Share (Rs.)	2.47	4.23		2.72	3.31	

* The Financial Statements for the period ended 31 March 2019 have been prepared in accordance with Sri Lanka Accounting Standard - SLFRS 9 (Financial Instruments), whereas prior period Financial Statements which were prepared in accordance with LKAS 39 - Financial Instruments, have not been restated.

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	Change %	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	Change %
ASSETS						
Cash and Cash Equivalents	10,149,153	6,437,519	58	10,149,235	6,437,573	58
Balances with Central Bank of Sri Lanka	9,962,073	12,762,122	(22)	9,962,073	12,762,122	(22)
Placements with Banks	-	-	-	-	-	-
Derivative Financial Instruments	580,015	2,403,787	(76)	580,015	2,403,787	(76)
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	2,432,464	668,812	264	2,432,464	668,812	264
Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
Loans and Advances	235,348,930	221,500,656	6	235,352,581	221,505,692	6
Reverse Repurchase Agreements	1,977,288	180,593	995	1,977,288	180,593	995
Debt Instruments	18,485,731	15,941,247	16	18,485,731	15,941,247	16
Financial Assets at Fair Value through Other Comprehensive Income	56,545,436	57,463,831	(2)	56,545,436	57,463,831	(2)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	4,793,723	2,867,825	67	5,437,166	3,668,502	48
Intangible Assets	1,271,234	1,301,248	(2)	1,272,185	1,302,940	(2)
Other Assets	2,102,647	2,626,586	(20)	2,154,999	2,680,894	(20)
Total Assets	344,327,404	324,832,936	6	344,349,173	325,015,993	6
LIABILITIES						
Due to Banks	20,907,086	18,474,545	13	20,907,086	18,474,545	13
Derivative Financial Instruments	653,431	484,373	35	653,431	484,373	35
Financial Liabilities Recognized through Profit or Loss						
Measured at Fair Value	-	-	-	-	-	-
Designated at Fair Value	-	-	-	-	-	-
Financial Liabilities at Amortised Cost						
Repurchase Agreements	15,186,261	7,784,017	95	14,563,633	7,681,669	90
Due to Depositors	236,228,091	231,936,769	2	236,193,454	231,462,599	2
Due to Debt Securities Holders	-	-	-	-	-	-
Due to Other Borrowers	23,675,168	20,248,816	17	23,514,260	20,248,816	16
Debt Securities Issued	8,948,063	8,745,611	2	8,948,064	8,745,611	2
Retirement Benefit Obligations	522,398	505,031	3	529,348	511,602	3
Current Tax Liabilities	1,758,008	1,547,833	14	1,790,971	1,574,972	14
Deferred Tax Liabilities	1,102,886	960,783	15	1,192,311	1,050,358	14
Other Provisions	-	-	-	-	-	-
Other Liabilities	8,034,883	7,683,056	5	8,077,182	7,722,738	5
Due to Subsidiaries	-	-	-	-	-	-
Total Liabilities	317,016,275	298,370,834	6	316,369,740	297,957,283	6
EQUITY						
Stated Capital	9,408,135	8,865,523	6	9,408,135	8,865,523	6
Statutory Reserve Fund	1,199,130	1,199,130	-	1,199,130	1,199,130	-
OCI Reserve	90,392	(98,082)	192	90,392	(98,082)	192
Retained Earnings	15,938,841	15,820,900	1	16,369,085	16,179,448	1
Revaluation Reserve	674,631	674,631	-	912,691	912,691	-
Total Shareholders' Equity	27,311,129	26,462,102	3	27,979,433	27,058,710	3
Total Equity and Liabilities	344,327,404	324,832,936	6	344,349,173	325,015,993	6
Contingent Liabilities and Commitments	187,262,665	190,599,308	(2)	187,265,161	190,602,464	(2)
Memorandum Information						
Number of Employees	3,183	3,105		3,208	3,128	
Number of Branches	94	94		94	94	
Number of Off-Site ATMs & CRMs	46	45		46	45	

Note: Amounts stated are net of impairment and depreciation.

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 the Group, unless indicated as audited.

Sgd.
Gihan Cooray
Chairman

Sgd.
Rachini Rajapaksa
Director

Sgd.
Renuka Fernando
Director/Chief Executive Officer

13 May 2019
Colombo

NATIONS TRUST BANK PLC
STATEMENT OF CHANGES IN EQUITY

BANK	Stated Capital		Retained Earnings Rs. '000	Revaluation Reserve Rs. '000	OCI Reserve Rs. '000	Statutory Reserve Fund Rs. '000	Total Rs. '000
	Voting Rs. '000	Non-Voting Rs. '000					
As at 01 January 2018	5,101,369	-	13,813,403	674,631	207,600	1,010,732	20,807,735
Total Comprehensive Income for the Period							
Profit for the Period	-	-	1,200,586	-	-	-	1,200,586
Other Comprehensive Income	-	-	-	-	(109,414)	-	(109,414)
Total Comprehensive Income for the Period	-	-	1,200,586	-	(109,414)	-	1,091,172
Transactions with Equity Holders, recognised directly in Equity							
Rights Issue	-	3,208,449	-	-	-	-	3,208,449
Scrip Dividend for 2017	473,347	82,358	(568,497)	-	-	-	(12,792)
As at 31 March 2018	5,574,716	3,290,807	14,445,492	674,631	98,186	1,010,732	25,094,564
As at 01 January 2019	5,739,916	3,125,607	15,820,900	674,631	(98,082)	1,199,130	26,462,102
Total Comprehensive Income for the Period							
Profit for the Period	-	-	701,210	-	-	-	701,210
Other Comprehensive Income	-	-	-	-	188,474	-	188,474
Total Comprehensive Income for the Period	-	-	701,210	-	188,474	-	889,684
Transactions with Equity Holders, recognised directly in Equity							
Scrip Dividend for 2018	466,410	76,202	(583,269)	-	-	-	(40,657)
Conversion of Non-Voting Shares to Voting Shares	7,093	(7,093)	-	-	-	-	-
As at 31 March 2019	6,213,419	3,194,716	15,938,841	674,631	90,392	1,199,130	27,311,129
GROUP							
As at 01 January 2018	5,101,369	-	14,237,649	912,691	207,600	1,010,732	21,470,041
Total Comprehensive Income for the Period							
Profit for the Period	-	-	939,146	-	-	-	939,146
Other Comprehensive Income	-	-	-	-	(109,414)	-	(109,414)
Total Comprehensive Income for the Period	-	-	939,146	-	(109,414)	-	829,732
Transactions with equity holders, recognised directly in equity							
Rights Issue	-	3,208,449	-	-	-	-	3,208,449
Scrip Dividend for 2017	473,347	82,358	(568,497)	-	-	-	(12,792)
As at 31 March 2018	5,574,716	3,290,807	14,608,298	912,691	98,186	1,010,732	25,495,430
As at 01 January 2019	5,739,916	3,125,607	16,179,448	912,691	(98,082)	1,199,130	27,058,710
Total Comprehensive Income for the Period							
Profit for the Period	-	-	772,906	-	-	-	772,906
Other Comprehensive Income	-	-	-	-	188,474	-	188,474
Total Comprehensive Income for the Period	-	-	772,906	-	188,474	-	961,380
Transactions with equity holders, recognised directly in equity							
Scrip Dividend for 2018	466,410	76,202	(583,269)	-	-	-	(40,657)
Conversion of Non-Voting Shares to Voting Shares	7,093	(7,093)	-	-	-	-	-
As at 31 March 2019	6,213,419	3,194,716	16,369,085	912,691	90,392	1,199,130	27,979,433

	Bank		Group	
	Three Months ended 31 March		Three Months ended 31 March	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	9,541,146	8,239,667	9,541,366	8,247,227
Receipts of Fees and Commission Income	1,447,989	1,357,838	1,527,436	1,428,348
Payments of Interest Expense	(5,373,850)	(4,112,099)	(5,356,680)	(4,104,452)
Payments of Fees and Commission Expense	(68,106)	(93,146)	(68,106)	(93,146)
Net Trading Income	(15,913)	(158,123)	(15,913)	(158,123)
Receipts from Other Operating Income	1,886,094	426,021	1,886,094	135,492
Gratuity Payments Made	(13,329)	(8,901)	(13,329)	(8,901)
Payments for Operating Expenses	(2,313,223)	(1,904,406)	(2,315,443)	(1,897,541)
Payments for VAT & NBT on Financial Services	(407,763)	(433,679)	(408,082)	(435,350)
Payments for Debt Repayment Levy	(196,617)	-	(196,617)	-
Operating Profit before Change in Operating Assets and Liabilities (A)	4,486,428	3,313,172	4,580,726	3,113,554
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	(1,794,500)	(934,868)	(1,794,500)	(934,868)
Financial Assets - At Fair Value through Profit or Loss	(1,650,000)	(300,000)	(1,650,000)	(300,000)
Financial Assets - At Amortized Cost - Debt Instruments	(2,128,880)	-	(2,128,880)	-
Financial Assets - At Fair Value through Other Comprehensive Income	1,239,159	-	1,239,159	-
Financial Assets - Held to Maturity & Other Financial Assets	-	(56,160)	-	(56,160)
Financial Assets - Available for Sale	-	(3,791,667)	-	(3,791,667)
Financial Assets - At Amortized Cost - Loans & Advances	(14,229,683)	(14,175,317)	(14,228,299)	(14,031,365)
Other Assets	(391,156)	(247,995)	(389,010)	(240,639)
(Increase)/Decrease in Operating Assets	(18,955,060)	(19,506,007)	(18,951,530)	(19,354,699)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	7,112,433	(1,087,160)	6,592,741	(1,005,964)
Financial Liabilities - At Amortized Cost - Due to Depositors	4,014,537	16,806,694	4,453,564	16,788,570
Other Liabilities	381,784	549,786	376,771	598,562
Increase/(Decrease) in Operating Liabilities	11,508,754	16,269,320	11,423,076	16,381,168
Net Cash Generated from Operating Activities before Income Tax	(2,959,878)	76,485	(2,947,728)	140,023
Income Tax Paid	(219,497)	(159,200)	(231,326)	(175,964)
Tax Paid on Dividends	(40,658)	(12,792)	(40,658)	(45,074)
Net Cash (Used In)/from Operating Activities	(3,220,033)	(95,507)	(3,219,712)	(81,015)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(31,884)	(23,661)	(32,178)	(40,572)
Purchase of Intangible Assets	(2,374)	(42,027)	(2,374)	(42,027)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	71	23,821	71	23,821
Net Cash (Used In)/from Investing Activities	(34,187)	(41,867)	(34,481)	(58,778)
Cash Flows from Financing Activities				
Net Change in Other Borrowed Funds	4,013,114	(1,201,155)	4,013,114	(1,201,155)
Net Proceeds from the Issue of Subordinated Debt	-	-	-	-
Repayment of Subordinated Debt	-	-	-	-
Interest Paid on Subordinated Debt	-	-	-	-
Proceeds from Rights Issue	-	3,208,449	-	3,208,449
Net Cash (Used In)/from Financing Activities	4,013,114	2,007,294	4,013,114	2,007,294
Net Increase/(Decrease) in Cash and Cash Equivalents	758,894	1,869,920	758,921	1,867,501
Cash and Cash Equivalents at the Beginning of the Period	19,113,358	17,914,449	19,113,413	17,916,922
Cash and Cash Equivalents at the End of the Period	19,872,252	19,784,369	19,872,334	19,784,423
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	6,252,522	5,980,670	6,252,545	5,980,693
Balances with Central Bank of Sri Lanka *	9,962,073	11,679,741	9,962,073	11,679,741
Balances with Banks	3,898,587	3,278,009	3,898,646	3,278,040
Deposits from Other Banks	(240,930)	(1,154,051)	(240,930)	(1,154,051)
	19,872,252	19,784,369	19,872,334	19,784,423
A. Reconciliation of Operating Profit				
Profit before Taxation	1,201,509	1,726,353	1,294,096	1,514,647
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	(22)	(412)	(22)	(412)
Impairment Charge/(Reversal)	525,320	478,928	525,095	478,928
Provision for Gratuity	30,163	28,144	30,542	28,391
(Increase)/Decrease in Interest Receivable	(278,610)	118,453	(278,610)	116,876
Increase/(Decrease) in Interest Payable	655,260	682,688	655,178	682,626
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	9,531	(2,056)	9,531	(2,056)
(Increase)/Decrease in Fees & Commission Receivable	39,095	5,890	37,543	9,000
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	144,155	252,186	140,050	252,742
Other Non Cash Items	2,173,356	31,899	2,180,652	41,712
Interest Paid on Subordinated Debt	-	-	-	-
Gratuity Payments Made	(13,329)	(8,901)	(13,329)	(8,901)
	4,486,428	3,313,172	4,580,726	3,113,554

* As at 31 March 2019, LKR 9,183.02 Mn (2018 - LKR 11,706.50 Mn) was not available for use by the Bank due to mandatory deposit at Central Bank of Sri Lanka

NATIONS TRUST BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



Bank

	As at 31 March 2019				As at 31 December 2018			
	AC Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	AC Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
Assets								
Cash and Cash Equivalents	10,149,153	-	-	10,149,153	6,437,519	-	-	6,437,519
Balances with Central Bank of Sri Lanka	9,962,073	-	-	9,962,073	12,762,122	-	-	12,762,122
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	580,015	-	580,015	-	2,403,787	-	2,403,787
Loans and Advances	235,348,930	-	-	235,348,930	221,500,656	-	-	221,500,656
Reverse Repurchase Agreements	1,977,288	-	-	1,977,288	180,593	-	-	180,593
Government Securities	12,627,723	2,432,464	-	15,060,187	10,208,371	668,812	-	10,877,183
Other Debt Instruments	5,858,008	-	56,531,921	62,389,929	5,732,877	-	57,449,857	63,182,734
Equity Instruments	-	-	13,514	13,514	-	-	13,974	13,974
Total Financial Assets	275,923,175	3,012,479	56,545,435	335,481,089	256,822,138	3,072,599	57,463,831	317,358,568
	AC Rs. '000	FVPL Rs. '000		Total Rs. '000	AC Rs. '000	FVPL Rs. '000		Total Rs. '000
Liabilities								
Due to Banks	20,907,086	-	-	20,907,086	18,474,545	-	-	18,474,545
Derivative Financial Instruments	-	653,431	-	653,431	-	484,373	-	484,373
Financial Liabilities at Amortised Cost								
Due to Depositors	236,228,091	-	-	236,228,091	231,936,769	-	-	231,936,769
Repurchase Agreements	15,186,261	-	-	15,186,261	7,784,017	-	-	7,784,017
Due to Other Borrowers	23,675,168	-	-	23,675,168	20,248,816	-	-	20,248,816
Debt Securities Issued	8,948,063	-	-	8,948,063	8,745,611	-	-	8,745,611
Total Financial Liabilities	304,944,669	653,431	-	305,598,100	287,189,758	484,373	-	287,674,131

Group

	As at 31 March 2019				As at 31 December 2018			
	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000
Assets								
Cash and Cash Equivalents	10,149,235	-	-	10,149,235	6,437,573	-	-	6,437,573
Balances with Central Bank of Sri Lanka	9,962,073	-	-	9,962,073	12,762,122	-	-	12,762,122
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	580,015	-	580,015	-	2,403,787	-	2,403,787
Loans and Advances	235,352,581	-	-	235,352,581	221,505,692	-	-	221,505,692
Reverse Repurchase Agreements	1,977,288	-	-	1,977,288	180,593	-	-	180,593
Government Securities	12,627,723	2,432,464	-	15,060,187	10,208,371	668,812	-	10,877,183
Other Debt Instruments	5,858,008	-	56,531,921	62,389,929	5,732,877	-	57,449,857	63,182,734
Equity Instruments	-	-	13,514	13,514	-	-	13,974	13,974
Total Financial Assets	275,926,908	3,012,479	56,545,435	335,484,822	256,827,228	3,072,599	57,463,831	317,363,658
	AC LKR '000	FVPL LKR '000		Total LKR '000	AC LKR '000	FVPL LKR '000		Total LKR '000
Liabilities								
Due to Banks	20,907,086	-	-	20,907,086	18,474,545	-	-	18,474,545
Derivative Financial Instruments	-	653,431	-	653,431	-	484,373	-	484,373
Financial Liabilities at Amortised Cost								
Due to Depositors	236,193,454	-	-	236,193,454	231,462,599	-	-	231,462,599
Repurchase Agreements	14,563,633	-	-	14,563,633	7,681,669	-	-	7,681,669
Due to Other Borrowers	23,514,260	-	-	23,514,260	20,248,816	-	-	20,248,816
Debt Securities Issued	8,948,064	-	-	8,948,064	8,745,611	-	-	8,745,611
Total Financial Liabilities	304,126,497	653,431	-	304,779,928	286,613,240	484,373	-	287,097,613

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

(AS PER THE CIRCULAR NO. 02 OF 2019 DATED 18 JANUARY 2019 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

(1) Product-wise Gross Loans and Advances

	Bank		Group	
	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)
By Product - Domestic Currency				
Bills of Exchange	124,698	41,390	124,698	41,390
Trade Finance	38,242,729	33,674,136	38,242,729	33,674,136
Overdrafts	44,543,131	40,195,645	44,543,131	40,195,645
Term Loans	55,946,360	55,072,951	55,946,360	55,072,951
Staff Loans	2,765,524	3,391,441	2,765,524	3,391,441
Leases	47,614,481	44,864,827	47,614,481	44,864,827
Credit Cards	24,998,636	24,872,190	24,998,636	24,872,190
Pawning	363,113	329,280	363,113	329,280
Other Advances	149,062	149,062	152,582	153,968
Sub Total	214,747,734	202,590,922	214,751,254	202,595,828
By Product - Foreign Currency				
Trade Finance	11,437,625	7,678,585	11,437,625	7,678,585
Overdrafts	170,624	1,698,311	170,624	1,698,311
Term Loans	15,239,115	16,037,751	15,239,115	16,037,751
Sub Total	26,847,364	25,414,647	26,847,364	25,414,647
Total	241,595,098	228,005,569	241,598,618	228,010,475

(2) Product-wise Commitments and Contingencies

	Bank		Group	
	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)
By Product - Domestic Currency				
Guarantees	527,571	216,602	527,571	216,602
Bonds	13,992,451	13,057,997	13,992,451	13,057,997
Acceptances	85,000	40,095	85,000	40,095
Letters of Credit	100,038	58,211	100,038	58,211
Undrawn credit lines	105,942,147	108,109,351	105,944,643	108,112,508
Sub Total	120,647,207	121,482,256	120,649,703	121,485,413
By Product - Foreign Currency				
Guarantees	227,995	86,151	227,995	86,151
Bonds	1,491,612	1,713,260	1,491,612	1,713,260
Acceptances	3,145,044	3,835,910	3,145,044	3,835,910
Letters of Credit	5,840,805	5,862,002	5,840,805	5,862,002
Undrawn credit lines	8,088,457	11,966,998	8,088,457	11,966,998
Sub Total	18,793,913	23,464,321	18,793,913	23,464,321
Total	139,441,120	144,946,577	139,443,616	144,949,734

(3) Stage-wise Impairment on Loans & Advances, Commitments and Contingencies

	Bank		Group	
	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	381,036,218	372,952,146	381,042,234	372,960,209
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,430,949)	(1,473,513)	(1,430,949)	(1,473,513)
Stage 2	(339,856)	(336,463)	(339,856)	(336,463)
Stage 3	(4,914,583)	(4,419,564)	(4,914,713)	(4,419,694)
Net Value of Loans and Advances, Commitments and Contingencies	374,350,830	366,722,606	374,356,716	366,730,539

(3.1) Movement in impairment during the period

	Bank			
	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Balance as at 01 January 2019	1,473,513	336,463	4,419,564	6,229,540
Charge to income statement	(42,564)	3,393	495,448	456,277
Write-off during the period	-	-	(429)	(429)
Balance as at 31 March 2019	1,430,949	339,856	4,914,583	6,685,388

	Group			
	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Balance as at 01 January 2019	1,473,513	336,463	4,419,694	6,229,670
Charge to income statement	(42,564)	3,393	495,448	456,277
Write-off during the period	-	-	(429)	(429)
Balance as at 31 March 2019	1,430,949	339,856	4,914,713	6,685,518

(AS PER THE CIRCULAR NO.02 OF 2019 DATED 18 JANUARY 2019 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

(4) Due to Depositors - By Product

	Bank		Group	
	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)	31.03.2019 Rs. '000	31.12.2018 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	14,621,304	15,065,795	14,586,667	15,054,502
Savings Deposits	32,121,406	32,322,881	32,121,406	32,322,881
Call Deposits	64,801	70,739	64,801	70,739
Fixed Deposits	154,376,399	151,358,135	154,376,399	150,895,258
Certificate of Deposits	160,929	230,272	160,929	230,272
Sub Total	201,344,839	199,047,822	201,310,202	198,573,652
By Product -Foreign Currency				
Demand Deposits	7,555,552	2,075,072	7,555,552	2,075,072
Savings Deposits	9,306,932	8,550,199	9,306,932	8,550,199
Call Deposits	742,610	1,248,982	742,610	1,248,982
Fixed Deposits	17,278,158	21,014,694	17,278,158	21,014,694
Sub Total	34,883,252	32,888,947	34,883,252	32,888,947
Total	236,228,091	231,936,769	236,193,454	231,462,599

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

Item	Bank		Group	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Regulatory Capital (LKR '000)				
Common Equity Tier 1	25,149,630	24,935,511	25,507,225	25,292,362
Core (Tier 1) Capital	25,149,630	24,935,511	25,507,225	25,292,362
Total Capital Base	31,941,824	32,106,836	32,299,419	32,463,687
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 7%) (Minimum Requirement - 6.375%)	11.38%	11.96%	11.56%	12.15%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%) (Minimum Requirement - 7.875%)	11.38%	11.96%	11.56%	12.15%
Total Capital Ratio (%) (Minimum Requirement - 12.50%) (Minimum Requirement - 11.875%)	14.46%	15.40%	14.64%	15.59%
Leverage Ratio (Minimum Requirement - 3%)	7.00%		7.11%	
Regulatory Liquidity				
Statutory Liquid Assets (Rs. '000)	64,988,268	64,964,889		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	21.87%	22.32%		
Off-Shore Banking Unit (%)	26.13%	22.29%		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	54,675.40	56,908.94		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)				
Rupee	259.67%			
All Currency	198.53%			
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)				
Rupee (%)		250.57%		
All Currency (%)		189.66%		
Net Stable Funding Ratio (%) - (Minimum Requirement - 90%) *	127.04%			
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	4.88%	4.58%	4.88%	4.58%
Net Non-Performing Advances (%) (net of interest in suspense and provisions)	1.95%	2.13%	1.95%	2.13%
Profitability				
Interest Margin (%)	4.89%	5.03%	-	-
Return on Assets (before Tax) (%)	1.54%	1.94%	1.66%	1.95%
Return on Equity (%)	10.79%	15.04%	11.66%	14.47%
Net Assets Value Per Share (Rs.)	96.22	95.27	98.57	97.42
Market Price Per Share (Rs.)	31.03.2019 (Quarter ended)	31.03.2018 (Quarter ended)		
Highest - Voting	94.50	83.00		
- Non-Voting	95.00	100.00		
Lowest - Voting	85.60	77.00		
- Non-Voting	80.00	81.00		
Last Traded Price - Voting	90.00	80.70		
- Non-Voting	80.30	78.95		

* After implementation

DEBENTURE INFORMATION

The rated unsecured subordinated redeemable debentures 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 31.03.2019 Rs. '000	Balance as at 31.12.2018 Rs. '000	Market Values for the Quarter ended 31.03.2019			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 %	31.03.2019 %	31.12.2018 %	Interest Yield %	Yield to Maturity %
Floating	NTB-BD-08/11/21-C2363	Semi-Annually	2,410	2,410	Not traded during the current period			11.25	11.57	10.62	11.49	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi-Annually	3,885,800	3,885,800	100	100	100	12.65	13.05	10.62	11.49	12.65	12.63
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	10.62	11.49	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2402-12.65	Semi-Annually	2,213,000	2,213,000	Not traded during the current period			12.65	13.05	10.82	11.54	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2401-13	Annually	1,287,000	1,287,000	Not traded during the current period			13.00	13.00	10.82	11.54	Not traded	
Total Debentures			8,500,000	8,500,000									
Ratios of Debt		31.03.2019	31.12.2018										
* Debt/Equity Ratio (%)		98.96	99.75										
Interest Cover (Times)		3.14	3.76										
Quick Asset Ratio (%)		116	115										

* 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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Operating Income	4,514,676	4,286,974	731,183	460,203	117,439	106,343	(244,076)	(44,696)	5,119,221	4,808,823
Impairment Charge/(Reversal)	515,890	478,182	9,204	-	-	-	-	746	525,094	478,929
Net Operating Income	3,998,786	3,808,792	721,979	460,203	117,439	106,343	(244,076)	(45,442)	4,594,127	4,329,894
Extracts of Results										
Interest Income	8,001,096	6,887,458	1,950,664	1,345,622	13,906	17,609	(89,065)	107,703	9,876,601	8,358,392
Inter Segment	(748,690)	(393,027)	748,690	393,027	-	-	-	-	(0)	-
Interest Expense	(4,404,287)	(3,762,723)	(1,722,107)	(904,508)	(989)	(258)	78,111	(149,812)	(6,049,273)	(4,817,301)
Net Interest Income	2,848,119	2,731,708	977,247	834,141	12,917	17,351	(10,954)	(42,109)	3,827,328	3,541,091
Fees and Commission Income	1,439,093	1,353,957	23,386	14,659	106,428	90,801	(86,614)	(32,124)	1,482,293	1,427,293
Fees and Commission Expense	(63,522)	(79,325)	(7,094)	(3,808)	(1,907)	(1,809)	1,907	(8,204)	(70,616)	(93,146)
Net fee and commission income	1,375,570	1,274,632	16,293	10,851	104,522	88,992	(84,708)	(40,328)	1,411,677	1,334,147
Net Gains/(Losses) from Trading	150,116	152,383	(265,216)	276,021	-	-	(1,893,644)	(159,349)	(2,008,744)	269,055
Net Fair Value Gains/(Losses) from Financial Instruments at Fair Value through Profit or Loss	-	-	2,844	(10,130)	-	-	-	-	2,844	(10,130)
Net Other Operating Income/(Loss)	140,871	128,251	15	(650,680)	-	-	1,745,230	197,090	1,886,116	(325,340)
Depreciation of Property, Plant and Equipment	52,826	58,323	2,124	2,171	6,163	3,737	186,518	37,333	247,632	101,563
Amortization of Intangible Assets	22,949	11,779	5,742	5,745	743	809	55,636	55,262	85,070	73,594
Profit before Income Tax	1,492,284	1,816,320	600,821	374,613	77,566	84,592	(876,575)	(760,877)	1,294,095	1,514,647
Income Tax Expense	-	-	-	-	20,891	17,453	500,299	558,048	521,190	575,501
Profit for the Period	1,492,284	1,816,320	600,821	374,613	56,676	67,139	(1,376,874)	(1,318,925)	772,905	939,146
Capital Expenditures										
Property and Equipment	15,716	10,845	-	-	294	10,211	16,167	19,516	32,178	40,572
Other Intangible Assets	2,156	7,259	-	-	-	-	218	34,768	2,374	42,027
Total Assets	240,931,868	203,566,151	99,645,927	81,619,758	1,195,862	989,904	2,575,516	3,476,377	344,349,173	289,652,190
Total Liabilities	228,233,536	213,599,047	80,272,736	43,236,324	75,302	144,054	7,788,167	7,177,334	316,369,741	264,156,759

NATIONS TRUST BANK PLC



Explanatory Notes:

- (1) The Group figures include those of the Subsidiaries, Waldock Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited.
- (2) These Financial Statements are prepared in accordance with 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 2018 except for Note (7) below.
- (4) There are no material changes to contingent assets and liabilities since 31 March 2019 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) There are no material events that took place since 31 March 2019 which require adjustment to or disclosure in these Financial Statements.

(7) Sri Lanka Accounting Standard - SLFRS 16 - Leases

SLFRS 16 replaced Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosures of leases and requires lessees to account for all leases under a single on – balance sheet model similar to the accounting for finance leases under LKAS 17. The standard includes two recognition exemptions for lessees – leases of “low- value” assets and short-term leases (leases with a lease term of 12 months or less). At the commencement date of the lease, a lessee will recognize a liability to make lease payments (i.e., lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessee will be required to separately recognize the interest expense on the lease liability and depreciation expense on the right-of-use asset. Lessor accounting under SLFRS 16 is substantially unchanged from accounting under LKAS 17. Lessors will continue to classify all leases using the same classification principle as in LKAS 17. SLFRS 16 became effective on 01 January 2019 and the Group adopted the same.

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

The Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments) was effective for annual periods beginning on or after 01 January 2018. However, CA Sri Lanka had granted the option, via the Statement of Alternative Treatment (SoAT) to prepare the interim financial statements continuing the application of LKAS 39 (Financial Instruments: Recognition and Measurement), with disclosures on impact to the Statement of Comprehensive Income for the period, if SLFRS 9 has been applied. As permitted by the above SoAT, the Bank prepared its interim Financial Statements for the period ended 31 March 2018, based on LKAS 39. The entire impact on adoption of SLFRS 9 was recorded in the last quarter of 2018. The financial statements for the quarter ended 31 March 2019 have been prepared in accordance with SLFRS 9 and the financial statements for the corresponding previous period have not been restated.

The above figures are provisional and subject to audit.

Twenty Largest Shareholders

Name of the Shareholder	Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	48,347,078	19.82%
HWIC Asia Fund	36,589,855	15.00%
Central Finance Company PLC A/C No 03	24,124,933	9.89%
Mackinnons Keells Limited	23,931,802	9.81%
Janashakthi Insurance PLC - Shareholders	19,479,368	7.99%
Bnymansv Re-First State Investments Icvc-Stewart Investors Asia Pacific Fund	17,025,441	6.98%
CF Insurance Brokers (Pvt) Ltd	12,152,256	4.98%
CF Growth Fund Ltd A/C No.01	12,069,880	4.95%
City Bank NewYork S/A Norges Bank Account 02	7,010,400	2.87%
Janashakthi Insurance PLC (Policy Holders)	4,288,517	1.76%
Hatton National Bank PLC A/C No 1	3,882,252	1.59%
Mr. M.F. Hashim	2,600,000	1.07%
Mr. Premalal Brahammanage	2,151,069	0.88%
Mr. N.R. Somaiya	1,384,348	0.57%
Timex Garments (Pvt) Ltd	1,298,225	0.53%
Malship Ceylon Ltd	1,115,192	0.46%
East India Holding (Pvt) Ltd	1,016,185	0.42%
SSBT- Parametric Tax-Managed Emerging Markets Fund	979,263	0.40%
E.W. Balasuriya & Co. (Pvt) Ltd	618,580	0.25%
Mr. D.J.M. Blackler	500,000	0.20%
	220,564,644	90.42%
Others	23,365,295	9.58%
Total	243,929,939	100.00%

Name of the Shareholder	Non-Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	14,851,521	37.20%
Central Finance Company PLC A/C No 03	7,355,587	18.42%
HWIC Asia Fund	5,988,883	15.00%
Mackinnons Keells Limited	4,170,662	10.45%
CF Insurance Brokers (Pvt) Ltd	2,117,807	5.30%
CF Growth Fund Ltd A/C No.01	2,103,451	5.27%
Bnymansv Re-First State Investments Icvc-Stewart Investors Asia Pacific Fund	1,915,445	4.80%
Mr. H. N.Esufally	318,471	0.80%
Mr. M. A. H.Esufally	210,083	0.53%
Mr. S. G. H. I. Jafferjee	142,072	0.36%
Mr. M.A. Jafferjee	140,056	0.35%
Mr. M. G. H. I. Jafferjee	140,055	0.35%
Mr. D.J.M. Blackler	131,302	0.33%
J.B. Cocoshell (Pvt) Ltd	58,179	0.15%
The Incorporated Trustees of the Church of Ceylon	25,118	0.06%
Mr. K.N.J.Balendra	19,673	0.05%
Mr. S. J. Hirdaramani	18,267	0.05%
Mr. A. K. L. Hirdaramani	15,871	0.04%
Mr. D. C. Fernando	15,542	0.04%
Vinik (Pvt) Ltd	12,786	0.03%
	39,750,831	99.57%
Others	171,102	0.43%
Total	39,921,933	100.00%

	31.03.2019	
	Number	%
Number of shareholders representing the public holding (Voting)	5,676	35.30%
Number of shareholders representing the public holding (Non-Voting)	257	7.97%
Compliant under Option 2 - Float Adjusted Market Capitalization	Rs. 8.0 Bn	

Directors' Holding in Shares as at 31 March 2019

Name of Director	No of Shares	
	Voting	Non-Voting
Mr. J.G.A. Cooray	8,804	1,532
Ms. R.N. K. Fernando (Director/CEO)	72,014	-
Mr. M. A. Jafferjee	456,985	140,056
Mr. K.O.V.S.M.S. Wijesinghe	41,562	7,242
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	-	-
Mr. A.R.Fernando	-	-