



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

**INTERIM FINANCIAL STATEMENTS
For the Twelve months ended December 31, 2019**



NATIONS TRUST BANK RECORDS RESILIENT PERFORMANCE AMIDST CHALLENGES

Nations Trust Bank Group demonstrated strong resilience amidst external challenges, to record a profit of LKR 3.71 billion, a marginal increase over previous year. Total Operating Income grew by 6% to LKR 22.5 billion.

Subdued economic conditions which prevailed in the country affected many key economic sectors impacting the financial performance of businesses leading to low credit growth and higher non-performing loans. Easter Sunday terrorist attack and the election momentum further exerted pressure on credit growth in the industry.

Amidst moderation in credit growth, the Group pre-tax profits recorded a 9% increase over the previous period whilst post-tax profits dropped to the previous year level largely due to the full impact of the Debt Repayment Levy in 2019. The Bank's post-tax profits recorded a drop of 8% due to the inter-company dividend income recorded in the corresponding period of 2018.

Due to the prevailing challenges in the economy, the Bank followed a cautious approach in expanding its advances portfolio, which contributed to a slowdown in the loan book to a 2 % growth leading to a moderated net interest income (NII) growth of 6%. Lending rates ceiling imposed during the year also added to the slow down in the NII growth while the reduction in Statutory Reserve Ratio from 7.5% in 2018 to 5% in March 2019 contributed towards defending the pressure on the NII growth.

Whilst credit cards, trade and deposit related fee based income recorded a moderate growth, lending related fees recorded a drop owing to lower business volumes. Net trading losses arising from funding swaps due to the appreciation of the Sri Lankan Rupee during the period is largely negated by the revaluation gains arising from balance sheet positions accounted under Net other operating income. Sri Lankan Rupee appreciated against the US Dollar by Rs 1.55 in 2019, in complete contrast to the depreciation of Rs 29.4 recorded in 2018. The Bank continued to benefit from the relatively lower funding costs of the funding swaps compared to high cost rupee deposits.

Given rising impairments during the year, credit risk management was a key area of focus; we sought to strengthen pre-credit sanctions and collections, post-credit monitoring through ongoing assessment of early warning signals as well as provide ongoing employee training on credit appraisals and risk management. Increase in impairment charge was curtailed to 0.8% during the year, attesting to the huge emphasis placed on underwriting and recoveries.

The cost management culture entrenched across the organization to manage the bottom line, especially in times of curtailed growth in business volumes, helped to contain the operating expenses growth to 5%. Cross functional teams heading various initiatives on cost management, productivity and efficiency improvements resulted in minimizing increases in some large cost pools contributing to the overall management of the Bank bottom line.



The Group was also required to pay substantially higher income taxes in respect of the current year under the new tax regime introduced by the Government in April 2018. Taxes and levies to government, accounts for LKR 4.7 billion which is 56% of operating profit of the Group.

The Group's Tier 1 capital ratio of 13.30% as at 31st December 2019 was comfortably above the minimum requirement of 8.5% which became effective from 1st January 2019 under Basel III while the Total Capital Ratio of 17.96% was also in excess of the Basel III minimum requirement of 12.5%.

Commenting on the results and achievements, Renuka Fernando, CEO/Executive Director stated "Despite the headwinds present in the operating environment, our fourth quarter witnessed an improved performance over the previous quarters of 2019, which is encouraging. With a cautious approach in growing the assets book, we remain committed to delivering our strategic agenda set at the beginning of the year to strengthen our digital capabilities, with the ultimate intention of achieving cost efficiencies, pioneering innovation and thereby challenging the norm to deliver an unparalleled banking experience to our customers".

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		
	2019 Rs. '000	2018 Rs. '000	Change (%)	2019 Rs. '000	2018 Rs. '000	Change (%)	2019 Rs. '000	2018 Rs. '000	Change (%)	2019 Rs. '000	2018 Rs. '000	Change (%)
	(Audited)	(Audited)		(Audited)	(Audited)		(Audited)	(Audited)		(Audited)	(Audited)	
Gross Income	46,026,494	43,444,310	6	11,466,009	11,613,130	(1)	46,314,300	43,461,437	7	11,530,255	11,689,058	(1)
Interest Income	39,570,860	37,034,354	7	9,586,991	10,126,292	(5)	39,571,531	37,050,409	7	9,587,123	10,127,967	(5)
Less: Interest Expense	(23,510,084)	(21,924,562)	(7)	(5,390,949)	(6,012,917)	10	(23,437,059)	(21,886,502)	(7)	(5,368,577)	(6,001,406)	11
Net Interest Income	16,060,776	15,109,792	6	4,196,042	4,113,375	2	16,134,472	15,163,907	6	4,218,546	4,126,561	2
Fee and Commission Income	6,194,715	6,016,153	3	1,670,421	1,555,104	7	6,481,836	6,306,234	3	1,734,535	1,629,189	6
Less: Fee and Commission Expense	(325,106)	(265,349)	(23)	(79,242)	(11,666)	(579)	(325,106)	(265,349)	(23)	(79,242)	(11,666)	(579)
Net Fee and Commission Income	5,869,609	5,750,804	2	1,591,179	1,543,438	3	6,156,730	6,040,885	2	1,655,293	1,617,523	2
Net Gains/(Losses) from Trading	(1,315,658)	2,778,248	(147)	199,356	1,141,446	(83)	(1,315,658)	2,778,420	(147)	199,356	1,141,618	(83)
Net Fair Value Gains/(Losses) on:												
Financial Assets at Fair Value through Profit or Loss	11,030	(3,758)	393	33,258	14,409	131	11,030	(3,758)	393	33,258	14,409	131
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)	1,565,547	(2,380,687)	166	(24,017)	(1,224,121)	98	1,565,561	(2,669,868)	159	(24,017)	(1,224,122)	98
Total Operating Income	22,191,304	21,254,399	4	5,995,818	5,588,547	7	22,552,135	21,309,586	6	6,082,436	5,675,989	7
Impairment Charges/(Reversal)	3,294,033	3,272,708	(1)	800,391	1,021,621	22	3,300,554	3,274,036	(1)	805,031	1,022,949	21
Loans and Advances	3,303,611	3,153,963	(5)	767,262	911,846	16	3,303,611	3,153,963	(5)	767,262	911,846	16
Guarantees & Commitments	(42,429)	47,248	190	17,511	47,248	63	(42,429)	47,248	190	17,511	47,248	63
Other Financial Assets	32,851	71,497	54	15,618	62,527	75	39,372	72,825	46	20,258	63,855	68
Net Operating Income	18,897,271	17,981,691	5	5,195,427	4,566,926	14	19,251,581	18,035,550	7	5,277,405	4,653,040	13
Less: Expenses												
Personnel Expenses	4,508,124	4,143,993	(9)	1,269,319	1,069,555	(19)	4,539,979	4,173,771	(9)	1,279,919	1,079,103	(19)
Depreciation of Property, Plant and Equipment	441,150	367,437	(20)	117,478	91,839	(28)	472,323	395,736	(19)	125,297	99,542	(26)
Depreciation of Right of Use (ROU) Assets	476,541	-	(100)	50,355	-	(100)	386,769	-	(100)	24,768	-	(100)
Amortization of Intangible Assets	347,461	302,733	(15)	89,446	79,842	(12)	348,575	305,948	(14)	89,492	80,629	(11)
Other Operating Expenses	5,012,625	5,480,714	9	1,345,017	1,590,195	15	5,060,114	5,434,055	7	1,359,775	1,578,823	14
Total Operating Expenses	10,785,901	10,294,877	(5)	2,871,615	2,831,431	(1)	10,807,760	10,309,510	(5)	2,879,251	2,838,097	(1)
Operating Profit before Taxes on Financial Services	8,111,370	7,686,814	6	2,323,812	1,735,495	34	8,443,821	7,726,040	9	2,398,154	1,814,943	32
Less: Value Added Tax (VAT) on Financial Services	1,594,259	1,482,049	(8)	450,033	338,821	(33)	1,595,286	1,484,468	(7)	450,292	338,782	(33)
Nation Building Tax (NBT) on Financial Services	196,308	203,391	3	39,463	46,615	15	196,480	203,763	4	39,493	46,988	16
Debt Repayment Levy (DRL)	868,976	178,508	(387)	244,229	178,508	(37)	868,976	178,508	(387)	244,229	178,508	(37)
Profit before Income Tax	5,451,827	5,822,866	(6)	1,590,087	1,171,551	36	5,783,079	5,859,301	(1)	1,664,140	1,250,665	33
Less: Income Tax Expense	1,997,362	2,054,898	3	477,464	450,213	(6)	2,069,540	2,157,418	4	493,100	467,343	(6)
Profit for the Period	3,454,465	3,767,968	(8)	1,112,623	721,338	54	3,713,539	3,701,883	-	1,171,040	783,322	49
Profit Attributable to:												
Equity Holders of the Parent	3,454,465	3,767,968	(8)	1,112,623	721,338	54	3,713,539	3,701,883	-	1,171,040	783,322	49
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Per Share												
Basic/Diluted Earnings Per Share (Rs.)	12.17	13.33	(9)	3.92	2.54	54	13.08	13.10	-	4.13	2.76	49

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	Change %	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	Change %
ASSETS						
Cash and Cash Equivalents	8,755,848	6,437,519	36	8,755,930	6,437,573	36
Balances with Central Bank of Sri Lanka	8,377,478	12,762,122	(34)	8,377,478	12,762,122	(34)
Placements with Banks	-	-	-	-	-	-
Derivative Financial Instruments	192,714	2,403,787	(92)	192,714	2,403,787	(92)
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	634,075	668,812	(5)	634,075	668,812	(5)
Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
Loans and Advances	226,791,569	221,500,656	2	226,794,190	221,505,692	2
Reverse Repurchase Agreements	13,827,423	180,593	7,557	13,827,423	180,593	7,557
Debt Instruments	19,062,606	15,941,247	20	19,062,606	15,941,247	20
Financial Assets at Fair Value through Other Comprehensive Income	38,315,147	57,463,831	(33)	38,315,147	57,463,831	(33)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	3,023,776	2,867,825	5	4,072,538	3,668,502	11
Right of Use (ROU) Assets	1,870,729	-	100	1,780,957	-	100
Intangible Assets	1,375,581	1,301,248	6	1,376,159	1,302,940	6
Other Assets	2,134,422	2,626,586	(19)	2,180,238	2,680,894	(19)
Total Assets	325,040,078	324,832,936	-	325,369,455	325,015,993	-
LIABILITIES						
Due to Banks	6,484,157	18,474,545	(65)	6,484,157	18,474,545	(65)
Derivative Financial Instruments	311,971	484,373	(36)	311,971	484,373	(36)
Financial Liabilities Recognized through Profit or Loss						
Measured at Fair Value	-	-	-	-	-	-
Designated at Fair Value	-	-	-	-	-	-
Financial Liabilities at Amortised Cost						
Repurchase Agreements	11,033,047	7,784,017	42	10,186,828	7,681,669	33
Due to Depositors	226,880,034	231,936,769	(2)	226,871,563	231,462,599	(2)
Due to Debt Securities Holders	-	-	-	-	-	-
Due to Other Borrowers	27,380,678	20,248,816	35	27,284,828	20,248,816	35
Debt Securities Issued	13,263,434	8,745,611	52	13,263,434	8,745,611	52
Retirement Benefit Obligations	652,473	505,031	29	659,454	511,602	29
Current Tax Liabilities	1,337,499	1,547,833	(14)	1,362,108	1,574,972	(14)
Deferred Tax Liabilities	995,073	960,783	4	1,159,506	1,050,358	10
Other Provisions	-	-	-	-	-	-
Other Liabilities	6,358,395	7,683,056	(17)	6,389,960	7,722,738	(17)
Due to Subsidiaries	-	-	-	-	-	-
Total Liabilities	294,696,761	298,370,834	(1)	293,973,809	297,957,283	(1)
EQUITY						
Stated Capital	9,408,135	8,865,523	6	9,408,135	8,865,523	6
Statutory Reserve Fund	1,371,853	1,199,130	14	1,371,853	1,199,130	14
OCI Reserve	301,976	(98,082)	408	301,976	(98,082)	408
Retained Earnings	18,465,483	15,820,900	17	19,082,807	16,179,448	18
Revaluation Reserve	795,870	674,631	18	1,230,875	912,691	35
Total Shareholders' Equity	30,343,317	26,462,102	15	31,395,646	27,058,710	16
Total Equity and Liabilities	325,040,078	324,832,936	-	325,369,455	325,015,993	-
Contingent Liabilities and Commitments	199,355,131	190,599,308	5	199,359,256	190,602,464	5
Memorandum Information						
Number of Employees	3,122	3,105		3,151	3,128	
Number of Branches	96	94		96	94	
Number of Off-Site ATMs & CRMs	47	45		47	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. 07 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 financial 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 financial statements has been extracted from the audited financial statements of the Bank and the Group.

Sgd.
Gihan Cooray
Chairman

Sgd.
Rachini Rajapaksa
Director

Sgd.
Renuka Fernando
Director/Chief Executive Officer

NATIONS TRUST BANK PLC
STATEMENT OF CHANGES IN EQUITY



BANK	Stated Capital		Statutory Reserve Fund Rs. '000	OCI Reserve Rs. '000	Retained Earnings Rs. '000	Revaluation Reserve Rs. '000	Total Rs. '000
	Voting Rs. '000	Non-Voting Rs. '000					
As at 01 January 2018	5,101,369	-	1,010,732	207,600	13,813,403	674,631	20,807,735
Impact of First Time Adoption of SLFRS 9	-	-	-	-	(1,021,253)	-	(1,021,253)
Restated Balance as at 01 January 2018	5,101,369	-	1,010,732	207,600	12,792,150	674,631	19,786,482
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	3,767,968	-	3,767,968
Other Comprehensive Income	-	-	-	(305,682)	17,677	-	(288,005)
Total Comprehensive Income for the Year	-	-	-	(305,682)	3,785,645	-	3,479,963
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)
Transfers to the Statutory Reserve Fund	-	-	188,398	-	(188,398)	-	-
Conversion of Non-Voting Shares to Voting Shares	165,200	(165,200)	-	-	-	-	-
As at 31 December 2018	5,739,916	3,125,607	1,199,130	(98,082)	15,820,900	674,631	26,462,102
As at 01 January 2019	5,739,916	3,125,607	1,199,130	(98,082)	15,820,900	674,631	26,462,102
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	3,454,465	-	3,454,465
Other Comprehensive Income	-	-	-	400,058	(53,890)	121,239	467,407
Total Comprehensive Income for the Year	-	-	-	400,058	3,400,575	121,239	3,921,872
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip Dividend for 2018	466,410	76,202	-	-	(583,269)	-	(40,657)
Transfers to the Statutory Reserve Fund	-	-	172,723	-	(172,723)	-	-
Conversion of Non-Voting Shares to Voting Shares	82,981	(82,981)	-	-	-	-	-
As at 31 December 2019	6,289,307	3,118,828	1,371,853	301,976	18,465,483	795,870	30,343,317
GROUP							
GROUP	Stated Capital		Statutory Reserve Fund Rs. '000	OCI Reserve Rs. '000	Retained Earnings Rs. '000	Revaluation Reserve Rs. '000	Total Rs. '000
	Voting Rs. '000	Non-Voting Rs. '000					
As at 01 January 2018	5,101,369	-	1,010,732	207,600	14,237,649	912,691	21,470,041
Impact of First Time Adoption of SLFRS 9	-	-	-	-	(1,021,253)	-	(1,021,253)
Restated Balance as at 01 January 2018	5,101,369	-	1,010,732	207,600	13,216,396	912,691	20,448,788
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	3,701,883	-	3,701,883
Other Comprehensive Income	-	-	-	(305,682)	18,064	-	(287,618)
Total Comprehensive Income for the Year	-	-	-	(305,682)	3,719,947	-	3,414,265
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)
Transfers to the Statutory Reserve Fund	-	-	188,398	-	(188,398)	-	-
Conversion of Non-Voting Shares to Voting Shares	165,200	(165,200)	-	-	-	-	-
As at 31 December 2018	5,739,916	3,125,607	1,199,130	(98,082)	16,179,448	912,691	27,058,710
As at 01 January 2019	5,739,916	3,125,607	1,199,130	(98,082)	16,179,448	912,691	27,058,710
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	3,713,539	-	3,713,539
Other Comprehensive Income	-	-	-	400,058	(54,188)	318,184	664,054
Total Comprehensive Income for the Year	-	-	-	400,058	3,659,351	318,184	4,377,593
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip Dividend for 2018	466,410	76,202	-	-	(583,269)	-	(40,657)
Transfers to the Statutory Reserve Fund	-	-	172,723	-	(172,723)	-	-
Conversion of Non-Voting Shares to Voting Shares	82,981	(82,981)	-	-	-	-	-
As at 31 December 2019	6,289,307	3,118,828	1,371,853	301,976	19,082,807	1,230,875	31,395,646

NATIONS TRUST BANK PLC
STATEMENT OF CASH FLOWS



	Bank		Group	
	Twelve Months ended 31 December		Twelve Months ended 31 December	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	38,725,874	36,742,998	38,726,545	36,754,782
Receipts of Fees and Commission Income	6,196,954	6,071,711	6,474,451	6,351,140
Payments of Interest Expense	(22,233,385)	(19,188,583)	(22,183,407)	(19,149,770)
Payments of Fees and Commission Expense	(322,980)	(267,935)	(322,980)	(267,935)
Net Trading Income	723,012	593,535	723,012	593,706
Receipts from Other Operating Income	1,565,549	(2,371,078)	1,565,549	(2,661,607)
Gratuity Payments Made	(72,291)	(60,162)	(73,587)	(60,162)
Payments for Operating Expenses	(9,329,637)	(9,047,695)	(9,415,353)	(9,025,292)
Payments for VAT & NBT on Financial Services	(1,742,097)	(1,719,257)	(1,743,321)	(1,722,670)
Payments for Debt Repayment Levy	(838,801)	(125,625)	(838,801)	(125,625)
Operating Profit before Change in Operating Assets and Liabilities (A)	12,672,198	10,627,909	12,912,108	10,686,567
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	(13,639,817)	(169,800)	(13,639,817)	(169,800)
Financial Assets - At Fair Value through Profit or Loss	36,660	(144,500)	36,660	(144,500)
Financial Assets - At Amortized Cost - Debt Instruments	(2,472,597)	140,528	(2,472,597)	215,629
Financial Assets - At Fair Value through Other Comprehensive Income	21,122,294	(20,061,154)	21,122,294	(20,061,154)
Financial Assets - At Amortized Cost - Loans & Advances	(9,383,892)	(38,200,630)	(9,381,476)	(37,996,666)
Other Assets	(53,333)	(126,589)	(49,258)	(140,753)
(Increase)/Decrease in Operating Assets	(4,390,685)	(58,562,145)	(4,384,194)	(58,297,244)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	(5,311,659)	4,023,975	(6,046,301)	4,299,765
Financial Liabilities - At Amortized Cost - Due to Depositors	(5,043,212)	36,379,620	(4,578,019)	35,933,680
Other Liabilities	(1,431,206)	876,392	(1,432,093)	869,386
Increase/(Decrease) in Operating Liabilities	(11,786,077)	41,279,987	(12,056,413)	41,102,831
Net Cash Generated from Operating Activities before Income Tax	(3,504,564)	(6,654,249)	(3,528,499)	(6,507,846)
Income Tax Paid	(2,343,052)	(1,475,104)	(2,406,062)	(1,561,683)
Tax Paid on Dividends	(40,429)	(12,495)	(40,429)	(44,777)
Net Cash (Used in)/from Operating Activities	(5,888,045)	(8,141,848)	(5,974,990)	(8,114,306)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(384,758)	(660,636)	(397,239)	(691,945)
Purchase of Intangible Assets	(425,691)	(303,957)	(425,691)	(303,957)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	1,019	23,821	1,033	25,169
Net Cash (Used in)/from Investing Activities	(809,430)	(940,772)	(821,897)	(970,733)
Cash Flows from Financing Activities				
Net Change in Other Borrowed Funds	1,195,726	7,723,977	1,195,726	7,723,977
Proceeds from the Issue of Subordinated Debt	4,500,000	3,500,000	4,500,000	3,500,000
Repayment of Subordinated Debt	-	(3,000,000)	-	(3,000,000)
Operating Lease Rentals Paid	(547,361)	-	(447,921)	-
Interest Paid on Subordinated Debt	(1,077,028)	(1,150,600)	(1,077,028)	(1,150,600)
Proceeds from Rights Issue	-	3,208,449	-	3,208,449
Dividends Paid to Equity Holders of the Parent	(228)	(297)	(228)	(297)
Net Cash (Used in)/from Financing Activities	4,071,109	10,281,529	4,170,549	10,281,529
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,626,366)	1,198,909	(2,626,338)	1,196,490
Cash and Cash Equivalents at the Beginning of the Year	19,113,358	17,914,449	19,113,412	17,916,922
Cash and Cash Equivalents at the End of the Year	16,486,992	19,113,358	16,487,074	19,113,412
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	5,867,701	5,419,519	5,867,724	5,419,542
Balances with Central Bank of Sri Lanka *	8,377,478	12,762,122	8,377,478	12,762,122
Balances with Banks	787,329	1,018,271	787,388	1,018,302
Money at Call and Short Notice	2,101,864	-	2,101,864	-
Deposits from Other Banks	(647,380)	(86,554)	(647,380)	(86,554)
	16,486,992	19,113,358	16,487,074	19,113,412
A. Reconciliation of Operating Profit				
Profit before Taxation	5,451,827	5,822,866	5,783,079	5,859,301
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	2	9,609	(12)	8,261
Impairment Charge/(Reversal)	3,294,033	3,272,708	3,300,554	3,274,036
Provision for Gratuity	136,997	110,127	138,296	111,348
(Increase)/Decrease in Interest Receivable	(2,552,173)	732,863	(2,552,173)	728,805
Increase/(Decrease) in Interest Payable	211,977	1,564,325	204,674	1,565,077
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	(25,766)	318,844	(27,173)	317,815
(Increase)/Decrease in Fees & Commission Receivable	24,437	(39,095)	16,062	(48,720)
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	(408,907)	259,174	(317,003)	262,854
Other Non Cash Items	4,987,673	(2,513,950)	4,914,442	(2,482,648)
Operating Lease Rentals Paid	547,361	-	447,921	-
Interest Paid on Subordinated Debt	1,077,028	1,150,600	1,077,028	1,150,600
Gratuity Payments Made	(72,291)	(60,162)	(73,587)	(60,162)
	12,672,198	10,627,909	12,912,108	10,686,567

* As at 31 December 2019, Rs. 8,388.17 Mn (2018 - Rs. 12,570.47 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 December 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	8,755,848	-	-	8,755,848	6,437,519	-	-	6,437,519
Balances with Central Bank of Sri Lanka	8,377,478	-	-	8,377,478	12,762,122	-	-	12,762,122
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	192,714	-	192,714	-	2,403,787	-	2,403,787
Loans and Advances	226,791,569	-	-	226,791,569	221,500,656	-	-	221,500,656
Reverse Repurchase Agreements	13,827,423	-	-	13,827,423	180,593	-	-	180,593
Government Securities	17,774,485	634,075	38,301,267	56,709,827	14,094,927	668,812	57,449,857	72,213,596
Other Debt Instruments	1,288,120	-	-	1,288,120	1,846,320	-	-	1,846,320
Equity Instruments	-	-	13,880	13,880	-	-	13,974	13,974
Total Financial Assets	276,814,923	826,789	38,315,147	315,956,859	256,822,137	3,072,599	57,463,831	317,358,567
	AC Rs. '000	FVPL Rs. '000	Total Rs. '000	AC Rs. '000	FVPL Rs. '000	Total Rs. '000		
Liabilities								
Due to Banks	6,484,157	-	6,484,157	18,474,545	-	18,474,545		
Derivative Financial Instruments	-	311,971	311,971	-	484,373	484,373		
Financial Liabilities at Amortised Cost								
Due to Depositors	226,880,034	-	226,880,034	231,936,769	-	231,936,769		
Repurchase Agreements	11,033,047	-	11,033,047	7,784,017	-	7,784,017		
Due to Other Borrowers	27,380,678	-	27,380,678	20,248,816	-	20,248,816		
Debt Securities Issued	13,263,434	-	13,263,434	8,745,611	-	8,745,611		
Total Financial Liabilities	285,041,350	311,971	285,353,321	287,189,758	484,373	287,674,131		

Group	As at 31 December 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	8,755,930	-	-	8,755,930	6,437,573	-	-	6,437,573
Balances with Central Bank of Sri Lanka	8,377,478	-	-	8,377,478	12,762,122	-	-	12,762,122
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	192,714	-	192,714	-	2,403,787	-	2,403,787
Loans and Advances	226,794,190	-	-	226,794,190	221,505,692	-	-	221,505,692
Reverse Repurchase Agreements	13,827,423	-	-	13,827,423	180,593	-	-	180,593
Government Securities	17,774,485	634,075	38,301,267	56,709,827	14,094,927	668,812	57,449,857	72,213,596
Other Debt Instruments	1,288,120	-	-	1,288,120	1,846,320	-	-	1,846,320
Equity Instruments	-	-	13,880	13,880	-	-	13,974	13,974
Total Financial Assets	276,817,626	826,789	38,315,147	315,959,562	256,827,227	3,072,599	57,463,831	317,363,657
	AC Rs. '000	FVPL Rs. '000	Total Rs. '000	AC Rs. '000	FVPL Rs. '000	Total Rs. '000		
Liabilities								
Due to Banks	6,484,157	-	6,484,157	18,474,545	-	18,474,545		
Derivative Financial Instruments	-	311,971	311,971	-	484,373	484,373		
Financial Liabilities at Amortised Cost								
Due to Depositors	226,871,563	-	226,871,563	231,462,599	-	231,462,599		
Repurchase Agreements	10,186,828	-	10,186,828	7,681,669	-	7,681,669		
Due to Other Borrowers	27,284,828	-	27,284,828	20,248,816	-	20,248,816		
Debt Securities Issued	13,263,434	-	13,263,434	8,745,611	-	8,745,611		
Total Financial Liabilities	284,090,810	311,971	284,402,781	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

(1) Product-wise Gross Loans and Advances

	Bank		Group	
	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)
By Product - Domestic Currency				
Bills of Exchange	14,670	41,390	14,670	41,390
Trade Finance	33,660,590	33,674,136	33,660,590	33,674,136
Overdrafts	40,929,279	40,195,645	40,929,279	40,195,645
Term Loans	57,183,054	55,072,951	57,183,054	55,072,951
Staff Loans	3,652,422	3,391,441	3,652,422	3,391,441
Leases	44,142,733	44,864,827	44,142,733	44,864,827
Credit Cards	28,188,516	24,872,190	28,188,516	24,872,190
Pawning	420,931	329,280	420,931	329,280
Other Advances	250,975	149,062	253,465	153,968
Sub Total	208,443,170	202,590,922	208,445,660	202,595,828
By Product - Foreign Currency				
Trade Finance	9,330,623	7,678,585	9,330,623	7,678,585
Overdrafts	1,156,393	1,698,311	1,156,393	1,698,311
Term Loans	16,220,734	16,037,751	16,220,734	16,037,751
Sub Total	26,707,750	25,414,647	26,707,750	25,414,647
Total	235,150,920	228,005,569	235,153,410	228,010,475

(2) Product-wise Commitments and Contingencies

	Bank		Group	
	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)
By Product - Domestic Currency				
Guarantees	388,605	216,602	388,605	216,602
Bonds	14,240,081	13,057,997	14,240,081	13,057,997
Acceptances	36,878	40,095	36,878	40,095
Letters of Credit	302,417	58,211	302,417	58,211
Undrawn Credit Lines	116,274,337	108,109,351	116,278,461	108,112,508
Sub Total	131,242,318	121,482,256	131,246,442	121,485,413
By Product - Foreign Currency				
Guarantees	235,489	86,151	235,489	86,151
Bonds	3,164,981	1,713,260	3,164,981	1,713,260
Acceptances	3,499,771	3,835,910	3,499,771	3,835,910
Letters of Credit	7,456,443	5,862,002	7,456,443	5,862,002
Undrawn Credit Lines	14,715,630	11,966,998	14,715,630	11,966,998
Sub Total	29,072,314	23,464,321	29,072,314	23,464,321
Total	160,314,632	144,946,577	160,318,756	144,949,734

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

	Bank		Group	
	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	395,465,552	372,952,146	395,472,166	372,960,209
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,410,099)	(1,473,513)	(1,409,969)	(1,473,383)
Stage 2	(372,536)	(336,463)	(372,536)	(336,463)
Stage 3	(6,229,840)	(4,419,564)	(6,229,840)	(4,419,564)
Net Value of Loans and Advances, Commitments and Contingencies	387,453,077	366,722,606	387,459,821	366,730,799

(3.1) Movement in impairment during the year

	Bank		Group	
	2019 Rs. '000 (Audited)	2018 Rs. '000 (Audited)	2019 Rs. '000 (Audited)	2018 Rs. '000 (Audited)
Stage 1				
Opening balance as at 01 January	1,473,513	453,772	1,473,383	453,642
Impact of first time adoption of SLFRS 9	-	914,296	-	914,296
Charge/(Write back) to income statement	(63,414)	105,445	(63,414)	105,445
Write-off during the year	-	-	-	-
Closing balance as at 31 December	1,410,099	1,473,513	1,409,969	1,473,383
Stage 2				
Opening balance as at 01 January	336,463	154,674	336,463	154,674
Impact of first time adoption of SLFRS 9	-	186,940	-	186,940
Charge/(Write back) to income statement	36,073	(5,151)	36,073	(5,151)
Write-off during the year	-	-	-	-
Closing balance as at 31 December	372,536	336,463	372,536	336,463
Stage 3				
Opening balance as at 01 January	4,419,564	2,000,469	4,419,564	2,000,469
Impact of first time adoption of SLFRS 9	-	295,574	-	295,574
Transferred from financial assets at amortised cost - debt instruments	42,373	-	42,373	-
Charge/(Write back) to income statement	3,288,523	3,100,918	3,288,523	3,100,918
Write-off during the year	(1,520,620)	(977,397)	(1,520,620)	(977,397)
Closing balance as at 31 December	6,229,840	4,419,564	6,229,840	4,419,564

(4) Due to Depositors - By Product

	Bank		Group	
	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2018 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	15,384,132	15,065,795	15,375,661	15,054,502
Savings Deposits	34,865,677	32,322,881	34,865,677	32,322,881
Call Deposits	42,415	70,739	42,415	70,739
Fixed Deposits	145,077,904	151,358,135	145,077,904	150,895,258
Certificate of Deposits	48,449	230,272	48,449	230,272
Sub Total	195,418,577	199,047,822	195,410,106	198,573,652
By Product -Foreign Currency				
Demand Deposits	2,416,477	2,075,072	2,416,477	2,075,072
Savings Deposits	8,944,720	8,550,199	8,944,720	8,550,199
Call Deposits	1,526	1,248,982	1,526	1,248,982
Fixed Deposits	20,098,734	21,014,694	20,098,734	21,014,694
Sub Total	31,461,457	32,888,947	31,461,457	32,888,947
Total	226,880,034	231,936,769	226,871,563	231,462,599

NATIONS TRUST BANK PLC
SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)



Item	Bank		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Regulatory Capital (Rs. '000)				
Common Equity Tier 1	28,561,701	24,935,511	29,178,446	25,292,362
Core (Tier 1) Capital	28,561,701	24,935,511	29,178,446	25,292,362
Total Capital Base	38,785,371	32,106,836	39,402,116	32,463,687
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 7%- 31-12-2019 , 6.375% -31-12-2018)	12.99%	11.96%	13.30%	12.15%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%- 31-12-2019 , 7.875% -31-12-2018)	12.99%	11.96%	13.30%	12.15%
Total Capital Ratio (%) (Minimum Requirement - 12.50% -31-12-2019 , 11.875% -31-12-2018)	17.64%	15.40%	17.96%	15.59%
Leverage Ratio (Minimum Requirement - 3%)	8.47%	7.44%	8.64%	7.55%
Regulatory Liquidity				
Statutory Liquid Assets (Rs. '000)	69,577,675	64,964,889		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	23.78%	22.32%		
Off-Shore Banking Unit (%)	24.34%	22.29%		
Total Stock of High-Quality Liquid Assets (Rs. '000)	47,734,687	56,908,941		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100% -31-12-2019 / 90% -31-12-2018)				
Rupee	390.34%	250.57%		
All Currency	289.43%	189.66%		
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%) *	134.48%			
Assets Quality				
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	6.17%	4.58%	6.17%	4.58%
Net Non-Performing Advances (%) (net of interest in suspense and provisions)	2.65%	2.13%	2.65%	2.13%
Profitability				
Interest Margin (%)	4.86%	5.03%	-	-
Return on Assets (before Tax) (%)	1.65%	1.94%	1.75%	1.95%
Return on Equity (%)	12.21%	15.04%	12.78%	14.47%
Net Assets Value Per Share (Rs.)	106.90	95.27	110.61	97.42

* After implementation

Market Price Per Share (Rs.)

	Voting		Non-Voting	
	31.12.2019 (Quarter ended)	31.12.2018 (Quarter ended)	31.12.2019 (Quarter ended)	31.12.2018 (Quarter ended)
Highest	85.00	91.00	93.00	85.00
Lowest	76.80	85.00	80.00	77.20
Last Traded Price	80.00	89.20	80.00	82.10

DEBENTURE INFORMATION


The rated unsecured subordinated redeemable debentures 2016/21, 2018/23, 2019/24 & 2019/26 of the Bank are listed in the Colombo Stock Exchange.

Debenture Categories	CSE Listing	Interest Payable Frequency	Issued Date	Maturity Date	Balance as at 31.12.2019 Rs. '000	Balance as at 31.12.2018 Rs. '000	Market Values for the Quarter Ended 31.12.2019			Interest Rates		Interest Rate of Comparable Government Securities			Other Ratios as at Date of Last Trade	
							Highest Rs.	Lowest Rs.	Period End Rs.	Coupon Rate %	Effective Annual Yield %	31.12.2019 %	31.12.2018 %	As at Issue Date %	Interest Yield %	Yield to Maturity %
Floating	NTB-BD-08/11/21-C2363	Semi -Annually	8-Nov-16	8-Nov-21	2,410	2,410	Not traded during the current period			9.17 Last Repriced	**	8.65**	11.49**	11.71**	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi -Annually	8-Nov-16	8-Nov-21	3,885,800	3,885,800	Not traded during the current period			12.65	13.05	8.65	11.49	11.71	Not traded	
Fixed Rate	NTB-BD-08/11/21-C2364-12.8	Annually	8-Nov-16	8-Nov-21	1,111,790	1,111,790	Not traded during the current period			12.80	12.80	8.65	11.49	11.71	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2402-12.65	Semi -Annually	20-Apr-18	20-Apr-23	2,213,000	2,213,000	Not traded during the current period			12.65	13.05	9.33	11.54	9.99	Not traded	
Fixed Rate	NTB-BD-20/04/23-C2401-13	Annually	20-Apr-18	20-Apr-23	1,287,000	1,287,000	Not traded during the current period			13.00	13.00	9.33	11.54	9.99	Not traded	
Fixed Rate	NTB-BD-23/12/24 - C2441 - 12.8	Annually	23-Dec-19	23-Dec-24	2,700,000	-	Not traded during the current period			12.80	12.80	9.74	-	9.89	Not traded	
Fixed Rate	NTB-BD-23/12/26 - C2442 - 12.9	Annually	23-Dec-19	23-Dec-26	1,800,000	-	Not traded during the current period			12.90	12.90	9.87	-	10.11	Not traded	
Total Debentures					13,000,000	8,500,000										

Ratios of Debt	31.12.2019	31.12.2018
* Debt/Equity Ratio (%)	110.18	99.75
Interest Cover (Times)	3.24	3.76
Quick Asset Ratio (%)	125	115

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

** Floating rate debenture repricing at 6 months T-Bill rate + 1.5%

NATIONS TRUST BANK PLC
SEGMENT INFORMATION



Operating Segments (for the year ended) Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Operating Income	19,441,897	18,676,747	3,209,308	2,877,590	444,310	430,736	(543,380)	(675,487)	22,552,135	21,309,586
Impairment Charge/(Reversal)	3,282,339	3,261,668	71,300	11,039	6,521	1,329	(59,606)	-	3,300,554	3,274,036
Net Operating Income	16,159,558	15,415,079	3,138,008	2,866,551	437,789	429,407	(483,774)	(675,487)	19,251,581	18,035,550
Extracts of Results										
Interest Income	32,144,441	30,597,694	7,416,831	6,560,825	59,372	55,904	(49,113)	(164,014)	39,571,531	37,050,409
Inter Segment	(2,536,481)	(2,323,242)	2,536,481	2,323,242	-	-	-	-	-	-
Interest Expense	(17,496,646)	(16,276,575)	(5,827,199)	(5,751,249)	(2,356)	(1,789)	(110,858)	143,111	(23,437,059)	(21,886,502)
Net Interest Income	12,111,314	11,997,877	4,126,113	3,132,818	57,016	54,115	(159,971)	(20,903)	16,134,472	15,163,907
Fees and Commission Income	6,387,539	5,924,625	97,814	95,009	394,914	384,496	(398,431)	(97,896)	6,481,836	6,306,234
Fees and Commission Expense	(297,516)	(230,833)	(27,591)	(21,223)	(7,620)	(8,046)	7,621	(5,247)	(325,106)	(265,349)
Net Fee and Commission Income	6,090,023	5,693,792	70,223	73,786	387,294	376,450	(390,810)	(103,143)	6,156,730	6,040,885
Net Gains/(Losses) from Trading	588,412	583,219	(1,904,070)	(426,964)	-	171	-	2,621,994	(1,315,658)	2,778,420
Net Fair Value Gains/(Losses) on:	-	-	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	11,030	(3,758)	-	-	-	-	11,030	(3,758)
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)	652,148	401,859	906,012	101,708	-	-	7,401	(3,173,435)	1,565,561	(2,669,868)
Depreciation of Property, Plant and Equipment	509,649	209,185	20,500	8,610	20,172	28,299	(77,998)	149,642	472,323	395,736
Depreciation of Right of Use (ROU) Assets	370,812	-	-	-	5,295	-	10,662	-	386,769	-
Amortization of Intangible Assets	314,936	69,334	31,161	22,973	2,478	3,215	-	210,426	348,575	305,948
Profit before Income Tax	5,306,867	4,710,255	2,689,260	1,920,490	341,814	336,862	(2,554,862)	(1,108,306)	5,783,079	5,859,301
Income Tax Expense	-	-	-	-	72,177	70,239	1,997,363	2,087,179	2,069,540	2,157,418
Profit for the Period	5,306,867	4,710,255	2,689,260	1,920,490	269,637	266,623	(4,552,225)	(3,195,485)	3,713,539	3,701,883
Capital Expenditures										
Property and Equipment	271,525	149,316	755	-	5,723	49,480	154,982	506,775	432,985	705,571
Other Intangible Assets	213,278	56,471	4,472	-	-	-	107,436	333,932	325,186	390,403
Total Assets (as at)	234,040,409	226,637,823	89,048,577	92,994,684	1,384,707	1,121,640	895,762	4,261,846	325,369,455	325,015,993
Total Liabilities (as at)	227,031,613	218,937,309	60,183,662	69,212,155	65,621	74,044	6,692,913	9,733,775	293,973,809	297,957,283

- (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 December 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 07 November 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 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 December 2019 which require adjustment to or disclosure in these financial statements except for Notes (6.1), (6.2) and (6.3) below.
- (6.1) The Board of Directors declared a payment of a first and final cash dividend of Rs. 2.30 per share for both Ordinary Voting and Ordinary Non – Voting Shareholders for the year ended 31 December 2019.
- (6.2) As per the announcement dated 12 February 2020, the income tax rate applicable for the banking sector will be reduced to 24% from the year of assessment 2020/21. Since the above amendment is yet to be enacted, existing rate of 28% is applied in ascertaining the deferred tax liability as at 31 December 2019. Had we considered the proposed rate;
- for Bank : the deferred tax liability as at 31 December 2019 would have decreased by Rs. 142 Mn resulting in an increase of Rs. 84 Mn in profit after tax and Rs. 58 Mn increase in OCI.
for Group : the deferred tax liability as at 31 December 2019 would have decreased by Rs. 166 Mn resulting in an increase of Rs. 83 Mn in profit after tax and Rs. 82 Mn increase in OCI.
- (6.3) Debt Repayment Levy (DRL) was repealed with effect from 01 January 2020 by the Bill to amend Finance Act No. 35 of 2018, issued on 07 February 2020.
- (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) The Group's External Auditors Messrs Ernst & Young carried out an audit for the year ended 31 December 2019 and have expressed an unqualified opinion on the financial statements of the Bank & the Group for the year ended 31 December 2019.

NATIONS TRUST BANK PLC
SHAREHOLDERS' INFORMATION



Twenty Largest Shareholders as at 31 December 2019

Name of the Shareholder	Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	48,347,078	19.74%
HWIC Asia Fund	36,731,826	15.00%
Central Finance Company PLC A/C No 03	24,124,933	9.85%
Mackinnons Keells Limited	23,931,802	9.77%
Janashakthi Insurance PLC - Shareholders	19,479,368	7.95%
Bnynsanv Re-First State Investments lcv-Stewart Investors Asia Pacific Fund	15,374,091	6.28%
CF Insurance Brokers (Pvt) Ltd	12,152,256	4.96%
CF Growth Fund Ltd A/C No.01	12,069,880	4.93%
City Bank NewYork S/A Norges Bank Account 02	7,188,806	2.94%
Janashakthi Insurance PLC - Non Par.	4,288,517	1.75%
Hatton National Bank PLC A/C No 1	3,882,252	1.59%
Mr. M.F. Hashim	2,606,412	1.06%
Mr. Premalal Brahammanage	2,152,839	0.88%
Mr. N.R. Somaia	1,384,348	0.57%
Timex Garments (Pvt) Ltd	1,298,225	0.53%
Mrs. H.K.S.R Perera	1,153,763	0.47%
Malship Ceylon Ltd	1,115,192	0.46%
East India Holding (Pvt) Ltd	1,053,685	0.43%
SSBT- Parametric Tax-Managed Emerging Markets Fund	979,263	0.40%
Mellon Bank N.A-Eaton Vance Trust Co.Collective Inv.Trust For Employee Benefit Plans-Eaton Vance T	835,246	0.34%
	220,149,782	89.90%
Others	24,729,059	10.10%
Total	244,878,841	100.00%

Name of the Shareholder	Non-Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	16,000,788	41.06%
Central Finance Company PLC A/C No 03	8,121,765	20.84%
HWIC Asia Fund	5,846,912	15.00%
Mackinnons Keells Limited	4,170,662	10.70%
CF Insurance Brokers (Pvt) Ltd	2,117,807	5.43%
CF Growth Fund Ltd A/C No.01	2,103,451	5.40%
Mr. M. A. H.Esufally	210,083	0.54%
Mr. M. G. H. I. Jafferjee	140,055	0.36%
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. D. C. Fernando	15,542	0.04%
Vinik (Pvt) Ltd	12,786	0.03%
People's Leasing & Finance PLC/Mr. A.B.K. Weeraman	10,503	0.03%
Mr. J. B. Hirdaramani	10,467	0.03%
Mrs. E.M. Dias Bandaranaike	8,303	0.02%
Jafferjee Brothers (Exports) Limited	7,584	0.02%
Mr. K.O.V.S.M.S.Wijesinghe	7,242	0.02%
Miss. T.T. Weerasinghe	6,392	0.02%
Mr. I.A.H. Esufally	5,724	0.01%
	38,859,124	99.71%
Others	113,907	0.29%
Total	38,973,031	100.00%

	31.12.2019	
	Number	%
Number of shareholders representing the public holding (Voting)	5,730	35.68%
Number of shareholders representing the public holding (Non-Voting)	250	1.54%
Compliant under Option 3 - Float Adjusted Market Capitalization	Rs. 7.04 Bn	

Directors' Holding in Shares as at 31 December 2019

Name of Director	No of Shares	
	Voting	Non-Voting
Mr. J.G.A. Cooray	8,804	1,532
Mr. D.P. De Silva	-	-
Mr. K.O.V.S.M.S. Wijesinghe	41,562	7,242
Mr. J.C.A.D' Souza	-	-
Ms. R.D. Rajapaksa	-	-
Mr. N.I.R. De Mel	-	-
Mr. S. Maheshwari	-	-
Mr. S.L. Sebastian	-	-
Mrs. R.S. Cader	-	-
Mr. C.H.A.W. Wickramasuriya	-	-
Mrs. R.N. K. Fernando (Director/CEO)	72,014	-
Mr. A.R.Fernando	-	-
	122,380	8,774

Nations Trust Bank PLC – Utilization of Funds Raised via Capital Market as at 31.12.2019

The utilization of Rs 4.5 Bn raised through the issue of debentures on 23 December 2019.

Objective Number	Objective as Per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceeds in Rs. (A)	% of Total Proceeds	Amounts Utilised in Rs. (B)	% of Utilisation against Allocation (B/A)	Clarification if Not Fully Utilized including where the Funds are Invested
1	Expansion of Loan Book	4.5 Bn	Within 6 to 18 months from date of receipt of cash flows	4.5 Bn	100%	-	-	Proposed time lines are not yet lapsed & unutilized funds are invested in reverse repurchase agreements
2	Improve the Tier II Capital Base thus, increasing the Capital Adequacy Ratio (CAR)	4.5 Bn	Subsequent to CBSL approval	4.5 Bn	100%	4.5 Bn	100%	N/A