



NATIONS TRUST BANK PLC AND ITS SUBSIDIARIES

Company Number PQ 118

**INTERIM FINANCIAL STATEMENTS
For the Twelve months ended December 31, 2020**

Nations Trust Bank Records Resilient Performance whilst Continuing to Support the Revival of the Economy

The Government of Sri Lanka and the Central Bank of Sri Lanka initiated various policy measures during 2020 aiming at triggering economic activities, ensuring livelihoods, and preserving the stability of the country's financial system. These policy measures included loan moratoriums, reduction of policy rates, lowering of the Statutory Reserve Requirement for licensed commercial banks, restriction on import of non-essential items and various incentives to attract foreign funding sources into the domestic market.

Nations Trust Bank actively participated in providing working capital loans under "Saubhagya" scheme introduced by the government and took proactive measures to extend necessary assistance to customers across all segments, who required special attention. The Bank recognised the importance of contributing to assisting adversely affected businesses with a view to supporting the revival of the national economy and rebuilding livelihoods. Towards this cause, the Bank allocated Rs. 7 Billion for 2020, of internally generated funds under the "Nations Diriya" scheme dedicated to extending financial support to key industries, thereby enabling such businesses to recommence their business operations. Special payment relief schemes and special repayment plans for existing borrowers were also offered in addition to the Central Bank mandated moratorium schemes by lowering interest rates and charges on identified segments.

With banking being declared an essential service during the COVID-19 first wave, a concerted effort was made to keep branches across the network open in order to facilitate regular branch operations throughout the lockdown period. The bank operated 24x7 contact center uninterrupted throughout this period supporting all its client's banking requirements.

During the Pandemic, the bank strengthened its digital essentials in order to keep its customers constantly connected and facilitated all banking services digitally. The bank also supported cash to the doorstep services during the lockdowns. Digitization and e-Commerce being the way forward, the bank continued to invest in further strengthening the digital platforms designed with customer centrality. Whilst being socially responsible, the bank converted customer and brand communications from paper-based to e-based methods.

Despite the unprecedented circumstances followed by the outbreak of the COVID-19 global pandemic, Nations Trust Bank Group demonstrated a resilient performance with a bottom-line growth of 9%. However, the net interest income fell short by 15% while the interest margins eroded by 80bps due to the combined impact of the lower interest regime, interest rates ceilings imposed, and the concessionary interest rates granted on debt moratorium.

The sluggish credit demand from the private sector and the selective lending approach adopted by the Bank amidst the elevated credit risk prevalent in the market throughout the year led to a contraction in the loan book by 7% adding pressure on the interest income growth. Low yield on the excess liquid assets further impacted the overall margins.

Low level of economic activity and restricted hours of business operations during the pandemic, had a sizable impact on the volume of fee-based transactions carried out by the Bank during the year. Further, suspending or refunding of certain charges by the Bank, considering the current difficulties faced by customers due to the COVID-19 pandemic, also negatively impacted the Bank's fee-based income resulting in a drop of 12.9% over last year. Cards income resulted in the highest drop of 26% with the drop in card spend due to changes in customer spending pattern owing to the pandemic. The restrictions on non-essential imports and an overall decline in exports caused a 7% drop in the trade fee.

However, gains on trading FX increased as a result of FX funding swaps with the depreciation of the rupee during the current period in contrast to the appreciation experienced during the same period last year. The Bank continued to benefit from the low cost funding Swaps compared to the cost of rupee deposits. The bank also benefited with trading profits on its' fixed income securities portfolio with the drop in market rates resulting in an overall growth in Non-Fund Based Income by 18% over last year despite the drop-in fee-based income.

The collection efforts were disrupted heavily due to the Pandemic resulting in the non-performing loans ratio increasing to 7.2% compared to 6.2% reported last year. The Bank made additional provisions on impairment for identified customer segments for possible cash flow delays based on available information and on certain risk elevated industries they operate in. With the cascading impacts of above coupled with the downgrading of the country's sovereign rating the overall impairment provisions increased by 16.5 over last year.

The operating expenses were curtailed by LKR 968Mn, a 9% saving over last year. Various cost saving strategies and initiatives along with productivity, efficiency drives and focus on some of the large cost pools were the main reasons for the favorable variance. Accordingly, the cost to income ratio as of December 2020 improved to 46% compared to 48% achieved last year.

With the abolishment of the Debt Repayment Levy (DRL) and the Nation Building Tax (NBT) from January 2020 and December 2019 respectively, the effective tax rate dropped to 46% from 56% last year and thereby the Group recorded a profit after tax of LKR 4.05 Bn compared to LKR 3.71 Bn in 2019.

The financial position of the Group remained strong as its Tier I Capital and Total Capital Adequacy ratios as at 31st December 2020 stood well above the regulatory levels at 14.73% and 18.29% respectively. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit and the Off-Shore Banking Unit was at 38.79% and 30.75% respectively as at the year end.

The CEO/Director, Priyantha Talwatte commenting on the future, stated that “Despite the substantial headwinds, the Bank will continue to support the Sri Lankan Government’s initiatives in reviving the economy and safeguarding the livelihoods of our people. The Nations Trust teams is fully committed to support our nation and all our clients navigate this period and come out strong into a post pandemic era.

The Bank is confident it has many endowments and capabilities to successfully navigate this period and serve all our stakeholders. The rollout of the vaccine, and the careful opening of the country’s borders to tourists are welcome indicators of a gradual recovery. The bank is cautiously optimistic of prospects. We continue to be committed to serving our customers achieve their financial goals and aspirations in a sustainable manner”.

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		
	2020 Rs. '000	2019 Rs. '000	Change (%)	2020 Rs. '000	2019 Rs. '000	Change (%)	2020 Rs. '000	2019 Rs. '000	Change (%)	2020 Rs. '000	2019 Rs. '000	Change (%)
	(Audited)	(Audited)					(Audited)	(Audited)				
Gross Income	40,398,619	46,026,494	(12)	9,707,934	11,466,009	(15)	40,666,236	46,314,300	(12)	9,759,996	11,530,255	(15)
Interest Income	32,943,529	39,570,860	(17)	7,050,964	9,586,991	(26)	32,943,745	39,571,531	(17)	7,050,981	9,587,123	(26)
Less: Interest Expense	(19,339,856)	(23,510,084)	18	(4,210,311)	(5,390,949)	22	(19,271,631)	(23,437,059)	18	(4,195,551)	(5,368,577)	22
Net Interest Income	13,603,673	16,060,776	(15)	2,840,653	4,196,042	(32)	13,672,114	16,134,472	(15)	2,855,430	4,218,546	(32)
Fee and Commission Income	5,247,681	6,194,715	(15)	1,661,768	1,670,421	(1)	5,515,025	6,481,836	(15)	1,713,813	1,734,535	(1)
Less: Fee and Commission Expense	(153,909)	(325,106)	53	(23,381)	(79,242)	70	(153,910)	(325,106)	53	(23,381)	(79,242)	70
Net Fee and Commission Income	5,093,772	5,869,609	(13)	1,638,387	1,591,179	3	5,361,115	6,156,730	(13)	1,690,432	1,655,293	2
Net Gains/(Losses) from Trading	2,553,078	(1,315,658)	294	1,250,552	199,356	527	2,553,078	(1,315,658)	294	1,250,552	199,356	527
Net Fair Value Gains/(Losses) on:												
Financial Assets at Fair Value through Profit or Loss	(11,591)	11,030	(205)	22,729	33,258	(32)	(11,591)	11,030	(205)	22,729	33,258	(32)
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)	(334,079)	1,565,547	(121)	(278,079)	(24,017)	(1,058)	(334,021)	1,565,561	(121)	(278,079)	(24,017)	(1,058)
Total Operating Income	20,904,853	22,191,304	(6)	5,474,242	5,995,818	(9)	21,240,695	22,552,135	(6)	5,541,064	6,082,436	(9)
Impairment Charges/(Reversals)	3,846,621	3,294,033	(17)	1,181,277	800,391	(48)	3,846,621	3,300,554	(17)	1,177,154	805,031	(46)
Loans and Advances	3,418,405	3,303,611	(3)	869,514	767,262	(13)	3,418,405	3,303,611	(3)	869,514	767,262	(13)
Guarantees & Commitments	58,680	(42,429)	(238)	144,610	17,511	(726)	58,680	(42,429)	(238)	144,610	17,511	(726)
Other Financial Assets	369,536	32,851	(1,025)	167,153	15,618	(970)	369,536	39,372	(839)	163,030	20,258	(705)
Net Operating Income	17,058,232	18,897,271	(10)	4,292,965	5,195,427	(17)	17,394,074	19,251,581	(10)	4,363,910	5,277,405	(17)
Less: Expenses												
Personnel Expenses	4,599,031	4,508,124	(2)	1,352,443	1,269,319	(7)	4,632,828	4,539,979	(2)	1,364,121	1,279,919	(7)
Depreciation of Property, Plant and Equipment	448,893	441,150	(2)	108,923	117,478	7	490,988	472,323	(4)	119,449	125,297	5
Depreciation of Right of Use (ROU) Assets	502,757	476,541	(6)	114,402	50,355	(127)	412,985	386,769	(7)	91,959	24,768	(271)
Amortization of Intangible Assets	379,713	347,461	(9)	89,003	89,446	0	379,899	348,575	(9)	89,051	89,492	0
Other Operating Expenses	3,898,154	5,012,625	22	997,405	1,345,017	26	3,922,317	5,060,114	22	1,003,776	1,359,775	26
Total Operating Expenses	9,828,548	10,785,901	9	2,662,176	2,871,615	7	9,839,017	10,807,760	9	2,668,356	2,879,251	7
Operating Profit before Taxes on Financial Services	7,229,684	8,111,370	(11)	1,630,789	2,323,812	(30)	7,555,057	8,443,821	(11)	1,695,554	2,398,154	(29)
Less: Value Added Tax (VAT) on Financial Services	1,495,525	1,594,259	6	356,664	450,033	21	1,496,239	1,595,286	6	356,718	450,292	21
Nation Building Tax (NBT) on Financial Services	-	196,308	100	-	39,463	100	-	196,480	100	-	39,493	100
Debt Repayment Levy (DRL)	-	868,976	100	-	244,229	100	-	868,976	100	-	244,229	100
Profit before Income Tax	5,734,159	5,451,827	5	1,274,125	1,590,087	(20)	6,058,818	5,783,079	5	1,338,836	1,664,140	(20)
Less: Income Tax Expense	1,935,475	1,997,362	3	379,432	477,464	21	2,003,859	2,069,540	3	392,237	493,100	20
Profit for the Period	3,798,684	3,454,465	10	894,693	1,112,623	(20)	4,054,959	3,713,539	9	946,599	1,171,040	(19)
Profit Attributable to:												
Equity Holders of the Parent	3,798,684	3,454,465	10	894,693	1,112,623	(20)	4,054,959	3,713,539	9	946,599	1,171,040	(19)
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Per Share												
Basic/Diluted Earnings Per Share (Rs.)	13.38	12.17	10	3.15	3.92	(20)	14.29	13.08	9	3.33	4.13	(19)

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	Change %	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	Change %
ASSETS						
Cash and Cash Equivalents	9,144,540	8,755,848	4	9,144,621	8,755,930	4
Balances with Central Bank of Sri Lanka	2,195,247	8,377,478	(74)	2,195,247	8,377,478	(74)
Placements with Banks	-	-	-	-	-	-
Derivative Financial Instruments	239,535	192,714	24	239,535	192,714	24
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	2,416,792	634,075	281	2,416,792	634,075	281
Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
Loans and Advances	210,185,486	226,791,569	(7)	210,185,927	226,794,190	(7)
Reverse Repurchase Agreements	5,091,335	13,827,423	(63)	5,091,335	13,827,423	(63)
Debt Instruments	26,648,083	19,062,606	40	26,648,083	19,062,606	40
Financial Assets at Fair Value through Other Comprehensive Income	73,257,835	38,315,147	91	73,257,835	38,315,147	91
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,672,882	3,023,776	(12)	3,681,952	4,072,538	(10)
Right of Use (ROU) Assets	1,498,382	1,870,729	(20)	1,498,382	1,780,957	(16)
Intangible Assets	1,221,419	1,375,581	(11)	1,222,279	1,376,159	(11)
Other Assets	2,384,062	2,134,422	12	2,409,328	2,180,238	11
Total Assets	337,634,308	325,040,078	4	337,991,316	325,369,455	4
LIABILITIES						
Due to Banks	4,941,573	6,484,157	(24)	4,941,573	6,484,157	(24)
Derivative Financial Instruments	250,700	311,971	(20)	250,700	311,971	(20)
Financial Liabilities Recognized through Profit or Loss						
Measured at Fair Value	-	-	-	-	-	-
Designated at Fair Value	-	-	-	-	-	-
Financial Liabilities at Amortised Cost						
Repurchase Agreements	7,562,588	11,033,047	(31)	6,392,440	10,186,828	(37)
Due to Depositors	240,584,022	226,880,034	6	240,574,266	226,871,563	6
Due to Debt Securities Holders	-	-	-	-	-	-
Due to Other Borrowers	28,040,126	27,380,678	2	28,040,126	27,284,828	3
Debt Securities Issued	13,261,973	13,263,434	(0)	13,261,973	13,263,434	(0)
Retirement Benefit Obligations	774,073	652,473	19	785,249	659,454	19
Current Tax Liabilities	1,293,147	1,337,499	(3)	1,319,575	1,362,108	(3)
Deferred Tax Liabilities	863,082	995,073	(13)	1,027,777	1,159,506	(11)
Other Provisions	-	-	-	-	-	-
Other Liabilities	6,244,834	6,358,395	(2)	6,272,709	6,389,960	(2)
Due to Subsidiaries	-	-	-	-	-	-
Total Liabilities	303,816,118	294,696,761	3	302,866,388	293,973,809	3
EQUITY						
Stated Capital	9,408,135	9,408,135	-	9,408,135	9,408,135	-
Statutory Reserve Fund	1,561,787	1,371,853	14	1,561,787	1,371,853	-
OCI Reserve	658,701	301,976	118	658,701	301,976	118
Retained Earnings	21,393,697	18,465,483	16	22,265,430	19,082,807	17
Revaluation Reserve	795,870	795,870	-	1,230,875	1,230,875	-
Total Shareholders' Equity	33,818,190	30,343,317	11	35,124,928	31,395,646	12
Total Equity and Liabilities	337,634,308	325,040,078	4	337,991,316	325,369,455	4
Contingent Liabilities and Commitments	197,230,088	199,355,131	(1)	197,230,866	199,359,256	(1)
Memorandum Information						
Number of Employees	2,804	3,122		2,832	3,151	
Number of Branches	96	96		96	96	
Number of Off-Site ATMs & CRMs	43	47		43	47	

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.

Priyantha Talwatte
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 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	-	-	(542,612)	-	-
Fractions of shares paid in cash for 2018	-	-	-	-	(40,657)	-	(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
As at 01 January 2020	6,289,307	3,118,828	1,371,853	301,976	18,465,483	795,870	30,343,317
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	3,798,684	-	3,798,684
Other Comprehensive Income	-	-	-	356,725	(27,677)	-	329,047
Total Comprehensive Income for the Year	-	-	-	356,725	3,771,007	-	4,127,731
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2019	-	-	-	-	(652,859)	-	(652,859)
Transfers to the Statutory Reserve Fund	-	-	189,934	-	(189,934)	-	-
Conversion of Non-Voting Shares to Voting Shares	20,485	(20,485)	-	-	-	-	-
As at 31 December 2020	6,309,792	3,098,343	1,561,787	658,701	21,393,697	795,870	33,818,190
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 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	-	-	(542,612)	-	-
Fractions of shares paid in cash for 2018	-	-	-	-	(40,657)	-	(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
As at 01 January 2020	6,289,307	3,118,828	1,371,853	301,976	19,082,807	1,230,875	31,395,646
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	4,054,959	-	4,054,959
Other Comprehensive Income	-	-	-	356,725	(29,543)	-	327,182
Total Comprehensive Income for the Year	-	-	-	356,725	4,025,416	-	4,382,141
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2019	-	-	-	-	(652,859)	-	(652,859)
Transfers to the Statutory Reserve Fund	-	-	189,934	-	(189,934)	-	-
Conversion of Non-Voting Shares to Voting Shares	20,485	(20,485)	-	-	-	-	-
As at 31 December 2020	6,309,792	3,098,343	1,561,787	658,701	22,265,430	1,230,875	35,124,928

NATIONS TRUST BANK PLC
STATEMENT OF CASH FLOWS



	Bank		Group	
	Twelve Months ended 31 December		Twelve Months ended 31 December	
	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	31,450,153	38,725,874	31,450,369	38,726,545
Receipts of Fees and Commission Income	5,104,970	6,196,954	5,372,313	6,474,451
Payments of Interest Expense	(18,625,900)	(22,233,385)	(18,554,229)	(22,183,407)
Payments of Fees and Commission Expense	(144,902)	(322,980)	(144,903)	(322,980)
Net Trading Income	2,433,397	723,012	2,433,397	723,012
Receipts from Other Operating Income	(335,355)	1,565,549	(335,355)	1,565,549
Gratuity Payments Made	(65,102)	(72,291)	(65,102)	(73,587)
Payments for Operating Expenses	(8,076,324)	(9,329,637)	(8,132,680)	(9,415,353)
Payments for VAT & NBT on Financial Services	(1,609,803)	(1,742,097)	(1,610,660)	(1,743,321)
Payments for Debt Repayment Levy	(87,122)	(838,801)	(87,122)	(838,801)
Operating Profit before Change in Operating Assets and Liabilities (A)	10,044,012	12,672,198	10,326,028	12,912,108
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	8,733,717	(13,639,817)	8,733,717	(13,639,817)
Financial Assets - At Fair Value through Profit or Loss	(1,711,320)	36,660	(1,711,320)	36,660
Financial Assets - At Amortized Cost - Debt Instruments	(7,745,158)	(2,472,597)	(7,745,158)	(2,472,597)
Financial Assets - At Fair Value through Other Comprehensive Income	(34,732,208)	21,122,294	(34,732,208)	21,122,294
Financial Assets - At Amortized Cost - Loans & Advances	14,714,578	(9,383,892)	14,716,622	(9,381,476)
Other Assets	(158,079)	(53,333)	(148,588)	(49,258)
(Increase)/Decrease in Operating Assets	(20,898,470)	(4,390,685)	(20,886,935)	(4,384,194)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	(136,297)	(5,311,659)	(469,480)	(6,046,301)
Financial Liabilities - At Amortized Cost - Due to Depositors	14,853,477	(5,043,212)	14,852,192	(4,578,019)
Other Liabilities	(80,831)	(1,431,206)	(84,413)	(1,432,093)
Increase/(Decrease) in Operating Liabilities	14,636,349	(11,786,077)	14,298,299	(12,056,413)
Net Cash Generated from Operating Activities before Income Tax	3,781,891	(3,504,564)	3,737,392	(3,528,499)
Income Tax Paid	(2,239,778)	(2,343,052)	(2,294,133)	(2,406,062)
Tax Paid on Dividends	-	(40,429)	-	(40,429)
Net Cash (Used in)/from Operating Activities	1,542,113	(5,888,045)	1,443,259	(5,974,990)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(100,571)	(384,758)	(103,114)	(397,239)
Purchase of Intangible Assets	(225,516)	(425,691)	(226,385)	(425,691)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	3,814	1,019	4,417	1,033
Net Cash (Used in)/from Investing Activities	(322,273)	(809,430)	(325,082)	(821,897)
Cash Flows from Financing Activities				
Net Change in Other Borrowed Funds	(4,344,427)	1,195,726	(4,344,427)	1,195,726
Proceeds from the Issue of Subordinated Debt	-	4,500,000	-	4,500,000
Repayment of Subordinated Debt	-	-	-	-
Operating Lease Rentals Paid	(555,301)	(547,361)	(453,645)	(447,921)
Interest Paid on Subordinated Debt	(1,661,349)	(1,077,028)	(1,661,349)	(1,077,028)
Dividends Paid to Equity Holders of the Parent	(650,204)	(228)	(650,204)	(228)
Net Cash (Used in)/from Financing Activities	(7,211,281)	4,071,109	(7,109,625)	4,170,549
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,991,446)	(2,626,366)	(5,991,448)	(2,626,338)
Cash and Cash Equivalents at the Beginning of the Period	16,486,991	19,113,358	16,487,073	19,113,412
Cash and Cash Equivalents at the End of the Period	10,495,545	16,486,992	10,495,625	16,487,074
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	8,422,390	5,867,701	8,422,413	5,867,724
Balances with Central Bank of Sri Lanka *	2,195,247	8,377,478	2,195,247	8,377,478
Balances with Banks	722,346	787,329	722,403	787,388
Money at Call and Short Notice	-	2,101,864	-	2,101,864
Deposits from Other Banks	(844,438)	(647,380)	(844,438)	(647,380)
	10,495,545	16,486,992	10,495,625	16,487,074
A. Reconciliation of Operating Profit				
Profit before Taxation	5,734,159	5,451,827	6,058,818	5,783,079
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	(1,276)	2	(1,334)	(12)
Impairment Charge/(Reversal)	3,846,621	3,294,033	3,846,621	3,300,554
Provision for Gratuity	158,269	136,997	159,874	138,296
(Increase)/Decrease in Interest Receivable	(3,357,679)	(2,552,173)	(3,357,679)	(2,552,173)
Increase/(Decrease) in Interest Payable	(1,173,243)	211,977	(1,163,989)	204,674
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	(152,076)	(25,766)	(152,076)	(27,173)
(Increase)/Decrease in Fees & Commission Receivable and Prepayments of Operating Expenses	13,798	24,437	13,798	16,062
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	(489,534)	(408,907)	(388,023)	(317,003)
Other Non Cash Items	3,313,425	4,987,673	3,260,126	4,914,442
Operating Lease Rentals Paid	555,301	547,361	453,645	447,921
Interest Paid on Subordinated Debt	1,661,349	1,077,028	1,661,349	1,077,028
Gratuity Payments Made	(65,102)	(72,291)	(65,102)	(73,587)
	10,044,012	12,672,198	10,326,028	12,912,108

* As at 31 December 2020, Rs. 2,074.61 Mn (2019 - Rs. 8,388.17 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 2020				As at 31 December 2019			
	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	9,144,540	-	-	9,144,540	8,755,848	-	-	8,755,848
Balances with Central Bank of Sri Lanka	2,195,247	-	-	2,195,247	8,377,478	-	-	8,377,478
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	239,535	-	239,535	-	192,714	-	192,714
Loans and Advances	210,185,486	-	-	210,185,486	226,791,569	-	-	226,791,569
Reverse Repurchase Agreements	5,091,335	-	-	5,091,335	13,827,423	-	-	13,827,423
Government Securities	26,133,923	2,416,792	73,241,685	101,792,401	17,774,485	634,075	38,301,267	56,709,827
Other Debt Instruments	514,160	-	-	514,160	1,288,120	-	-	1,288,120
Equity Instruments	-	-	16,150	16,150	-	-	13,880	13,880
Total Financial Assets	253,264,691	2,656,327	73,257,835	329,178,853	276,814,923	826,789	38,315,147	315,956,859
	AC Rs. '000	FVPL Rs. '000		Total Rs. '000	AC Rs. '000	FVPL Rs. '000		Total Rs. '000
Liabilities								
Due to Banks	4,941,573	-	-	4,941,573	6,484,157	-	-	6,484,157
Derivative Financial Instruments	-	250,700	-	250,700	-	311,971	-	311,971
Financial Liabilities at Amortised Cost								
Due to Depositors	240,584,022	-	-	240,584,022	226,880,034	-	-	226,880,034
Repurchase Agreements	7,562,588	-	-	7,562,588	11,033,047	-	-	11,033,047
Due to Other Borrowers	28,040,126	-	-	28,040,126	27,380,678	-	-	27,380,678
Debt Securities Issued	13,261,973	-	-	13,261,973	13,263,434	-	-	13,263,434
Total Financial Liabilities	294,390,282	250,700	-	294,640,982	285,041,350	311,971	-	285,353,321

Group	As at 31 December 2020				As at 31 December 2019			
	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	9,144,621	-	-	9,144,621	8,755,930	-	-	8,755,930
Balances with Central Bank of Sri Lanka	2,195,247	-	-	2,195,247	8,377,478	-	-	8,377,478
Placements with Banks	-	-	-	-	-	-	-	-
Derivative Financial Instruments	-	239,535	-	239,535	-	192,714	-	192,714
Loans and Advances	210,185,927	-	-	210,185,927	226,794,190	-	-	226,794,190
Reverse Repurchase Agreements	5,091,335	-	-	5,091,335	13,827,423	-	-	13,827,423
Government Securities	26,133,923	2,416,792	73,241,685	101,792,400	17,774,485	634,075	38,301,267	56,709,827
Other Debt Instruments	514,160	-	-	514,160	1,288,120	-	-	1,288,120
Equity Instruments	-	-	16,150	16,150	-	-	13,880	13,880
Total Financial Assets	253,265,213	2,656,327	73,257,835	329,179,375	276,817,626	826,789	38,315,147	315,959,562
	AC Rs. '000	FVPL Rs. '000		Total Rs. '000	AC Rs. '000	FVPL Rs. '000		Total Rs. '000
Liabilities								
Due to Banks	4,941,573	-	-	4,941,573	6,484,157	-	-	6,484,157
Derivative Financial Instruments	-	250,700	-	250,700	-	311,971	-	311,971
Financial Liabilities at Amortised Cost								
Due to Depositors	240,574,266	-	-	240,574,266	226,871,563	-	-	226,871,563
Repurchase Agreements	6,392,440	-	-	6,392,440	10,186,828	-	-	10,186,828
Due to Other Borrowers	28,040,126	-	-	28,040,126	27,284,828	-	-	27,284,828
Debt Securities Issued	13,261,973	-	-	13,261,973	13,263,434	-	-	13,263,434
Total Financial Liabilities	293,210,378	250,700	-	293,461,078	284,090,810	311,971	-	284,402,781

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	
	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)
By Product - Domestic Currency				
Bills of Exchange	3,638	14,670	3,638	14,670
Trade Finance	32,514,962	33,660,590	32,514,962	33,660,590
Overdrafts	30,226,374	40,929,279	30,226,374	40,929,279
Term Loans	59,151,759	57,183,054	59,151,759	57,183,054
Staff Loans	3,960,179	3,652,422	3,960,179	3,652,422
Leases	39,303,114	44,142,733	39,303,114	44,142,733
Credit Cards	28,261,321	28,188,516	28,261,321	28,188,516
Pawning	259,929	420,931	259,929	420,931
Other Advances	262,950	250,975	262,262	253,465
Sub Total	193,944,226	208,443,170	193,944,538	208,445,660
By Product - Foreign Currency				
Trade Finance	7,960,105	9,330,623	7,960,105	9,330,623
Overdrafts	606,621	1,156,393	606,621	1,156,393
Term Loans	16,956,453	16,220,734	16,956,453	16,220,734
Sub Total	25,523,179	26,707,750	25,523,179	26,707,750
Total	219,467,405	235,150,920	219,467,717	235,153,410

(2) Product-wise Commitments and Contingencies	Bank		Group	
	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)
By Product - Domestic Currency				
Guarantees	2,429,637	388,605	2,429,637	388,605
Bonds	14,284,343	14,240,081	14,284,343	14,240,081
Acceptances	62,187	36,878	62,187	36,878
Letters of Credit	920,704	302,417	920,704	302,417
Undrawn Credit Lines	116,313,257	116,274,337	116,314,035	116,278,461
Sub Total	134,010,128	131,242,318	134,010,906	131,246,442
By Product - Foreign Currency				
Guarantees	97,069	235,489	97,069	235,489
Bonds	3,158,901	3,164,981	3,158,901	3,164,981
Acceptances	7,321,730	3,499,771	7,321,730	3,499,771
Letters of Credit	9,475,321	7,456,443	9,475,321	7,456,443
Undrawn Credit Lines	10,702,479	14,715,630	10,702,479	14,715,630
Sub Total	30,755,500	29,072,314	30,755,500	29,072,314
Total	164,765,628	160,314,632	164,766,406	160,318,756

(3) Stage-wise Impairment on Loans & Advances, Commitments and Contingencies	Bank		Group	
	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	384,233,033	395,465,552	384,234,123	395,472,166
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,558,299)	(1,410,099)	(1,558,169)	(1,409,969)
Stage 2	(634,962)	(372,536)	(634,962)	(372,536)
Stage 3	(6,871,634)	(6,229,840)	(6,871,634)	(6,229,840)
Net Value of Loans and Advances, Commitments and Contingencies	375,168,138	387,453,077	375,169,358	387,459,821

(3.1) Movement in impairment during the period	Bank		Group	
	2020 Rs. '000 (Audited)	2019 Rs. '000 (Audited)	2020 Rs. '000 (Audited)	2019 Rs. '000 (Audited)
Stage 1				
Opening balance as at 01 January	1,410,099	1,473,513	1,409,969	1,473,383
Charge/(Write back) to income statement	149,827	(63,414)	149,827	(63,414)
Write-off during the period	(1,627)	-	(1,627)	-
Closing balance	1,558,299	1,410,099	1,558,169	1,409,969
Stage 2				
Opening balance as at 01 January	372,536	336,463	372,536	336,463
Charge/(Write back) to income statement	262,426	36,073	262,426	36,073
Write-off during the period	-	-	-	-
Closing balance	634,962	372,536	634,962	372,536
Stage 3				
Opening balance as at 01 January	6,229,840	4,419,564	6,229,840	4,419,564
Transferred from financial assets at amortised cost - debt instruments	-	42,373	-	42,373
Charge/(Write back) to income statement	3,064,831	3,288,523	3,064,831	3,288,523
Write-off during the period	(2,423,037)	(1,520,620)	(2,423,037)	(1,520,620)
Closing balance	6,871,634	6,229,840	6,871,634	6,229,840

(4) Due to Depositors - By Product

	Bank		Group	
	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2019 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	19,706,309	15,384,132	19,696,553	15,375,661
Savings Deposits	45,843,046	34,865,677	45,843,046	34,865,677
Call Deposits	55,373	42,415	55,373	42,415
Fixed Deposits	140,085,981	145,077,904	140,085,981	145,077,904
Certificate of Deposits	47,915	48,449	47,915	48,449
Sub Total	205,738,624	195,418,577	205,728,868	195,410,106
By Product -Foreign Currency				
Demand Deposits	2,258,237	2,416,477	2,258,237	2,416,477
Savings Deposits	9,776,709	8,944,720	9,776,709	8,944,720
Call Deposits	-	1,526	-	1,526
Fixed Deposits	22,810,452	20,098,734	22,810,452	20,098,734
Sub Total	34,845,398	31,461,457	34,845,398	31,461,457
Total	240,584,022	226,880,034	240,574,266	226,871,563

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



Item	Bank		Group	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Regulatory Capital (Rs. '000)				
Common Equity Tier 1	31,792,734	28,561,701	32,663,601	29,178,446
Core (Tier 1) Capital	31,792,734	28,561,701	32,663,601	29,178,446
Total Capital Base	39,694,167	38,785,371	40,565,034	39,402,116
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 6.50%- 31-12-2020 , 7.00%- 31-12-2019)	14.40%	12.99%	14.79%	13.30%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.00%- 31-12-2020 , 8.50%- 31-12-2019)	14.40%	12.99%	14.79%	13.30%
Total Capital Ratio (%) (Minimum Requirement - 12.00% -31-12-2020 , 12.50% -31-12-2019)	17.98%	17.64%	18.37%	17.96%
Leverage Ratio (Minimum Requirement - 3%)	9.03%	8.47%	9.27%	8.64%
Regulatory Liquidity				
Statutory Liquid Assets (Rs. '000)	115,740,620	69,577,675		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	38.79%	23.78%		
Off-Shore Banking Unit (%)	30.75%	24.34%		
Total Stock of High-Quality Liquid Assets (Rs. '000)	86,501,491	47,734,687		
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%- 31-12-2020 , 100%- 31-12-2019)				
Rupee	455.66%	400.77%		
All Currency	341.63%	295.15%		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%- 31-12-2020 , 100%- 31-12-2019)	151.62%	136.08%		
Assets Quality				
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	7.18%	6.17%	7.18%	6.17%
Net Non-Performing Advances (%) (net of interest in suspense and provisions)	2.53%	2.65%	2.53%	2.65%
Profitability				
Interest Margin (%)	4.07%	4.86%	-	-
Return on Assets (before tax) (%)	1.72%	1.65%	1.81%	1.75%
Return on Equity (%)	11.73%	12.21%	12.08%	12.78%
Net Assets Value Per Share (Rs.)	119.14	106.90	123.74	110.61

Market Price Per Share (Rs.)

	Voting		Non-Voting	
	31.12.2020 (Quarter ended)	31.12.2019 (Quarter ended)	31.12.2020 (Quarter ended)	31.12.2019 (Quarter ended)
Highest	64.30	85.00	92.00	93.00
Lowest	54.00	76.80	68.00	80.00
Last Traded Price	60.00	80.00	75.00	80.00

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 31.12.2020 Rs. '000	Balance as at 31.12.2019 Rs. '000	Market Values for the Quarter Ended 31.12.2020			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 %	31.12.2020 %	31.12.2019 %	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			6.19 Last Repriced	6.29	4.98**	8.65**	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	4.98	8.65	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	4.98	8.65	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	5.88	9.33	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	5.88	9.33	9.99	Not traded	
Fixed Rate	NTB-BD-23/12/24 - C2441 - 12.8	Annually	23-Dec-19	23-Dec-24	2,700,000	2,700,000	Not traded during the current period			12.80	12.80	6.45	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	1,800,000	Not traded during the current period			12.90	12.90	6.80	9.87	10.11	Not traded	
Total Debentures					13,000,000	13,000,000										

Ratios of Debt	31.12.2020	31.12.2019
* Debt/Equity Ratio (%)	84.58	110.18
Interest Cover (Times)	3.05	3.24
Quick Asset Ratio (%)	155	125

* 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 Twelve months ended) Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Operating Income	15,136,199	19,441,897	6,014,880	3,209,308	429,922	444,310	(340,306)	(543,380)	21,240,695	22,552,135
Impairment Charge/(Reversal)	3,506,790	3,282,339	339,832	71,300	-	6,521	(1)	(59,606)	3,846,621	3,300,554
Net Operating Income	11,629,409	16,159,558	5,675,048	3,138,008	429,922	437,789	(340,305)	(483,774)	17,394,074	19,251,581
Extracts of Results										
Interest Income	25,087,792	32,144,441	7,844,091	7,416,831	63,663	59,372	(51,801)	(49,113)	32,943,745	39,571,531
Inter Segment	(1,514,471)	(2,536,481)	1,514,471	2,536,481	-	-	-	-	-	-
Interest Expense	(14,775,840)	(17,496,646)	(4,500,615)	(5,827,199)	(1,388)	(2,356)	6,212	(110,858)	(19,271,631)	(23,437,059)
Net Interest Income	8,797,481	12,111,314	4,857,947	4,126,113	62,275	57,016	(45,589)	(159,971)	13,672,114	16,134,472
Fees and Commission Income	5,340,417	6,387,539	122,692	97,814	375,664	394,914	(323,748)	(398,431)	5,515,025	6,481,836
Fees and Commission Expense	(126,749)	(297,516)	(24,452)	(27,591)	(8,075)	(7,620)	5,366	7,621	(153,910)	(325,106)
Net Fee and Commission Income	5,213,668	6,090,023	98,240	70,223	367,589	387,294	(318,382)	(390,810)	5,361,115	6,156,730
Net Gains/(Losses) from Trading	569,046	588,412	1,984,032	(1,904,070)	-	-	-	-	2,553,078	(1,315,658)
Net Fair Value Gains/(Losses) on:	-	-	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Profit or Loss	-	-	(11,591)	11,030	-	-	-	-	(11,591)	11,030
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)	556,004	652,148	(913,748)	906,012	58	-	23,665	7,401	(334,021)	1,565,561
Depreciation of Property, Plant and Equipment	422,333	509,649	23,207	20,500	19,834	20,172	25,614	(77,998)	490,988	472,323
Depreciation of Right of Use (ROU) Assets	395,152	370,812	-	-	95,067	5,295	(77,234)	10,662	412,985	386,769
Amortization of Intangible Assets	354,109	314,936	23,197	31,161	186	2,478	2,407	-	379,899	348,575
Profit before Income Tax	2,159,876	5,306,867	5,215,213	2,689,260	287,416	341,814	(1,603,687)	(2,554,862)	6,058,818	5,783,079
Income Tax Expense	-	-	-	-	68,384	72,177	1,935,475	1,997,363	2,003,859	2,069,540
Profit for the Period	2,159,876	5,306,867	5,215,213	2,689,260	219,032	269,637	(3,539,162)	(4,552,225)	4,054,959	3,713,539
Capital Expenditures										
Property and Equipment	33,087	271,525	-	755	2,552	5,723	76,378	154,982	112,017	432,985
Other Intangible Assets	286,956	213,278	2,264	4,472	867	-	57,596	107,437	347,683	325,187
Total Assets (as at)	215,980,600	234,040,409	118,871,227	89,048,577	1,657,236	1,384,707	1,482,253	895,762	337,991,316	325,369,455
Total Liabilities (as at)	240,943,767	227,031,613	55,301,952	60,183,662	62,421	65,621	6,558,248	6,692,913	302,866,388	293,973,809

- (1) The Group Financial Statements comprise a consolidation of the Bank and its fully owned subsidiaries; Waldock Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited. These financial statements are presented 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.
- (2) 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 2019. There are no material changes to contingent assets and liabilities since 31 December 2020 and the balances reflected are arising from transactions carried out in the normal course of banking business.
- (3) The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has informed that in terms of a decision of the Monetary Board of the CBSL, John Keells Group and Central Finance Group have been granted further time till 31 December 2021 to reduce their shareholding in the voting shares of the Bank to 20% and 15%, respectively. Further, John Keells Group is required to reduce its shareholding in the Bank to 15% on or before 31 December 2022. Restriction on voting rights at 10% each is applicable to John Keells Group and Central Finance Group until the shareholding is reduced to 15% each.
- (4) As per the Inland Revenue Department announcement dated 12 February 2020, the income tax rate applicable for the banking sector has been 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 income tax liability and deferred tax liability as at 31 December 2020. Had we considered the proposed rate;
- For Bank : the Income tax liability and deferred tax liability as at 31 December 2020 would have decreased by Rs. 314 Mn and Rs. 123 Mn resulting in an increase of Rs. 417 Mn in profit after tax and Rs. 20 Mn increase in OCI.
For Group : the Income tax liability and deferred tax liability as at 31 December 2020 would have decreased by Rs. 323 Mn and Rs. 147 Mn resulting in an increase of Rs. 425 Mn in profit after tax and LKR 45 Mn increase in OCI.
- (5) There are no material events that took place after the reporting date which require adjustment to or disclosure in these Financial Statements except for Note (5.1) below.
- (5.1) The Board of Directors declared a payment of a first and final cash dividend of Rs. 2.00 per share for both Ordinary Voting and Ordinary Non – Voting Shareholders for the year ended 31 December 2020.
- (6) **COVID-19 Impact**
The debt moratorium announced by the government to provide relief to individuals and businesses impacted by the COVID-19 pandemic, related lock down along with the announcement of interest rate ceilings, had a negative impact on the earnings and contractual cash flows of the Bank. However, the Bank is of the view that the aforementioned negative impact did not pose a significant stress to the Bank's liquidity and financial position as explained below.
- Expected Credit Loss (ECL)**
When assessing the ECL, the Bank considered the potential impact for identified customer segments impacted due to COVID-19 related developments by, projecting potential delays to the cash flow expectations based on available information. In addition to that, the Bank continues to apply an Economic Factor Adjustment with a higher weight on the worst-case scenario for the collective impairment assessment.
- Furthermore, the Bank recognised an additional impairment provisions against its investment in Sri Lanka Development Bonds (SLDBs) and Sri Lanka International Sovereign Bonds (SLISBs) during the year, owing to the downgrading of the country's sovereign rating during the year.
- The recommended treatments for COVID-19 impact as per the guidelines issued by Central Bank of Sri Lanka and Institute of Chartered Accountants of Sri Lanka were considered in preparation of these financial statements.
- (7) The Group's External Auditors Messrs Ernst & Young carried out an audit for the year ended 31 December 2020 and have expressed an unqualified opinion on the financial statements of the Bank & the Group for the year ended 31 December 2020.
- (8) The funds raised via capital markets in the previous years were fully utilised for the objectives stated in the relevant prospectuses.
- (9) The Board, on 22 January 2021 resolved to appoint Dr Ramesh Shanmuganathan as a Non-Executive Director of the Bank with effect from 25 January 2021. Also, Mr. Dammika Prasanna De Silva, Non Executive Director retired from the Board of the Bank with effect from 1 January 2021 upon completion of 9 years on the Board of the Bank, in compliance with the relevant Corporate Governance Rules of the Central Bank of Sri Lanka.

**NATIONS TRUST BANK PLC
SHAREHOLDERS' INFORMATION**



Twenty Largest Shareholders as at 31 December 2020

Name of the Shareholder	Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	48,347,078	19.72%
HWIC Asia Fund	36,770,223	15.00%
Central Finance Company PLC A/C No 03	24,124,933	9.84%
Mackinnons Keells Limited	23,931,802	9.76%
Janashakthi Insurance PLC - Shareholders	19,479,368	7.95%
CF Insurance Brokers (Pvt) Ltd	12,152,256	4.96%
CF Growth Fund Ltd A/C No.01	12,069,880	4.92%
Sri Lanka Insurance Corporation Ltd - Life Fund	9,587,516	3.91%
Sri Lanka Insurance Corporation Ltd - General Fund	5,705,290	2.33%
Janashakthi Insurance PLC - Non Par.	4,288,517	1.75%
Hatton National Bank PLC A/C No 1	3,882,252	1.58%
Mr. M.F. Hashim	2,640,548	1.08%
National Savings Bank	2,331,061	0.95%
Mr. Premalal Brahmanage	2,152,839	0.88%
Mr. N.R. Somaiya	1,384,348	0.56%
Timex Garments (Pvt) Ltd	1,298,225	0.53%
Mrs. H.K.S.R Perera	1,153,763	0.47%
Deutsche Bank AG As Trustee To Assetline Income Plus Growth Fund	1,128,824	0.46%
Askold (Pvt) Ltd	782,478	0.32%
Hallsville Trading Group INC.	763,822	0.31%
	213,975,023	87.28%
Others	31,159,798	12.72%
Total	245,134,821	100.00%

Name of the Shareholder	Non-Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	16,000,788	41.33%
Central Finance Company PLC A/C No 03	8,121,765	20.98%
HWIC Asia Fund	5,808,515	15.00%
Mackinnons Keells Limited	4,170,662	10.77%
CF Insurance Brokers (Pvt) Ltd	2,117,807	5.47%
CF Growth Fund Ltd A/C No.01	2,103,451	5.43%
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%
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%
Allianz Life Insurance Lanka Limited - A/C NO.02 (Allianz Growth Fund)	5,022	0.01%
Mr. K.S.N. Hirdaramani	4,185	0.01%
	38,612,267	99.72%
Others	104,784	0.28%
Total	38,717,051	100.00%

	31.12.2020	
	Number	%
Number of shareholders representing the public holding (Voting)	6,794	35.76%
Number of shareholders representing the public holding (Non-Voting)	252	0.99%
Compliant under Option 3 - Float Adjusted Market Capitalization	Rs. 5.29 Bn	

Directors' Holding in Shares as at 31 December 2020

Name of the 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	-	-
Ms. R.S. Cader	-	-
Mr. C.H.A.W. Wickramasuriya	-	-
Mr. A.R. Fernando	-	-
Mr. L.P.B. Talwatte (Director/CEO) (Appointed as Director w.e.f 19 June 2020)	-	-
	50,366	8,774