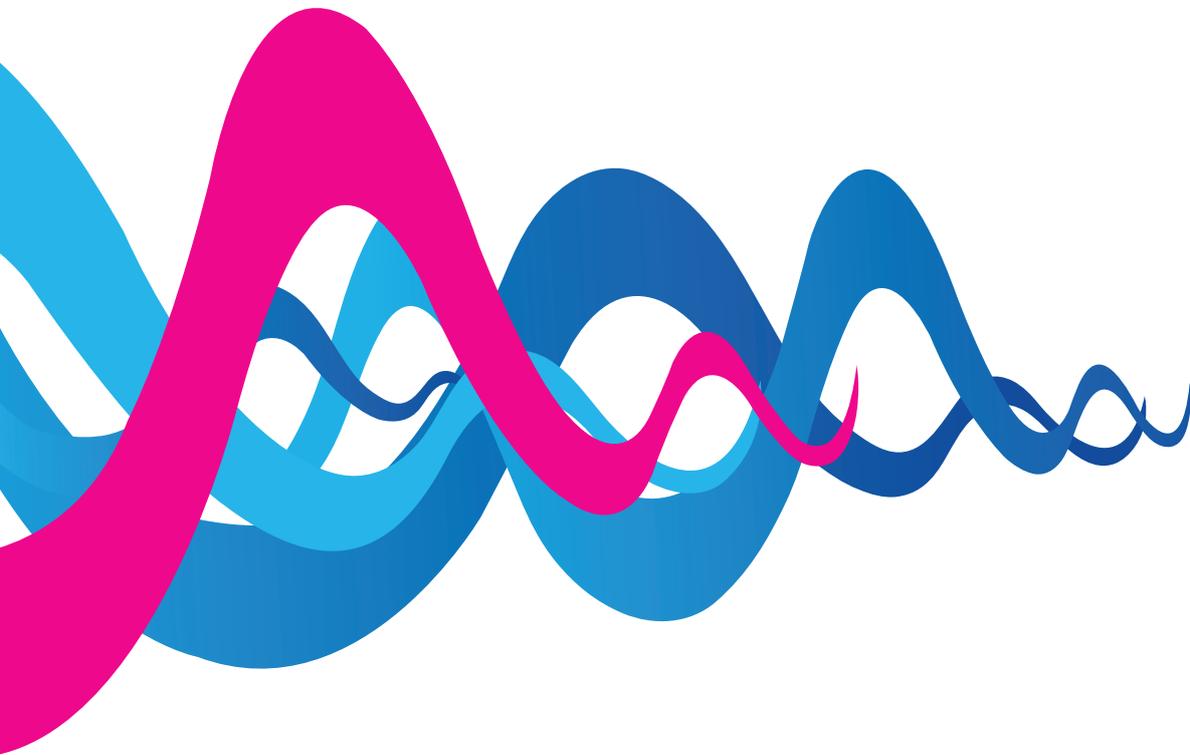


creating velocity of value

INTERIM FINANCIAL STATEMENTS

For the Nine months ended 30th September 2021

Company Registration Number: PQ 118



Nations Trust Bank continued to demonstrate resilient performance amidst volatile conditions

Nations Trust Bank ended the third quarter with a strong performance, continuing the trend demonstrated in the first half of the year. The loan book recorded an 18% growth during the nine months ended 30th September 2021 against the private sector credit growth of 10.6% during the same period of the year, amidst the challenging business environment.

The Bank extended its fullest support in the implementation of the Government's initiatives to minimise the impact of COVID-19 on businesses and the community and to stabilise the economy by partaking in the 'Saubhagya' loan scheme.

Over LKR 20 billion new credit facilities were disbursed by the Bank under its own revival fund "Nations Diriya" scheme which is dedicated to extending financial support to key industries, enabling such businesses to recommence and rebuild their business operations. The Bank also offered special payment relief schemes and repayment plans for existing borrowers, in addition to the Central Bank mandated moratorium schemes with low-interest rates and restructured repayment plans for some of the identified industries.

Nations Trust Bank raised USD 65 million from overseas Development Finance Institutions during the year to support the Small and Medium Enterprise (SME) sector. The Bank also raised LKR 4 billion, Fitch 'A' rated, Senior, Unsecured, Unlisted, Redeemable Debenture in July 2021 further strengthening the medium-term funding profile of the Bank.

Financial results for the period

The Group recorded a Profit Before Tax of Rs.7.46Bn, a growth of 27% for the nine months ended 30th September 2021 compared to the previous year, despite the challenging operating environment experienced during the period.

Supporting the loan growth and economic recovery efforts, average yields on loans reduced by 350bps. A net reduction in yields in the FIS portfolio also contributed to the decline in net interest income. The absence of a one-off interest reversal on moratorium loans similar to what was recognised in the previous year helped negate the decline in interest income. The improvement in CASA ratio to 37% as at end September 2021 from 31% as at the end of September 2020 helped partially offset the decline in interest margins during the period.

Momentum could be seen in Trade Finance related income with the increase in certain Trade Finance related activities. Growth in cards income was contained on account of a decrease in card spend due to changes in customer behavior patterns owing to the restrictions in mobility and overseas travel. Suspension or refund of certain charges by the Bank, considering the current difficulties faced by customers due to the COVID-19 pandemic, negatively impacted the Bank's fee-based income.

The Bank was able to realise sizable trading profits on its fixed income securities portfolio with the fall in market rates. Gains on foreign exchange trading also increased primarily from FX funding swaps due to a higher depreciation of the rupee during the current period in contrast to the depreciation during the same period last year.

Impairment charges on loans declined by 18% during the period owing to the new underwriting standards and concentration on loan recoveries. Positive flows in the past due buckets together with lower exposures in most risk buckets, reflects a 193bps reduction in the non-performing loan ratio. The Bank continued to assess the uncertainties in the operating environment and to maintain a management overlay in the impairment provisions on exposures to identified risk elevated industries. The Stage 3 loan ratio (net of impairment) and the provision cover for Stage 3 loans stood at 2.73% and 42.62% respectively as at 30th September 2021. The Bank increased the impairment provision on investments in foreign currency denominated bonds issued by the Government of Sri Lanka in line with market practice to reflect the current macro-economic conditions.

The Bank was successful in containing the increase in Operating Expenses to 2% despite the Operating Expenses in 2020 being 10% below the corresponding period of 2019. This reflects the cost management culture entrenched across the organization. Continuation of some of the cost saving strategies and initiatives executed last year along with productivity, efficiency drives and focus on some large cost pools were the main reasons for this favorable outcome. Cost to income ratio improved to 42.3% compared to 45.7% in the same period last year, demonstrating the Bank's ability to considerably enhance efficiency and productivity through digitalization and new ways of working.

The impact stemming from the income tax rate differential in income tax and deferred tax relating to the financial year ended 31st December 2020 was reversed using the applicable new tax rate of 24%. This resulted in a profit after tax of Rs.5Bn for the nine months ended 30th September 2021 with a 61% growth over last year same period.

The Return on Equity stands at 18% and the Return on Assets at 2.19% for the period under review.

The financial position of the Group remained strong as its Tier I Capital and Total Capital Adequacy ratios as at 30th September 2021 standing well above the regulatory levels at 12.9% and 15.8%, respectively without considering the profits earned in 2021. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit and the Off-Shore Banking Unit was at 32% and 34%, respectively, as at the reporting date.

Essential banking services were provided continuously despite some parts of the country being isolated with months long travel restrictions imposed as a result of a third wave of COVID-19 during the period.

In true spirit of supporting the national effort, Nations Trust Bank's employees came together to contribute essential medical equipment for the national COVID Response, by donating a half a day's salary to the Bio Medical Engineering Unit at the Ministry of Health. Nations Trust Bank also donated a portable ventilator to the Colombo South Teaching Hospital, Kalubowila earlier this year.

Commenting on the results and achievements, Priyantha Talwatte, CEO/Director stated, "We are committed to growing a healthy asset book and remain focused on delivering our strategic agenda set for the year and enhance digital capabilities with the ultimate intention of achieving customer convenience, cost and process efficiencies, pioneering innovation and thereby, challenging the norm to deliver an unparalleled banking experience to our customers in a new reality. With the nation-wide vaccination program successfully being rolled out, there is an expectancy of a rapid return to economic normalcy, and Nations Trust Bank is fully geared to steer ahead more responsively to the external environment by prioritizing customer requirements supported by an extremely focused and involved Nations team who has demonstrated their agility to deliver sustainable value, given the challenging environment."

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank						Group					
	Nine Months ended 30 September			Quarter ended 30 September			Nine Months ended 30 September			Quarter ended 30 September		
	2021 Rs. '000	2020 Rs. '000	Change (%)	2021 Rs. '000	2020 Rs. '000	Change (%)	2021 Rs. '000	2020 Rs. '000	Change (%)	2021 Rs. '000	2020 Rs. '000	Change (%)
Gross Income	28,150,672	30,690,686	(8)	9,553,111	10,932,385	(13)	28,334,337	30,906,241	(8)	9,609,732	11,018,694	(13)
Interest Income	21,052,671	25,892,565	(19)	7,044,447	8,851,125	(20)	21,052,696	25,892,765	(19)	7,044,447	8,851,160	(20)
Less: Interest Expense	(11,056,933)	(15,129,545)	27	(3,596,829)	(4,719,342)	24	(10,985,349)	(15,076,081)	27	(3,572,007)	(4,702,333)	24
Net Interest Income	9,995,738	10,763,020	(7)	3,447,618	4,131,783	(17)	10,067,347	10,816,684	(7)	3,472,440	4,148,827	(16)
Fee and Commission Income	4,486,795	3,585,914	25	1,575,179	1,378,579	14	4,670,436	3,801,211	23	1,631,800	1,464,853	11
Less: Fee and Commission Expense	(95,191)	(130,529)	27	(9,595)	5,822	(265)	(95,191)	(130,529)	27	(9,595)	5,822	(265)
Net Fee and Commission Income	4,391,604	3,455,385	27	1,565,584	1,384,401	13	4,575,245	3,670,682	25	1,622,205	1,470,675	10
Net Gains/(Losses) from Trading	2,178,368	840,307	159	522,909	382,013	37	2,178,368	840,307	159	522,909	382,013	37
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	5,590	(34,319)	116	(1,385)	(221,514)	99	5,590	(34,319)	116	(1,385)	(221,514)	99
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	541,960	462,219	17	44,555	385,857	(88)	541,960	462,219	17	44,555	385,857	(88)
Net Other Operating Income/(Loss)	(114,712)	(56,000)	(105)	367,406	156,325	135	(114,712)	(55,942)	(105)	367,406	156,325	135
Total Operating Income	16,998,548	15,430,612	10	5,946,687	6,218,865	(4)	17,253,798	15,699,631	10	6,028,130	6,322,183	(5)
Impairment Charges/(Reversals)	2,496,572	2,665,344	6	1,183,190	1,440,667	18	2,496,572	2,669,467	6	1,183,190	1,443,651	18
Loans and Advances	2,061,556	2,548,891	19	767,462	1,223,226	37	2,061,556	2,548,891	19	767,462	1,223,226	37
Guarantees & Commitments	(31,161)	(85,930)	64	(24,456)	58,897	142	(31,161)	(85,930)	64	(24,456)	58,897	142
Other Financial Assets	466,177	202,383	(130)	440,184	158,544	(178)	466,177	206,506	(126)	440,184	161,528	(173)
Net Operating Income	14,501,976	12,765,268	14	4,763,497	4,778,198	(0)	14,757,226	13,030,164	13	4,844,940	4,878,532	(1)
Less: Expenses												
Personnel Expenses	3,564,492	3,246,589	(10)	1,205,495	1,124,118	(7)	3,585,900	3,268,707	(10)	1,211,459	1,131,632	(7)
Depreciation of Property, Plant and Equipment	305,182	339,971	10	95,281	110,823	14	336,890	371,538	9	105,811	121,350	13
Depreciation of Right of Use (ROU) Assets	362,361	388,356	7	115,751	131,968	12	294,466	321,027	8	93,119	109,525	15
Amortization of Intangible Assets	271,380	290,710	7	90,295	97,233	7	271,473	290,848	7	90,326	97,279	7
Other Operating Expenses	2,790,175	2,900,747	4	883,911	913,182	3	2,807,111	2,918,541	4	890,427	920,713	3
Total Operating Expenses	7,293,590	7,166,373	(2)	2,390,733	2,377,324	(1)	7,295,840	7,170,661	(2)	2,391,142	2,380,499	(0)
Operating Profit before Taxes on Financial Services	7,208,386	5,598,895	29	2,372,764	2,400,874	(1)	7,461,386	5,859,503	27	2,453,798	2,498,033	(2)
Less: Value Added Tax (VAT) on Financial Services	1,393,588	1,138,861	(22)	462,665	453,864	(2)	1,394,128	1,139,521	(22)	462,861	454,028	(2)
Profit before Income Tax	5,814,798	4,460,034	30	1,910,099	1,947,010	(2)	6,067,258	4,719,982	29	1,990,937	2,044,005	(3)
Less: Income Tax Expense	1,021,449	1,556,043	34	270,558	666,019	59	1,052,381	1,611,622	35	283,612	688,132	59
Profit for the Period	4,793,349	2,903,991	65	1,639,541	1,280,991	28	5,014,877	3,108,360	61	1,707,325	1,355,873	26
Profit Attributable to:												
Equity Holders of the Parent	4,793,349	2,903,991	65	1,639,541	1,280,991	28	5,014,877	3,108,360	61	1,707,325	1,355,873	26
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Per Share												
Basic/Diluted Earnings Per Share (Rs.)	16.89	10.23	65	5.78	4.51	28	17.67	10.95	61	6.01	4.78	26

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	Change %	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	Change %
ASSETS						
Cash and Cash Equivalents	17,228,713	9,144,540	88	17,228,794	9,144,621	88
Balances with Central Bank of Sri Lanka	7,028,847	2,195,247	220	7,028,847	2,195,247	220
Derivative Financial Instruments	761,033	239,535	218	761,033	239,535	218
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	1,000,817	2,416,792	(59)	1,000,817	2,416,792	(59)
Financial Assets at Amortised Cost						
Loans and Advances	246,999,168	209,697,751	18	246,999,298	209,698,192	18
Reverse Repurchase Agreements	4,000,654	5,091,335	(21)	4,000,654	5,091,335	(21)
Debt Instruments	23,219,218	26,648,083	(13)	23,219,218	26,648,083	(13)
Financial Assets at Fair Value through Other Comprehensive Income	68,770,207	73,257,835	(6)	68,770,207	73,257,835	(6)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,398,629	2,672,882	(10)	3,376,126	3,681,952	(8)
Right of Use (ROU) Assets	1,645,836	1,498,382	10	1,351,626	1,498,382	(10)
Intangible Assets	1,096,245	1,221,419	(10)	1,097,017	1,222,279	(10)
Deferred Tax Assets	265,509	-	100	99,875	-	100
Other Assets	2,036,342	2,384,062	(15)	2,069,956	2,409,328	(14)
Total Assets	377,129,928	337,146,573	12	377,003,468	337,503,581	12
LIABILITIES						
Due to Banks	3,011,471	4,941,573	(39)	3,011,471	4,941,573	(39)
Derivative Financial Instruments	153,879	250,700	(39)	153,879	250,700	(39)
Financial Liabilities at Amortised Cost						
Repurchase Agreements	10,323,425	7,562,588	37	8,929,382	6,392,440	40
Due to Depositors	260,055,845	240,584,022	8	260,030,963	240,574,266	8
Due to Other Borrowers	37,828,361	28,040,126	35	37,515,145	28,040,126	34
Debt Securities Issued	18,041,820	13,261,973	36	18,041,820	13,261,973	36
Retirement Benefit Obligations	762,858	774,073	(1)	770,634	785,249	(2)
Current Tax Liabilities	1,900,825	1,293,147	47	1,922,881	1,319,575	46
Deferred Tax Liabilities	-	863,082	(100)	-	1,027,777	(100)
Other Liabilities	8,011,119	5,757,099	39	8,054,879	5,784,974	39
Total Liabilities	340,089,603	303,328,383	12	338,431,054	302,378,653	12
EQUITY						
Stated Capital	9,408,135	9,408,135	-	9,408,135	9,408,135	-
Statutory Reserve Fund	1,561,787	1,561,787	-	1,561,787	1,561,787	-
OCI Reserve	(392,255)	658,701	(160)	(392,255)	658,701	(160)
Retained Earnings	25,666,788	21,393,697	20	26,763,872	22,265,430	20
Revaluation Reserve	795,870	795,870	-	1,230,875	1,230,875	-
Total Shareholders' Equity	37,040,325	33,818,190	10	38,572,414	35,124,928	10
Total Equity and Liabilities	377,129,928	337,146,573	12	377,003,468	337,503,581	12
Contingent Liabilities and Commitments	202,423,854	197,230,088	3	202,423,854	197,230,866	3
Memorandum Information						
Number of Employees	2,718	2,804		2,743	2,832	
Number of Branches	96	96		96	96	
Number of Off-Site ATMs & CRMs	41	43		41	43	

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 unaudited financial statements of the Bank and the Group, unless indicated as audited.

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 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 Period							
Profit for the Period	-	-	-	-	2,903,991	-	2,903,991
Other Comprehensive Income	-	-	-	1,266,941	-	-	1,266,941
Total Comprehensive Income for the Period	-	-	-	1,266,941	2,903,991	-	4,170,932
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2019	-	-	-	-	(652,859)	-	(652,859)
As at 30 September 2020	6,289,307	3,118,828	1,371,853	1,568,917	20,716,615	795,870	33,861,390
As at 01 January 2021	6,309,792	3,098,343	1,561,787	658,701	21,393,697	795,870	33,818,190
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	4,793,349	-	4,793,349
Other Comprehensive Income	-	-	-	(1,050,956)	47,446	-	(1,003,510)
Total Comprehensive Income for the Period	-	-	-	(1,050,956)	4,840,795	-	3,789,839
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
As at 30 September 2021	6,309,792	3,098,343	1,561,787	(392,255)	25,666,788	795,870	37,040,325
GROUP							
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 Period							
Profit for the Period	-	-	-	-	3,108,360	-	3,108,360
Other Comprehensive Income	-	-	-	1,266,941	-	-	1,266,941
Total Comprehensive Income for the Period	-	-	-	1,266,941	3,108,360	-	4,375,301
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2019	-	-	-	-	(652,859)	-	(652,859)
As at 30 September 2020	6,289,307	3,118,828	1,371,853	1,568,917	21,538,308	1,230,875	35,118,088
As at 01 January 2021	6,309,792	3,098,343	1,561,787	658,701	22,265,430	1,230,875	35,124,928
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	5,014,877	-	5,014,877
Other Comprehensive Income	-	-	-	(1,050,956)	51,269	-	(999,687)
Total Comprehensive Income for the Period	-	-	-	(1,050,956)	5,066,146	-	4,015,190
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
As at 30 September 2021	6,309,792	3,098,343	1,561,787	(392,255)	26,763,872	1,230,875	38,572,414

NATIONS TRUST BANK PLC
STATEMENT OF CASH FLOWS



	Bank		Group	
	Nine Months ended 30 September		Nine Months ended 30 September	
	2021	2020	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	20,511,584	24,084,227	20,511,609	24,084,427
Receipts of Fees and Commission Income	5,359,655	3,517,219	5,543,296	3,709,252
Payments of Interest Expense	(10,448,507)	(14,283,696)	(10,405,031)	(14,225,699)
Payments of Fees and Commission Expense	(94,040)	(135,854)	(94,040)	(135,855)
Net Trading Income	1,560,050	1,588,610	1,560,050	1,588,610
Receipts from Other Operating Income	432,799	(57,276)	432,799	(57,276)
Gratuity Payments Made	(72,459)	(39,197)	(72,459)	(39,197)
Payments for Operating Expenses	(6,022,334)	(6,267,394)	(6,054,651)	(6,286,682)
Payments for VAT on Financial Services	(1,444,029)	(1,131,527)	(1,444,625)	(1,132,228)
Payments for Debt Repayment Levy	-	(87,122)	-	(87,122)
Operating Profit before Change in Operating Assets and Liabilities (A)	9,782,721	7,187,990	9,976,948	7,418,232
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	1,086,600	8,949,177	1,086,600	8,949,177
Financial Assets - At Fair Value through Profit or Loss	1,317,542	(3,961,320)	1,317,542	(3,961,320)
Financial Assets - At Amortized Cost - Debt Instruments	2,801,396	(3,839,380)	2,801,396	(3,839,380)
Financial Assets - At Fair Value through Other Comprehensive Income	4,230,090	(30,962,593)	4,230,090	(30,962,593)
Financial Assets - At Amortized Cost - Loans & Advances	(39,587,839)	11,033,779	(39,587,683)	11,035,968
Other Assets	344,062	(375,789)	331,132	(354,071)
(Increase)/Decrease in Operating Assets	(29,808,149)	(19,156,127)	(29,820,923)	(19,132,219)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	(483,418)	(441,902)	(707,313)	(469,919)
Financial Liabilities - At Amortized Cost - Due to Depositors	20,809,691	13,836,836	20,794,565	13,615,754
Other Liabilities	1,180,755	(281,973)	1,196,711	(323,288)
Increase/(Decrease) in Operating Liabilities	21,507,028	13,112,961	21,283,963	12,822,547
Net Cash Generated from Operating Activities before Income Tax	1,481,600	1,144,825	1,439,988	1,108,559
Income Tax Paid	(1,201,411)	(1,788,634)	(1,236,655)	(1,828,062)
Tax Paid on Dividends	-	-	-	-
Net Cash (Used in)/from Operating Activities	280,189	(643,809)	203,333	(719,504)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(30,948)	(77,538)	(31,092)	(77,899)
Purchase of Intangible Assets	(146,207)	(189,884)	(146,206)	(190,274)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	58	3,784	58	3,990
Net Cash (Used in)/from Investing Activities	(177,097)	(263,638)	(177,240)	(264,183)
Cash Flows from Financing Activities				
Net Change in Other Borrowed Funds	8,154,446	(4,143,715)	8,154,446	(4,143,715)
Proceeds from the Issue of Subordinated Debt	4,000,000	-	4,000,000	-
Operating Lease Rentals Paid	(412,746)	(467,981)	(335,748)	(391,740)
Interest Paid on Subordinated Debt	(545,093)	(552,467)	(545,093)	(552,467)
Dividends Paid to Equity Holders of the Parent	(548,269)	(650,181)	(548,269)	(650,181)
Net Cash (Used in)/from Financing Activities	10,648,338	(5,814,343)	10,725,336	(5,738,102)
Net Increase/(Decrease) in Cash and Cash Equivalents	10,751,431	(6,721,789)	10,751,429	(6,721,789)
Cash and Cash Equivalents at the Beginning of the Period	10,495,544	16,486,991	10,495,625	16,487,072
Cash and Cash Equivalents at the End of the Period	21,246,975	9,765,202	21,247,054	9,765,283
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	9,776,826	6,709,324	9,776,846	6,709,347
Balances with Central Bank of Sri Lanka *	7,028,847	2,198,266	7,028,847	2,198,266
Balances with Banks	3,645,474	1,310,800	3,645,533	1,310,858
Money at Call and Short Notice	3,807,299	-	3,807,299	-
Deposits from Other Banks	(3,011,471)	(453,188)	(3,011,471)	(453,188)
	21,246,975	9,765,202	21,247,054	9,765,283
A. Reconciliation of Operating Profit				
Profit before Taxation	5,814,798	4,460,034	6,067,258	4,719,982
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	(39)	(1,276)	(39)	(1,334)
Impairment Charge/(Reversal)	2,496,572	2,665,344	2,496,572	2,669,467
Day 1 Impact - Moratorium Loan	-	275,716	-	275,716
Provision for Gratuity	121,943	111,418	123,241	112,810
(Increase)/Decrease in Interest Receivable	(484,723)	(3,393,394)	(484,723)	(3,393,394)
Increase/(Decrease) in Interest Payable	(98,363)	204,050	(98,363)	213,931
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	853,053	(79,759)	853,053	(80,507)
(Increase)/Decrease in Fees & Commission Receivable and Prepayments of Operating Expenses	(17,942)	(65,340)	(17,942)	(89,626)
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	(213,896)	(708,166)	(132,225)	(634,731)
Other Non Cash Items	425,938	2,738,113	361,734	2,720,909
Operating Lease Rentals Paid	412,746	467,981	335,748	391,740
Interest Paid on Subordinated Debt	545,093	552,467	545,093	552,467
Gratuity Payments Made	(72,459)	(39,197)	(72,459)	(39,197)
	9,782,721	7,187,990	9,976,948	7,418,232

* As at 30 September 2021, Rs. 6,823.82 Mn (2020 - Rs. 2,053.00 Mn) was not available for use by the Bank due to mandatory deposit at Central Bank of Sri Lanka.

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



Item	Bank		Group	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Regulatory Capital (Rs. '000)				
Common Equity Tier 1	30,516,040	31,792,734	31,387,001	32,663,601
Core (Tier 1) Capital	30,516,040	31,792,734	31,387,001	32,663,601
Total Capital Base	37,577,706	39,694,167	38,448,667	40,565,034
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 6.50%)	12.53%	14.40%	12.90%	14.79%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.00%)	12.53%	14.40%	12.90%	14.79%
Total Capital Ratio (%) (Minimum Requirement - 12.00%)	15.43%	17.98%	15.80%	18.37%
Leverage Ratio (Minimum Requirement - 3%)	7.76%	9.03%	7.98%	9.27%
Regulatory Liquidity				
Statutory Liquid Assets (Rs. '000)	103,614,828	115,740,620		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	32.24%	38.79%		
Off-Shore Banking Unit (%)	33.55%	30.75%		
Total Stock of High-Quality Liquid Assets (Rs. '000)	78,991,941	86,501,491		
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)				
Rupee	415.18%	455.66%		
All Currency	311.76%	341.63%		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	148.68%	151.62%		
Assets Quality				
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	5.25%	7.18%	5.25%	7.18%
Net Non-Performing Advances (%) (net of interest in suspense and provisions)	1.16%	2.53%	1.16%	2.53%
Impaired Loans (Stage 3) Ratio (%)	2.73%	5.16%		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	42.62%	27.96%		
Profitability				
Interest Margin (%)	3.76%	4.07%	-	-
Return on Assets (before tax) (%)	2.19%	1.72%	2.28%	1.81%
Return on Equity (%)	18.31%	11.73%	18.43%	12.08%
Net Assets Value Per Share (Rs.)	130.49	119.14	135.89	123.74

Market Price Per Share (Rs.)

	Voting		Non-Voting	
	30.09.2021 (Quarter ended)	30.09.2020 (Quarter ended)	30.09.2021 (Quarter ended)	30.09.2020 (Quarter ended)
Highest	60.00	65.00	79.00	87.00
Lowest	54.00	57.00	52.80	61.00
Last Traded Price	57.20	62.00	59.90	75.00

(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	
	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)
By Product - Domestic Currency				
Bills of Exchange	74,121	3,638	74,121	3,638
Trade Finance	48,721,579	32,514,962	48,721,579	32,514,962
Overdrafts	34,242,059	30,226,374	34,242,059	30,226,374
Term Loans	64,094,493	59,151,759	64,094,493	59,151,759
Staff Loans	3,913,575	3,960,179	3,913,575	3,960,179
Leases	36,509,272	39,303,114	36,509,272	39,303,114
Credit Cards	29,236,748	28,261,321	29,236,748	28,261,321
Pawning	272,436	259,929	272,436	259,929
Other Advances	262,950	262,950	262,950	262,262
Sub Total	217,327,233	193,944,226	217,327,233	193,944,538
By Product - Foreign Currency				
Trade Finance	19,254,502	7,960,105	19,254,502	7,960,105
Overdrafts	2,948,019	606,621	2,948,019	606,621
Term Loans	18,669,382	16,956,453	18,669,382	16,956,453
Sub Total	40,871,903	25,523,179	40,871,903	25,523,179
Total	258,199,136	219,467,405	258,199,136	219,467,717

(2) Product-wise Commitments and Contingencies

	Bank		Group	
	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)
By Product - Domestic Currency				
Guarantees	2,152,404	2,429,637	2,152,404	2,429,637
Bonds	17,280,518	14,284,343	17,280,518	14,284,343
Acceptances	2,813	62,187	2,813	62,187
Letters of Credit	136,395	920,704	136,395	920,704
Forward Contracts to buy/sell -Fixed Income Securities	7,867,363	4,833,540	7,867,363	4,833,540
Undrawn Credit Lines	117,176,609	116,313,257	117,176,609	116,314,035
Sub Total	144,616,102	138,843,668	144,616,102	138,844,446
By Product - Foreign Currency				
Guarantees	330,725	97,069	330,725	97,069
Bonds	1,912,367	3,158,901	1,912,367	3,158,901
Acceptances	8,053,592	7,321,730	8,053,592	7,321,730
Letters of Credit	13,146,696	9,475,321	13,146,696	9,475,321
Forward Exchange Contracts	21,660,179	27,630,920	21,660,179	27,630,920
Forward Contracts - Other	-	-	-	-
Undrawn Credit Lines	12,704,194	10,702,479	12,704,194	10,702,479
Sub Total	57,807,753	58,386,420	57,807,753	58,386,420
Total	202,423,855	197,230,088	202,423,855	197,230,866

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

	Bank		Group	
	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	460,622,991	416,697,493	460,622,991	416,698,583
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,762,611)	(1,558,299)	(1,762,481)	(1,558,169)
Stage 2	(1,430,567)	(634,962)	(1,430,567)	(634,962)
Stage 3	(7,441,668)	(6,871,634)	(7,441,668)	(6,871,634)
Net Value of Loans and Advances, Commitments and Contingencies	449,988,145	407,632,598	449,988,275	407,633,818

(3.1) Movement in impairment during the period*

	Bank		Group	
	2021 Rs. '000	2020 Rs. '000 (Audited)	2021 Rs. '000	2020 Rs. '000 (Audited)
Stage 1				
Opening balance as at 01 January	1,558,299	1,410,099	1,558,169	1,409,969
Charge/(Write back) to income statement	204,311	149,827	204,311	149,827
Write-off during the period	-	(1,627)	-	(1,627)
Closing balance	1,762,610	1,558,299	1,762,480	1,558,169
Stage 2				
Opening balance as at 01 January	634,962	372,536	634,962	372,536
Charge/(Write back) to income statement	795,605	262,426	795,605	262,426
Write-off during the period	-	-	-	-
Closing balance	1,430,567	634,962	1,430,567	634,962
Stage 3				
Opening balance as at 01 January	6,871,634	6,229,840	6,871,634	6,229,840
Transferred from financial assets at amortised cost - debt instruments	-	-	-	-
Charge/(Write back) to income statement	1,030,478	3,064,831	1,030,478	3,064,831
Write-off during the period	(460,442)	(2,423,037)	(460,442)	(2,423,037)
Closing balance	7,441,670	6,871,634	7,441,670	6,871,634

* 2021 reflect the figures for 9 months ended 30.09.2021 and 2020 reflect the figures for 12 months ended 31.12.2020.

(4) Due to Depositors - By Product

	Bank		Group	
	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)	30.09.2021 Rs. '000	31.12.2020 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	23,108,819	19,706,309	23,083,937	19,696,553
Savings Deposits	58,317,888	45,843,046	58,317,888	45,843,046
Call Deposits	49,395	55,373	49,395	55,373
Fixed Deposits	131,658,209	140,085,981	131,658,209	140,085,981
Certificate of Deposits	38,786	47,915	38,786	47,915
Sub Total	213,173,097	205,738,624	213,148,215	205,728,868
By Product -Foreign Currency				
Demand Deposits	3,251,352	2,258,237	3,251,352	2,258,237
Savings Deposits	12,096,491	9,776,709	12,096,491	9,776,709
Call Deposits	-	-	-	-
Fixed Deposits	31,534,905	22,810,452	31,534,905	22,810,452
Sub Total	46,882,748	34,845,398	46,882,748	34,845,398
Total	260,055,845	240,584,022	260,030,963	240,574,266

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 30.09.2021 Rs. '000	Balance as at 31.12.2020 Rs. '000	Market Values for the Quarter Ended 30.09.2021			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 %	30.09.2021 %	31.12.2020 %	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			6.64 Last Repriced	6.75	5.84**	4.98**	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	101.45			12.65	13.05	5.84	4.98	11.71	12.47	7.14
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	5.84	4.98	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	7.3	5.88	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	7.3	5.88	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	8.37	6.45	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	9.47	6.8	10.11	Not traded	
Total Debentures					13,000,000	13,000,000										

Ratios of Debt	30.09.2021	31.12.2020
* Debt/Equity Ratio (%)	102.67	84.58
Interest Cover (Times)	3.82	3.05
Quick Asset Ratio (%)	153	155

* 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 Nine months ended) Rs. '000	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Net Interest Income	7,474,612	8,479,785	2,601,055	2,223,895	41,775	49,087	(50,095)	63,916	10,067,347	10,816,684
Inter Segment	(1,330,597)	(1,312,557)	1,330,597	1,312,557	-	-	-	-	-	-
Total revenue from external customers	6,144,015	7,167,228	3,931,652	3,536,452	41,775	49,087	(50,095)	63,916	10,067,347	10,816,684
Net Fee and Commission Income	4,311,355	3,533,274	184,546	64,815	273,744	290,471	(194,400)	(217,878)	4,575,245	3,670,682
Net Gains/(Losses) from Trading	592,190	408,199	1,586,346	432,108	-	-	(169)	-	2,178,368	840,307
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	-	-	5,590	(34,319)	-	-	-	-	5,590	(34,319)
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	-	-	541,960	462,219	-	-	-	-	541,960	462,219
Net Other Operating Income/(Loss)	641,033	340,858	(775,320)	(418,563)	-	-	19,575	21,763	(114,712)	(55,942)
Operating Income	11,688,593	11,449,559	5,474,774	4,042,712	315,519	339,558	(225,089)	(132,199)	17,253,798	15,699,631
Impairment Charge/(Reversal)	2,034,723	2,489,163	461,849	176,183	-	4,121	-	-	2,496,572	2,669,467
Net Operating Income	9,653,870	8,960,396	5,012,925	3,866,529	315,519	335,437	(225,089)	(132,199)	14,757,226	13,030,164
Depreciation of Property, Plant and Equipment	289,169	315,136	13,756	19,851	259,199	18,844	(225,234)	17,707	336,890	371,538
Depreciation of Right of Use (ROU) Assets	283,424	303,773	-	-	72,064	-	(61,021)	17,254	294,466	321,027
Amortization of Intangible Assets	251,117	266,278	18,849	22,829	163,034	138	(161,528)	1,603	271,473	290,848
Profit before Income Tax	2,684,246	2,129,622	4,701,111	3,544,957	205,052	256,311	(1,523,152)	(1,210,908)	6,067,258	4,719,982
Income Tax Expense	-	-	-	-	30,932	55,580	1,021,449	1,556,043	1,052,381	1,611,622
Profit for the Period	2,684,246	2,129,622	4,701,111	3,544,957	174,121	200,731	(2,544,601)	(2,766,951)	5,014,877	3,108,360
Capital Expenditures										
Property and Equipment	13,710	31,435	1,681	-	143	-	6,361	-	21,895	31,435
Other Intangible Assets	8,653	252,616	-	2,264	-	-	1,080	-	9,733	254,880
Total Assets (as at)	256,585,761	222,789,589	121,318,366	113,663,251	1,915,791	1,601,054	(2,816,450)	(639,543)	377,003,468	337,414,351
Total Liabilities (as at)	262,791,425	239,007,786	69,498,189	57,109,742	90,727	62,665	6,050,713	6,116,071	338,431,054	302,296,264

NATIONS TRUST BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



Bank/Group

	As at 30 September 2021			As at 31 December 2020		
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
Assets						
Derivative Financial Instruments	761,033	-	761,033	239,535	-	239,535
Government Securities	1,000,817	68,753,309	69,754,125	2,416,792	73,241,685	75,658,477
Equity Instruments	-	16,898	16,898	-	16,150	16,150
Total Financial Assets	1,761,850	68,770,207	70,532,056	2,656,327	73,257,835	75,914,162
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
Liabilities						
Derivative Financial Instruments	153,879	-	153,879	250,700	-	250,700
Total Financial Liabilities	153,879	-	153,879	250,700	-	250,700

Note

All other Financial assets and Financial liabilities are classified 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) 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 interim 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 since the publication of annual accounts for the year ended 31 December 2020. There are no material changes to contingent assets and liabilities since 30 September 2021 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 (Amendment) Act, No. 10 of 2021, corporate income tax rate has been reduced to 24% from 28% with effect from 01.01.2020. Accordingly, the Bank and group companies used the amended reduced tax rate of 24% in calculating the income tax and deferred tax liabilities/assets as at 30 September 2021.
- (5) **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.
Expected Credit Loss (ECL)
When assessing the Expected Credit Loss (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.
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.
- (6) The Bank continued to apply LGD rate of 20% for investments in Sri Lanka government securities denominated in foreign currency. Further, the Bank revisited the Economic Factor Adjustment model applied on these investments and increased the provisions to reflect the current macro-economic conditions.
- (7) There are no material events that took place after the reporting date which require adjustment to or disclosure in these Financial Statements.
- (8) The information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its Subsidiary companies unless indicated as audited.

NATIONS TRUST BANK PLC
SHAREHOLDERS' INFORMATION



Twenty Largest Shareholders as at 30 September 2021

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	2,645,548	1.08%
National Savings Bank	2,306,061	0.94%
J.B. Cocoshell (Pvt) Ltd	2,181,424	0.89%
Mr. Premalal Brahmanage	2,152,839	0.88%
Mr. N.R. Somaia	1,384,348	0.56%
Timex Garments (Pvt) Ltd	1,199,120	0.49%
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%
	215,273,520	87.81%
Others	29,861,301	12.19%
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.Wijasinghe	7,242	0.02%
Miss. T.T. Weerasinghe	6,392	0.02%
Mr. B.V.N.M. Jayasinghe	5,505	0.01%
Mr. K.S.N. Hirdaramani	4,185	0.01%
Miss. R.S. Wickremaratne	4,173	0.01%
	38,611,199	99.72%
Others	105,852	0.28%
Total	38,717,051	100.00%

	30.09.2021	
	Number	%
Number of shareholders representing the public holding (Voting)	6,805	35.76%
Number of shareholders representing the public holding (Non-Voting)	286	0.99%
Compliant under Option 3 - Float Adjusted Market Capitalization	Rs. 5.04 Bn	

Directors' Holding in Shares as at 30 September 2021

Name of the Director	No of Shares	
	Voting	Non-Voting
Mr. J.G.A. Cooray	8,804	1,532
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	-	-
Mr. A.R. Fernando	-	-
Mr. L.P.B. Talwatte (Director/CEO)	-	-
Dr. R. Shanmuganathan	-	-
	50,366	8,774