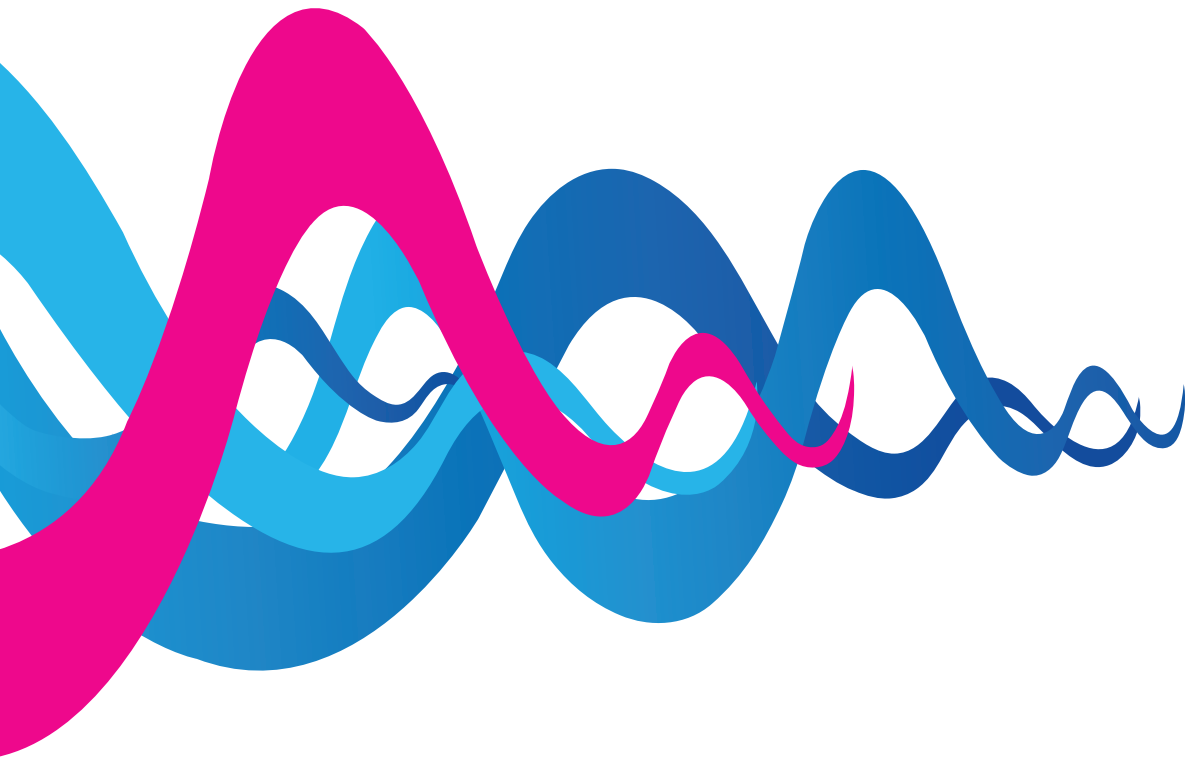


# creating velocity of value

## INTERIM FINANCIAL STATEMENTS

For the Twelve months ended 31st December 2021

Company Registration Number: PQ 118



## Nations Trust Bank records strong performance in 2021 amidst volatile conditions

The Group achieved a record Profit Before Tax of LKR 10.4 billion, for the twelve months ended 31st December 2021, a growth of 38% compared to the previous year, despite the challenging operating environment experienced during the period. The Group recorded a Profit after tax growth of 65% supported by the decrease in the corporate tax rate.

### Business Growth

The loan book recorded an 18% growth during the year against the private sector credit growth of 13.5%.

The Bank however adopted a selective expansion strategy, pursuing growth opportunities in sectors such as exports and local manufacturing which are aligned to the national development agenda while recording growth in the renewable energy and agriculture sectors. We continued to focus on supporting customers through the crisis, proactively engaging and offering customised financing solutions to ensure commercial viability. We also strengthened one-to-one engagement with customers, offering individual plans for repayment and providing guidance on effectively managing cash flows.

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 Consumer Banking Division adopted a lifecycle approach to lending, moving away from a product push and offering customer-centric, relevant solutions based on specific needs. The Bank strengthened its digital offering to its customers, launching the Nations Direct integrated cash management system for corporate and commercial customers. This included tailor made offerings and host-to-host solutions, among others.

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

### Revenue growth

Supporting the loan growth and economic recovery efforts, average yields on loans reduced by 260bps during the year. 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 recognized in the previous year helped negate the decline in interest income. The improvement in the CASA ratio to 40% as at end of the year, from 32% recorded in the previous year, 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 during certain parts of the year. 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. While pandemic-led disruptions impacted credit card spending in certain months, the segment's overall performance was upheld by the release of pent-up demand in other periods.

With the yield curve remaining flat for most part of the year, opportunities for generating capital gains through trading were limited. The Bank made conscious efforts to reduce the duration of the portfolio, repositioning it to capture future opportunities.

The Bank continued to adopt the strategy of utilising its FX SWAP book to fund rupee loan growth with focus placed on broad-basing counterparties to diversify risks. Gains on foreign exchange increased primarily from FX funding swaps due to the discounts which prevailed in the market. We successfully pursued low-cost funding options through the SWAP market, affording the Bank a strong platform to drive growth in 2022.

### **Credit cost management**

Strategic focus on preserving portfolio quality through strong monitoring, risk profiling and ongoing customer engagement enabled the Bank to achieve an improvement in portfolio quality. Positive flows in the past due buckets together with lower exposures in most risk buckets, reflects a 228bps reduction in the non-performing loan ratio, thereby reducing impairment charges on loans by 13% during the period. 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 Bank has also assessed the impact of macroeconomic variables that could elevate the credit risk of the loan portfolio and considered the potential impact of these variables in the calculation of provision for impairment.

The Bank further increased the impairment provisions against other financial instruments to reflect current market trends and other applicable macroeconomic conditions.

### **Operational excellence**

The Bank invested LKR 334 million on digital capabilities during the year while automating over 40 internal processes which supported growth in omni-channel users and Digital transactions which reached 87%. The cost management culture entrenched across the organization by 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 the 2% reductions in expenses. Cost to income ratio improved to 39% compared to 46% in the previous year, demonstrating the Bank's ability to considerably enhance efficiency and productivity through digitalization and new ways of working.

## Taxation

The impact stemming from the tax rate differential in income tax and deferred tax relating to the previous financial year was reversed in the year ended 31<sup>st</sup> December 2021 using the applicable new tax rate of 24%. This resulted in a profit after tax growth of 65% over last year.

In the Budget Proposals 2022, the Government has proposed to impose a surcharge tax at the rate of 25%, on individuals or companies with a taxable income over Rs 2,000 million for the year of assessment 2020/2021. However, this proposal was not substantively enacted as at the date of the financial statements. As such, the Bank and the Group did not recognize any provision in 2021 financial statements in lieu of the proposed surcharge tax.

## Profitability

The Return on Equity stands at 18% with a 69% EPS growth for the period under review. The Board of Directors has recommended a final dividend of LKR 3.50 per share in the form of scrip for the financial year ended 31<sup>st</sup> December 2021.

## Strong Financial position

The financial position of the Group remained strong as its Tier I Capital and Total Capital Adequacy ratios as at 31<sup>st</sup> December 2021 were well above the regulatory levels at 14.77% and 17.46%, respectively. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit was at 33% as at the reporting date.

## Operations

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

In true spirit of supporting the national effort, Nations Trust Bank's employees came together to contribute essential medical equipment for the National COVID-19 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 in early 2021.

## Way forward

**Commenting on the results and achievements, Priyantha Talwatte, CEO/Director stated, "We are committed to pursue growth opportunities across selected industry sectors by offering holistic value propositions which include advisory and capacity building across product verticals with ongoing focus on strengthening employee capabilities. We 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					
	Twelve Months ended 31 December			Quarter ended 31 December			Twelve Months ended 31 December			Quarter ended 31 December		
	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 (%)
<b>Gross Income</b>	<b>38,141,860</b>	<b>40,398,618</b>	<b>(6)</b>	<b>9,991,187</b>	<b>9,707,934</b>	<b>3</b>	<b>38,378,461</b>	<b>40,666,236</b>	<b>(6)</b>	<b>10,044,124</b>	<b>9,759,996</b>	<b>3</b>
Interest Income	28,657,234	32,943,529	(13)	7,604,562	7,050,964	8	28,657,258	32,943,745	(13)	7,604,562	7,050,981	8
Less: Interest Expense	(14,678,428)	(19,339,856)	24	(3,621,494)	(4,210,311)	14	(14,579,618)	(19,271,631)	24	(3,594,269)	(4,195,551)	14
<b>Net Interest Income</b>	<b>13,978,806</b>	<b>13,603,673</b>	<b>3</b>	<b>3,983,068</b>	<b>2,840,653</b>	<b>40</b>	<b>14,077,640</b>	<b>13,672,114</b>	<b>3</b>	<b>4,010,293</b>	<b>2,855,430</b>	<b>40</b>
Fee and Commission Income	6,433,245	5,247,681	23	1,946,450	1,661,768	17	6,669,822	5,515,025	21	1,999,387	1,713,813	17
Less: Fee and Commission Expense	(529,462)	(696,943)	24	(434,271)	(147,637)	(194)	(529,463)	(696,943)	24	(434,272)	(147,637)	(194)
<b>Net Fee and Commission Income</b>	<b>5,903,783</b>	<b>4,550,738</b>	<b>30</b>	<b>1,512,179</b>	<b>1,514,131</b>	<b>(0)</b>	<b>6,140,359</b>	<b>4,818,082</b>	<b>27</b>	<b>1,565,115</b>	<b>1,566,176</b>	<b>(0)</b>
Net Gains/(Losses) from Trading	2,472,443	1,374,961	80	294,075	534,655	(45)	2,472,443	1,374,961	80	294,075	534,655	(45)
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	9,103	(11,591)	179	3,514	22,729	(85)	9,103	(11,591)	179	3,514	22,729	(85)
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	499,932	1,178,117	(58)	(42,029)	715,898	(106)	499,932	1,178,117	(58)	(42,029)	715,898	(106)
Net Other Operating Income/(Loss)	69,903	(334,079)	121	184,615	(278,079)	166	69,903	(334,021)	121	184,615	(278,079)	166
<b>Total Operating Income</b>	<b>22,933,970</b>	<b>20,361,819</b>	<b>13</b>	<b>5,935,422</b>	<b>5,349,986</b>	<b>11</b>	<b>23,269,380</b>	<b>20,697,662</b>	<b>12</b>	<b>6,015,583</b>	<b>5,416,808</b>	<b>11</b>
Impairment Charges/(Reversals)	3,742,158	3,846,621	3	1,245,587	1,181,277	(5)	3,742,158	3,846,621	3	1,245,587	1,177,154	(6)
Loans and Advances	2,990,796	3,418,405	13	929,240	869,514	(7)	2,990,796	3,418,405	13	929,240	869,514	(7)
Guarantees & Commitments	(12,925)	58,680	122	18,236	144,610	87	(12,925)	58,680	122	18,236	144,610	87
Other Financial Assets	764,288	369,536	(107)	298,111	167,153	(78)	764,288	369,536	(107)	298,111	163,030	(83)
<b>Net Operating Income</b>	<b>19,191,812</b>	<b>16,515,198</b>	<b>16</b>	<b>4,689,835</b>	<b>4,168,709</b>	<b>13</b>	<b>19,527,222</b>	<b>16,851,041</b>	<b>16</b>	<b>4,769,996</b>	<b>4,239,654</b>	<b>13</b>
<b>Less: Expenses</b>												
Personnel Expenses	4,587,018	4,599,031	0	1,022,526	1,352,443	24	4,619,680	4,632,828	0	1,033,780	1,364,121	24
Depreciation of Property, Plant and Equipment	394,030	448,893	12	88,847	108,923	18	436,260	490,988	11	99,370	119,449	17
Depreciation of Right of Use (ROU) Assets	483,961	502,757	4	121,600	114,402	(6)	393,435	412,985	5	98,969	91,959	(8)
Amortization of Intangible Assets	338,913	379,713	11	67,533	89,003	24	339,037	379,899	11	67,564	89,051	24
Other Operating Expenses	3,312,875	3,355,120	1	522,700	873,149	40	3,333,492	3,379,284	1	526,381	879,520	40
<b>Total Operating Expenses</b>	<b>9,116,797</b>	<b>9,285,514</b>	<b>2</b>	<b>1,823,206</b>	<b>2,537,920</b>	<b>28</b>	<b>9,121,904</b>	<b>9,295,984</b>	<b>2</b>	<b>1,826,064</b>	<b>2,544,100</b>	<b>28</b>
<b>Operating Profit before Taxes on Financial Services</b>	<b>10,075,015</b>	<b>7,229,684</b>	<b>39</b>	<b>2,866,629</b>	<b>1,630,789</b>	<b>76</b>	<b>10,405,318</b>	<b>7,555,057</b>	<b>38</b>	<b>2,943,932</b>	<b>1,695,554</b>	<b>74</b>
Less: Value Added Tax (VAT) on Financial Services	1,984,686	1,495,525	(33)	591,098	356,664	(66)	1,985,444	1,496,239	(33)	591,315	356,718	(66)
<b>Profit before Income Tax</b>	<b>8,090,329</b>	<b>5,734,159</b>	<b>41</b>	<b>2,275,531</b>	<b>1,274,125</b>	<b>79</b>	<b>8,419,874</b>	<b>6,058,818</b>	<b>39</b>	<b>2,352,617</b>	<b>1,338,836</b>	<b>76</b>
Less: Income Tax Expense	1,683,846	1,935,475	13	662,397	379,432	(75)	1,726,345	2,003,859	14	673,964	392,237	(72)
<b>Profit for the Period</b>	<b>6,406,483</b>	<b>3,798,684</b>	<b>69</b>	<b>1,613,134</b>	<b>894,693</b>	<b>80</b>	<b>6,693,529</b>	<b>4,054,959</b>	<b>65</b>	<b>1,678,653</b>	<b>946,599</b>	<b>77</b>
<b>Profit Attributable to:</b>												
Equity Holders of the Parent	6,406,483	3,798,684	69	1,613,134	894,693	80	6,693,529	4,054,959	65	1,678,653	946,599	77
Non-Controlling Interests	-	-	-	-	-	-	-	-	-	-	-	-
<b>Earnings Per Share</b>												
Basic/Diluted Earnings Per Share (Rs.)	21.25	12.60	69	5.35	2.97	80	22.20	13.45	65	5.57	3.14	77



NATIONS TRUST BANK PLC  
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.12.2021 Rs. '000	31.12.2020 Rs. '000	Change %	31.12.2021 Rs. '000	31.12.2020 Rs. '000	Change %
	(Audited)	(Audited)		(Audited)	(Audited)	
<b>ASSETS</b>						
Cash and Cash Equivalents	13,427,451	9,144,540	47	13,427,531	9,144,621	47
Balances with Central Bank of Sri Lanka	6,915,197	2,195,247	215	6,915,197	2,195,247	215
Derivative Financial Instruments	472,864	239,535	97	472,864	239,535	97
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	6,150,508	2,416,792	154	6,150,508	2,416,792	154
Financial Assets at Amortised Cost						
Loans and Advances	247,441,428	210,185,486	18	247,441,557	210,185,927	18
Reverse Repurchase Agreements	3,001,370	5,091,335	(41)	3,001,370	5,091,335	(41)
Debt Instruments	26,140,298	26,648,083	(2)	26,140,298	26,648,083	(2)
Financial Assets at Fair Value through Other Comprehensive Income	67,520,760	73,257,835	(8)	67,520,760	73,257,835	(8)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,330,679	2,672,882	(13)	3,298,248	3,681,952	(10)
Right of Use (ROU) Assets	1,622,825	1,498,382	8	1,351,245	1,498,382	(10)
Intangible Assets	1,174,468	1,221,419	(4)	1,175,204	1,222,279	(4)
Deferred Tax Assets	751,749	-	100	610,748	-	100
Other Assets	2,013,560	2,384,062	(16)	2,046,347	2,409,328	(15)
<b>Total Assets</b>	<b>379,641,867</b>	<b>337,634,308</b>	<b>12</b>	<b>379,551,877</b>	<b>337,991,316</b>	<b>12</b>
<b>LIABILITIES</b>						
Due to Banks	2,016,105	4,941,573	(59)	2,016,105	4,941,573	(59)
Derivative Financial Instruments	165,699	250,700	(34)	165,699	250,700	(34)
Financial Liabilities at Amortised Cost						
Repurchase Agreements	10,899,766	7,562,588	44	9,429,230	6,392,440	48
Due to Depositors	267,991,907	240,584,022	11	267,988,264	240,574,266	11
Due to Other Borrowers	35,601,356	28,040,126	27	35,305,349	28,040,126	26
Debt Securities Issued	12,352,873	13,261,973	(7)	12,352,873	13,261,973	(7)
Retirement Benefit Obligations	831,793	774,073	7	841,985	785,249	7
Current Tax Liabilities	2,440,631	1,293,147	89	2,460,712	1,319,575	86
Deferred Tax Liabilities	-	863,082	(100)	-	1,027,777	(100)
Other Liabilities	8,802,901	6,244,834	41	8,832,668	6,272,709	41
<b>Total Liabilities</b>	<b>341,103,031</b>	<b>303,816,118</b>	<b>12</b>	<b>339,392,885</b>	<b>302,866,388</b>	<b>12</b>
<b>EQUITY</b>						
Stated Capital	9,408,135	9,408,135	-	9,408,135	9,408,135	-
Statutory Reserve Fund	1,882,111	1,561,787	-	1,882,111	1,561,787	-
OCI Reserve	(503,404)	658,701	(176)	(503,404)	658,701	(176)
Retained Earnings	26,911,909	21,393,697	26	28,072,893	22,265,430	26
Revaluation Reserve	840,085	795,870	-	1,299,257	1,230,875	-
<b>Total Shareholders' Equity</b>	<b>38,538,836</b>	<b>33,818,190</b>	<b>14</b>	<b>40,158,992</b>	<b>35,124,928</b>	<b>14</b>
<b>Total Equity and Liabilities</b>	<b>379,641,867</b>	<b>337,634,308</b>	<b>12</b>	<b>379,551,877</b>	<b>337,991,316</b>	<b>12</b>
<b>Contingent Liabilities and Commitments</b>	<b>217,357,294</b>	<b>197,230,088</b>	<b>10</b>	<b>217,357,294</b>	<b>197,230,866</b>	<b>10</b>
<b>Memorandum Information</b>						
Number of Employees	2,648	2,804		2,677	2,832	
Number of Branches	96	96		96	96	
Number of Off-Site ATMs & CRMs	32	43		32	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 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 2020	6,289,307	3,118,828	1,371,853	301,976	18,465,483	795,870	30,343,317
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	3,798,684	-	3,798,684
Other Comprehensive Income	-	-	-	356,725	(27,677)	-	329,048
<b>Total Comprehensive Income for the Period</b>	-	-	-	356,725	3,771,007	-	4,127,732
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>							
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)	-	-	-	-	-
<b>As at 31 December 2020</b>	<b>6,309,792</b>	<b>3,098,343</b>	<b>1,561,787</b>	<b>658,701</b>	<b>21,393,696</b>	<b>795,870</b>	<b>33,818,189</b>
As at 01 January 2021	6,309,792	3,098,343	1,561,787	658,701	21,393,696	795,870	33,818,189
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	6,406,483	-	6,406,483
Other Comprehensive Income	-	-	-	(1,162,105)	(243)	44,215	(1,118,133)
<b>Total Comprehensive Income for the Period</b>	-	-	-	(1,162,105)	6,406,240	44,215	5,288,350
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
Transfers to the Statutory Reserve Fund	-	-	320,324	-	(320,324)	-	-
<b>As at 31 December 2021</b>	<b>6,309,792</b>	<b>3,098,343</b>	<b>1,882,111</b>	<b>(503,404)</b>	<b>26,911,909</b>	<b>840,085</b>	<b>38,538,836</b>
<b>GROUP</b>							
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 2020	6,289,307	3,118,828	1,371,853	301,976	19,082,807	1,230,875	31,395,646
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	4,054,959	-	4,054,959
Other Comprehensive Income	-	-	-	356,725	(29,543)	-	327,182
<b>Total Comprehensive Income for the Period</b>	-	-	-	356,725	4,025,417	-	4,382,142
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>							
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)	-	-	-	-	-
<b>As at 31 December 2020</b>	<b>6,309,792</b>	<b>3,098,343</b>	<b>1,561,787</b>	<b>658,701</b>	<b>22,265,430</b>	<b>1,230,875</b>	<b>35,124,928</b>
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
<b>Total Comprehensive Income for the Period</b>							
Profit for the Period	-	-	-	-	6,693,529	-	6,693,529
Other Comprehensive Income	-	-	-	(1,162,105)	1,962	68,382	(1,091,761)
<b>Total Comprehensive Income for the Period</b>	-	-	-	(1,162,105)	6,695,491	68,382	5,601,769
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
Transfers to the Statutory Reserve Fund	-	-	320,324	-	(320,324)	-	-
<b>As at 31 December 2021</b>	<b>6,309,792</b>	<b>3,098,343</b>	<b>1,882,111</b>	<b>(503,404)</b>	<b>28,072,893</b>	<b>1,299,257</b>	<b>40,158,992</b>



**NATIONS TRUST BANK PLC**  
**STATEMENT OF CASH FLOWS**



	Bank		Group	
	Twelve Months ended 31 December		Twelve Months ended 31 December	
	2021	2020	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Receipts of Interest Income	29,460,894	31,450,153	29,460,918	31,450,369
Receipts of Fees and Commission Income	7,074,253	5,104,970	7,310,830	5,372,313
Payments of Interest Expense	(13,934,816)	(18,625,900)	(13,872,573)	(18,554,229)
Payments of Fees and Commission Expense	(528,802)	(144,902)	(528,803)	(144,903)
Net Trading Income	2,654,043	2,433,397	2,654,043	2,433,397
Receipts from Other Operating Income	69,665	(335,355)	69,665	(335,355)
Gratuity Payments Made	(92,351)	(65,102)	(92,352)	(65,102)
Payments for Operating Expenses	(7,240,450)	(8,076,324)	(7,291,997)	(8,132,680)
Payments for VAT on Financial Services	(1,776,216)	(1,609,803)	(1,776,974)	(1,610,660)
Payments for Debt Repayment Levy	-	(87,122)	-	(87,122)
<b>Operating Profit before Change in Operating Assets and Liabilities (A)</b>	<b>15,686,220</b>	<b>10,044,012</b>	<b>15,932,757</b>	<b>10,326,028</b>
<b>(Increase)/Decrease in Operating Assets</b>				
Reverse Repurchase Agreements	2,086,600	8,733,717	2,086,600	8,733,717
Financial Assets - At Fair Value through Profit or Loss	(3,941,847)	(1,711,320)	(3,941,847)	(1,711,320)
Financial Assets - At Amortized Cost - Debt Instruments	(319,392)	(7,745,158)	(319,392)	(7,745,158)
Financial Assets - At Fair Value through Other Comprehensive Income	4,912,088	(34,732,208)	4,912,088	(34,732,208)
Financial Assets - At Amortized Cost - Loans & Advances	(41,413,929)	14,714,578	(41,413,628)	14,716,622
Other Assets	1,409,312	(158,079)	1,402,440	(148,588)
<b>(Increase)/Decrease in Operating Assets</b>	<b>(37,267,168)</b>	<b>(20,898,470)</b>	<b>(37,273,739)</b>	<b>(20,886,935)</b>
<b>Increase/(Decrease) in Operating Liabilities</b>				
Repurchase Agreements	88,102	(136,297)	(212,285)	(469,480)
Financial Liabilities - At Amortized Cost - Due to Depositors	28,542,503	14,853,477	28,548,617	14,852,192
Other Liabilities	1,253,133	(80,831)	1,255,027	(84,413)
<b>Increase/(Decrease) in Operating Liabilities</b>	<b>29,883,738</b>	<b>14,636,349</b>	<b>29,591,359</b>	<b>14,298,299</b>
<b>Net Cash Generated from Operating Activities before Income Tax</b>	<b>8,302,790</b>	<b>3,781,891</b>	<b>8,250,377</b>	<b>3,737,392</b>
Income Tax Paid	(1,696,440)	(2,239,778)	(1,745,961)	(2,294,133)
Tax Paid on Dividends	-	-	-	-
<b>Net Cash (Used in)/from Operating Activities</b>	<b>6,606,350</b>	<b>1,542,113</b>	<b>6,504,416</b>	<b>1,443,259</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(51,901)	(100,571)	(52,632)	(103,114)
Purchase of Intangible Assets	314	3,814	314	4,417
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	(291,962)	(225,516)	(291,962)	(226,385)
<b>Net Cash (Used in)/from Investing Activities</b>	<b>(343,549)</b>	<b>(322,273)</b>	<b>(344,280)</b>	<b>(325,082)</b>
<b>Cash Flows from Financing Activities</b>				
Net Change in Other Borrowed Funds	6,826,670	(4,344,427)	6,826,670	(4,344,427)
Proceeds from the Issue of Subordinated Debt	4,000,000	-	4,000,000	-
Repayment of Subordinated Debt	(5,000,000)	-	(5,000,000)	-
Operating Lease Rentals Paid	(554,711)	(555,301)	(452,048)	(453,645)
Interest Paid on Subordinated Debt	(1,661,349)	(1,650,466)	(1,650,466)	(1,661,349)
Dividends Paid to Equity Holders of the Parent	(546,359)	(650,204)	(546,359)	(650,204)
<b>Net Cash (Used in)/from Financing Activities</b>	<b>3,075,132</b>	<b>(7,211,281)</b>	<b>3,177,797</b>	<b>(7,109,625)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	9,337,933	(5,991,446)	9,337,933	(5,991,448)
Cash and Cash Equivalents at the Beginning of the Period	10,495,545	16,486,991	10,495,625	16,487,073
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>19,833,478</b>	<b>10,495,545</b>	<b>19,833,558</b>	<b>10,495,625</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash in Hand	9,345,250	8,422,390	9,345,273	8,422,413
Balances with Central Bank of Sri Lanka *	6,915,197	2,195,247	6,915,197	2,195,247
Balances with Banks	4,082,735	722,346	4,082,792	722,403
Deposits from Other Banks	(509,704)	(844,438)	(509,704)	(844,438)
	<b>19,833,478</b>	<b>10,495,545</b>	<b>19,833,558</b>	<b>10,495,625</b>
<b>A. Reconciliation of Operating Profit</b>				
Profit before Taxation	8,090,329	5,734,159	8,419,874	6,058,818
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	(237)	(1,276)	(237)	(1,334)
Impairment Charge/(Reversal)	3,742,159	3,846,621	3,742,159	3,846,621
Provision for Gratuity	157,769	158,269	159,502	159,874
(Increase)/Decrease in Interest Receivable	671,204	(3,357,679)	671,205	(3,357,679)
Increase/(Decrease) in Interest Payable	(1,120,762)	(1,173,243)	(1,120,762)	(1,163,989)
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	641,008	(152,076)	641,008	(152,076)
(Increase)/Decrease in Fees & Commission Receivable and Prepayments of Operating Expenses	54,138	13,798	54,138	13,798
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	101,954	(489,534)	114,088	(388,023)
Other Non Cash Items	1,235,830	3,313,425	1,241,619	3,260,126
Operating Lease Rentals Paid	554,712	555,301	452,048	453,645
Interest Paid on Subordinated Debt	1,650,467	1,661,349	1,650,467	1,661,349
Gratuity Payments Made	(92,351)	(65,102)	(92,352)	(65,102)
	<b>15,686,220</b>	<b>10,044,012</b>	<b>15,932,757</b>	<b>10,326,028</b>

\* As at 31 December 2021, Rs. 6,684.82 Mn (2020 - Rs. 2,074.61 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Regulatory Capital (Rs. '000)</b>				
Common Equity Tier 1	35,772,533	31,792,734	37,073,777	32,663,601
Core (Tier 1) Capital	35,772,533	31,792,734	37,073,777	32,663,601
Total Capital Base	42,291,642	39,694,167	43,592,886	40,565,034
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 6.50%)	14.77%	14.40%	15.31%	14.79%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.00%)	14.77%	14.40%	15.31%	14.79%
Total Capital Ratio (%) (Minimum Requirement - 12.00%)	17.46%	17.98%	18.01%	18.37%
Leverage Ratio (Minimum Requirement - 3%)	9.03%	9.03%	9.36%	9.27%
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets (Rs. '000)	110,529,623	115,740,620		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	32.82%	38.79%		
Off-Shore Banking Unit (%)	29.67%	30.75%		
Total Stock of High-Quality Liquid Assets (Rs. '000)	84,587,028	86,501,491		
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)				
Rupee	355.54%	455.66%		
All Currency	304.28%	341.63%		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	146.06%	151.62%		
<b>Assets Quality</b>				
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	4.90%	7.18%	4.90%	7.18%
Net Non-Performing Advances (%) (net of interest in suspense and provisions)	0.97%	2.53%	0.97%	2.53%
Impaired Loans (Stage 3), net of Stage 3 impairment Ratio (%)	2.09%	5.16%		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	50.74%	27.96%		
<b>Profitability</b>				
Interest Margin (%)	3.85%	4.07%	-	-
Return on Assets (before tax) (%)	2.23%	1.72%	2.32%	1.81%
Return on Equity (%)	17.83%	11.73%	17.90%	12.08%
Net Assets Value Per Share (Rs.)	135.77	119.14	141.48	123.74

**Market Price Per Share (Rs.)**

	Voting		Non-Voting	
	31.12.2021 (Quarter ended)	31.12.2020 (Quarter ended)	31.12.2021 (Quarter ended)	31.12.2020 (Quarter ended)
Highest	62.50	64.30	76.00	92.00
Lowest	52.90	54.00	58.00	68.00
Last Traded Price	55.00	60.00	65.10	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	
	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)
<b>By Product - Domestic Currency</b>				
Bills of Exchange	14,077	3,638	14,077	3,638
Trade Finance	47,662,410	32,514,962	47,662,410	32,514,962
Overdrafts	34,940,324	30,226,374	34,940,324	30,226,374
Term Loans	65,975,567	59,151,759	65,975,567	59,151,759
Staff Loans	3,818,727	3,960,179	3,818,727	3,960,179
Leases	34,828,770	39,303,114	34,828,770	39,303,114
Credit Cards	32,155,760	28,261,321	32,155,760	28,261,321
Pawning	283,900	259,929	283,900	259,929
Other Advances	262,950	262,950	262,950	262,950
<b>Sub Total</b>	<b>219,942,485</b>	<b>193,944,226</b>	<b>219,942,485</b>	<b>193,944,538</b>
<b>By Product - Foreign Currency</b>				
Trade Finance	14,849,542	7,960,105	14,849,542	7,960,105
Overdrafts	2,770,211	606,621	2,770,211	606,621
Term Loans	21,451,937	16,956,453	21,451,937	16,956,453
<b>Sub Total</b>	<b>39,071,690</b>	<b>25,523,179</b>	<b>39,071,690</b>	<b>25,523,179</b>
<b>Total</b>	<b>259,014,175</b>	<b>219,467,405</b>	<b>259,014,175</b>	<b>219,467,717</b>

(2) Product-wise Commitments and Contingencies	Bank		Group	
	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)
<b>By Product - Domestic Currency</b>				
Guarantees	2,193,519	2,429,637	2,193,519	2,429,637
Bonds	17,539,521	14,284,343	17,539,521	14,284,343
Acceptances	63,620	62,187	63,620	62,187
Letters of Credit	1,016,704	920,704	1,016,704	920,704
Forward Contracts to buy/sell -Fixed Income Securities	-	4,833,540	-	4,833,540
Undrawn Credit Lines	123,858,872	116,313,257	123,858,872	116,314,035
<b>Sub Total</b>	<b>144,672,236</b>	<b>138,843,668</b>	<b>144,672,236</b>	<b>138,844,446</b>
<b>By Product - Foreign Currency</b>				
Guarantees	569,264	97,069	569,264	97,069
Bonds	1,898,710	3,158,901	1,898,710	3,158,901
Acceptances	13,171,232	7,321,730	13,171,232	7,321,730
Letters of Credit	14,191,491	9,475,321	14,191,491	9,475,321
Forward Exchange Contracts	31,402,154	27,630,920	31,402,154	27,630,920
Undrawn Credit Lines	11,452,206	10,702,479	11,452,206	10,702,479
<b>Sub Total</b>	<b>72,685,057</b>	<b>58,386,420</b>	<b>72,685,057</b>	<b>58,386,420</b>
<b>Total</b>	<b>217,357,293</b>	<b>197,230,088</b>	<b>217,357,293</b>	<b>197,230,866</b>

(3) Stage-wise Impairment on Loans & Advances, Commitments and Contingencies	Bank		Group	
	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)
<b>Gross Loans and Advances, Commitments and Contingencies</b>	<b>476,371,468</b>	<b>416,697,493</b>	<b>476,371,468</b>	<b>416,698,583</b>
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,873,120)	(1,558,299)	(1,872,989)	(1,558,169)
Stage 2	(1,722,233)	(634,962)	(1,722,233)	(634,962)
Stage 3	(7,907,261)	(6,871,634)	(7,907,261)	(6,871,634)
<b>Net Value of Loans and Advances, Commitments and Contingencies</b>	<b>464,868,854</b>	<b>407,632,598</b>	<b>464,868,985</b>	<b>407,633,818</b>

(3.1) Movement in impairment during the period

	Bank		Group	
	2021 Rs. '000 (Audited)	2020 Rs. '000 (Audited)	2021 Rs. '000 (Audited)	2020 Rs. '000 (Audited)
<b>Stage 1</b>				
Opening balance as at 01 January	1,558,299	1,410,099	1,558,169	1,409,969
Charge/(Write back) to income statement	314,820	149,827	314,820	149,827
Write-off during the period	-	(1,627)	-	(1,627)
<b>Closing balance as at 31 December</b>	<b>1,873,119</b>	<b>1,558,299</b>	<b>1,872,989</b>	<b>1,558,169</b>
<b>Stage 2</b>				
Opening balance as at 01 January	634,962	372,536	634,962	372,536
Charge/(Write back) to income statement	1,087,272	262,426	1,087,272	262,426
Write-off during the period	-	-	-	-
<b>Closing balance as at 31 December</b>	<b>1,722,234</b>	<b>634,962</b>	<b>1,722,234</b>	<b>634,962</b>
<b>Stage 3</b>				
Opening balance as at 01 January	6,871,634	6,229,840	6,871,634	6,229,840
Charge/(Write back) to income statement	1,575,779	3,064,831	1,575,779	3,064,831
Write-off during the period	(540,150)	(2,423,037)	(540,150)	(2,423,037)
<b>Closing balance as at 31 December</b>	<b>7,907,263</b>	<b>6,871,634</b>	<b>7,907,263</b>	<b>6,871,634</b>

NATIONS TRUST BANK PLC  
ANALYSIS OF DEPOSITS



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

(4) Due to Depositors - By Product

	Bank		Group	
	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)	31.12.2021 Rs. '000 (Audited)	31.12.2020 Rs. '000 (Audited)
<b>By Product -Domestic Currency</b>				
Demand Deposits	29,287,653	19,706,309	29,284,010	19,696,553
Savings Deposits	59,334,729	45,843,046	59,334,729	45,843,046
Time Deposits	126,907,776	140,189,268	126,907,776	140,189,268
<b>Sub Total</b>	<b>215,530,158</b>	<b>205,738,624</b>	<b>215,526,515</b>	<b>205,728,868</b>
<b>By Product -Foreign Currency</b>				
Demand Deposits	3,947,111	2,258,237	3,947,111	2,258,237
Savings Deposits	14,467,303	9,776,709	14,467,303	9,776,709
Time Deposits	34,047,334	22,810,452	34,047,334	22,810,452
<b>Sub Total</b>	<b>52,461,748</b>	<b>34,845,398</b>	<b>52,461,748</b>	<b>34,845,398</b>
<b>Total</b>	<b>267,991,906</b>	<b>240,584,022</b>	<b>267,988,263</b>	<b>240,574,266</b>

**DEBENTURE INFORMATION**

The rated unsecured subordinated redeemable debentures 2016/21, 2018/23, 2019/24 &amp; 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 31.12.2021 Rs. '000	Balance as at 31.12.2020 Rs. '000	Market Values for the Quarter Ended 31.12.2021			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 %	31.12.2021 %	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	Not traded during the current period			-	-	-	8.65**	-	-	Not traded
Fixed Rate	NTB-BD-08/11/21-C2365-12.65	Semi -Annually	8-Nov-16	8-Nov-21	-	3,885,800	Not traded during the current period			-	-	-	8.65	-	-	Not traded
Fixed Rate	NTB-BD-08/11/21-C2364-12.8	Annually	8-Nov-16	8-Nov-21	-	1,111,790	Not traded during the current period			-	-	-	8.65	-	-	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	8.35	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	13.00	8.35	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	9.50	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			12.9	12.9	10.85	6.80	10.11	-	Not traded
<b>Total Debentures</b>					<b>8,000,000</b>	<b>13,000,000</b>										

Ratios of Debt	31.12.2021	31.12.2020
* Debt/Equity Ratio (%)	80.64	84.58
Interest Cover (Times)	3.94	3.05
Quick Asset Ratio (%)	150	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 Twelve months ended)	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Rs. '000										
Net Interest Income	10,177,205	10,311,952	3,679,202	3,343,475	60,023	62,275	161,210	(45,588)	14,077,640	13,672,114
Inter Segment	(1,826,996)	(1,514,471)	1,826,996	1,514,471	-	-	-	-	-	-
<b>Total revenue from external customers</b>	<b>8,350,209</b>	<b>8,797,481</b>	<b>5,506,198</b>	<b>4,857,946</b>	<b>60,023</b>	<b>62,275</b>	<b>161,210</b>	<b>(45,588)</b>	<b>14,077,640</b>	<b>13,672,114</b>
Net Fee and Commission Income	5,791,926	4,670,634	229,145	98,240	356,713	367,589	(237,425)	(318,382)	6,140,359	4,818,082
Net Gains/(Losses) from Trading	706,278	569,046	1,766,333	805,915	-	-	(168)	-	2,472,443	1,374,961
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	-	-	9,103	(11,591)	-	-	-	-	9,103	(11,591)
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	-	-	499,932	1,178,117	-	-	-	-	499,932	1,178,117
Net Other Operating Income/(Loss)	873,569	556,004	(832,297)	(913,748)	-	58	28,631	23,665	69,903	(334,021)
<b>Operating Income</b>	<b>15,721,982</b>	<b>14,593,165</b>	<b>7,178,414</b>	<b>6,014,879</b>	<b>416,736</b>	<b>429,922</b>	<b>(47,752)</b>	<b>(340,305)</b>	<b>23,269,380</b>	<b>20,697,662</b>
Impairment Charges	2,986,414	3,506,789	755,744	339,832	-	-	-	-	3,742,158	3,846,621
<b>Net Operating Income</b>	<b>12,735,568</b>	<b>11,086,376</b>	<b>6,422,670</b>	<b>5,675,047</b>	<b>416,736</b>	<b>429,922</b>	<b>(47,752)</b>	<b>(340,305)</b>	<b>19,527,222</b>	<b>16,851,041</b>
Depreciation of Property, Plant and Equipment	369,757	422,333	21,767	23,207	19,970	19,834	24,766	25,614	436,260	490,988
Depreciation of Right of Use (ROU) Assets	379,047	395,152	-	-	96,085	95,067	(81,697)	(77,234)	393,435	412,985
Amortization of Intangible Assets	313,569	354,109	23,905	23,197	124	186	1,439	2,407	339,037	379,899
<b>Capital Expenditures</b>										
Property and Equipment	36,747	33,087	1,681	-	729	2,552	12,850	76,378	52,006	112,017
Other Intangible Assets	53,424	286,956	-	2,264	-	867	106,907	57,596	160,330	347,683
<b>Total Assets (as at)</b>	<b>257,769,966</b>	<b>215,980,600</b>	<b>123,196,489</b>	<b>118,871,227</b>	<b>1,967,216</b>	<b>1,657,236</b>	<b>(3,381,794)</b>	<b>1,482,253</b>	<b>379,551,877</b>	<b>337,991,316</b>
	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities (as at)</b>	<b>270,403,093</b>	<b>240,943,767</b>	<b>61,090,973</b>	<b>55,301,952</b>	<b>75,650</b>	<b>62,421</b>	<b>7,823,169</b>	<b>6,558,248</b>	<b>339,392,885</b>	<b>302,866,388</b>

**NATIONS TRUST BANK PLC**  
**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**



**Bank/Group**

	As at 31 December 2021			As at 31 December 2020		
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
<b>Assets</b>						
Derivative Financial Instruments	472,864	-	472,864	239,535	-	239,535
Government Securities	6,150,508	67,503,862	73,654,369	2,416,792	73,241,685	75,658,477
Equity Instruments	-	16,898	16,898	-	16,150	16,150
<b>Total Financial Assets</b>	<b>6,623,372</b>	<b>67,520,760</b>	<b>74,144,131</b>	<b>2,656,327</b>	<b>73,257,835</b>	<b>75,914,162</b>
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
<b>Liabilities</b>						
Derivative Financial Instruments	165,699	-	165,699	250,700	-	250,700
<b>Total Financial Liabilities</b>	<b>165,699</b>	<b>-</b>	<b>165,699</b>	<b>250,700</b>	<b>-</b>	<b>250,700</b>

**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 except for Note 10 below. 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. Both John Keells Holdings and Central Finance have requested for an extension of the above deadline from CBSL and is currently awaiting a formal response from the CBSL.
- (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 31 December 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 except for Notes 08 & 09 below.
- (8) A dividend of Rs. 3.50 per share in respect of year 2021 is declared by the Board of Directors to be paid in the form of scrip. Scrip issue will be made in the proportion of 01 share for every 16.02857 voting shares amounting to a total of 15,293,616 new voting shares and 01 share for every 16.60000 convertible non-voting shares, amounting to a total of 2,332,352 new convertible non-voting shares. Fractions in shares will be paid in cash.
- (9) The Government of Sri Lanka in its Budget for 2022 has proposed a one-time tax, referred to as a surcharge tax of 25% to be imposed on companies that have earned a taxable income in excess of LKR2,000 million for the year of assessment 2020/2021. The proposed tax should be deemed an expenditure in the financial statements relating to the year of assessment 2020/2021. These financial statements have not been adjusted to reflect the consequences of this proposal as the bill has not been substantially enacted as of the reporting date.
- (10) The Bank applied for the first-time the amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 - Interest Rate Benchmark Reform Phase 1 and 2 which are effective for annual periods beginning on or after 1 January 2021. Phase 1 amendments are mainly relating to hedge accounting and does not have an impact on the financial statements of the Bank. In relation to Phase 2 amendments, the Bank has informed all key stakeholders about the transition and have commenced customer communications and updating of customer offer letters with prescribed fallback language.
- (11) The information contained in these statements have been extracted from the audited Financial Statements of the Bank and its Subsidiary companies.



**NATIONS TRUST BANK PLC  
SHAREHOLDERS' INFORMATION**



**Twenty Largest Shareholders as at 31 December 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	23,767,885	9.70%
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%
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	2,284,901	0.93%
Mr. P. Brahmanage	2,152,839	0.88%
J.B. Cocoshell (Pvt) Ltd	1,994,353	0.81%
Mr. N.R. Somaiya	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%
Hallsville Trading Group INC.	763,822	0.31%
	<b>215,829,111</b>	<b>88.03%</b>
Others	29,305,710	11.97%
<b>Total</b>	<b>245,134,821</b>	<b>100.00%</b>

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. H.P. Savindu	5,020	0.01%
Mr. K.S.N. Hirdaramani	4,185	0.01%
Miss. R.S. Wickremaratne	4,173	0.01%
	<b>38,610,714</b>	<b>99.72%</b>
Others	106,337	0.28%
<b>Total</b>	<b>38,717,051</b>	<b>100.00%</b>

	31.12.2021	
	Number	%
Number of shareholders representing the public holding (Voting)	6,677	35.78%
Number of shareholders representing the public holding (Non-Voting)	307	1.01%
Compliant under Option 4 - Float Adjusted Market Capitalization	Rs. 4.85 Bn	

**Directors' Holding in Shares as at 31 December 2021**

Name of the Director	No of Shares	
	Voting	Non-Voting
Mr. J.G.A. Cooray	8,804	1,532
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	-	-
	<b>8,804</b>	<b>1,532</b>