

Velocity of value continues...

INTERIM FINANCIAL STATEMENTS

for the Three months ended 31st March 2022

Company Registration Number: PQ 118



Nations Trust Bank PLC records steady performance in a turbulent environment

- Tier I Capital and Total Capital Adequacy ratios as at 31st March 2022 above regulatory levels at 11.8% and 14.1%, respectively.
- 32% growth in Operating Income in comparison to Q1 2021
- 4% growth in Profit Before Tax year-on-year to LKR 2.6 billion

Colombo, May 12, 2022 - Nations Trust Bank PLC reiterated its strong financial position with steady growth in the first quarter of the financial year ending 31 March 2022 amidst challenging local and global macro-economic conditions, the Bank announced today. The Bank posted a 4% year-on-year (YoY) increase in Profit Before Tax for the period under review.

Commenting on the Q1 2022 results, **Hemantha Gunetilleke, Director/CEO**, stated that “During this quarter, Nations Trust Bank continued to focus on our core banking operations and risk management while serving customers through our strong franchise in Consumer, Commercial and Corporate Banking. By staying focused on our core values built around service excellence and prudent banking practices, we have built on the Bank’s financial strength and stability despite headwinds in the national economy. The Bank’s Tier I Capital and Total Capital Adequacy ratios as at 31st March 2022 were satisfactorily above regulatory levels at 11.8% and 14.1%, respectively. Supported by this strong capital base, along with healthy liquidity buffers and the robust risk management models, we, as a Bank, are confident and equipped to withstand any potential impact caused by further macro-economic challenges.”

Operating income grew by 32% in comparison to the same period last year, with net interest income growth of 46%, and fee income growth of 21%. The loan book expanded by 12% while the CASA ratio increased to 42% compared to 36% last year.

With a stringent cost management culture in place across the Bank, despite the inflationary conditions in the economy, Total Operating Expenses grew by only 2% YoY, highlighting the positive impact of efficiency models adopted across the Bank.

The Bank reported an increase in impairment provisions by 112% on loans and advances. Contributing to this YoY increase was the negative flows from some moratorium loans during the current year. An additional impairment of LKR 990 Mn on account of investments in Sri Lanka government securities denominated in foreign currency was also made considering the current economic environment. This investment portfolio stands at only 3.6% of the Bank’s Assets as at end of 31st March 2022.

Overall Tax expense increased during the reporting period owing to the increase in the rate of VAT on Financial Services and the Income Tax reversal related to the Financial Year 2020 which is accounted in 2021. As a result, the Profit After Tax declined by 12% during the 1st Quarter 2022.

The Bank’s Return on Equity stands at 16.64% this quarter, underscoring the success of the Bank’s core business strategies and its focus on sustainable value creation for all stakeholders.

“Looking into the future, we will remain focussed on supporting the banking needs of our customers, despite the challenging operating environment while also building on our strategic focus on Environmental, Social and Governance objectives,” **Gunetilleke** stated.

About Nations Trust Bank

Nations Trust Bank PLC is among the top 15 business establishments in Sri Lanka as ranked by Business Today. The Bank serves a diverse range of customers across Consumer, Commercial and Corporate segments through an island wide network of 96 branches. The bank is focused on digital empowerment through cutting-edge digital banking technologies, and pioneered FriMi, Sri Lanka’s leading digital banking experience. Nations Trust Bank PLC is an issuer and sole acquirer of American Express Cards in Sri Lanka with market leadership in the premium segments.

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank			Group		
	Three Months ended 31 March			Three Months ended 31 March		
	2022 Rs. '000	2021 Rs. '000	Change (%)	2022 Rs. '000	2021 Rs. '000	Change (%)
Gross Income	11,506,962	9,071,049	27	11,558,987	9,131,118	27
Interest Income	8,513,557	7,008,641	21	8,513,422	7,008,656	21
Less: Interest Expense	(3,837,669)	(3,797,883)	(1)	(3,804,668)	(3,774,634)	(1)
Net Interest Income	4,675,888	3,210,758	46	4,708,754	3,234,022	46
Fee and Commission Income	2,036,801	1,524,691	34	2,088,961	1,584,745	32
Less: Fee and Commission Expense	(226,175)	(43,583)	(419)	(226,175)	(43,583)	(419)
Net Fee and Commission Income	1,810,626	1,481,108	22	1,862,786	1,541,162	21
Net Gains/(Losses) from Trading	9,308,461	1,238,296	652	9,308,461	1,238,296	652
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	(8,366)	1,363	(714)	(8,366)	1,363	(714)
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	5	386,993	(100)	5	386,993	(100)
Net Other Operating Income/(Loss)	(8,343,496)	(701,942)	(1,089)	(8,343,496)	(701,942)	(1,089)
Total Operating Income	7,443,118	5,616,576	33	7,528,144	5,699,894	32
Impairment Charges/(Reversals)	2,314,539	644,313	(259)	2,314,539	644,313	(259)
Loans and Advances	1,310,621	653,332	(101)	1,310,621	653,332	(101)
Guarantees & Commitments	13,234	(30,707)	(143)	13,234	(30,707)	(143)
Other Financial Assets	990,684	21,688	(4,468)	990,684	21,688	(4,468)
Net Operating Income	5,128,579	4,972,263	3	5,213,605	5,055,581	3
Less: Expenses						
Personnel Expenses	1,349,717	1,227,574	(10)	1,356,072	1,235,744	(10)
Depreciation of Property, Plant and Equipment	84,877	107,300	21	89,842	113,991	21
Depreciation of Right of Use (ROU) Assets	112,022	120,154	7	96,934	101,428	4
Amortization of Intangible Assets	84,814	90,440	6	84,845	90,471	6
Other Operating Expenses	963,900	995,993	3	965,839	1,001,071	4
Total Operating Expenses	2,595,330	2,541,461	(2)	2,593,532	2,542,705	(2)
Operating Profit before Taxes on Financial Services	2,533,249	2,430,802	4	2,620,073	2,512,876	4
Less: Value Added Tax (VAT) on Financial Services	589,243	472,483	(25)	589,529	472,644	(25)
Profit before Income Tax	1,944,006	1,958,319	(1)	2,030,544	2,040,232	(0)
Less: Income Tax Expense	439,323	226,743	(94)	453,283	241,121	(88)
Profit for the Period	1,504,682	1,731,576	(13)	1,577,261	1,799,111	(12)
Profit Attributable to:						
Equity Holders of the Parent	1,504,682	1,731,576	(13)	1,577,261	1,799,111	(12)
Non-Controlling Interests	-	-	-	-	-	-
Earnings Per Share						
Basic/Diluted Earnings Per Share (Rs.)	4.99	5.74	(13)	5.23	5.97	(12)

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.03.2022 Rs. '000	31.12.2021 Rs. '000	Change %	31.03.2022 Rs. '000	31.12.2021 Rs. '000	Change %
		(Audited)			(Audited)	
ASSETS						
Cash and Cash Equivalents	20,222,527	13,427,451	51	20,222,608	13,427,531	51
Balances with Central Bank of Sri Lanka	8,336,083	6,915,197	21	8,336,083	6,915,197	21
Derivative Financial Instruments	6,713,555	472,864	1,320	6,713,555	472,864	1,320
Financial Assets Recognised through Profit or Loss						
Measured at Fair Value	3,958,203	6,150,508	(36)	3,958,203	6,150,508	(36)
Financial Assets at Amortised Cost						
Loans and Advances	276,149,164	247,441,428	12	276,149,294	247,441,557	12
Reverse Repurchase Agreements	-	3,001,370	(100)	-	3,001,370	(100)
Debt Instruments	31,229,036	26,140,298	19	31,229,036	26,140,298	19
Financial Assets at Fair Value through Other Comprehensive Income	79,725,715	67,520,760	18	79,725,715	67,520,760	18
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,256,193	2,330,679	(3)	3,213,230	3,298,248	(3)
Right of Use (ROU) Assets	1,546,038	1,622,825	(5)	1,295,105	1,351,245	(4)
Intangible Assets	1,213,069	1,174,468	3	1,213,778	1,175,204	3
Deferred Tax Assets	1,830,437	751,749	100	1,689,597	610,748	100
Other Assets	2,363,083	2,013,560	17	2,403,710	2,046,347	17
Total Assets	436,221,813	379,641,867	15	436,149,914	379,551,877	15
LIABILITIES						
Due to Banks	11,470,049	2,016,105	469	11,470,049	2,016,105	469
Derivative Financial Instruments	1,179,814	165,699	612	1,179,814	165,699	612
Financial Liabilities at Amortised Cost						
Repurchase Agreements	14,028,872	10,899,766	29	12,486,250	9,429,230	32
Due to Depositors	294,751,182	267,991,907	10	294,744,274	267,988,264	10
Due to Other Borrowers	47,441,364	35,601,356	33	47,162,715	35,305,349	34
Debt Securities Issued	12,675,437	12,352,873	3	12,675,437	12,352,873	3
Retirement Benefit Obligations	851,128	831,793	2	861,647	841,985	2
Current Tax Liabilities	2,602,866	2,440,631	7	2,625,309	2,460,712	7
Deferred Tax Liabilities	-	-	-	-	-	-
Other Liabilities	12,529,213	8,802,901	42	12,559,795	8,832,668	42
Total Liabilities	397,529,925	341,103,031	17	395,765,290	339,392,885	17
EQUITY						
Stated Capital	10,401,432	9,408,135	11	10,401,432	9,408,135	11
Statutory Reserve Fund	1,882,111	1,882,111	-	1,882,111	1,882,111	-
OCI Reserve	(1,854,848)	(503,404)	268	(1,854,848)	(503,404)	268
Retained Earnings	27,423,109	26,911,909	2	28,656,672	28,072,893	2
Revaluation Reserve	840,085	840,085	-	1,299,257	1,299,257	-
Total Shareholders' Equity	38,691,889	38,538,836	0	40,384,625	40,158,992	1
Total Equity and Liabilities	436,221,813	379,641,867	15	436,149,914	379,551,877	15
Contingent Liabilities and Commitments	239,617,839	217,357,294	10	239,617,839	217,357,294	10
Memorandum Information						
Number of Employees	2,641	2,648		2,670	2,677	
Number of Branches	96	96		96	96	
Number of Off-Site ATMs & CRMs	30	32		30	32	

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.
Hemantha Gunetilleke
Director/Chief Executive Officer

12 May 2022
Colombo

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 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	-	-	-	-	1,731,576	-	1,731,576
Other Comprehensive Income	-	-	-	(502,612)	-	-	(502,612)
Total Comprehensive Income for the Period	-	-	-	(502,612)	1,731,576	-	1,228,964
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
As at 31 March 2021	6,309,792	3,098,343	1,561,787	156,089	22,557,569	795,870	34,479,450
As at 01 January 2022	6,309,792	3,098,343	1,882,111	(503,404)	26,911,909	840,085	38,538,835
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	1,504,682	-	1,504,682
Other Comprehensive Income	-	-	-	(1,351,444)	-	-	(1,351,444)
Total Comprehensive Income for the Period	-	-	-	(1,351,444)	1,504,682	-	153,238
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip Dividend paid for 2021	857,796	135,501	-	-	(993,298)	-	-
Fractions of shares paid in cash for 2021	-	-	-	-	(184)	-	(184)
Conversion of Non-Voting Shares to Voting Shares	-	-	-	-	-	-	-
As at 31 March 2022	7,167,588	3,233,844	1,882,111	(1,854,848)	27,423,109	840,085	38,691,889
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 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	-	-	-	-	1,799,111	-	1,799,111
Other Comprehensive Income	-	-	-	(502,612)	-	-	(502,612)
Total Comprehensive Income for the Period	-	-	-	(502,612)	1,799,111	-	1,296,499
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend for 2020	-	-	-	-	(567,704)	-	(567,704)
As at 31 March 2021	6,309,792	3,098,343	1,561,787	156,089	23,496,837	1,230,875	35,853,723
As at 01 January 2022	6,309,792	3,098,343	1,882,111	(503,404)	28,072,893	1,299,257	40,158,992
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	-	1,577,261	-	1,577,261
Other Comprehensive Income	-	-	-	(1,351,444)	-	-	(1,351,444)
Total Comprehensive Income for the Period	-	-	-	(1,351,444)	1,577,261	-	225,817
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip Dividend paid for 2021	857,796	135,501	-	-	(993,298)	-	-
Fractions of shares paid in cash for 2021	-	-	-	-	(184)	-	(184)
Conversion of Non-Voting Shares to Voting Shares	-	-	-	-	-	-	-
As at 31 March 2022	7,167,588	3,233,844	1,882,111	(1,854,848)	28,656,672	1,299,257	40,384,625

NATIONS TRUST BANK PLC
STATEMENT OF CASH FLOWS



	Bank		Group	
	Three Months ended 31 March		Three Months ended 31 March	
	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	8,604,105	7,176,960	8,603,971	7,176,973
Receipts of Fees and Commission Income	2,036,801	1,532,330	2,088,961	1,592,385
Payments of Interest Expense	(2,785,314)	(3,651,843)	(2,759,924)	(3,638,408)
Payments of Fees and Commission Expense	(226,067)	(21,294)	(226,066)	(21,294)
Net Trading Income	4,081,890	388,387	4,081,890	388,387
Receipts from Other Operating Income	2,135,751	(212,232)	2,135,751	(212,232)
Gratuity Payments Made	(23,672)	(15,488)	(23,670)	(15,488)
Payments for Operating Expenses	(2,077,393)	(2,051,252)	(2,076,528)	(2,064,067)
Payments for VAT on Financial Services	(712,312)	(411,589)	(712,688)	(411,751)
Operating Profit before Change in Operating Assets and Liabilities (A)	11,033,789	2,733,979	11,111,695	2,794,505
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	3,000,000	3,486,600	3,000,000	3,486,600
Financial Assets - At Fair Value through Profit or Loss	2,275,727	(6,101,018)	2,275,727	(6,101,018)
Financial Assets - At Amortized Cost - Debt Instruments	(351,377)	(500,829)	(351,377)	(500,829)
Financial Assets - At Fair Value through Other Comprehensive Income	(13,906,366)	(1,436,435)	(13,906,366)	(1,436,435)
Financial Assets - At Amortized Cost - Loans & Advances	(12,267,758)	(20,928,195)	(12,267,758)	(20,928,340)
Other Assets	(241,397)	328,746	(242,946)	313,525
(Increase)/Decrease in Operating Assets	(21,491,170)	(25,151,133)	(21,492,720)	(25,166,498)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	8,486,436	10,137,609	8,414,350	10,073,785
Financial Liabilities - At Amortized Cost - Due to Depositors	2,550,030	8,421,238	2,546,765	8,422,969
Other Liabilities	3,378,649	88,979	3,379,420	91,423
Increase/(Decrease) in Operating Liabilities	14,415,116	18,647,826	14,340,535	18,588,178
Net Cash Generated from Operating Activities before Income Tax	3,957,735	(3,769,327)	3,959,510	(3,783,815)
Income Tax Paid	(929,007)	(358,936)	(940,763)	(369,974)
Net Cash (Used in)/from Operating Activities	3,028,727	(4,128,264)	3,018,747	(4,153,789)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(10,391)	(1,902)	(10,391)	(2,045)
Purchase of Intangible Assets	-	58	-	58
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	(123,415)	(34,115)	(123,420)	(34,115)
Net Cash (Used in)/from Investing Activities	(133,806)	(35,958)	(133,811)	(36,102)
Cash Flows from Financing Activities				
Net Change in Other Borrowed Funds	1,417,579	4,163,816	1,417,579	4,163,816
Operating Lease Rentals Paid	(135,643)	(134,671)	(125,654)	(108,999)
Interest Paid on Subordinated Debt	(22,092)	-	(22,092)	-
Dividends Paid to Equity Holders of the Parent	(184)	(416,147)	(184)	(416,147)
Net Cash (Used in)/from Financing Activities	1,259,661	3,612,998	1,269,649	3,638,670
Net Increase/(Decrease) in Cash and Cash Equivalents	4,154,582	(551,224)	4,154,586	(551,221)
Cash and Cash Equivalents at the Beginning of the Period	19,833,478	10,495,545	19,833,557	10,495,625
Cash and Cash Equivalents at the End of the Period	23,988,061	9,944,321	23,988,143	9,944,404
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	8,409,411	8,386,542	8,409,434	8,386,565
Balances with Central Bank of Sri Lanka *	8,336,083	1,226,291	8,336,083	1,226,291
Balances with Banks	11,815,243	1,666,447	11,815,301	1,666,505
Money at Call and Short Notice	(3,000,616)	-	(3,000,616)	-
Deposits from Other Banks	(1,572,059)	(1,334,959)	(1,572,059)	(1,334,957)
	23,988,061	9,944,321	23,988,143	9,944,404
A. Reconciliation of Operating Profit				
Profit before Taxation	1,944,006	1,958,319	2,030,545	2,040,232
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible Assets	-	(39)	-	(39)
Impairment Charge/(Reversal)	2,314,539	644,313	2,314,539	644,313
Provision for Gratuity	43,008	40,648	43,332	41,080
(Increase)/Decrease in Interest Receivable	194,581	32,339	194,581	32,339
Increase/(Decrease) in Interest Payable	981,882	86,929	981,882	86,929
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income	-	6,461	-	6,461
(Increase)/Decrease in Fees & Commission Receivable and Prepayments of Operating Expenses	(101,745)	(227,556)	(101,745)	(227,556)
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	36,358	308,915	55,090	334,580
Other Non Cash Items	5,487,097	(235,531)	5,469,395	(257,349)
Operating Lease Rentals Paid	135,643	134,669	125,654	109,003
Interest Paid on Subordinated Debt	22,092	-	22,092	-
Gratuity Payments Made	(23,672)	(15,488)	(23,670)	(15,488)
	11,033,789	2,733,979	11,111,695	2,794,505

* Above balance includes the period end balance held for Statutory Reserve Requirement (SRR) purposes with Central Bank of Sri Lanka (CBSL). The SRR needs to be maintained based on average balance with CBSL for a two-weeks period. The SRR requirement for the period ended 31st March 2022 which is Rs. 6,612 Mn (2021 - Rs 2,082 Mn) has been maintained by the Bank.

NATIONS TRUST BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



Bank/Group

	As at 31 March 2022			As at 31 December 2021		
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
Assets						
Derivative Financial Instruments	6,713,555	-	6,713,555	472,864	-	472,864
Government Securities	3,958,203	79,703,186	83,661,389	6,150,508	67,503,862	73,654,369
Equity Instruments	-	22,529	22,529	-	16,898	16,898
Total Financial Assets	10,671,758	79,725,715	90,397,473	6,623,372	67,520,760	74,144,131
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000
Liabilities						
Derivative Financial Instruments	1,179,814	-	1,179,814	165,699	-	165,699
Total Financial Liabilities	1,179,814	-	1,179,814	165,699	-	165,699

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) Product-wise Gross Loans and Advances	Bank		Group	
	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
By Product - Domestic Currency				
Bills of Exchange	3,059	14,077	3,059	14,077
Trade Finance	47,905,157	47,662,410	47,905,157	47,662,410
Overdrafts	35,318,365	34,940,324	35,318,365	34,940,324
Term Loans	70,939,089	65,975,567	70,939,089	65,975,567
Staff Loans	3,821,931	3,818,727	3,821,931	3,818,727
Leases	34,725,561	34,828,770	34,725,561	34,828,770
Credit Cards	33,247,476	32,155,760	33,247,476	32,155,760
Pawning	255,253	283,900	255,253	283,900
Other Advances	262,950	262,950	262,950	262,950
Sub Total	226,478,841	219,942,485	226,478,841	219,942,485
By Product - Foreign Currency				
Trade Finance	27,731,227	14,849,542	27,731,227	14,849,542
Overdrafts	5,553,027	2,770,211	5,553,027	2,770,211
Term Loans	29,239,461	21,451,937	29,239,461	21,451,937
Sub Total	62,523,715	39,071,690	62,523,715	39,071,690
Total	289,002,556	259,014,175	289,002,556	259,014,175
 (2) Product-wise Commitments and Contingencies				
	Bank		Group	
	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
By Product - Domestic Currency				
Guarantees	3,070,854	2,193,519	3,070,854	2,193,519
Bonds	18,541,320	17,539,521	18,541,320	17,539,521
Acceptances	58,014	63,620	58,014	63,620
Letters of Credit	624,741	1,016,704	624,741	1,016,704
Forward Contracts to buy/sell -Fixed Income Securities	4,418,446	-	4,418,446	-
Undrawn Credit Lines	126,190,395	123,858,872	126,190,395	123,858,872
Sub Total	152,903,770	144,672,236	152,903,770	144,672,236
By Product - Foreign Currency				
Guarantees	724,441	569,264	724,441	569,264
Bonds	3,928,326	1,898,710	3,928,326	1,898,710
Acceptances	17,251,474	13,171,232	17,251,474	13,171,232
Letters of Credit	14,039,252	14,191,491	14,039,252	14,191,491
Forward Exchange Contracts	31,441,925	31,402,154	31,441,925	31,402,154
Forward Contracts - Other	-	-	-	-
Undrawn Credit Lines	19,328,653	11,452,206	19,328,653	11,452,206
Sub Total	86,714,071	72,685,057	86,714,071	72,685,057
Total	239,617,841	217,357,293	239,617,841	217,357,293
 (3) Stage-wise Impairment on Loans & Advances, Commitments and Contingencies				
	Bank		Group	
	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	528,620,397	476,371,468	528,620,397	476,371,468
(Less): Accumulated impairment under; (Note 3.1)				
Stage 1	(1,728,767)	(1,873,120)	(1,728,637)	(1,872,989)
Stage 2	(2,566,089)	(1,722,233)	(2,566,089)	(1,722,233)
Stage 3	(8,526,980)	(7,907,261)	(8,526,980)	(7,907,261)
Net Value of Loans and Advances, Commitments and Contingencies	515,798,561	464,868,854	515,798,691	464,868,985
 (3.1) Movement in impairment during the period*				
	Bank		Group	
	2022 Rs. '000	2021 Rs. '000 (Audited)	2022 Rs. '000	2021 Rs. '000 (Audited)
Stage 1				
Opening balance as at 01 January	1,873,119	1,558,299	1,872,989	1,558,169
Charge/(Write back) to income statement	(144,352)	314,820	(144,352)	314,820
Write-off during the period	-	-	-	-
Closing balance	1,728,767	1,873,119	1,728,637	1,872,989
Stage 2				
Opening balance as at 01 January	1,722,234	634,962	1,722,234	634,962
Charge/(Write back) to income statement	843,855	1,087,272	843,855	1,087,272
Write-off during the period	-	-	-	-
Closing balance	2,566,089	1,722,234	2,566,089	1,722,234
Stage 3				
Opening balance as at 01 January	7,907,263	6,871,634	7,907,263	6,871,634
Charge/(Write back) to income statement	624,351	1,575,779	624,351	1,575,779
Write-off during the period	(4,634)	(540,150)	(4,634)	(540,150)
Closing balance	8,526,980	7,907,263	8,526,980	7,907,263

(4) Due to Depositors - By Product

	Bank		Group	
	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)	31.03.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
By Product -Domestic Currency				
Demand Deposits	29,687,769	29,287,653	29,680,861	29,284,010
Savings Deposits	64,521,880	59,334,729	64,521,880	59,334,729
Time Deposits	123,288,295	126,907,776	123,288,295	126,907,776
Sub Total	217,497,944	215,530,158	217,491,036	215,526,515
By Product -Foreign Currency				
Demand Deposits	7,105,449	3,947,111	7,105,449	3,947,111
Savings Deposits	19,353,883	14,467,303	19,353,883	14,467,303
Time Deposits	50,793,906	34,047,334	50,793,906	34,047,334
Sub Total	77,253,238	52,461,748	77,253,238	52,461,748
Total	294,751,182	267,991,906	294,744,274	267,988,263

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



Item	Bank		Group	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Regulatory Capital (Rs. '000)				
Common Equity Tier 1	33,353,674	35,772,533	34,654,792	37,073,777
Core (Tier 1) Capital	33,353,674	35,772,533	34,654,792	37,073,777
Total Capital Base	39,822,397	42,291,642	41,123,515	43,592,886
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 6.50%)	11.79%	14.77%	12.23%	15.31%
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.00%)	11.79%	14.77%	12.23%	15.31%
Total Capital Ratio (%) (Minimum Requirement - 12.00%)	14.08%	17.46%	14.51%	18.01%
Leverage Ratio (Minimum Requirement - 3%)	7.31%	9.03%	7.59%	9.36%
Regulatory Liquidity				
Statutory Liquid Assets (Rs. '000)	110,529,623	110,529,623		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)				
Domestic Banking Unit (%)	32.82%	32.82%		
Off-Shore Banking Unit (%)	29.67%	29.67%		
Total Stock of High-Quality Liquid Assets (Rs. '000)	84,949,256	84,587,028		
Liquidity Coverage Ratio (%) (Minimum Requirement - 100%)				
Rupee	294.63%	355.54%		
All Currency	306.87%	304.28%		
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	143.49%	146.06%		
Assets Quality				
Impaired Loans (Stage 3), net of Stage 3 impairment Ratio (%)	2.00%	2.09%		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	51.20%	50.74%		
Profitability				
Interest Margin (%)	4.95%	3.85%	-	-
Return on Assets (before tax) (%)	2.06%	2.23%	2.15%	2.32%
Return on Equity (%)	16.54%	17.83%	16.64%	17.90%
Net Assets Value Per Share (Rs.)	136.31	119.14	142.27	123.74

Market Price Per Share (Rs.)

	Voting		Non-Voting	
	31.03.2022 (Quarter ended)	31.12.2021 (Quarter ended)	31.03.2022 (Quarter ended)	31.12.2021 (Quarter ended)
Highest	60.00	62.50	75.00	76.00
Lowest	43.80	52.90	52.10	58.00
Last Traded Price	45.10	55.00	60.08	65.10

DEBENTURE INFORMATION

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



Debenture Categories	CSE Listing	Interest Payable Frequency	Issued Date	Maturity Date	Balance as at 31.03.2022 Rs. '000	Balance as at 31.12.2021 Rs. '000	Market Values for the Quarter Ended 31.03.2022			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 %	31.03.2022 %	31.12.2021 %	As at Issue Date %	Interest Yield %	Yield to Maturity %
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	12.46	6.09	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	12.46	6.09	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	14.01	6.61	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	14.99	7.29	10.11	Not traded	
Total Debentures					8,000,000	8,000,000										

Ratios of Debt	31.03.2022	31.12.2021
* Debt/Equity Ratio (%)	96.14	80.64
Interest Cover (Times)	3.83	3.94
Quick Asset Ratio (%)	126	150

* 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 Three months ended)	Bank		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Rs. '000										
Net Interest Income	3,109,705	1,883,998	1,597,511	1,342,150	24,766	12,847	(23,228)	(4,973)	4,708,754	3,234,022
Inter Segment	(261,161)	(324,698)	261,161	324,698	-	-	-	-	-	-
Total revenue from external customers	2,848,544	1,559,300	1,858,672	1,666,848	24,766	12,847	(23,228)	(4,973)	4,708,754	3,234,022
Net Fee and Commission Income	1,782,384	1,454,721	47,249	58,448	83,126	90,089	(49,973)	(62,096)	1,862,786	1,541,162
Net Gains/(Losses) from Trading	151,748	233,253	9,156,976	1,005,043	-	-	(263)	-	9,308,461	1,238,296
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	-	-	(8,366)	1,363	-	-	-	-	(8,366)	1,363
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	-	-	5	386,993	-	-	-	-	5	386,993
Net Other Operating Income/(Loss)	224,552	300,381	(8,574,065)	(1,008,937)	-	-	6,017	6,614	(8,343,496)	(701,942)
Operating Income	5,007,228	3,547,655	2,480,471	2,109,758	107,892	102,936	(67,447)	(60,455)	7,528,144	5,699,894
Impairment Charge/(Reversal)	1,309,899	620,140	990,990	24,173	-	-	13,650	-	2,314,539	644,313
Net Operating Income	3,697,329	2,927,515	1,489,481	2,085,585	107,892	102,936	(81,097)	(60,455)	5,213,605	5,055,581
Depreciation of Property, Plant and Equipment	81,615	100,995	2,625	5,486	(600)	1,126	6,202	6,384	89,842	113,991
Depreciation of Right of Use (ROU) Assets	91,069	93,925	-	-	22,036	27,927	(16,171)	(20,424)	96,934	101,428
Amortization of Intangible Assets	78,095	84,553	6,366	5,371	31	31	353	516	84,845	90,471
Capital Expenditures										
Property and Equipment	6,005	615	104	-	-	143	1,600	660	7,709	1,418
Other Intangible Assets	-	8,653	-	-	-	-	586	-	586	8,653
Total Assets (as at)	287,268,969	235,446,582	143,510,088	122,531,509	2,045,026	1,753,333	3,325,831	2,324,783	436,149,914	362,056,207
Total Liabilities (as at)	300,116,008	249,921,853	85,890,238	70,218,518	77,745	89,822	9,681,299	5,972,291	395,765,290	326,202,484

(1) The Group Financial Statements comprise a consolidation of the Bank and its fully owned subsidiaries; Waldoek 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) **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 downs 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.

(3) **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 and macro-economic uncertainties by projecting potential delays to the cash flow expectations based on the available information. In addition, the Bank continues to assess the Economic Factor Adjustment (EFA) to reflect the economic environment when assessing collective impairment provisions in the subsequent periods.

The Bank also increased impairment provisions on investments in Sri Lanka government securities denominated in foreign currency by adjusting the loss rate to reflect current market trends and other applicable Macro-Economic factors.

The recommended treatments as per the guidelines issued by the Central Bank of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka were considered in assessing the above impairment.

(4) **VAT on Financial Services**

VAT rate on the Supply of Financial Services has been increased to 18% from 15% w.e.f. 01st January 2022 as per the changes to the Value Added Tax Act, No. 14 of 2002 passed in Parliament on 24th March 2022. Accordingly the Bank and the Group have used the VAT rate of 18% in calculating the Financial Services VAT for the 1st Quarter 2022.

(5) **Post Balance Sheet Events**

There are no other material events that took place after the reporting date which require adjustment to or disclosure in these Financial Statements other than the items disclosed below.

Surcharge Tax

The tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as explained below.

As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the Bank and the Group are liable for the surcharge tax amounting to LKR 1,803,385,349 and LKR 1,889,176,234 respectively against the taxable income of LKR. 7,213,541,395 and LKR7,556,704,938 pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by the SoAT on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka, in April 2022.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year is given below:

	Bank (LKR '000)	Group (LKR '000)
Profit after Tax for year ended 31.12.2021	6,406,483	6,693,529
Surcharge tax levied under Surcharge Act	1,803,385	1,889,176
Comparable Profit for the year ended 31.12.2021	4,603,098	4,804,353

(6) 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 Company Plc have requested for an extension of the above deadlines from CBSL and is currently awaiting a formal response from the CBSL.

(7) There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year ended 31 December 2021. There are no material changes to contingent assets and liabilities since 31 December 2021 and the balances reflected are arising from transactions carried out in the normal course of banking business.

(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 31 March 2022

Name of the Shareholder	Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	51,363,384	19.72%
HWIC Asia Fund	39,064,265	15.00%
Central Finance Company PLC A/C No 03	25,630,053	9.84%
Mackinnons Keells Limited	25,424,873	9.76%
Janashakthi Insurance PLC - Shareholders	25,250,730	9.70%
CF Insurance Brokers (Pvt) Ltd	12,910,418	4.96%
CF Growth Fund Ltd A/C No.01	12,822,902	4.92%
Sri Lanka Insurance Corporation Ltd - Life Fund	10,185,667	3.91%
Sri Lanka Insurance Corporation Ltd - General Fund	6,061,235	2.33%
Hatton National Bank PLC A/C No 1	4,124,460	1.58%
Mr. M.F. Hashim	2,810,600	1.08%
National Savings Bank	2,427,452	0.93%
Mr. P. Brahmanage	2,287,151	0.88%
J.B. Cocosshell (Pvt) Ltd	2,109,057	0.81%
Mr. N.R. Somaiya	1,470,715	0.56%
Timex Garments (Pvt) Ltd	1,273,931	0.49%
Mrs. H.K.S.R Perera	1,225,744	0.47%
Deutsche Bank AG As Trustee To Assetline Income Plus Growth Fund	1,199,249	0.46%
Mr. M.A. Jafferjee	883,778	0.34%
Askold (Pvt) Ltd	831,295	0.32%
	229,356,959	88.06%
Others	31,068,346	11.94%
Total	260,425,305	100.00%

Name of the Shareholder	Non-Voting Shares	
	No. of Shares	%
John Keells Holdings PLC	16,964,690	41.33%
Central Finance Company PLC A/C No 03	8,611,027	20.98%
HWIC Asia Fund	6,158,425	15.00%
Mackinnons Keells Limited	4,421,906	10.77%
CF Insurance Brokers (Pvt) Ltd	2,245,385	5.47%
CF Growth Fund Ltd A/C No.01	2,230,164	5.43%
Mr. M. G. H. I. Jafferjee	148,492	0.36%
The Incorporated Trustees of the Church of Ceylon	26,631	0.06%
Mr. K.N.J.Balendra	20,858	0.05%
Mr. S. J. Hirdaramani	19,367	0.05%
Mr. D. C. Fernando	16,478	0.04%
Vinik (Pvt) Ltd	13,556	0.03%
People's Leasing & Finance PLC/Mr. A.B.K. Weeraman	11,135	0.03%
Mr. J. B. Hirdaramani	11,097	0.03%
Mrs. E.M. Dias Bandaranaike	8,803	0.02%
Mr. K.O.V.S.M.S.Wijesinghe	7,678	0.02%
Miss. T.T. Weerasinghe	6,777	0.02%
Mr. H.P. Savindu	5,322	0.01%
Mr. K.S.N. Hirdaramani	4,437	0.01%
Miss. R.S. Wickremaratne	4,424	0.01%
	40,936,652	99.72%
Others	112,610	0.28%
Total	41,049,262	100.00%

	31.03.2022	
	Number	%
Number of shareholders representing the public holding (Voting)	7,091	35.77%
Number of shareholders representing the public holding (Non-Voting)	320	1.01%
Compliant under Option 4 - Float Adjusted Market Capitalization	Rs. 4.23 Bn	

Directors' Holding in Shares as at 31 March 2022

Name of the Director	No of Shares	
	Voting	Non-Voting
Mr. J.G.A. Cooray	9,353	1,624
Mr. J.C.A.D' Souza	-	-
Ms. R.D. Rajapaksa	-	-
Mr. N.I.R. De Mel	-	-
Mr. S.L. Sebastian	-	-
Mrs. R.S. Cader	-	-
Mr. C.H.A.W. Wickramasuriya	-	-
Mr. A.R. Fernando	-	-
Mr. L.P.B. Talwate (Director/CEO)	-	-
Dr. R. Shanmuganathan	-	-
Mr. C.K.Hettiarachchi	-	-
	9,353	1,624