## NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

As at

Cash in Hand Balances with Central Bank of Sri Lanka

nvestments-Trading Account

Government Securities

Due from Banks and Other Financial Institutions

		BANK			GROUP	
or the three months ended March 31	2010	2009	Change	2010	2009	Chan
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(9
ROSS INCOME	2,805,757	3,437,413	(18)	2,893,272	3,664,588	(
terest Income						
terest Income on Loans and Advances	1,576,953	2,020,349	(22)	1,576,953	2,020,349	(
terest Income on Other Interest Earning Assets	814,405	867,994	(6)	882,242	1,031,142	
lavest Fireness	2,391,358	2,888,343	(17)	2,459,195	3,051,491	
erest Expense erest Expense on Deposits	(902 112)	(005.000)	(12)	(002 442)	(005 000)	
erest Expense on Deposits erest Expense on Other Interest Bearing Liabilities	(802,112) (590,060)	(925,230) (1,108,412)	(13) (47)	(802,112) (594,107)	(925,230) (1,221,486)	
brost Expense on other interest bearing Elabilities	(1,392,172)	(2,033,642)	(32)	(1,396,219)	(2,146,716)	
	(1,000,110)	(=,000,01=)	()	(-,,,	(=,: :=,: := )	
T INTEREST INCOME	999,186	854,701	17	1,062,976	904,775	
n-Interest Income						
reign Exchange Gain /(Loss)	60,415	160,157	(62)	60,415	160,157	
her Operating Income	353,984	388,913	(9)	373,662	452,940	
	414,399	549,070	(25)	434,077	613,097	
T INCOME	1,413,585	1,403,771	1	1,497,053	1,517,872	
ss : Non-Interest Expenses	1,410,303	1,400,771	'	1,437,000	1,317,072	
rsonnel Costs	337,945	328,890	3	344,079	334,342	
ovision for Staff Retirement Benefits	11,770	11,599	1	12,095	11,935	
emises, Equipment and Establishment Expenses	192,138	182,273	5	195,846	191,235	
ss on Trading / Investment Securities	-	-	-	-	-	
nortisation of Intangible Assets		-	-		-	
her Operating Expenses	297,668	306,433	(3)	300,002	310,608	
	839,520	829,195	1	852,022	848,120	
ss : Provision for Bad & Doubtful Debts and						
Loans Written Off						
ovision-General	21,951	6,586	233	17,980	6,586	
ovision-Specific	96,658	258,587	(63)	96,658	258,587	
	118,609	265,173	(55)	114,638	265,173	
EDATING DOGET ON ODDINARY ACTIVITIES DECODE TAYES	AEE AEG	200 402	47	E20 202	404 570	
PERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXES ss: Value Added Tax on Financial Services	455,456 (81,487)	309,403 (55,693)	47 46	530,393 (93,767)	404,579 (72,773)	
55. Value Audeu Tax VII Fillaticial Scivices	(01,407)	(55,055)	40	(53,707)	(12,113)	
ERATING PROFIT BEFORE CORPORATE TAX	373,969	253,710	47	436,626	331,806	
ss:Tax on Profits on Ordinary Activities	(198,619)	(117,573)	69	(222,566)	(151,669)	
•						
PERATING PROFIT FOR THE PERIOD	175,350	136,137	29	214,060	180,137	
rnings Per Share -Basic (Rs.)	1.01	0.78	29	1.23	1.04	

(1) The Group figures include those of the fully owned subsidiaries, Waldock Mackenzie Limited, Allied Properties Limited, Mercantile Leasing (Financial Services) Limited and Nations Insurance Brokers Limited (formerly MLL Insurance Brokers Limited). (2) These Financial Statements are prepared in accordance with Sri Lanka Accounting Standards 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. Comparative firgues have been restated where necessary to comply with the Central Bank guidelines.

(3) There are no material changes to contingent assets and liabilities since 31.12.2009 and the balance reflected are due to transactions carried out in the normal course of Banking Business.

(6) There are no changes in the accounting policies and methods of computation as disclosed in the Annual Report for the year ended 31st December 2009 and these interim financials are presented in accordance with SLAS 35 - Interim Financial Reportir

(7) During the 1st quarter 2010 through warrant conversion, 41,928,668 ordinary shares were issued and added to the stated capital. The above figures are provisional and subject to audit.

## DEBENTURE INFORMATION

The unsecured, subordinated, redeemable debentures 2006/11, 2006/12, 2008/13 and 2009/13 of the bank are listed in the Colombo Stock Exchange. However these debentures have not been traded from the date of listing up to 31st March 2010.

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	Debenture Category	Interest rate of comparable	Interest rate of comparable
		Govt. security %	Govt. security %
		(31.03.2010)	(31.03.2009)
	2006/11	9.68	16.80
	2006/12	10.44	16.55
	2008/13	11.30	16.80
	2009/13	11.02	-

Ratios of Debt	31.03.2010	31.03.2009
Debt/Equity Ratio (%)	34.59	39.26
Interest Cover (Times)	5.18	4.67

Twenty largest Shareholders as at 31st March 2010

Mackinnons & Keells Financial Services Limited.

Credit Suisse AG Zurich - Uma Kumar Sharma

SSBT - Deustche Bank AG Singapore A/C 01

Mr. Y.S.H.I.K. Silva

Mr. A.D.Gunawardene

Mr. A.M.A. Almeshaal Mr. M.J.Fernando

Mr.M.F.Hashim

Central Finance Company PLC CF Growth Fund Limited

CF Insurance Brokers (pvt) Limited HSBC International Nominees Limited -

HSBC International Nominees Limited -

HSBC International Nominees Limited -

Credit Suisse AG Zurich

Heraymila Investments Limited

Renuka City Hotels Limited

Employee Trust Fund Board

Bank of Ceylon-No2 A/C

Mr. N.R. Somaiya

Name of Director Mr. A.D. Gunewardene

Mr. E.H. Wijenaike

Mr. K.N.J. Balendra Mr. J.R.F. Peiris Mr. A.K. Gunaratne

Mr. C.H.S.K. Piyaratna Mr. A.R. Rasiah

Dr. (Ms.) D. Weerakooi Mr. M.E. Wickremesinghe

Mr. S.G. Rajakaruna (Director / CEO)

BNY-J.P. Morgan Clearing Corporation

Janashakthi Insuarance PLC (Shareholders)

Percentage of public holding as at 31st March 2010 was 77.69%

No. of Shares

4,621,272

9,635

17,666

83.832

16,304

Director's holding in shares as at 31st March 2010

SHAREHOLDERS INFORMATION

41,928,670 20.00

20,754,690 9.90

19,532,440 9.32

13,466,612 6.42 8,929,612 4.26

5,660,300 2.70

4,621,272 2.20

4,025,600 1.92

2.534.425 1.21

2,150,850 1.03

2.083.725 0.99

2.025.000 0.97

1,899,000 0.91

1,858,750 0.89

1,568,200 0.75

1,513,200 0.72

1,401,700 0.67

1,320,624 0.63 160.108.412 76.37 49,534,928 23.63 209,643,340 100.00 (Sgd.) A.D. Gunewardene

Chairman May 12, 2010 - Colombo

SELECTED PER	FORMAN	CE INDICA	ATORS	
	B#	NK	GRO	JP
Regulatory Capital Adequacy	As at 31.03.2010	As at 31.12.2009 (Audited )	As at 31.03.2010	As at 31.12.2009 (Audited)
Core Capital (Tier 1 Capital), Rs.Mn. Total Capital Base, Rs.Mn. Core Capital Adequacy Ratio, as % of Risk Weighter Assets (Minimum Requirement, 5%)	5,128 6,791 d 11.40%	4,184 5,903 10.74%	5,631 7,296 12.30%	4,688 6,408 11.79%
Total Capital Adequacy Ratio, as % of Risk Weighte Assets (Minimum Requirement, 10%) Assets Quality (Quality of Loan Portfolio) Gross Non-performing Advances Ratio, %	d <b>15.09%</b>	15.14%	15.94%	16.11%
(Net of Interest In Suspense) Net Non-performing Advances Ratio, %	7.08%	8.53%	7.02%	8.47%
(Net of Interest In Suspense and Provisions)	3.81%	4.75%	3.81%	4.74%
Profitability Interest Margin, %	5.54%	4.85%		
Return on Assets, % (before Tax) Return on Equity, % Regulatory Liquidity	2.07% 14.78%	1.44% 12.59%	2.40% 15.99%	1.90% 15.20%
Statutory Liquid Assets, Rs. Mn. Statutory Liquid Assets Ratio, (%) (Minimum Requirement, 20%)	15,865	16,849		
Domestic Banking Unit (DBU)	26.73%	28.17%		
Foreign Currency Banking Unit (FCBU)  Net Assets Value Per Share (Rs.)	42.58% 25.30	40.24% 24.96	28.31	28.48
Market Price Per Share (Rs.) Highest Lowest Last Traded Price	31.03.2010 (Quarter ended) 39.75 34.50 35.00	31.03.2009 (Quarter ended) 28.75 22.00 23.75		

	Stated Capital	Capital Reserve	Reserve Fund	Revenue Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Bank					
Balance as at 01.01.2009	3,109,771		80,509	745,678	3,935,958
Dividend Paid for 2008			-	(251,572)	(251,572)
Net Profit for the Period		-	-	136,137	136,137
Balance as at 31.03.2009	3,109,771		80,509	630,243	3,820,523
Balance as at 01.01.2010	3,109,771		105,599	970,817	4,186,187
Dividend Paid for 2009		-	-	(314,465)	(314,465)
2010 Warrant Conversion	1,257,860	-	-	-	1,257,860
Net Profit for the Period		-	-	175,350	175,350
Balance as at 31.03.2010	4,367,631	-	105,599	831,702	5,304,932
Group					
Balance as at 01.01.2009	3,109,771	9,500	80,509	1,142,532	4,342,312
Dividend Paid for 2008		-	-	(251,572)	(251,572)
Net Profit for the Period		-	-	180,137	180,137
Balance as at 31.03.2009	3,109,771	9,500	80,509	1,071,097	4,270,877
Balance as at 01.01.2010	3,109,771	9,500	105,599	1,551,941	4,776,811
Dividend Paid for 2009	-	-	-	(314,465)	(314,465)
2010 Warrant Conversion	1,257,860	-	-	-	1,257,860
Net Profit for the Period	-	-	-	214,060	214,060
Balance as at 31.03.2010	4,367,631	9,500	105,599	1,451,536	5.934.266

			SEG	MENTAL	. INFOR	MATION				
	BAI	IKING	INVESTMEN	IT BANKING	OTH	IERS	ELIMINATION	I/ALLOCATED	GRO	OUP
In Rs. '000 <b>Total Revenue</b>	31.03.2010 2,805,757	31.03.2009 <b>3,437,413</b>	31.03.2010 164,492	31.03.2009 <b>467,708</b>	31.03.2010 21,256	31.03.2009 <b>22,031</b>	31.03.2010 (98,233)	31.03.2009 ( <b>262,564</b> )	31.03.2010 2,893,272	31.03.2009 <b>3,664,588</b>
Segment Results										
Profit before Taxation	373,969	253,710	47,352	66,895	11,335	11,201	3,971	-	436,626	331,806
Taxation	(198,619)	(117,573)	(21,227)	(29,887)	(2,720)	(4,209)	•	-	(222,566)	(151,669)
Net Profit for the Year	175,350	136,137	26,125	37,008	8,615	6,992	3,971	-	214,060	180,137
Segment Assets	74,212,881	76,011,113	4,425,521	9,136,387	777,956	756,908	(4,700,516)	(12,390,794)	74,715,842	73,513,614
Goodwill	-	-	-	-	-	-	79,261	79,261	79,261	79,261
Total Assets	74,212,881	76,011,113	4,425,521	9,136,387	777,956	756,908	(4,621,255)	(12,311,533)	74,795,103	73,592,875
Segment Liabilities	68,616,819	71,998,973	3,961,696	8,810,995	61,095	63,760	(4,069,903)	(11,743,347)	68,569,707	69,130,381
Deferred Tax Liabilities	(291,130)	191.617		_		_	_	-	(291.130)	191,617
Total Liabilities	68,907,949	72.190.590	3,961,696	8,810,995	61.095	63.760	(4,069,903)	(11,743,347)	68,860,837	69,321,998

Investments-Held-to-Maturity					40.00	_
Government Securities	9,698,155	8,939,492	8	10,800,974	10,030,393	8
Other Securities Investments in Subsidiaries	357,609 678,710	355,215 678,710	1	357,609	355,215	1
Total Loans and Advances	070,710	070,710	-	•	-	-
Total Performing Loans and Advances						
Bills of Exchange	285,448	145,116	97	285,448	145,116	97
Overdrafts	7,120,085	5,416,991	31	7,120,085	5,416,991	31
Lease Rentals Receivable within One Year	2,610,879	3,310,695	(21)	2,610,940	3,310,756	(21)
Lease Rentals Receivable after One Year	4,388,444	3,975,597	10	4,388,444	3,975,597	10
Other Loans	21,582,583	20,485,784	5	21,862,138	20,748,271	5
T-1-1 N	35,987,439	33,334,183	8	36,267,055	33,596,731	8
Total Non-performing Loans and Advances Overdrafts	EC2 000	601 500	(9)	562,899	601 500	(9)
Lease Rentals Receivable	562,899 1,381,945	621,589 1,116,049	24	1,381,945	621,589 1,116,049	24
Other Loans	1,338,878	1,736,090	(23)	1,338,878	1,736,090	(23)
Interest Receivable	280,461	288,610	(3)	280,461	288,610	(3)
Total Gross Loans and Advances	39,551,622	37,096,521	7	39,831,238	37,359,069	7
Less:	(004.440)	(054.040)	00	(004.440)	(054.040)	00
nterest In Suspense	(824,143)	(654,810)	26	(824,143)	(654,810)	26
Specific Loan Loss Provisions General Loan Loss Provisions	(963,585)	(1,097,573)	(12)	(963,585)	(1,097,573)	(12)
Net Loans and Advances	(302,044) 37,461,850	(280,130) 35,064,008		(288,941) 37,754,569	(270,998) 35,335,688	<u>7</u> 
tet Luaiis ailu Auvailues	37,401,000	33,004,008	,	37,734,309	33,333,000	,
Other Assets	1,572,182	904,609	74	1,648,931	935,537	76
Deferred Assets	307,363	307,363	-	307,363	307,363	-
ntangible Assets			- (0)	79,261	79,261	-
Property, Plant and Equipment Total on Balance Sheet assets	1,637,857	1,693,017	(3)	2,180,700	2,238,768	(3)
lotal on Balance Sheet assets	74,212,881	69,978,230	6	74,795,103	70,504,348	6
On Balance Sheet Liabilities						
Total Deposits						
Demand Deposits	5,978,331	4,722,675	27	5,978,331	4,722,675	27
Savings Deposits	5,717,864	5,631,952	2	5,717,864	5,631,952	2
Time Deposits Margin Deposits	32,204,586 171,567	33,866,945 203,563	(5) (16)	32,204,586 171,567	33,866,945	(5) (16)
wargiii Deposits	44,072,348	44,425,135	(1)	44,072,348	203,563 44,425,135	(1)
	11,012,010	11,120,100	(.,	11,012,010	11,120,100	(.,
otal Borrowings Porrowings from the Central Bank of Sri Lanka	4,490	5,853	(23)	4,490	5,853	(23)
Borrowings from Banks and	4,400	0,000	(20)	4,100	0,000	(20)
Financial Institutions in Sri Lanka	118,050	1,311,398	(91)	118,050	1,311,398	(91)
Borrowings from Banks and						
Financial Institutions Abroad	513,391	348,369	47	513,391	348,369	47
Securities Sold Under Repurchase Agreements	14,196,828	10,475,037	36	14,196,828	10,475,037	36
Subordinated Term Debt	1,940,925	2,105,925	(8)	1,940,925	2,105,925	(8)
Other Borrowings	2,600,485	2,775,055	(6)	2,600,485	2,775,053	(6)
	19,374,169	17,021,637	14	19,374,169	17,021,635	14
Deferred Taxation	291,130	291,130		291,130	291,130	-
Current Taxation	629,834	493,554	28	683,800	547,745	25
Other Liabilities	4,540,468	3,560,587	28	4,439,390	3,441,892	29
Total on Balance Sheet Liabilities	68,907,949	65,792,043	5	68,860,837	65,727,537	5
Equity conital and recorves						
Equity capital and reserves Stated Capital (209,643,340 Ordinary Shares as at						
31.03.2010 and 167,714,672 as at 31.12.2009)	4,367,631	3,109,771	40	4,367,631	3,109,771	40
Statutory Reserve Fund	105,599	105,599	-	105,599	105,599	-
Total Other Reserves	831,702	970,817	(14)	1,461,036	1,561,441	(6)
Total on Balance Sheet liabilities and equity capital and reserves	5,304,932	4,186,187	27	5,934,266	4,776,811	24
Off Balance Sheet items and contra accounts	74,212,881	69,978,230	6	74,795,103	70,504,348	6
Contingonolog	27 025 000	22 060 040	10	27 025 000	22 060 046	10
Contingencies Commitments and Contra Accounts	27,035,808 25,527,575	23,969,018 27,546,572	13	27,035,808 25,527,575	23,969,018 27,546,572	13 (7)
John Marie and John Accounts	52,563,383	51,515,590	2	52,563,383	51,515,590	2
		,				
Memorandum Information						
Number of Employees	1527	1506		1555	1532	
Number of Branches	39	38		39	38	
Number of Leasing Centers	11	10				
Number of Personal Banking Centers	6	6		6	6	
CERTIFICATION:						
I certify that the above financial statements comply with the	ne requirments of the Co	ompanies Act No: 7 o	of 2007.			
(sgd.) Ajith Akmeemana Chief Financial Officer						

We, the undersigned being the Chairman, Executive Director and Director / Chief Executive Officer of Nations Trust Bank PLC., certify jointly that,

(a) the above 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 statements has been extracted from the unaudited financial statements of the Bank and its Subsidiaries unless indicated

**Executive Director** 

(Sgd.) C.H.S.K. Piyaratna

31.03.2010

Rs. '000

832.019

7,616,418

11,916,645

31.12.2009 Change

(%)

(20)

24

Rs. '000

865.510

2,043,624

9,488,118

9,638,564

31.03.2010

Rs. '000

832.052

5,036,712

13,662,859

31.12.2009 Change Rs. '000 (%)

865.518

(27)

2,043,624 6,875,107

11,437,873

(Sgd.) Saliya Rajakaruna

Director/CEO

CASH FI	LOW STAT	EWIENI		
_	BANK	GR	DUP	
For the three months ended 31st March	2010	2009	2010	2009
Cash Flows from Operating Activities	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ash Flows from operating activities				
nterest Received	2,456,808	2,723,606	2,626,565	2,885,170
nterest Paid	(1,352,657)	(1,857,840)	(1,460,380)	(1,699,542)
oreign Exchange Income Received	60,415	160,157	60,415	160,157
Receipts from Other Operating Activities Gratuity Payments made	353,984 (2,364)	388,913 (695)	360,473 (2,485)	452,940
Payments to Employees and Suppliers	(841,237)	(805,816)	(867,143)	(695) (838,573)
Net Cashflow from Operating Activities before Income Tax (A)	674,949	608,325	717,445	959,457
ncome Tax paid	(62.240)	(00 511)	(OE 21E)	(47.707)
Derating Profit before Changes in Operating	(62,340)	(28,511)	(85,315)	(47,727)
Assets and Liabilities	612,609	579,814	632,130	911,730
Increase)/Decrease in Operating Assets				
nvestments in Treasury Bills ,Bonds & Reverse Repurchases	(819,943)	(6,589,063)	(765,555)	(1,038,476)
nvestments and other placements	144,105	274,217	144,105	271,554
Bills of Exchange	(140,332)	8,744	(140,332)	8,744
oans and Advances	(2,348,797)	(2,425,288)	(2,761,803)	(2,968,853)
Other Assets	(653,806)	107,714	(634,339)	609,793 (3,117,238)
ncrease/(Decrease) in Operating Liabilities	(3,818,773)	(8,623,676)	(4,157,924)	(3,117,230)
Customer Deposits	(312,980)	2,235,349	(312,980)	2,235,375
Securities sold under Repurchase Agreements Other Liabilities	3,794,263 787,736	7,743,798 (741,079)	3,776,027 1,134,598	1,778,326 (760,265)
Julei Liabilities	4,269,019	9,238,068	4,597,645	3,253,436
let Cash Flow from Operating Activities	1,062,855	1,194,206	1,071,851	1,047,928
Cash Flows from Investing Activities				
Proceeds from sale of Property, Plant & Equipment	(40.044)	2,752	-	4,129
Purchase of Property, Plant & Equipment	(12,841) (12,841)	(124,571) (121,819)	(12,841) (12,841)	(124,573) (120,444)
Cash Flows from Financing Activities	(12,041)	(121,010)	(12,041)	(120,444)
Narrant Conversion	1,257,860		1,257,860	-
ncrease / (Decrease) in Refinance Activities	(1,364)	185,718	(1,364)	330,619
ncrease / (Decrease) in Call & Other Borrowings Dividend Paid	(1,502,298) (314,465)	(787,661) (251,572)	(1,502,298) (314,465)	(787,659) (251,572)
Dividend Faid	(560,267)	(853,515)	(560,267)	(708,612)
let Increase in Cash and Cash Equivalents Cash and Cash Equivalents at the beginning of the year	489,747 3,077,645	218,872 2.452.632	498,743 3.083.773	218,872 2.452.665
Cash and Cash Equivalents at the end of the year	3,567,392	2,671,504	3,582,516	2,432,003
Reconciliation of Cash and Cash Equivalents				
Cash in Hand. Balances with Banks & Due to Banks	863,067	914,014	878,191	914,047
Balance with the Central Bank of Sri Lanka	2,134,073	1,459,509	2,134,073	1,459,509
Money at Call and Short Notice	570,252	297,981	570,252	297,981
	3,567,392	2,671,504	3,582,516	2,671,537
A. Reconciliation of Operating Profit				
Profit before taxation	373,969	253,710	436,626	331,806
Depreciation	68,000	67,446	70,912	70,358
Profit) / Loss on disposal of Property, Plant & Equipment		27		27
Provision for Doubtful Debts	118,609	265,173	114,638	265,173
Provision for Gratuity Increase) / Decrease in Interest Receivable	11,770 65,450	11,599	11,975 52 230	11,935
ncrease / (Decrease in Interest Receivable	39,515	(164,737) 175,802	52,239 33,419	(166,321) 447,174
Gratuity Payments Made	(2,364)	(695)	(2,364)	(695)
	674,949	608,325	717,445	959,457

Nations Trust Bank PLC Head Office and Corporate Branch, No. 242, Union Place, Colombo 2. Tel: 4313131 Fax: 2307854 Email: bank@nationstrust.lk Web: www.nationstrust.com

