NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

As at

Cash in Hand

On-Balance Sheet Assets

Balances with Central Bank of Sri Lanka

Due from Banks and Other Financial Institutions

			IN	COME S	TATEM	ENT						
			BA	NK					GRO	UP		
_	Twelve months	ended 31st Dece	mber	Quarter ende	ed 31st Decembe	er	Twelve months e	ended 31st Dece	mber	Quarter end	ed 31st Decemb	er
	2010	2009 0	Change	2010	2009 (Change	2010	2009 C	hange	2010	2009 (Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
GROSS INCOME	11,954,249	13,367,254	(11)	2,927,062	3,057,134	(4)	12,215,201	14,036,800	(13)	2,958,278	3,148,445	(6)
Interest Income												
Interest Income on Loans and Advances	6,478,344	7,772,925	(17)	1,612,315	1,824,987	(12)	6,478,344	7,772,924	(17)	1,612,315	1,824,986	(12)
Interest Income on Other Interest			` ′			` '			` ′			. ,
Earning Assets	3,352,585	3,859,213	(13)	821,040	871,039	(6)	3,611,832	4,276,553	(16)	853,051	951,913	(10)
	9,830,929	11,632,138	(15)	2,433,355	2,696,026	(10)	10,090,176	12,049,477	(16)	2,465,366	2,776,899	(11)
Interest Expense			, ,			, ,			, ,			, ,
Interest Expense on Deposits	(2,932,580)	(4,027,201)	(27)	(720,864)	(990,034)	(27)	(2,932,580)	(4,027,202)	(27)	(720,864)	(990,035)	(27)
Interest Expense on Other Interest	(, , , , , , , , , , , , , , , , , , ,	, , , , , ,	` '	,	(, ,	` '	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , , , , ,	` ′	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(` '
Bearing Liabilities	(2,583,881)	(4,095,579)	(37)	(621,255)	(725,149)	(14)	(2,592,489)	(4,301,806)	(40)	(614,009)	(747,054)	(18)
	(5,516,461)	(8,122,780)	(32)	(1,342,119)	(1,715,183)	(22)	(5,525,069)	(8,329,008)	(34)	(1,334,873)	(1,737,089)	(23)
	,-,,,	,-,,-	()	,=,==,==,	(-,,)	(==)	,-,,-,	,-,,-	()	(.,,)	(- , ,)	(-3)
NET INTEREST INCOME	4,314,468	3,509,358	23	1,091,236	980,843	11	4,565,107	3,720,469	23	1,130,493	1,039,810	9
Non-Interest Income	.,,	-,,		.,,	,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,		.,,	.,,	
Foreign Exchange Gain /(Loss)	314,824	(538,792)	158	121,755	50.623	141	314,824	(538,792)	158	121,755	50,623	141
Other Operating Income	1,808,496	2,273,908	(20)	371,952	310,485	20	1,810,201	2,526,116	(28)	371,157	320,923	16
	2,123,320	1,735,116	22	493,707	361,108	37	2,125,025	1,987,324	7	492,912	371,546	33
	, ,,,,	,,			,		, ,,,	, , .				
NET INCOME	6,437,788	5,244,474	23	1,584,943	1,341,951	18	6,690,132	5,707,793	17	1,623,405	1,411,356	15
Less : Non-Interest Expenses	2,121,122	-,,		7,223,232	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-,,	-,,		-,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Personnel Costs	1,604,492	1,187,625	35	428,094	346,322	24	1,630,097	1,210,746	35	434,350	352,606	23
Provision for Staff Retirement Benefits	44,941	40,954	10	11,309	7,831	44	46,691	42.149	11	12,225	7,208	70
Premises, Equipment and	11,011	,		11,000	1,001		10,001	,		12,220	.,	
Establishment Expenses	769,007	775,209	(1)	200,025	185,934	8	784,431	776,803	1	204,074	174,006	17
Loss on Trading / Investment Securities	-	-	-		-	-	-	-				-
Amortisation of Intangible Assets						-			-		-	-
Other Operating Expenses	1,474,653	1,211,684	22	479.211	268.631	78	1,471,373	1.262.449	17	465.053	309.371	50
	3,893,093	3,215,472	21	1,118,639	808,718	38	3,932,592	3,292,147	19	1,115,702	843,191	32
	0,000,000	0,210,112		1,110,000	000,110		0,000,000	0,202,111		.,,	0.0,.0.	
Less : Provision for Bad & Doubtful Debts and	d											
Loans Written Off												
Provision-General	31,035	(34,483)	190	(36,034)	(11,242)	(221)	24,836	(43,615)	157	(33,759)	(20,374)	66
Provision-Specific	178,027	847,262	(79)	7,182	179,281	(96)	177,971	847,261	(79)	7,127	179,280	(96
	209,062	812,779	(74)	(28,852)	168,039	(117)	202,807	803,646	(75)	(26,632)	158,906	(117
			` ′	, .,,		` ′			, . ,	, , , , , ,	,	,
OPERATING PROFIT ON ORDINARY												
ACTIVITIES BEFORE TAXES	2,335,633	1,216,223	92	495,156	365,194	36	2,554,733	1,612,000	58	534,335	409,259	31
Less: Value Added Tax on Financial Services	(482,010)	(155,479)	210	(119,185)	(53,329)	123	(526,165)	(231,038)	128	(126,073)	(57,919)	118
	, , , , , , ,	, , , , , , , ,		, ,, ,,	(,,		, , , , , , ,	, . , ,		, , , , ,	(= ,===/	
OPERATING PROFIT BEFORE CORPORATE TAX	1,853,623	1,060,744	75	375,971	311,865	21	2,028,568	1,380,962	47	408,262	351,340	16
Less: Tax on Profits on Ordinary Activities	(851,686)	(558,943)	52	(128,430)	(168,218)	(24)	(944,343)	(694,891)	36	(172,447)	(170,147)	1
	, , , , ,	, /		, , , ,	, ,		, , , ,	, , ,		, , ,	, , ,	
OPERATING PROFIT FOR THE PERIOD	1,001,937	501,801	100	247,541	143,647	72	1,084,225	686,071	58	235,815	181,193	30
Earnings Per Share -Basic (Rs.)	4.99	2.99	67	1.18	0.85	39	5.40	4.09	32	1.11	1.08	3
Earnings Per Share - Diluted (Rs.)	4.88	2.99					5.28	4.09				
		,,	_						_			

Explanatory Notes:
(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 restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka. Comparative firgues have been restate where necessary to comply with the Central Bank of Sri Lanka.

(5) Subject to approval of the Shareholders at the forthcoming Annual General Meeting, the Directors recommended the payment of a first and final dividend of Rs. 2.00 per share for the year ended 31st December 2010.

(6) No material events have taken place since 31.12.2010 that require disclosure or/and adjustments in these accounts and all known expenditures have been provided in these financial statements.

(7) There are no changes in the accounting policies and methods of computation as disclosed in the Annual Report for year ended 31st December 2010 and these interim financial statements are presented in accordance with SLAS 35 - Interim Financial Reporting.

The unsecured, Subordinated, Redeemable Debentures 2006/11, 2006/12 2008/13 and 2009/13 of the Bank are listed in the Colombo Stock Exchange. lowever, these debentures have not been traded from the date of listing up to 31st December 2010.

Debenture category	Interest rate of comparable	Interest rate of comparable
	Govt. security % (31.12.2010)	Govt. security % (31.12.2009)
2006/11	7.00	11.15
2006/12	6.85	11.29
2008/13	7.50	11.48
2009/13	10.50	11.38
	2006/11 2006/12 2008/13	Govt. security % (31.12.2010) 2006/11 7.00 2006/12 6.85 2008/13 7.50

Ratios of Debt	31.12.2010	31.12.2009
Debt/Equity Ratio (%)	29.93	47.78
Interest Cover (Times)	6.23	4.03

John Keells Holdings PLC. Mackinnons & Keells Financial Services Limited

Central Finance Company Limited
HSBC International Nominees Limited Credit Suisse AG Zurich - Uma Kumar Sharma

Mr. A.D. Gunewardene
Mr.M.F. Hashim.
HSBC International Nominees Limited - SSBT Deustche Bank AG Singapore A/C 01

Mr. M.M Udeshi
Sri Lanka Insurance Corporation Ltd-Life Fund
Mr. A.A.V. Amerasinghe
Bank of Ceylon No1 A/C
Timex (Garments) Ltd

Name of the Warrant holder
John Keells Holdings PLC.
Mr.Y.S.H.I K Silva.
Mackinnons & Keells Financial Services Limited
Central Finance Company PLC. A/C No. 03
CF Growth Fund Ltd A/C No. 01

Mrs. B. Thapar Mr.M.J. Fernando. Timex (Garments) Ltd HSBC International Nominees Limited -Credit Suisse AG Zurich-Uma Kumar Sharma

Mr. U.E. Theverapperuma
Pan Asia Banking Corporation PLC/Mr. S. Gobinath
Mr. K. Balendra
Mr. K.N. J. Balendra

Percentage of public warrant holding as at 31st December 2010 was 64.39% Director's holding in shares as at 31st December 2010

Percentage of public shareholding as at 31st December 2010 was 77.69% Twenty largest Warrant holders as at 31st December 2010

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

CF Growth Fund Limited

Renuka City Hotels Limited Mr. S.K. Sharma

Bank of Ceylon - No2 A/C Mr. N.R. Somaiya Employees Trust Fund Board Mr. M.M Udeshi

Name of the Warrant holder

Mr. A. D. Gunewardene CF Insurance Brokers (pvt) Ltd. Mr. S.D.R. Arudpragasam Mr. S.K. Sharma

Mr. D.J.M. Blackler

Mrs. D.C.J. Kalupathirana Mr. R.P.L. Eheliyagoda

Mr. A.K. Gunaratne
Mr. S.G. Rajakaruna (Director/CEO)
Mr. C.H.S.K. Piyaratna
Mr. A.R. Rasiah

Dr. (Ms.) D. Weerakoon Mr. M.E. Wickremesinghe Mr. M Jafferjee

CF Insurance Brokers (pvt) Ltd.

SHAREHOLDERS INFORMATION

No. of Shares 41,928,670 20,754,690

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

2,041,700 0.97
1,858,750 0.89
1,661,800 0.79
1,546,100 0.74
1,320,624 0.63
1,276,800 0.61
1,155,434 0.55
1,122,100 0.54
1,000,000 0.48
933,500 0.45
930,132 0.44
164,735,703 78.58
44,907,637 21.42
209,643,340 100.00

No. of Warrants
4,192,866
2,095,414
10.00
2,075,469
9,90
1,814,960
8,66
1,346,661
1,049,892
5,01
1,031,245
800,000
3,82
511,100
2,44
260,166
1,24
215,085
1,03
208,333
0,99

157,000 0.75 153,683 0.73 140,975 0.67 129,500 0.62 125,000 0.51 107,700 0.51 100,000 0.48 98,000 0.47 16,613,049 79,25 4,350,894 20,75 20,963,943 100,00

Twenty largest Shareholders as at 31st December 2010

SELECTED PERI	FORMAN	CE INDIC	ATORS	
		BANK	GRO	JP
	As at 31.12.2010 (Audited)	As at 31.12.2009 (Audited)	As at 31.12.2010 (Audited)	As at 31.12.2009 (Audited)
Regulatory Capital Adequacy	, ,	(2 2 2 7	,,	(22 22)
Core Capital (Tier 1 Capital), Rs.Mn. Total Capital Base, Rs.Mn. Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	6,132 7,302 12.52%	4,184 5,903 10.74%	6,716 7,869 13.43%	4,688 6,408 11.79%
Total Capital Adequacy Ratio, as % of Risk Weighter Assets (Minimum Requirement, 10%) Assets Quality (Quality of Loan Portfolio) Gross Non-performing Advances Ratio, %	14.91%	15.14%	15.74%	16.11%
(Net of Interest In Suspense) Net Non-performing Advances Ratio, %	4.88%	8.53%	4.82%	8.47%
(Net of Interest In Suspense and Provisions) Profitability	2.36%	4.75%	2.36%	4.74%
Interest Margin, % Return on Assets, % (before Tax) Return on Equity, % Regulatory Liquidity	5.42% 2.33% 18.30%	4.85% 1.44% 12.59%	2.53% 17.70%	1.90% 15.20%
Statutory Liquid Assets, Rs. Mn. Statutory Liquid Assets Ratio, (%) (Minimum Requirement, 20%)	14,386	16,849		
Domestic Banking Unit (DBU) Foreign Currency Banking Unit (FCBU) Net Assets Value Per Share (Rs.)	22.13% 42.97% 29.25	28.17% 40.24% 24.96	32.46	28.48
Market Price Per Share (Rs.) Highest Lowest Last Traded Price	31.12.2010 (Quarter ended) 114.70 34.00 83.40	31.12.2009 (Quarter ended) 39.50 22.00 36.75		

STATEMEN	T OF CHAI	NGES IN	I EQUI	ΤΥ	
	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
Profit for the Year	-	-	-	501,801	501,801
Transfers during the Year	-	-	25,090	(25,090)	
Balance as at 31.12.2009	3,109,771	-	105,599	970,817	4,186,187
Dividend Paid for 2009	-	-	-	(314,465)	(314,465
Shares issued on '2010 warrants' exercised	1,257,860	-	-	-	1,257,860
Profit for the Year	-	-	-	1,001,937	1,001,937
Transfers during the Year	-	-	50,097	(50,097)	
Balance as at 31.12.2010	4,367,631	-	155,696	1,608,192	6,131,519
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
Profit for the Year	-	-	-	686,071	686,07
Transfers during the Year	-	-	25,090	(25,090)	
Balance as at 31.12.2009	3,109,771	9,500	105,599	1,551,941	4,776,811
Dividend Paid for 2009	-	-	-	(314,465)	(314,46
Shares issued on '2010 warrants' exercised	1,257,860	-	-	-	1,257,860
Profit for the Year	-	-	-	1,084,225	1,084,22
Transfers during the Year	-	-	50,097	(50,097)	
Balance as at 31.12.2010	4,367,631	9,500	155,696	2,271,604	6,804,431

			SEG	MENTAL	. INFOR	MATION				
	BAN	KING	INVESTMEN	T BANKING	ОТН	ERS	ELIMINATION	/ALLOCATED	GRO	UP
In Rs. '000	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Total Revenue	11,954,249	13,367,254	599,828	1,451,218	104,791	106,632	(443,665)	(888,304)	12,215,201	14,036,800
Segment Results										
Profit before Taxation	1,853,623	1,060,744	172,420	299,360	48,329	45,314	(45,804)	(24,456)	2,028,568	1,380,962
Taxation	(851,686)	(558,943)	(77,182)	(120,545)	(8,926)	(15,403)	(6,549)	-	(944,343)	(694,891)
Net Profit for the Year	1,001,937	501,801	95,238	178,815	39,403	29,911	(52,353)	(24,456)	1,084,225	686,071
Segment Assets	82,416,846	69,978,230	3,775,253	4,077,828	799,536	767,032	(3,823,024)	(4,398,003)	83,168,611	70,425,087
Goodwill		-		-		-	79,261	79,261	79,261	79,261
Total Assets	82,416,846	69,978,230	3,775,253	4,077,828	799,536	767,032	(3,743,763)	(4,318,742)	83,247,872	70,504,348
Segment Liabilities	75,836,732	65,360,893	3,287,815	3,640,129	64,985	58,794	(3,201,891)	(3,768,883)	75,987,641	65,290,933
Deferred Liabilities	448,595	431,150	-	-	-	-	7,205	5,454	455,800	436,604
Total Liabilities	76,285,327	65,792,043	3,287,815	3,640,129	64,985	58,794	(3,194,686)	(3,763,429)	76,443,441	65,727,537

Investments-Trading Account	0,010,102	0,0.0,000	(00)	1,110,000	0,000,200	(02
Government Securities	15,195,791	9,638,564	58	16,033,313	11,437,873	40
Investments-Held-to-Maturity	,,	-,,		,,	,,	
Government Securities	8,898,162	8,939,492	(0)	9,467,234	10,030,393	(6)
Other Securities	240,046	355,215	(32)	240,046	355,215	(32
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances						
Bills of Exchange	479,155	113,934	321	479,155	113,934	321
Overdrafts	10,334,396	5,416,991	91	10,334,396	5,416,991	91
Lease Rentals Receivable within One Year	3,092,713	3,310,695	(7)	3,092,713	3,310,756	(7
Lease Rentals Receivable after One Year	5,153,565	3,975,597	30	5,153,565	3,975,597	30
Other Loans	24,871,208	20,485,785	21	25,501,094	20,748,272	23
	43,931,037	33,303,002	32	44,560,923	33,565,550	33
Total Non-performing Loans and Advances						
Overdrafts	639,014	621,589	3	639,014	621,589	3
Lease Rentals Receivable	1,020,872	1,116,049	(9)	1,020,872	1,116,049	(9
Other Loans	1,067,508	1,736,089	(39)	1,067,502	1,736,089	(39
Interest Receivable	310,513	288,610	8 .	310,513	288,610	(10
	3,037,907	3,762,337	(19)	3,037,901	3,762,337	(19
Total Gross Loans and Advances	46 060 044	27.005.220	27	47 500 004	27 227 227	28
Less:	46,968,944	37,065,339	21	47,598,824	37,327,887	20
Interest In Suspense	(783,368)	(654,810)	20	(783,368)	(654,810)	20
Specific Loan Loss Provisions	(853,420)	(1,097,573)	(22)	(853,420)	(1,097,573)	(22
General Loan Loss Provisions	(310,802)	(280,130)	11	(295,470)	(270,998)	(22
Net Loans and Advances	45,021,354	35,032,826	29	45,666,566	35,304,506	29
Other Assets	1,136,503	871,843	30	1,173,910	902,769	30
Deferred Assets	113,544	307,363	(63)	113,544	307,363	(63
Intangible Assets	679,057	353,183	92	758,318	432,444	75
Property, Plant and Equipment	1,254,019	1,372,599	(9)	1,788,444	1,918,353	(7
Total on Balance Sheet Assets	82,416,846	69,978,230	18	83,247,872	70,504,348	18
On-Balance Sheet Liabilities	02,410,040	00,070,200		00,247,072	70,004,040	- 10
Total Deposits						
Demand Deposits	6,675,693	4,722,675	41	6,636,493	4,722,675	41
Savings Deposits	7,061,789	5,631,952	25	7,061,789	5,631,952	25
Time Deposits	34,616,274	33,866,945	2	34,616,274	33,866,945	2
Margin Deposits	342,183	203,563	68	342,183	203,563	68
	48,695,939	44,425,135	10	48,656,739	44,425,135	10
Total Borrowings						
Borrowings from the Central Bank of Sri Lanka	421	5,853	(93)	421	5,853	(93)
Borrowings from Banks and Financial						
Institutions in Sri Lanka	611,726	1,311,398	(53)	611,726	1,311,398	(53)
Borrowings from Banks and Financial						
Institutions Abroad	499,902	348,369	43	499,902	348,369	43
Securities Sold Under Repurchase Agreements	17,411,161	10,475,037	66	17,411,161	10,475,037	66
Subordinated Term Debt	1,806,275	2,105,925	(14)	1,806,275	2,105,925	(14)
Other Borrowings	1,767,374	2,775,055	(36)	2,150,576	2,775,052	(23
	22,096,859	17,021,637	30	22,480,061	17,021,634	32
Deferred Taxation	273,530	291,130	(6)	273,530	291,130	(6
Current Taxation	549,739	493,554	11	537,155	547,801	(2
Other Liabilities	4,669,260	3,560,587	31	4,495,956	3,441,837	31
Total on -Balance Sheet Liabilities	76,285,327	65,792,043	16	76,443,441	65,727,537	16
Equity Capital and Reserves						
Stated Capital (209,643,340 Ordinary Shares						
as at 31.12.2010 & 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	155,696	105,599	47	155,696	105,599	47
Total Other Reserves	1,608,192	970,817	66	2,281,104	1,561,441	46
Total On Release Shoot Linkillian and English	6,131,519	4,186,187	46	6,804,431	4,776,811	42
Total On Balance Sheet Liabilities and Equity	92 446 946	60 070 220	10	92 247 972	70 504 249	10
Capital and Reserves Off-Balance Sheet Items and Contra Accounts	82,416,846	69,978,230	18	83,247,872	70,504,348	18
Contingencies	29,491,636	26,885,018	10	29,491,636	26,885,018	10
	34,046,351	27,603,016	23	34,046,351	27,603,271	23
Commitments and Contra Accounts	63,537,987	54,488,289	17	63,537,987	54,488,289	17
Commitments and Contra Accounts	53,001,301	0 1,700,200		00,001,001	01,700,200	- 17
Commitments and Contra Accounts						
					1522	
Memorandum Information	1577	1506		1608	1007	
Memorandum Information Number of Employees	1577 40	1506 38		1608 40	1532 38	
Memorandum Information Number of Employees Number of Branches	40	38		40	38	
Memorandum Information Number of Employees						

BALANCE SHEET

31.12.2010

Rs. '000

873,295

5,910,132

31.12.2009 Change

865,510

2,043,624

9,519,300

Rs. '000 (%)

(38)

31.12.2010

Rs. '000

873,303

4,716,959

31.12.2009 Change

865,518

2,043,624

Rs. '000 (%)

6,906,289 (32)

I certify that the above financial statements comply with the requirments of the Companies Act No: 7 of 2007. Chief Financial Officer

We, the undersigned being the Chairman, Deputy Chairman 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 audited financial statements of the Bank and its Subsidiaries. (Sgd.) E.H. Wijenaike (Sgd.) A.D. Gunewardene (Sqd.) Saliya Rajakaruna Director/Chief Executive Officer

ebruary 18, 2011 - Colombo				
CASH F	LOW STAT	EMENT		
	BANK		GRO	UP
For the twelve months ended December 31	2010	2009	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities	0.754.050	40.770.000	0.000.007	10.055.500
Interest Received	9,751,952	10,773,033	9,992,097	10,855,530
Fees and Commission Received	425,351	287,606	499,192	375,435
Interest Paid	(5,706,060)	(7,447,873)	(5,711,904)	(7,832,433)
Foreign Exchange Income Received	248,599	316,978	248,599	316,978
Receipts from Other Operating Activities	1,184,701	1,916,532	1,150,557	2,011,939
Gratuity Payments made	(9,895)	(13,705)	(9,895)	(13,705)
Payments to Employees and Suppliers	(4,288,963)	(3,027,705)	(4,376,151)	(3,165,824)
Net Cashflow from Operating Activities before Income Tax (A)	1,605,685	2,804,866	1,792,495	2,547,920
Income Tax paid	(460,349)	(204,946)	(538,005)	(310,357)
Operating Profit before Changes in Operating Assets and Liabilities	1 145 226	2 500 020	1 254 400	0 007 560
Assets and Liabilities	1,145,336	2,599,920	1,254,490	2,237,563
(Increase)/Decrease in Operating Assets				
Investments in Treasury Bills ,Bonds & Reverse Repurchases	(3,122,180)	(10,821,410)	(425,240)	(7,691,121)
Investments and other placements	224,571	(465,306)	224,571	(465,306)
Corporate Debt Securities	447,680	746,309	447,680	637,158
Bills of Exchange	(364,818)	277,371	(364,818)	277,371
Loans and Advances	(9,096,778)	1,831,167	(8,549,906)	(310,308)
Other Assets	(327,113)	199,057	(344,339)	179,979
Other Assets	(12,238,638)	(8,232,812)	(9,012,052)	(7,372,227)
Increase/(Decrease) in Operating Liabilities	(12,200,000)	(0,202,012)	(5,512,552)	(1,012,221)
Customer Deposits	4,388,941	9.739.242	4,388,941	9.739.242
Securities sold under Repurchase Agreements	6,926,986	141,694	4,268,575	(2,424,711)
Other Liabilities	1,282,774	204,979	2,322,585	2,276,368
	12,598,701	10,085,915	10,980,101	9,590,899
Net Cash Flow from Operating Activities	1,505,399	4,453,023	3,222,539	4,456,235
Cash Flows from Investing Activities				
Net Proceeds from Intangible Assets	(104,072)	(235,234)	(104,072)	(235,234)
Proceeds from sale of Property, Plant & Equipment	3,594	3,219	3,596	6,030
Purchase of Property, Plant & Equipment	(109,390)	(270,596)	(109,750)	(270,647)
	(209,868)	(502,611)	(210,226)	(499,851)
Cash Flows from Financing Activities				
Issuance of Ordinary Share Capital - Warrants	1,257,860		1,257,860	-
Increase / (Decrease) in Refinance Activities	(5,431)		(5,431)	-
Increase / (Decrease) in Call & Other Borrowings	(1,699,188)	(5,863,435)	(3,422,080)	(5,863,435)
Issue / (Redemption) of Debentures	(165,000)	500,000	(165,000)	500,000
Dividend Paid	(314,465)	(251,572)	(314,465)	(251,572)
	(926,224)	(5,615,007)	(2,649,116)	(5,615,007)
Net Increase in Cash and Cash Equivalents	369,307	(1,664,595)	363,197	(1,658,623)
Cash and Cash Equivalents at the beginning of the year	3,077,644	4,742,239	3,083,773	4,742,395
Cash and Cash Equivalents at the end of the year	3,446,951	3,077,644	3,446,970	3,083,772
December of Oach and Oach Freeholder				
Reconciliation of Cash and Cash Equivalents	4 000 045	000 454	4 000 004	040 570
Cash in Hand, Balances with Banks & Due to Banks	1,023,845	936,451	1,023,864	942,579
Balance with the Central Bank of Sri Lanka	2,416,235	2,043,624	2,416,235	2,043,624
Money at Call and Short Notice	6,871	97,569	6,871	97,569
	3,446,951	3,077,644	3,446,970	3,083,772
A Reconciliation of Operating Profit				
A. Reconciliation of Operating Profit Profit before taxation	1 852 622	1 060 744	2 029 569	1 390 062
Depreciation	1,853,623	1,060,744	2,028,568 347 617	1,380,962 358,188
	335,929	346,527	347,617	
(Profit) / Loss on disposal of Property, Plant & Equipment	(205)	3,925	(205)	2,975
Provision for Doubtful Debts	209,063	812,779	202,863	803,646
Provision for Gratuity	44,941	40,954	46,691	42,149
(Increase) / Decrease in Interest Receivable	(78,977)	(503,537)	(122,988)	(712,494)
Increase / (Decrease) in Interest Payable	(189,599)	404,735	(161,926)	132,542
Other Non cash items	(559,195)	652,444	(538,230)	553,657
Gratuity Payments Made	(9,895) 1,605,685	(13,705) 2,804,866	(9,895) 1,792,495	(13,705) 2,547,920

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