NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

Company Number PQ 118

As at

On-Balance Sheet Assets Cash in Hand Balances with Central Bank of Sri Lanka

Due from Banks and Other Financial Institutions Investments-Trading Account Government Securities

INCOME STATEMENT							
		BANK			GROUP		
or the three months ended March 31	2011	2010	Change	2011	2010	Chang	
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%	
ROSS INCOME	2,828,248	2,805,757	1	2,932,595	2,893,272	1	
terest Income							
terest Income on Loans and Advances	1,472,726	1,576,953	(7)	1,547,620	1,622,892	(5	
terest Income on Other Interest Earning Assets	785,349	814,405	(4)	789,424	836,303	(6	
tareet Evnence	2,258,075	2,391,358	(6)	2,337,044	2,459,195	(5	
terest Expense terest Expense on Deposits	(726,497)	(802,112)	(9)	(726,497)	(802,112)	(9	
terest Expense on Other Interest Bearing Liabilities	(552,044)	(590.060)	(6)	(563,321)	(594,107)	(5	
terest Expense on other interest bearing clabilities	(1,278,541)	(1,392,172)	(8)	(1,289,818)	(1,396,219)	(8	
	(1,270,041)	(1,002,172)	(0)	(1,203,010)	(1,000,210)	(0	
T INTEREST INCOME	979,534	999,186	(2)	1,047,226	1,062,976	(
on-Interest Income							
reign Exchange Gain /(Loss)	76,530	60,415	27	76,530	60,415	2	
ther Operating Income	493,643	353,984	39	519,021	373,662	39	
	570,173	414,399	38	595,551	434,077	3	
T INCOME	1,549,707	1,413,585	10	1,642,777	1,497,053	10	
ess : Non-Interest Expenses	204 440	007.045	40	000 004	044.000		
rsonnel Costs	381,119	337,945	13	388,361	344,238	10	
ovision for Staff Retirement Benefits	14,247 168.876	11,770	21 2	14,648	12,095 169.676	2	
remises, Equipment and Establishment Expenses oss on Trading / Investment Securities	108,870	165,968	2	171,577	109,070		
nortisation of Intangible Assets	26.738	26.170	2	26.738	26.170	:	
ther Operating Expenses	398,699	297,667	34	396,883	299,843	32	
ner Operating Expenses	989,679	839,520	18	998,207	852,022	17	
	303,073	003,020	10	330,207	002,022		
ess : Provision for Bad & Doubtful Debts and Loans Written Off							
rovision-General	(27,105)	21,951	(223)	(23,070)	17,980	(228	
rovision-Specific	(16,143)	96,658	(117)	(16,143)	96,658	(117	
	(43,248)	118,609	(136)	(39,213)	114,638	(134	
PERATING PROFIT ON ORDINARY							
CTIVITIES BEFORE TAXES	603,276	455,456	32	683,783	530,393	29	
ess: Value Added Tax on Financial Services	(96,605)	(81,487)	19	(109,486)	(93,767)	1	
PERATING PROFIT BEFORE CORPORATE TAX	506,671	373,969	35	574,297	436,626	32	
ss: Tax on Profits on Ordinary Activities	(175,097)	(198,619)	(12)	(198,443)	(222,566)	(11	
PERATING PROFIT FOR THE PERIOD	331,574	175,350	89	375,854	214,060	76	
rnings Per Share -Basic (Rs.)	1.57	1.01	55	1.78	1.23	44	
rnings Per Share - Diluted (Rs.)	1.52	0.98	55	1.72	1.19	44	

2009/13

(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 31.03.2011 and the balances reflected are due to transactions carried out in the normal course of Banking Business

4) Specific provisions for the period include certain prudential provisions made over and above the provisioning policy of the Bank which is more stringent than the guidelines of the Central Bank of Sri Lanka. 5) No material events have taken place since 31.03.2011 that require disclosure or/and adjustments in these accounts and all known expenditures have been provided in these financial statements.

11.02

(7) During the 1st quarter 2011 through warrant conversion, 20,963,943 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 2011.

Interest rate of comparable Govt. security % Interest rate of comparable Debenture Category Govt. security % (31.03.2011) (31.03.2010) 9.68 10.44 2006/11 7.35 2006/12 7.79 7.68

Ratios of Debt	31.03.2011	31.03.2010	
Debt / Equity Ratio (%)	24.79	34.59	
Interest Cover (Times)	7.11	5.18	

John Keells Holdings PLC.

CF Growth Fund Limited

Mr. A.D. Gunewardene

Mr. S.K. Sharma

Mr.M.F. Hashim.

Mr. M.M Udeshi

Name of Director

Mr. E.H. Wijenaike

Mr. K.N.J.Balendra

Mr. S.G. Rajakaruna (Director / CEO) Mr. C.H.S.K. Piyaratna Mr. A.R. Rasiah Dr. (Ms.) D. Weeraki Mr. M.E. Wickremesinghe Mr. M Jafferjee Dr. Kemal De Soysa

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

CF Insurance Brokers (nyt) Ltd.

Renuka City Hotels Limited

Bank of Ceylon - No2 A/C

Employees Trust Fund Board

Timex (Garments) Ltd

Central Finance Company Limited

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

Deustche Bank AG Singapore A/C 01

Sri Lanka Insurance Corporation Ltd-Life Fund

Director's holding in shares as at 31st March 2011

Percentage of public shareholding as at 31st March 2011 was 77.39%

No. of Shares 5,671,164

10,598

107,700

19,432

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

Mackinnons & Keells Financial Services Limited

SHAREHOLDERS INFORMATION

46,121,536 20.00

22,830,159 9.90

22,291,456 9.67

20,715,400 8.98

18,156,100 7.87

14.813.273 6.42

10.592.857 4.59

5,671,164 2.46

2,354,000 1.02

2,124,500 0.92

1,858,775 0.81

1,546,100 0.67

1,392,034 0.60

1,351,900 0.59 1,320,624 0.57 1,238,465 0.54

1,122,100 0.49

179,933,980 78.03

50,673,303 21.97 230,607,283 100.00

2.333.337

 $({\sf Sgd.}) \; \textbf{A.D. Gunewardene}$

May 12, 2011 - Colombo

Chairman

SELECTED PER	FORMAN	CE INDIC	ATORS	
	B	ANK	GRO	UP
	As at 31.03.2011	As at 31.12.2010 (Audited)	As at 31.03.2011	As at 31.12.2010 (Audited)
Regulatory Capital Adequacy Core Capital (Tier 1 Capital), Rs.Mn. Total Capital Base, Rs.Mn. Core Capital Adequacy Ratio, as % of Risk Weighter Assets (Minimum Requirement, 5%)	6,404 7,425 d 11.68%	6,132 7,302 12.52%	6,988 7,997 12.49%	6,716 7,869 13.43%
Total Capital Adequacy Ratio, as % of Risk Weighter Assets (Minimum Requirement, 10%) Assets Quality (Quality of Loan Portfolio) Gross Non-performing Advances Ratio, %	d 13.54%	14.91%	14.29%	15.74%
(Net of Interest In Suspense) Net Non-performing Advances Ratio, %	6.09%	4.88%	6.00%	4.82%
(Net of Interest In Suspense and Provisions Profitability Interest Margin, % Return on Assets, % (before Tax) Return on Equity, %	3.74% 4.57% 2.36% 20.59%	2.36% 5.42% 2.33% 18.30%	3.71% - 2.65% 21.05%	2.36% - 2.53% 17.70%
Regulatory Liquidity Statutory Liquid Assets, Rs. Mn. Statutory Liquid Assets Ratio, (%) (Minimum Requirement, 20%)	17,637	14,386		
Domestic Banking Unit (DBU) Foreign Currency Banking Unit (FCBU) Net Assets Value Per Share (Rs.)	26.47% 54.74% 29.21	22.13% 42.97% 29.25	32.32	32.46
Market Price Per Share (Rs.) Highest Lowest Last Traded Price	31.03.2011 (Quarter ended) 89.80 73.00 76.30	31.03.2010 (Quarter ended) 39.75 34.50 35.00		

STATEMEN	IT OF CH	ANGES	IN EQL	JITY	
	Stated Capital Rs. '000	Capital Reserve Rs. '000	Reserve Fund Rs. '000	Revenue Reserve Rs. '000	Total Rs. '000
Bank					
Balance as at 01.01.2010	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
Net Profit for the Period	-	-	-	175,350	175,350
Balance as at 31.03.2010	4,367,631	1	105,599	831,702	5,304,932
Balance as at 01.01.2011	4,367,631		155,696	1,608,192	6,131,519
Dividend Paid for 2010	-			(461,215)	(461,215)
Shares issued on '2011 Warrants' exercised	733,738	-	-	-	733,738
Net Profit for the Period		-	-	331,574	331,574
Balance as at 31.03.2011	5,101,369	-	155,696	1,478,551	6,735,616
Group					
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)
Shares issued on '2010 Warrants' exercised	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
Balance as at 01.01.2011	4,367,631	9,500	155,696	2,271,604	6,804,431
Dividend Paid for 2010		-	-	(461,215)	(461,215)
Shares issued on '2011 Warrants' exercised	733,738	-	-	-	733,738
Net Profit for the Period	-	-	-	375,854	375,854

5,101,369

Balance as at 31.03.2011

9,500

			SEG	MENTAI	L INFOR	MATION				
	BAI	NKING	INVESTME	NT BANKING	ОТІ	HERS	ELIMINATION	/ALLOCATED	GRO	UP
In Rs. '000 Total Revenue	31.03.2011 2,828,248	31.03.2010 2,805,757	31.03.2011 132,282	31.03.2010 164,492	31.03.2011 32,489	31.03.2010 21,256	31.03.2011 (60,424)	31.03.2010 (98,233)	31.03.2011 2,932,595	31.03.2010 2,893,272
Segment Results Profit before Taxation	506.671	373.969	63.705	47.352	16,409	11,335	(12,488)	3,971	574.297	436,626
Taxation	(175,097)	(198,619)	(19,084)	(21,227)	(3,907)	(2,720)	(355)	-	(198,443)	(222,566)
Net Profit for the Year	331,574	175,350	44,621	26,125	12,502	8,615	(12,843)	3,971	375,854	214,060
Segment Assets	88,365,801	74,212,881	3,511,843	4,425,521	810,525	777,956	(3,527,880)	(4,700,516)	89,160,288	74,715,842
Intangible Assets	654,170	330,019		-		-	79,261	79,261	733,431	79,261
Total Assets	89,019,971	74,542,900	3,511,843	4,425,521	810,525	777,956	(3,448,619)	(4,621,255)	89,893,719	74,795,103
Segment Liabilities	81,931,966	68,616,819	2,977,132	3,959,495	58,519	57,264	(2,886,700)	(4,069,903)	82,080,917	68,563,675
Deferred Liabilities	352,389	291,130	2,652	2,201	4,953	3,831		-	359,994	297,162
Total Liabilities	82,284,355	68,907,949	2,979,784	3,961,696	63,472	61,095	(2,886,700)	(4,069,903)	82,440,911	68,860,837

155,696 2,186,243 7,452,808

Ш	Investments-Held-to-Maturity						
	Government Securities Other Securities	8,980,761 2,496,032	8,898,162 1,905,796	1 31	9,574,015 2,496,032	9,467,234 1,905,796	1 31
Ш	Investments in Subsidiaries	678,710	678,710	-		-	-
Ш	Total Loans and Advances						
Н	Total Performing Loans and Advances	000 757	470 155	(40)	000 757	470 155	(40)
Н	Bills of Exchange Overdrafts	260,757 9,481,892	479,155 10,334,396	(46) (8)	260,757 9,481,892	479,155 10,334,396	(46) (8)
Н	Lease Rentals Receivable within One Year	3,188,134	3,092,713	3	3,188,134	3,092,713	3
Н	Lease Rentals Receivable after One Year	5,810,062	5,153,565	13	5,810,062	5,153,565	13
Н	Other Loans	25,646,835	24,871,208	3	26,296,699	25,501,094	3
П	Total Non-performing Loans and Advances	44,387,680	43,931,037	1	45,037,544	44,560,923	1
П	Overdrafts	638,143	639,014	-	638,143	639,014	(0)
ı	Lease Rentals Receivable	1,547,955	1,020,872	52	1,547,955	1,020,872	52
ı	Other Loans Interest Receivable	1,203,848	1,067,508	13 9	1,203,848 337,057	1,067,502	13 9
ı	IIILETESI NECEIVADIE	337,057 3,727,003	310,513 3,037,907	23	3,727,003	310,513 3,037,901	23
ı	T-1-101						
ı	Total Gross Loans and Advances Less:	48,114,683	46,968,944	2	48,764,547	47,598,824	2
ı	Interest In Suspense	(849,865)	(783,368)	8	(849,865)	(783,368)	8
ı	Specific Loan Loss Provisions	(826,686)	(853,420)	(3)	(826,686)	(853,420)	(3)
	General Loan Loss Provisions Net Loans and Advances	(283,626)	(310,802)	(9)	(272,329) 46,815,667	(295,470)	(8)
I	NET LUAIIS AIIU MUVAIICES	46,154,506	45,021,354	3	40,613,007	45,666,566	3
ı	Other Assets	1,470,505	1,136,503	29	1,514,072	1,173,910	29
ı	Deferred Assets	106,466	113,544	(6)	106,466	113,544	(6)
ı	Intangible Assets	654,170	679,057	(4)	733,431	758,318	(3)
ı	Property, Plant and Equipment Total on Balance Sheet Assets	1,219,744 89,019,971	1,254,019 82,416,846	(3)	1,752,365 89,893,719	1,788,444 83,247,872	(2)
ı			02,110,010		00,000,710	00,217,072	
ı	On-Balance Sheet Liabilities Total Deposits						
ı	Demand Deposits	7,563,493	6,675,693	13	7,560,660	6,636,493	14
ı	Savings Deposits	7,594,301	7,061,789	8	7,594,301	7,061,789	8
ı	Time Deposits Margin Deposits	36,389,383 272,444	34,616,274	5	36,389,383 272,444	34,616,274 342,183	5 (20)
ı	margin Deposits	51,819,621	342,183 48,695,939	(20)	51,816,788	48,656,739	6
ı	Total Borrowings						
ı	Borrowings from the Central Bank of Sri Lanka	211	421	(50)	211	421	(50)
ı	Borrowings from Banks and Financial Institutions in Sri Lanka	562,057	611,726	(8)	562,057	611,726	(8)
ı	Borrowings from Banks and Financial	002,007	011,720	(0)	002,007	011,720	(0)
ı	Institutions Abroad	1,373,977	499,902	175	1,373,977	499,902	175
ı	Securities Sold Under Repurchase Agreements	18,405,252	17,411,161	6	18,405,252	17,411,161	6
ı	Subordinated Term Debt Other Borrowings	1,573,950 1,580,224	1,806,275 1,767,374	(13) (11)	1,573,950 1,932,634	1,806,275 2,150,576	(13) (10)
ı	ond. Softonings	23,495,671	22,096,859	6	23,848,081	22,480,061	6
ı	Deferred Taxation	270,659	273,530	(1)	275,613	273,530	1
ı	Current Taxation	487,035	549,739	(1) (11)	476,333	537,155	(11)
ı	Other Liabilities	6,211,369	4,669,260	33	6,024,096	4,495,956	34
ı	Total on-Balance Sheet Liabilities	82,284,355	76,285,327	8	82,440,911	76,443,441	8
	Equity Capital and Reserves Stated Capital (230,607,283 Ordinary Shares						
ı	as at 31.03.2011 & 209,643,340 as at 31.12.2010)	5,101,369	4,367,631	17	5,101,369	4,367,631	17
ı	Statutory Reserve Fund	155,696	155,696	(0)	155,696	155,696	(0)
ı	Total Other Reserves	1,478,551	1,608,192	(8)	2,195,743	2,281,104	(4)
ı	Total On Balance Sheet Liabilities and Equity	6,735,616	6,131,519	10	7,452,808	6,804,431	10
ı	Capital and Reserves	89,019,971	82,416,846	8	89,893,719	83,247,872	8
d	Off-Balance Sheet Items and Contra Accounts						
1	Contingencies	41,631,579	29,491,636	41	41,631,579	29,491,636	41
ı	Commitments and Contra Accounts	32,505,708 74,137,287	34,046,351 63,537,987	(5) 17	32,505,708 74,137,287	34,046,351 63,537,987	(5) 17
ı		74,107,207	00,001,001		14,101,201	00,001,001	- 17
I	Memorandum Information Number of Employees	1598	1577		1630	1600	
1	Number of Employees Number of Branches	1598	15//		1630 41	1608 40	
ı	Number of Leasing Centers	1	1		1	1	
I	Number of Personal Banking Centers	6	6		6	6	
	CERTIFICATION:						
	I certify that the above financial statements comply with	the requirments of the C	ompanies Act No: 7	of 2007.			
П	(Sgd.) Ajith Akmeemana						
a 1	Chief Financial Officer						

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

(b) the information contained in these statements has been extracted from the unaudited financial statements of the Bank and its Subsidiaries unless indicated

Deputy Chairman

(Sgd.) **E.H. Wijenaike**

(Sgd.) Saliya Rajakaruna

Director/Chief Executive Officer

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.

31.12.2010 Change

(11)

29

Rs. '000

2,416,235

4,244,380

15,195,791

2,859,599

3,784,771

19,633,948

31.03.2011

Rs. '000

980,766 2,859,599

2,592,500

20,468,806

31.12.2010 Change

873,303 2,416,235

3,051,209

16,033,313

Rs. '000 (%)

(15)

)UP		
For the three months ended 31st March	2011	2010	2011	2010
of the three months ended 51st water	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
nterest Received	2,170,762	2,456,808	2,310,003	2,626,565
Interest Paid	(1,182,055)	(1,352,657)	(1,185,390)	(1,460,380)
Foreign Exchange Income Received	91,488	60,415	91,488	60,415
Receipts from Other Operating Activities	458,315	353,984	461,420	(360,473)
Gratuity Payments made	(1,116)	(2,364)	(1,116)	(2,485)
Payments to Employees and Suppliers	(991,936)	(841,237)	(1,001,662)	(867,143)
Net Cashflow from Operating Activities before Income Tax (A)	545,458	674,949	674,743	717,445
ncome Tax paid	(109,800)	(62,340)	(127,306)	(85,315)
Operating Profit before Changes in Operating Assets and Liabilities	435.658	612.609	547.437	632,130
	100,000	0.2,000	0.11,101	002,100
(Increase)/Decrease in Operating Assets				
nvestments in Treasury Bills ,Bonds & Reverse Repurchases	(4,249,657)	(819,943)	(3,123,461)	(765,555)
nvestments and other placements	(30,449)	144,105	(30,449)	144,105
Bills of Exchange	218,398	(140,332)	218,398	(140,332)
oans and Advances	(1,327,330)	(2,348,797)	375,689	(2,761,803)
Other Assets	(316,528)	(653,806)	(351,534)	(634,339) (4,157,924)
ncrease/(Decrease) in Operating Liabilities	(5,705,566)	(3,818,773)	(2,911,357)	(4,157,924)
Customer Deposits	3,093,025	(312,980)	3,093,025	(312,980)
Securities sold under Repurchase Agreements	1.016.428	3,794,263	(2,287,541)	3,776,027
Other Liabilities	1,283,666	787,736	3,060,497	1,134,598
	5,393,119	4,269,019	3,865,981	4,597,645
Net Cash Flow from Operating Activities	123,211	1,062,855	1,502,061	1,071,851
Cash Flows from Investing Activities				
Purchase of from Intangible Assets	(1,852)	(2,031)	(1,852)	(2,031)
Proceeds from sale of Property, Plant & Equipment	15	(=,==,-,	15	(=,===,
Purchase of Property, Plant & Equipment	(19,275)	(10,810)	(20,438)	(10,810)
	(21,112)	(12,841)	(22,275)	(12,841)
Cash Flows from Financing Activities				
ssuance of Ordinary Share Conversion - Warrants	733,738	1,257,860	733,738	1,257,860
ncrease / (Decrease) in Refinance Activities ncrease / (Decrease) in Call & Other Borrowings	(211)	(1,364)	(211)	(1,364)
Dividend Paid	109,139 (461,215)	(1,502,299)	(1,302,888) (461,215)	(1,502,298)
Jividelid Fald	381,451	(314,465) (560,267)	(1,030,576)	(560,267
let Increase in Cash and Cash Equivalents	483,549	489.747	449,210	498,743
Cash and Cash Equivalents at the beginning of the year	3,446,951	3,077,645	3,484,131	3,083,773
Cash and Cash Equivalents at the end of the year	3,930,500	3,567,392	3,933,341	3,582,516
Reconciliation of Cash and Cash Equivalents				
Cash in Hand, Balances with Banks & Due to Banks	1,070,901	863,067	1,073,742	878,191
Balance with the Central Bank of Sri Lanka	2,859,599	2,134,073	2,859,599	2,134,073
Money at Call and Short Notice	3,930,500	570,252	3,933,341	570,252 3,582,516
	0,500,000	3,567,392	0,300,041	0,002,010
A. Reconciliation of Operating Profit				
Profit before taxation	506,671	373,969	574,297	436,626
Depreciation	71,842	68,000	74,808	70,912
Provision for Doubtful Debts	(43,248)	118,609	(39,213)	114,638
Provision for Gratuity	14,247	11,770	14,648	12,095
Increase) / Decrease in Interest Receivable	(87,312)	50,554	(52,053)	37,343
ncrease / (Decrease) in Interest Payable Other Non cash items	96,486	39,517	108,852	33,299
orner Non cash items Gratuity Payments Made	(12,112) (1,116)	14,896 (2,364)	(5,480)	14,896 (2,364)
		12.0041	(1,116)	12.004

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