INCOME STATEMENT

	BANK					GROUP						
	Six months	ended 30th June			ded 30th June		Six months e	ended 30th June	Quarter ended 30th June			
	2011	2010 (Change	2011	2010 (hange	2011	2010 (Change	2011	2010 0	Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
GROSS INCOME	5,697,894	5,791,098	(2)	2,869,645	2,985,340	(4)	5,893,332	5,915,804	(0)	2,960,736	3,022,533	(2)
Interest Income												
Interest Income on Loans and Advances	3,066,672	3,204,877	(4)	1,593,946	1,627,924	(2)	3,218,936	3,308,452	(3)	1,671,316	1,731,499	(3)
Interest Income on Other Interest												
Earning Assets	1,544,592	1,653,572	(7)	759,243	839,167	(10)	1,545,008	1,691,977	(9)	755,584	809,736	(7)
	4,611,264	4,858,449	(5)	2,353,189	2,467,091	(5)	4,763,944	5,000,429	(5)	2,426,900	2,541,235	(4)
Interest Expense				()	(==== 1.0.0.)					(======)	(==== 100)	
Interest Expense on Deposits	(1,486,564)	(1,504,514)	(1)	(760,066)	(702,402)	8	(1,486,564)	(1,504,514)	(1)	(760,066)	(702,402)	8
Interest Expense on Other Interest	(4 444 607)	(1.070.075)	(10)	(500 504)	(000.010)	(10)	(1 105 000)	(1 000 707)	(10)	(500 500)	(000 000)	(10)
Bearing Liabilities	(1,114,607)	(1,273,375)	(12)	(562,564)	(683,316)	(18)	(1,125,902)	(1,280,727)	(12)	(562,580)	(686,620)	(18)
	(2,601,171)	(2,777,889)	(6)	(1,322,630)	(1,385,718)	(5)	(2,612,466)	(2,785,241)	(6)	(1,322,646)	(1,389,022)	(5)
NET INTEREST INCOME	2,010,093	2,080,560	(3)	1,030,559	1,081,373	(5)	2,151,478	2,215,188	(3)	1,104,254	1,152,213	(4)
Non-Interest Income	2,010,055	2,000,000	(3)	1,000,005	1,001,373	(3)	2,131,470	2,213,100	(5)	1,104,204	1,152,215	(4)
Foreign Exchange Gain /(Loss)	173,754	120,990	44	97.223	60,575	61	173.754	120,990	44	97.223	60,575	61
Other Operating Income	912,876	811,659	12	419,233	457,674	(8)	955,634	794,385	20	436,613	420,723	4
	1,086,630	932.649	17	516,456	518,249	(0)	1,129,388	915,375	23	533,836	481.298	11
	.,,	,		,	,	(-)	-,,			,	,	
NET INCOME	3,096,723	3,013,209	3	1,547,015	1,599,622	(3)	3,280,866	3,130,563	5	1,638,090	1,633,511	0
Less : Non-Interest Expenses						. ,						
Personnel Costs	811,412	739,306	10	430,293	401,361	7	826,317	752,080	10	437,956	407,842	7
Provision for Staff Retirement Benefits	27,547	22,465	23	13,299	10,695	24	28,168	23,050	22	13,520	10,954	23
Premises, Equipment and												
Establishment Expenses	330,993	321,195	3	162,117	155,226	4	335,611	329,040	2	164,034	159,364	3
Loss on Trading / Investment Securities	16,967	-	100	16,967	-	100	34,181	4,322	691	34,181	4,322	691
Amortisation of Intangible Assets	53,484	55,628	(4)	26,746	29,457	(9)	53,484	55,628	(4)	26,746	29,457	(9)
Other Operating Expenses	729,054	580,465	26	330,355	282,799	17	732,629	584,660	25	335,746	284,817	18
	1,969,457	1,719,059	15	979,777	879,538	11	2,010,390	1,748,780	15	1,012,183	896,756	13
Less: Provision for Bad & Doubtful Debts and												
Loans Written Off	(00.044)	00 150	(100)	(0.400)	14.000	(1.40.)	(00.044)	00 404	(100)	(5.044)		(150)
Provision/(Writeback) - General	(33,244) (39,154)	36,158	(192) (122)	(6,139)	14,208	(143) (129)	(29,011) (39,154)	29,421 175,806	(199) (122)	(5,941)	11,441 79.148	(152)
Provision/(Writeback) - Specific	(72,398)	175,806 211,964	(122)	(23,011) (29,150)	79,148 93,356	(129) (131)	(68,165)	205,227	(122)	(23,011) (28,952)	90,589	(129) (132)
	(12,550)	211,504	(134)	(29,130)	55,550	(131)	(00,103)	205,227	(155)	(20,552)	50,505	(132)
OPERATING PROFIT ON ORDINARY												
ACTIVITIES BEFORE TAXES	1.199.664	1.082.186	11	596.388	626.729	(5)	1.338.641	1,176,556	14	654.859	646.166	1
Less: Value Added Tax on Financial Services	(191,946)	(213,299)	(10)	(95,341)	(131,812)	(28)	(214,183)	(232,958)	(8)	(104,697)	(139,191)	(25)
	(,)	(=::,=00)	()	(,)	((==)	(=,)	(,))	(-/	()	(,	(==)
OPERATING PROFIT BEFORE CORPORATE TAX	1,007,718	868,887	16	501,047	494,917	1	1,124,458	943,598	19	550,162	506,975	9
Less:Tax on Profits on Ordinary Activities	(347,903)	(425,191)	(18)	(172,805)	(226,572)	(24)	(388,206)	(449,445)	(14)	(189,763)	(226,879)	(16)
OPERATING PROFIT FOR THE PERIOD	659,815	443,696	49	328,242	268,345	22	736,252	494,153	49	360,399	280,096	29
Earnings Per Share -Basic (Rs.)	2.98	2.31	29	1.42	1.30	9	3.33	2.58	29	1.55	1.34	15
Earnings Per Share - Diluted (Rs.)	2.93	2.25	30				3.26	2.51	30			

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 fingues have been restated where necessary to comply with the Central Bank guidelines.
(3) There are no material changes to contingent assets and liabilities since 31.12.2010 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 30.06.2011 that require disclosure or and adjustments in these accounts and all known expenditures have been provided in these financial statements.

(19) The set of the se

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 30th June 2011.

Highest Lowest As at 30.06.2011 Coupon Annual Rate Security Security Interest Yiel	Debenture categories	CSE Listing	Interest Payable Freugency	Balance as at	Market V		t Values	Interest Rates		Interest rate of Comparable	Comparable C	Comparable Con	Interest rate of Comparable	Other Ratios as at date of last trade	
Fixed Rate NTED0145 Semi - Annualy 500,000 Not Traded during the current period 20.53 21.58 7.77 9.75 Not Traded during the current period Fixed Rate NTBD0131 Annualy 1,000,000 Not Traded during the current period 21.00 21.00 7.90 9.80 Not Traded during the current period				30.06.2011 Rs. '000			30.06.2011	Rate	Annual Yield		30.06.2010		Yield to Maturity %		
Total Debentures 1.670.000	Fixed Rate Fixed Rate Floating Rate Floating Rate	NTBD0131	Annualy	1,000,000	Not Traded during the current period		21.00	21.00	7.90	9.80	Not Traded during	the current period			

SELECTED PERFORMANCE INDICATORS

	BA	NK	GROU	P
	As at 30.06.2011	As at 31.12.2010 (Audited)	As at 30.06.2011	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 Weighted Assets (Minimum Requirement, 5%)	6,404 7,340 11.24%	6,132 7,302 12.52%	6,988 7,913 12.00%	6,716 7,869 13.43%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%) Assets Quality (Quality of Loan Portfolio) Gross Non-performing Advances Ratio. %	12.89%	14.91%	13.59%	15.74%
(Net of Interest In Suspense) Net Non-performing Advances Ratio, %	4.87%	4.88%	4.81%	4.82%
(Net of Interest In Suspense and Provisions) Profitability	2.75%	2.36%	2.74%	2.36%
Interest Margin, % Return on Assets, % (before Tax) Return on Equity, % Perculations, leaviette	4.55% 2.28% 19.74%	5.42% 2.33% 18.30%	- 2.52% 19.88%	- 2.53% 17.70%
Regulatory Liquid Assets, Rs. Mn. 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.)	21.15% 49.43% 30.63	22.13% 42.97% 29.25	33.88	32.46
Market Price Per Share (Rs.) Highest Lowest Last Traded Price	30.06.2011 (Quarter ended) 80.00 62.00 66.20	30.06.2010 (Quarter ended) 57.50 34.00 55.50		

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Reserve Fund	Investment Fund*	Exchange Equalisation Reserve	Revenue Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	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	4 057 000						1 057 000
'2010 Warrants' exercised	1,257,860	-	-	-			1,257,860
Net Profit for the Period		-	-			443,696	443,696
Exchange Equalisation of Reserve			-		8,962		8,962
Balance as at 30.06.2010	4,367,631		105,599		8,962	1,100,048	5,582,240
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
Transfers to Investment Fund*	-	-	-	91,545		(91,545)	-
Net Profit for the Period				-		659,815	659,815
Balance as at 30.06.2011	5,101,369		155,696	91,545		1,715,247	7,063,857
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			-			494,153	494,153
Exchange Equalisation of Reserve		-	-		8,962		8,962
Balance as at 30.06.2010	4,367,631	9,500	105,599		8,962	1,731,629	6,223,321
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
Transfers to Investment Fund*	-	-	-	91,545	-	(91,545)	-
Net Profit for the Period		-	-	-		736,252	736,252
Balance as at 30.06.2011	5,101,369	9,500	155,696	91,545		2,455,096	7,813,206

* Tax saving on the reduction of tax rates transferred to the Investment Fund as per the guidelines issued by the Department of Inland Revenue and Central Bank of Sri Lanka.

SEGMENTAL INFORMATION

	BA	NKING	INVESTMEN	IT BANKING	OTI	IERS	ELIMINATION/ALLOCATED		GRO)UP
In Rs. '000	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Total Revenue	5,697,894	5,791,098	275,307	319,411	64,170	44,201	(144,038)	(243,230)	5,893,332	5,915,804
Segment Results										
Profit before Taxation	1,007,718	868,887	110,199	93,577	31,262	23,534	(24,721)	(42,400)	1,124,458	943,598
Taxation	(347,903)	(425,191)	(34,746)	(41,941)	(6,997)	(8,455)	1,440	24,377	(388,206)	(449,445)
Net Profit for the Period	659,815	443,696	75,453	51,636	24,265	15,078	(23,281)	(18,023)	736,253	494,153
Segment Assets	87,098,774	77,728,587	3,900,091	4,474,125	819,275	780,382	(3,881,896)	(4,758,494)	87,936,242	78,224,601
Intangible Assets	628,221	329,773	-	-	-	-	79,261	79,261	707,482	409,034
Total Assets	87,726,995	78,058,360	3,900,091	4,474,125	819,275	780,382	(3,802,636)	(4,679,233)	88,643,723	78,633,634
Segment Liabilities	80,204,128	72,063,011	3,344,177	4,027,994	58,906	59,588	(3,243,529)	(4,159,681)	80,363,682	71,990,912
Deferred Liabilities	459,010	413,109	2,723	2,296	5,102	3,996	-	-	466,835	419,401
Total Liabilities	80,663,138	72,476,120	3,346,900	4,030,290	64,009	63,584	(3,243,529)	(4,159,681)	80,830,517	72,410,313

BALANCE SHEET

	DALANO		-			
		BANK			GROUP	
An et	30.06.2011		Change	30.06.2011		henne
As at		31.12.2010	Change			Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
On-Balance Sheet Assets		(Audited)			(Audited)	
Cash in Hand	1,053,659	873,295	21	1,053,667	873,303	21
Balances with Central Bank of Sri Lanka	3,090,707	2,416,235	28	3,090,707	2,416,235	28
Due from Banks and Other Financial Institutions	2,632,460	4,226,626	(38)	1,337,269	3,033,697	(56)
	2,032,400	4,220,020	(30)	1,007,209	3,033,037	(30)
Investments-Trading Account						
Government Securities	15,793,177	15,195,791	4	16,750,105	16,033,313	4
Investments-Held-to-Maturity						
Government Securities	8,704,653	8,891,704	(2)	9,288,017	9,460,776	(2)
Other Securities	1,781,015	1,905,796	(7)	1,781,015	1,905,796	(7)
	678.710	678.710	(1)	1,701,010	1,000,700	(1)
Investments in Subsidiaries	0/0,/10	678,710	-	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances						
Bills of Exchange	299,696	479,155	(37)	299,696	479,155	(37)
Overdrafts	10,978,299	10,321,231	6	10,978,299	10,321,231	6
Lease Rentals Receivable within One Year	3,188,134	3,092,713	3	3,188,134	3,092,713	3
Lease Rentals Receivable after One Year			37			37
	7,048,712	5,153,565		7,048,712	5,153,565	
Other Loans	27,379,202	24,871,206	10	27,993,202	25,501,095	10
	48,894,043	43,917,870	11	49,508,043	44,547,759	11
Total Non-performing Loans and Advances						
Overdrafts	569,875	639,014	(11)	569,875	639,014	(11)
Lease Rentals Receivable			18			18
	1,208,232	1,020,872		1,208,232	1,020,872	
Other Loans	1,204,220	1,067,507	13	1,204,220	1,067,502	13
Interest Receivable	354,611	310,513	14	354,611	310,513	14
	3,336,938	3,037,906	10	3,336,938	3,037,901	10
Total Gross Loans and Advances	52,230,981	46,955,776	11	52,844,981	47,585,660	11
Less:	,,	,,		,,	,,	
	(022 507)	(700.000)	0	(022 507)	(700.000)	c
Interest In Suspense	(833,507)	(783,368)	6	(833,507)	(783,368)	6
Specific Loan Loss Provisions	(810,184)	(853,420)	(5)	(810,184)	(853,420)	(5)
General Loan Loss Provisions	(277,399)	(310,802)	(11)	(266,301)	(295,470)	(10)
Net Loans and Advances	50,309,891	45,008,186	12	50,934,989	45,653,402	12
Other Assets	1,739,493	1,174,442	48	1,856,445	1,211,603	53
Deferred Assets	87,757	113,544	(23)	87,757		(23)
					113,544	
Intangible Assets	628,221	679,057	(7)	707,482	758,318	(7)
Property, Plant and Equipment	1,227,252	1,254,019	(2)	1,756,270	1,788,444	(2)
Total on Balance Sheet Assets	87,726,995	82,417,405	6	88,643,723	83,248,431	6
	. , .,				, ., .	
On-Balance Sheet Liabilities						
Total Deposits						
Demand Deposits	7,620,714	6,675,693	14	7,553,965	6,636,493	14
Savings Deposits	8,542,132	7,061,789	21	8,542,132	7,061,789	21
Time Deposits	37,569,027	34,616,274	9	37,569,027	34,616,274	9
Margin Deposits	419,539	342,183	23	419,539	342,183	23
Margin Deposits			-			
	54,151,412	48,695,939	11	54,084,663	48,656,739	11
Total Borrowings						
Borrowings from the Central Bank						
of Sri Lanka		421	(100)		421	(100)
		721	(100)		421	(100)
Borrowings from Banks and Financial						
Institutions in Sri Lanka	319,309	611,500	(48)	319,309	611,500	(48)
Borrowings from Banks and Financial						
Institutions Abroad	1,265,063	499,902	153	1,265,063	499,902	153
Securities Sold Under Repurchase Agreements	16,278,875	16,967,745	(4)	16,018,875	16,967,745	(6)
Subordinated Term Debt	1,573,950	1,806,275	(13)	1,573,950	1,806,275	(13)
Other Borrowings	1,382,929	1,708,203	(19)	1,782,928	2,089,113	(15)
	20,820,126	21,594,046	(4)	20,960,125	21,974,956	(5)
Deferred Taxation	260,818	273,530	(5)	260,818	273,530	(5)
Current Taxation	436,181	549,739	(21)	443,794	537,155	(17)
Other Liabilities	4,994,601	5,172,632	(3)	5,081,117	5,001,620	2
Total on -Balance Sheet Liabilities	80,663,138	76,285,886	6	80,830,517	76,444,000	6
Equity Capital and Reserves						
Stated Capital (230,607,283 Ordinary Shares						
as at 30.06.2011 & 209,643,340 as at 31.12.2010)	5,101,369	4,367,631	17	5,101,369	4,367,631	17
Statutory Reserve Fund	155,696	155,696	(0)	155,696	155,696	(0)
Total Other Reserves	1,806,793	1,608,192	12	2,556,141	2,281,104	12
	7,063,857	6,131,519	15	7,813,206	6,804,431	15
Total On Balance Sheet Liabilities and						
Equity Capital and Reserves	87,726,995	82,417,405	6	88,643,723	83,248,431	6
	,,	. ,,	-			
Off-Balance Sheet Items and Contra Accounts						
Contingencies	33,270,817	29,491,636	13	33,270,817	29,491,636	13
Commitments and Contra Accounts	33,386,952	34,046,351	(2)	33,386,952	34,046,351	(2)
community and contra neobulity						
	66,657,769	63,537,987	5	66,657,769	63,537,987	5
Memorandum Information						
Number of Employees	1664	1577		1700	1608	
Number of Branches	43	40		43	40	
Number of Leasing Centers		-10		-5		
					1	
Number of Personal Banking Centers	6	6		6	6	
OF DIFICATION -						

CERTIFICATION :

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

(Sgd.) Ajith Akmeemana 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 unaudited financial statements of the Bank and its Subsidiaries unless

indicated as audited.

(Sgd) **A.D. Gunewardene** Chairman (Sgd) **E.H. Wijenaike** Deputy Chairman

CASH FLOW STATEMENT

	Banl	k	Gro	
For the Six months ended 30th June	Rs. '000	Rs. '000	Rs. '000	Rs. '000
	2011	2010	2011	2010
Cash Flows from Operating Activities				
Interest Received	4,429,641	4,740,271	4,669,663	4,959,456
Interest Paid	(2,321,274)	(2,988,415)	(2,334,938)	(3,012,537)
Foreign Exchange Income Received	152,010	120,990	152,010	120,990
Receipts from Other Operating Activities	912,785	712,891	906,166	658,470
Gratuity Payments made	(4,421)	(6,221)	(4,421)	(6,437)
Payments to Employees and Suppliers	(1,990,329)	(1,766,868)	(2,038,367)	(1,810,139)
Net Cashflow from Operating Activities before Income Tax (A)	1,178,412	812,648	1,350,113	909,803
· · · ·	(050,000)	(004.000)	(000,440)	(070,000)
Income Tax paid Operating Profit before Changes in Operating	(258,900)	(224,399)	(280,446)	(270,098)
Assets and Liabilities	919,512	588,249	1,069,667	639,705
	515,512	500,245	1,005,007	003,700
(Increase)/Decrease in Operating Assets				
(,				
Investments in Treasury Bills ,Bonds & Reverse Repurchases	1,549,856	(2,961,167)	2,749,140	(332,630)
Investments and other placements	(10,839)	109,101	(10,839)	109,101
Bills of Exchange	179,459	(108,716)	179,459	(108,716)
Loans and Advances	(5,396,978)	(4,538,357)	(3,658,099)	(3,681,048)
Other Assets	(526,392)	(192,939)	(647,773)	(170,431)
	(4,204,894)	(7,692,078)	(1,388,112)	(4,183,724)
Increase/(Decrease) in Operating Liabilities				
Customer Deposits	5,308,906	1,728,211	5,308,906	1,728,211
Securities sold under Repurchase Agreements	(688,871)	5,265,257	(4,057,278)	2,655,852
Other Liabilities	(461,678)	33,922	1,555,188	703,173
	4,158,357	7,027,390	2,806,816	5,087,236
Net Cash Flow from Operating Activities	872,975	(76,439)	2,488,371	1,543,217
	012,310	(10,403)	2,400,071	1,040,211
Cash Flows from Investing Activities				
-				
(Purchase)/sale of Intangible Assets	(2,649)	(16,590)	(2,649)	(16,590)
Proceeds from sale of Property, Plant & Equipment	91	-	1,323	-
(Purchase)/sale of Property, Plant & Equipment	(84,699)	(58,590)	(85,862)	(58,837)
	(87,257)	(75,180)	(87,188)	(75,427)
Cash Flows from Financing Activities				
Issuance of Ordinary Share Conversion - Warrants	733,738	1,257,860	733,738	1,257,860
Increase / (Decrease) in Refinance Activities	(421)	(2,985)	(421)	(2,985)
Increase / (Decrease) in Call & Other Borrowings Dividend Paid	(328,347) (461,215)	(715,745)	(1,914,235)	(2,302,748)
	(56,245)	(314,465) 224,665	(461,215) (1,642,133)	(314,465) (1,362,338)
	(30,243)	224,005	(1,042,133)	(1,302,330)
Net Increase in Cash and Cash Equivalents	729.473	73.046	759.050	105.452
Cash and Cash Equivalents at the beginning of the year	3,446,951	3,077,645	3,484,131	3,083,714
Cash and Cash Equivalents at the end of the year	4,176,424	3,150,691	4,243,181	3,189,166
				<u> </u>
Reconciliation of Cash and Cash Equivalents				
Cash in Hand, Balances with Banks & Due to Banks	1,085,717	772,625	1,152,474	811,100
Balance with the Central Bank of Sri Lanka	3,090,707	2,378,066	3,090,707	2,378,066
	4,176,424	3,150,691	4,243,181	3,189,166
A Descentilization of Occuration D. Cit				
A. Reconciliation of Operating Profit				
Profit before taxation	1,007,718	868,887	1,123,852	943,598
Depreciation	160,495	143,023	166,441	148,848
(Profit) / Loss on disposal of Property, Plant & Equipment	(91)	140,020	(1,323)	140,040
Provision for Doubtful Debts	(72,398)	211,964	(68,167)	205,227
Provision for Gratuity	27,547	22,465	28,168	23.050
(Increase) / Decrease in Interest Receivable	(181,624)	(118,179)	(141,726)	(85,176)
Increase / (Decrease) in Interest Payable	279,897	(210,523)	278,759	(224,861)
Other Non cash items	(38,711)	(98,768)	(31,470)	(94,446)
Gratuity Payments Made	(4,421)	(6,221)	(4,421)	(6,437)
	1,178,412	812,648	1,350,113	909,803

Ratios of Debt	30.06.2011	30.06.2010
Debt / Equity Ratio %	41.30%	66.28%
Interest Cover (Times)	5.18	3.76

SHAREHOLDERS INFORMATION

Twenty largest Shareholders as at 30th June 2011

John Keells Holdings PLC. 46,121,536 20.00 Mackinnons & Keells Financial Services Limited 22,830,159 9.90 Mr.Y.S.H.I K Sliva. 22,291,456 9.67 Central Finance Company Limited 20,715,400 8.98 HSBC International Nominees Limited - 7.671 5.671,164 - Gredit Suisse AG Zurich - Uma Kumar Sharma 18,156,100 7.87 CF Growth Fund Limited 10,592,857 4.59 Mr. A.D. Gunewardene 5,671,164 2.46 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - 5.88 - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,392,034 0.60 Employees Trust Fund Board 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.49 Mr. A.N. Amerasinghe 93,7615 0.41 180, 04,90,90 0.59 57,612 Others 50,458,388 21.88	Name of the Shareholder	No. of Shares	%
Mr.Y.S.H.I K Silva. 22.291,456 9.67 Central Finance Company Limited 20,715,400 8.98 HSBC International Nominees Limited - - - Credit Suises AG Zurich - Uma Kumar Sharma 18,156,100 7.87 CF Growth Fund Limited 14,813,273 6.42 CF Insurance Brokers (ptv) Ltd. 10,592,857 4.59 Mr. A.D. Gunewardene 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr. K. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - - - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,358,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Timex (Garments) Ltd 1,230,824 0.57 Timex (Garments) Ltd 1,234,465 0.54 Sti Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A-LV Amerasinghe 337,615 0.41 180,148,895 76.12 0.41 Mr. A-LV. Amerasinghe <td>John Keells Holdings PLC.</td> <td>46,121,536</td> <td>20.00</td>	John Keells Holdings PLC.	46,121,536	20.00
Central Finance Company Limited 20,715,400 8.98 HSBC International Nominees Limited - - - Credit Suisse AG Zurich - Uma Kumar Sharma 18,156,100 7.87 CF forwth Fund Limited 14,813,273 6.42 CF Insurance Brokers (pvt) Ltd. 10,592,857 4.59 Mr. AD. Gunewardene 5,671,164 2.46 Mr. S. M. Sharma 2,765,100 1.20 Mr. F. S. K. Sharma 2,058,500 0.89 Renuka City Hotels Limited 1,858,775 0.81 SBBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,386,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,320,624 0.57 Timex (Garments) Ltd 1,22,100 0.49 Mr. Anzopragasam 942,100 0.41 Mr. A.A.V. Amerasinghe 139,2165 0.41 100,148,895 76.12 0.40	Mackinnons & Keells Financial Services Limited	22,830,159	9.90
HSBC International Nominees Limited 18,156,100 7.87 - Gredit Suisse AG Zurich - Uma Kumar Sharma 18,156,100 7.87 CF Growth Fund Limited 10,592,857 4.59 Mr. A.D. Gunewardene 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - - - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,382,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. R.N. Guarments) Ltd 1,232,024 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78,12 0.418,895 Thors 50,458,388 21,88	Mr.Y.S.H.I K Silva.	22,291,456	9.67
- Ordett Suisse AG Zurich - Uma Kumar Sharma 18,156,100 7.87 CF Growth Fund Limited 14,813,273 6.42 CF Insurance Brokers (pvt) Ltd. 10,592,857 4.59 Mr. A.D. Gunewardene 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - - - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,329,2034 0.60 Employees Trust Fund Board 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Si Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.41 Mr. A.V. Amerasinghe 337,615 0.41 180,148,895 78, 12 0 190,148,895 78, 12 0	Central Finance Company Limited	20,715,400	8.98
CF Growth Fund Limited 14,813,273 6.42 CF Insurance Brokers (pvt) Ltd. 10,592,857 4.59 Mr. A.D. Gunewardnen 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr. F.S.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - - - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,320,024 0.57 Timex (Garments) Ltd 1,230,824 0.57 Si Ci Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. ALV Amerasinghe 307,615 0.41 180,148,895 76,12 0.41 Mr. A.V. Amerasinghe 307,615 0.41 100,148,895 76,12 0.45 100,thers 50,458,388 21,88	HSBC International Nominees Limited		
CF Insurance Brokers (pvt) Ltd. 10,592,857 4.59 Mr. A.D. Gunewardene 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr.K.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - 5857 0.81 Sank of Celyon - No2 A/C 1,546,100 0.67 Mr. M.Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.S omaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. Ar.Uy Amerasinghe 937,615 0.41 104,48,895 76,12 100,148,895 76,12 0.418,885 78,12 0.418,885 78,12	- Credit Suisse AG Zurich - Uma Kumar Sharma	18,156,100	7.87
Mr. A.D. Gunewardene 5,671,164 2.46 Mr. S.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited 2,058,500 0.89 - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,388,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,320,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. R.N. Guarments) Ltd 1,238,465 0.54 Sri Lanka Inzwaree Corporation Ltd-Life Fund 1,122,100 0.49 Mr. Aruopragasam 942,100 0.41 180,148,895 78,12 0thers 50,458,388 21.88	CF Growth Fund Limited	14,813,273	6.42
Mr. S.K. Sharma 2,765,100 1.20 Mr.M.F. Hashim. 2,408,637 1.04 HSBC International Nominees Limited - - - SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M. Udeshi 1,320,034 0.60 Employees Trust Fund Board 1,320,624 0.57 Timex (Garments) Ltd 1,234,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.41 Mr. A.V. Amerasinghe 337,615 0.41 180,148,895 78, 12 0 180,148,895 78, 12 0	CF Insurance Brokers (pvt) Ltd.	10,592,857	4.59
Mr.M.F. Hashim. 2.408,637 1.04 HSBC International Nominees Limited 2.058,500 0.89 enuka City Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,220,624 0.57 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78,12 0.448,895 Others 50,458,388 21,88	Mr. A.D. Gunewardene	5,671,164	2.46
HSBC International Nominees Limited L.30,650 N.37 -SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City Hotels Limited 1,858,775 0.81 Bank of Geylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,320,624 0.57 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78,12 0.418,895 78,12 Others 50,458,388 21,88 21,88	Mr. S.K. Sharma	2,765,100	1.20
- SSBT - Deutsche Bank AG Singapore A/C 01 2,058,500 0.89 Renuka City, Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,329,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Mr. Aruopragasam 942,100 0.41 Mr. A.N.V. Amerasinghe 130,148,895 78,12 Others 50,458,388 21.88	Mr.M.F. Hashim.	2,408,637	1.04
Renuka City Hotels Limited 1,858,775 0.81 Bank of Ceylon - No2 A/C 1,546,100 0.67 Mrr. M.M Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,600 0.59 Mrr. N.R. Somaiya 1,220,824 0.57 Timex (Garments) Ltd 1,232,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mrr. Aruopragasam 942,100 0.41 180,148,895 76.12 0.148,895 100,148,895 78.12 0.148,895 100,148,895 78.12 0.148,895 100,148,895 78.12 0.148,895 100,148,895 78.12 0.148,895 100,148,895 78.12 0.148,895	HSBC International Nominees Limited		
Bank of Ceylon - No2 A/C 1,546,100 0.67 Mr. M.M Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78.12 0.188 Others 50,458,388 21.88	- SSBT - Deutsche Bank AG Singapore A/C 01	2,058,500	0.89
Mr. M.M Udeshi 1,392,034 0.60 Employees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78,12 0 Others 50,458,388 21,88	Renuka City Hotels Limited	1,858,775	0.81
Imployees Trust Fund Board 1,366,900 0.59 Mr. N.R. Somaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insvarace Corporation Ltd-Life Fund 1,122,100 0.49 Mr. A.A.V. Amerasinghe 337,615 0.41 180,148,895 78,12 0.41 100,148,895 78,12 0.42 100,148,895 78,12 0.43 100,148,895 78,12 0.45 0thers 50,458,388 21,88	Bank of Ceylon - No2 A/C	1,546,100	0.67
Mr. N.R. Somaiya 1,320,624 0.57 Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. Auopragasam 942,100 0.41 Mr. A.V. Amerasinghe 937,615 0.41 180,148,895 78.12 0thers	Mr. M.M Udeshi	1,392,034	0.60
Timex (Garments) Ltd 1,238,465 0.54 Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. Aruopragasam 942,100 0.41 Mr. A.A.V. Amerasinghe 937,615 0.41 180,148,895 78.12 0thers	Employees Trust Fund Board	1,366,900	0.59
Sri Lanka Insurance Corporation Ltd-Life Fund 1,122,100 0.49 Mr. Aruopragasam 942,100 0.41 Mr. A.A.V. Amerasinghe 937,615 0.41 180,148,895 78.12 Others 50,458,388 21.88	Mr. N.R. Somaiya	1,320,624	0.57
Mr. Aruopragasam 942,100 0.41 Mr. A.A.V. Amerasinghe 337,615 0.41 180,148,895 78,12 Others 50,458,388 21.88	Timex (Garments) Ltd	1,238,465	0.54
Mr. A.A.V. Amerasinghe 937,615 0.41 180,148,895 78.12 Others 50,458,388 21.88	Sri Lanka Insurance Corporation Ltd-Life Fund	1,122,100	0.49
180,148,895 78.12 Others 50,458,388 21.88	Mr. Aruopragasam	942,100	0.41
Others 50,458,388 21.88	Mr. A.A.V. Amerasinghe	937,615	0.41
		180,148,895	78.12
Total 230.607.283 100.00	Others	50,458,388	21.88
230,007,203 100.00	Total	230,607,283	100.00

Percentage of public shareholding as at 30th June 2011 was 77.39%

Director's holding in shares as at 30th June 2011

Name of Director	No of Shares
Mr. A.D. Gunewardene	5,671,164
Mr. E.H. Wijenaike	10,598
Mr. K.N.J.Balendra	107,700
Mr. J.R.F. Peiris	-
Mr. A.K. Gunaratne	19,432
Mr. S.G. Rajakaruna (Director / CEO) -
Mr. C.H.S.K. Piyaratna	100,400
Mr. A.R. Rasiah	16,304
Dr. (Ms.) D. Weerakoon	-
Mr. M.E. Wickremesinghe	-
Mr. M Jafferjee	-
Dr. (Mr.) Kemal De Soysa	-

NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

Nations Trust Bank PLCNo. 242, Union Place, Colombo 2.Tel: 4313131Fax: 2307854Email: customerservice@nationstrust.comWeb: www.nationstrust.comWeb: www.nationstrust.com



NATIONS TRUST BANK PLC AND ITS FULLY OWNED SUBSIDIARIES

Cont'd

FINANCIAL REVIEW

NTB closed the six month period ending 30th June 2011, at the group level, with pre-tax profits of Rs.1,124Mn, up 19% over the corresponding period in 2010, while post-tax profits grew from Rs.494Mn to Rs.736Mn, an increase of 49%.

Group net revenue recorded a 5% increase over the previous year, the key contributory factor being the increase in non-funds based income. Group net interest income was fractionally below the previous year due to narrowing margins, though this impact was mitigated by the growth in business volumes, timely re-pricing of deposits and a shift in the deposit mix towards low cost funds. The focused approach to enhance non-funds based income resulted in a substantial growth of 23% compared to the previous year. The bank generated non-funds based income from capital market activities as well as from trade and credit card related business lines. Trade finance volumes, both on imports and exports picked up significantly compared to the previous year with the resultant income increasing by 36%. Credit card related non-fund based income grew by 22% for the period under review with increased consumer spend and the roll out of a new card acquisitions programme. Foreign exchange income too showed a significant growth despite the relatively stable exchange rate that prevailed during the period.

During the period, group operating expenses recorded an increase of 15% over the 1H 2010. The increase is in line with the expansion drive initiated in the latter part of 2010 where investments were made in people, premises and systems to support the growth prospects and strengthen risk management. Adding further value, the increase in operating expenses also reflects investments made during the period in further enhancing the NTB brand.

Loan loss provision for the period recorded a net write back of 68Mn compared to a charge of 205Mn in the previous year as a result of focused recovery efforts. Group NPL Ratio stood at 4.8% compared to similar levels prevailing during December 2010, a reduction from 6% in March 2011. Although growth in the loan book via selective credit underwriting during the 2Q assisted in lowering the NPL Ratio, upward pressure was put via a more stringent regulatory environment in respect of NPL classifications which came into force at the beginning of 2011. Net of provisions, the NPA Ratio stood at 2.74%.

The Bank accelerated growth in the 2Q with the loan portfolio clearly indicating a steep pickup in volumes. For the first half of 2011, gross loans and advances recorded a growth of Rs 5.3Bn up 11%. On a YOY basis, the uplift by 30th June 2011 was over 26%. The deposit base increased by Rs.5.4Bn to Rs.54Bn, recording a growth of 11% since 31st December 2010.

The capital position also strengthened to Rs.7.8Bn with the conversion of the 2nd tranche of warrants, leading to a comfortable Group Total Capital Adequacy Ratio of 13.59% which augurs well for further expansion of the loan book.

Review of Operations

The year 2011 commenced with the rolling out of initiatives in line with our Strategic Plan. It outlines a growth strategy for the Bank on its journey to stake a claim in the bigger league.

Retail and SME Banking – The unit performed creditably in volume growth and profits. Its deposit mobilisation drive attracted a significant number of new customers resulting in a 5.3Bn growth in total deposits and more importantly improving the low cost deposit mix by 2 percentage points. The unit deployed credit managers within the branch network to enhance the quality of the loans and advances portfolio. Loan growth was sluggish during the 1Q. Momentum, however, returned significantly in the 2Q to give the desired results. In keeping in line with the strategy of expanding customer touch points to enhance accessibility and convenience, the branch network expanded its footprint by opening full service branches in Horana, Kalmunai and Anuradhapura. By June 2011, the network coverage extended to 43 branches. The unit celebrated its first Annual Retail Banking Awards which recognised both individuals and teams who made exceptional contributions in the fields of sales, profitability, service and business impact.

Cards and Consumer Assets – It was a challenging 6 months for the cards business which saw the interest rate cap introduced in late 2010 impacting its top line revenue in full force. However the business was steered well with the roll out of initiatives to minimise this impact to the bottom line and also to capture opportunities arising from increasing consumer spend. Emphasis was placed in building scale and enhance top of the mind brand recall. While card receivables grew by 5% the card base expanded by 14%. Consumer assets business also recorded a very impressive growth of Rs. 1.3Bn with new business volumes increasing by over 200% compared to the volumes recorded for the previous period. Both cards and consumer loans recorded improved NPL ratios and the recovery effort helped in posting net write backs

to the bottom line.

Corporate and Wholesale Banking – The unit recorded a profit growth of over 100% by protecting their interest margin, enhanced fee based income and maintaining a high quality loan portfolio. Asset growth for the 6 months slowed somewhat as severe competition eroded margins with the unit being challenged to clear internal hurdles set for cost of funds and capital. Despite these challenges, the loan book expanded by 5% whilst containing the NPL ratio to previous year levels.

Leasing and Factoring – Leasing volumes expanded substantially due to the booming vehicle market which resulted in a growth in the leasing book of 24%. Again a focused recovery effort coupled to a healthy NPL ratio improved profits for the period, posting a growth of 31% over the previous year. The unit rolled out several initiatives to provide customers with convenient leasing solutions both within Colombo and the outstations, through the extensive branch network and unrivalled customer service. Nations Leasing tied up with selected established Importers to offer a speciall range of branded motor vehicles, with attractive lease rentals especially ailor-made for leasing customers. The factoring portfolio also expanded by 27% for the period as a result of acquisition of new customers and improved utilization of facilities extended to existing customers. The tailor-made product campaigns re-launched during 2011 gave the much needed media coverage for the business and was concluded on a successful note.

Treasury – The foreign exchange and fixed income desks contributed positively towards the overall bottom line for the period under review. FX customer volumes grew steadily, mainly from spot trades. The Fixed Income portfolio stood at Rs. 26Bn, recording a marginal growth due to funding the growth in the loan book.

Other Achievements

The Bank also received recognition and accolades in various spheres during the 6 months under review. NTB brand rating improved from the 17th position in 2010 to 14th position in 2011 in the 'Most Valuable Brands' category in the ranking of brands in Sri Lanka by Brand Finance Plc, the world's leading independent brand valuation and ratings firm. NTB was also the proud recipient of the Award for the Most Innovative Bank in Sri Lanka, presented by World Finance. The NTB Annual Report for 2010 won the Silver Award in the Banks (Asia Pacific) category for the second consecutive year at the US based LACP Vision Awards. In addition, the 2010 Annual Report was listed within their top 50 annual reports in the Asia Pacific Region.

Outlook

The outlook for the rest of the year remains positive with private sector credit growth continuing, driven by an environment conducive for business. Our focus is to move swiftly to emerging areas of the economy and new geographies and also benefit from building scale in our current business. In line with the plans of the Central Bank of Sri Lanka for the Banking Sector in the country, we are actively engaged in positioning the Bank to be ready by year end 2011 to adopt International Financial Reporting Standards (IFRS). In addition, we are continuing to strengthen our risk management framework in anticipation of not only escalating volumes but also to better manage the downside risks. For the forseeable future, the current pipeline of business is strong and likely to boost the performance of the Bank. Accordingly we look forward to a rewarding second half.

Nations Trust Bank PLC No. 242, Union Place, Colombo 2. Tel: 431313 Fax: 2307854 Email: customerservice@nationstrust.com Web: www.nationstrust.com

