VELOCITY OF VALUE CONTINUES...

Interim Financial Statements

for the nine months ended 30 September 2022 Company Registration Number: PQ 118





Nations Trust Bank PLC steers through Q3 2022 with strong performance

- 62% YoY growth in Operating Income
- PBT of LKR 9.3 Bn at a YoY growth of 25%
- PAT of LKR5.2 Bn at a YoY growth of 6%
- Strong Capital Adequacy with Tier I CAR of 12.59% and Total CAR of 14.85%

Colombo, November 14, 2022 - Nations Trust Bank PLC reported a strong 3rd quarter with YTD Operating Income of LKR 27Bn, up 62% year-on-year (YoY). Despite the volatile environment, the Bank recorded Profit Before Tax of LKR 9.3Bn, a growth of 25% YoY and PAT of LKR 5.2Bn, up 6% YoY.

Commenting on Q3 2022 results, Hemantha D Gunetilleke, Director & Chief Executive Officer, said, "We have delivered another strong quarter continuing the trend demonstrated in the first half of the year. The results underpin the fundamental strengths of Bank's Liquidity, Capital Adequacy and Risk Management framework. These fundamental strengths have ensured that we are able to consistently provide banking service excellence to our customers despite the challenging external environment".

With higher earnings during the quarter, Earnings Per Share continued to improve throughout the year and stood at LKR 17.55 as of 30th September 2022. The Return on Equity (ROE) as at Q3 2022 was 17.26% compared to 18.31% last year.

The negative economic environment resulted in impairment provisions on loans, advances, guaranties & commitments increasing 266%, weighing down returns. Uncertainties in the operating environment and negative flows from moratorium loans led to higher provisions while Sri Lanka's sovereign rating downgrade announced earlier this year also contributed to increased provisions although on a relatively lower ISB and SLDB holding.

As a result of the revised VAT rates on Financial Services, higher profits and tax reversals in the previous year, Nations Trust Bank's overall tax expenses grew by 65% during the reporting period. As outlined by the Government budget for 2022, the surcharge tax of 25% over taxable income for 2021, which amounted to LKR 1.9 billion, was also considered during Q2 2022 against the retained earnings, as per the guidelines issued by CA Sri Lanka.

The Bank's overall financial position in Q3 remained strong with comfortable capital buffers with a Tier I Capital ratio of 12.59% and Total Capital Adequacy ratio of 14.85%. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit was 32.86% at the reporting date.

Looking ahead, Gunetilleke added, "Despite the prevailing economic environment the Bank will pursue its growth agenda in selected market segments, delivering growth opportunities for our customers and long-term value for all stakeholders".

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





			Bank						Group			
		Ended 30 Septemb			nded 30 Septen			hs Ended 30 Septen			ended 30 Septen	
	2022 Rs. '000	2021 Rs. '000	Change	2022 Rs. '000	2021 Rs. '000	Change	2022 Rs. '000	2021 Rs. '000	Change	2022 Rs. '000	2021 Rs. '000	Char
	RS. 000	KS. 000	(%)	Rs. '000	RS. 000	(%)	RS. '000	Ks. 000	(%)	RS. 000	RS. 000	(%
Gross Income	44,459,637	28,150,672	58	18,607,911	9,553,111	95	44,622,806	28,334,337	57	18,650,845	9,609,731	
Interest Income	36,873,028	21,052,671	75	16,177,758	7,044,447	130	36,872,893	21,052,696	75	16,177,758	7,044,447	
Less: Interest Expense	(16,577,530)	(11,056,933)	(50)	(7,555,891)	(3,596,829)	(110)	(16,427,817)	(10,985,349)	(50)	(7,470,945)	(3,572,007)	
Net Interest Income	20,295,498	9,995,738	103	8,621,867	3,447,618	150	20,445,076	10,067,347	103	8,706,813	3,472,440	
Fee and Commission Income	5,485,397	4,486,795	22	1,705,487	1,575,179	8	5,648,701	4,670,436	21	1,748,421	1,631,800	
Less: Fee and Commission Expense	(659,114)	(358,582)	(84)	(237,282)	(272,986)	13	(659,114)	(358,582)	(84)	(237,282)	(272,986)	
Net Fee and Commission Income	4,826,283	4,391,604	10	1,468,205	1,302,193	13	4,989,587	4,311,854	16	1,511,139	1,358,814	
Net Gains/(Losses) from Trading	13,662,028	2,178,368	527	698,012	522,909	33	13,662,028	2,178,368	527	698,012	522,909	
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	58,344	5,590	944	56,117	(1,385)	(4,150)	58,344	5,590	944	56,117	(1,385)	(4
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other												
Comprehensive Income	15,685	541,960	(97)	4,542	44,555	(90)	15,685	541,960	(97)	4,542	44,555	
Net Other Operating Income/(Loss)	(11,634,845)	(114,712)	(10,043)	(34,005)	367,406	(109)	(11,634,845)	(114,712)	(10,043)	(34,005)	367,406	
Total Operating Income	27,222,993	16,998,548	60	10,814,738	5,683,295	90	27,535,875	16,990,407	62	10,942,618	5,764,739	
Impairment Charges/(Reversals)	10,200,046	2,496,572	(309)	3,428,155	1,183,190	(190)	10,200,046	2,496,572	(309)	3,428,155	1,183,190	
Loans and Advances	6,952,636	2,061,556	(237)	2,507,649	767,462	(227)	6,952,636	2,061,556	(237)	2,507,649	767,462	
Guarantees & Commitments	476,240	(31,161)	(1,628)	234,345	(24,456)	(1,058)	476,240	(31,161)	(1,628)	234,345	(24,456)	(
Other Financial Assets	2,771,170	466,177	(494)	686,161	440,184	(56)	2,771,170	466,177	(494)	686,161	440,184	
Net Operating Income	17,022,947	14,238,585	20	7,386,583	4,500,105	64	17,335,829	14,493,836	20	7,514,463	4,581,549	
Less: Expenses					•							
Personnel Expenses	3,766,110	3,564,492	(6)	1,235,729	1,205,495	(3)	3,785,690	3,585,900	(6)	1,242,554	1,211,459	
Depreciation of Property, Plant and Equipment	235,222	305,182	23	70,926	95,281	26	266,836	336,890	21	81,398	105,811	
Depreciation of Right of Use (ROU) Assets	359,866	362,361	1	122,550	115,751	(6)	291,971	294,466	1	99,918	93,119	
Amortization of Intangible Assets	264,878	271,380	2	88,630	90,295	2	264,971	271,473	2	88,661	90,326	
Other Operating Expenses	3,390,068	2,526,784	(34)	1,306,059	620,520	(110)	3,404,078	2,543,720	(34)	1,310,201	627,036	
Total Operating Expenses	8,016,144	7,293,590	(10)	2,823,894	2,127,340	(33)	8,013,546	7,032,449	(14)	2,822,732	2,127,751	
Operating Profit before Taxes on Financial Services	9,006,803	7,208,386	25	4,562,689	2,372,764	92	9,322,283	7,461,387	25	4,691,731	2,453,798	
Less: Value Added Tax (VAT) on Financial Services	2,061,427	1,393,588	(48)	1,040,402	462,665	(125)	2,062,742	1,394,128	(48)	1,040,998	462,861	
Profit before Income Tax	6,945,376	5,814,798	19	3,522,287	1,910,099	84	7,259,541	6,067,258	20	3,650,733	1,990,937	_
Less: Income Tax Expense	1,896,993	1,021,449	(86)	1,027,562	270,558	(280)	1,968,160	1,052,381	(87)	1,059,447	283,612	
Profit for the Period	5,048,383	4,793,349	5	2,494,725	1,639,541	52	5,291,381	5,014,877	6	2,591,286	1,707,325	
Profit Attributable to:												
Equity Holders of the Parent	5,048,383	4,793,349	5	2,494,725	1,639,541	52	5,291,381	5,014,877	6	2,591,286	1,707,325	
Non-Controlling Interests	-		-	_		-		, , , , , , , , , , , , , , , , , , , ,	-		-	
*												
Earnings Per Share			_									
	16.75	15.90	5	8.28	5.44	52	17.55	16.63	6	8.60	5.66	

NATIONS TRUST BANK PLC STATEMENT OF COMPREHENSIVE INCOME



	Bank					Group						
	Nine Months Er	nded 30 Septemb	oer	Quarter e	nded 30 Septer	nber	Nine Months	Ended 30 Sep	otember	Quarter e	nded 30 Septem	nber
	2022 Rs. '000	2021 Rs. '000	Change (%)	2022 Rs. '000	2021 Rs. '000	Change (%)	2022 Rs. '000	2021 Rs. '000	Change (%)	2022 Rs. '000	2021 Rs. '000	Change (%)
Profit for the Period	5,048,383	4,793,349	5	2,494,725	1,639,541	52	5,291,381	5,014,877	6	2,591,286	1,707,325	52
Other Comprehensive Income/(Expense) that will be Reclassified to Profit or Loss in Subsequent Periods:												
Investments in Debt Instruments at Fair Value through Other Comprehensive Income Net Change in Fair Value During the Period	(3,971,125)	(1,436,430)	(176)	(238,084)	(561,924)	58	(3,971,125)	(1,436,430)	(176)	(238,084)	(561,924)	58
Transfer of fair value gains/(losses) o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost	3,669,876	=	100	-	=	=	3,669,876	=	100	-	=	=
Changes in Impairment for Expected Credit Losses Tax (Expenses) / Reversal Related to the Above Deferred Tax Effect on Revision of Statutory Income Tax Rate	445,676 (34,662)	27,517 338,139 19,818	(110)	215,619 5,392	26,546 128,491	712 (96)	445,676 (34,662)	27,517 338,139 19,818	1,520 (110) (100)	215,619 5,392	26,546 128,491	712 (96)
	109,765	(1,050,956)	110	(17,073)	(406,887)	96	109,765	(1,050,956)	110	(17,073)	(406,887)	96
Other Comprehensive Income/(Expense) that will not be Reclassified to Profit or Loss in Subsequent Periods:												
Re-measurement of Post Employment Benefit Obligations	-	64,453	(100)	-	64,453	(100)	-	69,154	(100)	-	69,154	(100)
Changes in Revaluation Surplus	-	-	-	-	-	=	-	=	=	-	-	-
Tax Expenses Related to the Above	-	(15,469)	100	-	(15,469)	100	-	(16,347)	100	-	(16,347)	100
Deferred Tax Effect on Revision of Statutory Income Tax Rate	-	(1,538)		-	-	-	-	(1,538)	100	-	-	-
	-	47,446	(100)	-	48,984	(100)	-	51,269	(100)	-	52,807	(100)
Other Comprehensive Income for the Period, Net of Tax	109,765	(1,003,510)	111	(17,073)	(357,903)	95	109,765	(999,687)	111	(17,073)	(354,080)	95
Total Comprehensive Income for the Period, Net of Tax	5,158,148	3,789,839	36	2,477,652	1,281,638	93	5,401,146	4,015,190	35	2,574,213	1,353,245	90
Attributable to:												
Equity Holders of the Parent Non-Controlling Interests	5,158,148	3,789,839	36	2,477,652	1,281,638	93	5,401,146 -	4,015,190	35	2,574,213	1,353,245	90

NATIONS TRUST BANK PLC STATEMENT OF FINANCIAL POSITION



		Bank						
As at	30.09.2022	31.12.2021	Change	30.09.2022	Group 31.12.2021	Change		
115 tt	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%		
		(Adjusted)			(Adjusted)			
ASSETS		(rajastea)			(11ajastea)			
Code and Code Freeinghouse	40 220 766	12 427 451	267	40.220.847	12 427 521	20		
Cash and Cash Equivalents	49,229,766	13,427,451	267	49,229,847	13,427,531	26		
Balances with Central Bank of Sri Lanka	8,023,366	6,915,197	16	8,023,366	6,915,197	1		
Derivative Financial Instruments	26,288	472,864	(94)	26,288	472,864	(9		
Financial Assets Recognised through Profit or Loss	2 000 405	< 150 500	(25)	2 000 405	6 150 500	(2		
Measured at Fair Value Financial Assets at Amortised Cost	3,990,405	6,150,508	(35)	3,990,405	6,150,508	(3		
Loans and Advances	255 224 405	247 441 420	4	256 224 405	247 441 557			
	256,234,485 2,002,191	247,441,428 3,001,370	(33)	256,234,485 2,002,191	247,441,557 3,001,370	(3		
Reverse Repurchase Agreements			. ,					
Debt Instruments	62,914,646	26,140,298	141	62,914,646	26,140,298	14		
Financial Assets at Fair Value through Other Comprehensive Income Investments in Subsidiaries	27,776,766	67,520,760	(59)	27,776,766	67,520,760	(5		
	678,710	678,710	- (2)	2 222 577	- 2 200 240	-		
Property, Plant & Equipment	2,287,631	2,330,679	(2)	3,223,577	3,298,248	(
Right of Use (ROU) Assets	1,780,637	1,622,825	10	1,576,952	1,351,245	1		
Intangible Assets	1,273,884	1,174,468	8	1,274,532	1,175,204	20		
Deferred Tax Assets	2,482,792	751,749	230 53	2,341,811	610,748	28		
Other Assets	3,078,691	2,013,560	11	3,107,274	2,046,347	5		
Total Assets	421,780,258	379,641,867	11	421,722,140	379,551,877			
LIABILITIES								
Due to Banks	1,170,097	2,016,105	(42)	1,170,097	2,016,105	(4		
Derivative Financial Instruments	89,698	165,699	(46)	89,698	165,699	(4		
Financial Liabilities at Amortised Cost								
Repurchase Agreements	7,039,382	10,899,766	(35)	6,906,142	9,429,230	(2		
Due to Depositors	302,581,015	267,991,907	13	301,034,050	267,988,264	1		
Due to Other Borrowers	37,346,114	35,601,356	5	37,113,958	35,305,349			
Debt Securities Issued	12,655,975	12,352,873	2	12,655,975	12,352,873			
Retirement Benefit Obligations	874,972	831,793	5	886,047	841,985			
Current Tax Liabilities	3,601,107	2,440,631	48	3,643,781	2,460,712	4		
Other Liabilities	14,528,483	8,802,901	65	14,551,617	8,832,667	6		
Total Liabilities	379,886,843	341,103,031	11	378,051,365	339,392,885	1		
EQUITY								
Stated Capital	10,401,432	9,408,135	11	10,401,432	9,408,135	1		
Statutory Reserve Fund	1,882,111	1,882,111	-	1,882,111	1,882,111	-		
OCI Reserve	(393,639)	(503,404)	(22)	(393,639)	(503,404)	(2		
Retained Earnings	29,163,426	26,911,909	8	30,481,614	28,072,893			
Revaluation Reserve	840,085	840,085	-	1,299,257	1,299,257	-		
Total Shareholders' Equity	41,893,415	38,538,836	9	43,670,775	40,158,992			
Total Equity and Liabilities	421,780,258	379,641,867	11	421,722,140	379,551,877	1		
Contingent Liabilities and Commitments	256,440,972	217,357,294	18	256,440,972	217,357,294	1		
Memorandum Information								
Number of Employees	2,508	2,648		2,535	2,677			
Number of Branches	96	96		96	96			
Number of Off-Site ATMs & CRMs	30	32		30	32			

Note: Amounts stated are net of impairment and depreciation.

CERTIFICATION:

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd. Ajith Akmeemana Chief Financial Officer

We, the undersigned being the Chairman, Director and Director/Chief Executive Officer of Nations Trust Bank PLC certify jointly that:
(a) the above financial statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
(b) the information contained in these financial statements has been extracted from the unaudited financial statements of the Bank and the Group, unless indicated as audited.

Sgd. Gihan Cooray Chairman

Sgd. Rachini Rajapaksa Director

Sgd. Hemantha D Gunetilleke Director/Chief Executive Officer

NATIONS TRUST BANK PLC STATEMENT OF CHANGES IN EQUITY



						HUSCOURK		
BANK	Stated C Voting Rs. '000	apital Non-Voting Rs. '000	Statutory Reserve Fund Rs. '000	OCI Reserve Rs. '000	Retained Earnings Rs. '000	Revaluation Reserve Rs. '000	Total Rs. '000	
As at 01 January 2021	6,309,792	3,098,343	1,561,787	658,701	21,393,697	795,870	33,818,190	
ns at vi sandary 2021	0,305,752	3,070,343	1,501,707	050,701	21,070,077	755,670	33,010,170	
Total Comprehensive Income for the Period					4,793,349		4,793,349	
Profit for the Period Other Comprehensive Income	-	-	- -	(1,050,956)	4,793,349	-	(1,003,510)	
Total Comprehensive Income for the Period	-			(1,050,956)	4,840,795	-	3,789,839	
Transactions with Equity Holders, Recognised Directly in Equity								
Dividend for 2020	=	=	=	-	(567,704)	=	(567,704)	
As at 30 September 2021	6,309,792	3,098,343	1,561,787	(392,255)	25,666,788	795,870	37,040,325	
As at 01 January 2022	6,309,792	3,098,343	1,882,111	(503,404)	26,911,909	840,085	38,538,836	
Charge related to Surcharge Tax*	6,309,792	3,098,343	1,882,111	(503,404)	(1,803,385) 25,108,524	840,085	(1,803,385)	
As at 01 January 2022 (Adjusted)	6,309,792	3,098,343	1,882,111	(503,404)	25,108,524	840,085	36,733,431	
Total Comprehensive Income for the Period					5.040.202		5.040.200	
Profit for the Period Other Comprehensive Income	-	-	-	109,765	5,048,383	-	5,048,383 109,765	
Total Comprehensive Income for the Period				109,765	5,048,383		5,158,148	
				,	7,1 7,1 1		-,,	
Transactions with Equity Holders, Recognised Directly in Equity								
Scrip Dividend paid for 2021	857,796	135,501	-	-	(993,297)	-	-	
Fractions of shares paid in cash for 2021 Conversion of Non-Voting Shares to Voting Shares	276	(276)	=	-	(184)	-	(184)	
As at 30 September 2022	7,167,864	3,233,568	1,882,111	(393,639)	29,163,426	840,085	41,893,415	
GROUP		Stated Capital		OCI Reserve	Retained Earnings	Revaluation	Total	
	Voting Rs. '000	Non-Voting Rs. '000	Fund Rs. '000	Rs. '000	Rs. '000	Reserve Rs. '000	Rs. '000	
As at 01 January 2021	6,309,792	3,098,343	1,561,787	658,701	22,265,430	1,230,875	35,124,928	
11) the of duranty 2021	0,000,702	2,030,012	1,001,707	000,701	22,200,100	1,200,070	00,121,720	
Total Comprehensive Income for the Period					5.014.055		5.014.055	
Profit for the Period Other Comprehensive Income	-	-	-	(1,050,956)	5,014,877 51,269	-	5,014,877 (999,687)	
Total Comprehensive Income for the Period				(1,050,956)	5,066,146		4,015,190	
•				<u> </u>				
Transactions with Equity Holders, Recognised Directly in Equity Dividend for 2020					(567,704)		(567,704)	
As at 30 September 2021	6,309,792	3,098,343	1,561,787	(392,255)	26,763,872	1,230,875	38,572,414	
-								
Ac at 01 January 2022	6 200 702	3 006 343	1 992 111	(502 404)	28 072 802	1 200 257	40 159 003	
As at 01 January 2022 Charge related to Surcharge Tax*	6,309,792	3,098,343	1,882,111	(503,404)	28,072,893 (1,889,179)	1,299,257		
As at 01 January 2022 Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted)	6,309,792 - 6,309,792	3,098,343 - 3,098,343	1,882,111 - 1,882,111	(503,404) - (503,404)	28,072,893 (1,889,179) 26,183,714	1,299,257 - 1,299,257	(1,889,179)	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted)			<u> </u>	<u> </u>	(1,889,179)		(1,889,179)	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period			<u> </u>	<u> </u>	(1,889,179) 26,183,714		(1,889,179) 38,269,813	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted)			<u> </u>	<u> </u>	(1,889,179)		(1,889,179) 38,269,813 5,291,381	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period Profit for the Period			<u> </u>	(503,404)	(1,889,179) 26,183,714		(1,889,179) 38,269,813 5,291,381 109,765	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income Total Comprehensive Income for the Period			<u> </u>	(503,404)	(1,889,179) 26,183,714 5,291,381		(1,889,179) 38,269,813 5,291,381 109,765	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income			<u> </u>	(503,404)	(1,889,179) 26,183,714 5,291,381		(1,889,179) 38,269,813 5,291,381 109,765	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income Total Comprehensive Income for the Period Transactions with Equity Holders, Recognised Directly in Equity	6,309,792	3,098,343	<u> </u>	(503,404)	(1,889,179) 26,183,714 5,291,381 5,291,381		(1,889,179) 38,269,813 5,291,381 109,765 5,401,146	
Charge related to Surcharge Tax* As at 01 January 2022 (Adjusted) Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income Total Comprehensive Income for the Period Transactions with Equity Holders, Recognised Directly in Equity Scrip Dividend paid for 2021	6,309,792	3,098,343	<u> </u>	(503,404)	(1,889,179) 26,183,714 5,291,381 5,291,381 (993,297)		40,158,992 (1,889,179) 38,269,813 5,291,381 109,765 5,401,146	

^{*}Refer Note (3) in explanatory notes.

NATIONS TRUST BANK PLC STATEMENT OF CASH FLOWS



				TrustBank
	Bank		Grou	•
	Nine Months end 2022	ed 30 September 2021	Nine Months end 2022	ed 30 September 2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	37,484,537	20,511,584	37,484,402	20,511,609
Receipts of Fees and Commission Income	5,599,081	5,359,655	5,762,384	5,543,296
Payments of Interest Expense	(12,887,917)	(10,448,507)	(12,738,204)	(10,405,031)
Payments of Fees and Commission Expense Net Trading Income	(659,225) 14,048,287	(94,040) 1,560,050	(659,225) 14,048,287	(94,040) 1,560,050
Receipts from Other Operating Income	2,418,899	432,799	2,418,899	432,799
Gratuity Payments Made	(99,852)	(72,459)	(99,852)	(72,459)
Payments for Operating Expenses	(6,333,359)	(6,022,334)	(6,366,950)	(6,054,651)
Payments for VAT and SSC on Financial Services	(1,508,142)	(1,444,029)	(1,507,573)	(1,444,625)
Operating Profit before Change in Operating Assets and Liabilities (A)	38,062,309	9,782,721	38,342,168	9,976,949
(Increase)/Decrease in Operating Assets				
Reverse Repurchase Agreements	1,000,000	1,086,600	1,000,000	1,086,600
Financial Assets - At Fair Value through Profit or Loss	2,215,596	1,317,542	2,215,596	1,317,542
Financial Assets - At Amortized Cost - Debt Instruments*	(32,394,037)	2,801,396	(32,394,037)	2,801,396
Financial Assets - At Fair Value through Other Comprehensive Income* Financial Assets - At Amortized Cost - Loans & Advances	38,182,495 15,798,559	4,230,090 (39,587,839)	38,182,495 15,798,688	4,230,090 (39,587,683)
Other Assets At Amortized Cost - Loans & Advances Other Assets	(215,109)	344,062	(210,904)	331,132
(Increase)/Decrease in Operating Assets	24,587,504	(29,808,149)	24,591,838	(29,820,923)
In angest (Passesses) in Operating Lightlities				
Increase/(Decrease) in Operating Liabilities Repurchase Agreements	(3,985,633)	(483,418)	(2,648,338)	(707,313)
Financial Liabilities - At Amortized Cost - Due to Depositors	(5,031,894)	20,809,691	(6,575,216)	20,794,565
Money market borrowing	1,500,000		1,500,000	-
Other Liabilities	4,175,338	1,180,755	4,165,760	1,196,711
Increase/(Decrease) in Operating Liabilities	(3,342,189)	21,507,027	(3,557,794)	21,283,963
Net Cash Generated from Operating Activities before Income Tax	59,307,624	1,481,600	59,376,212	1,439,988
Income Tax Paid	(2,502,222)	(1,201,411)	(2,548,870)	(1,236,655)
Surcharge Tax Paid	(1,803,385)	-	(1,889,176)	-
Net Cash (Used in)/from Operating Activities	55,002,017	280,189	54,938,166	203,333
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(192,320)	(30,948)	(192,320)	(31,092)
Purchase of Intangible Assets Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	(364,294)	(146,207) 58	(364,294)	(146,206)
Net Cash (Used in)/from Investing Activities	(556,614)	(177,097)	(556,614)	(177,240)
Cash Flows from Financing Activities				
Receipt in Other Borrowed Funds	1,469,200	8,154,446	1,469,200	8,154,446
Repayment of Other Borrowed Funds	(18,539,062)	-	(18,475,212)	-
Proceeds from the Issue of Subordinated Debt	-	4,000,000	-	4,000,000
Operating Lease Rentals Paid	(500,600)	(412,746)	(500,600)	(335,748)
Interest Paid on Subordinated Debt	(613,583)	(545,093)	(613,583)	(545,093)
Dividends Paid to Equity Holders of the Parent Net Cash (Used in)/from Financing Activities	(184) (18,184,229)	(548,269) 10,648,337	(184) (18,120,379)	(548,269) 10,725,335
Net Increase/(Decrease) in Cash and Cash Equivalents	36,261,172	10,751,431	36,261,172	10,751,428
Cash and Cash Equivalents at the Beginning of the Period Cash and Cash Equivalents at the End of the Period	19,833,478 56,094,650	10,495,544 21,246,976	19,833,559 56,094,731	10,495,625 21,247,054
Cash and Cash Equivalents at the End of the Feriod	30,094,030	21,240,970	30,094,731	21,247,054
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	9,948,260	9,776,826	9,948,283	9,776,846
Balances with Central Bank of Sri Lanka ** Balances with Banks	8,023,366 37,473,178	7,028,847 3,645,474	8,023,366 37,473,235	7,028,847 3,645,533
Money at Call and Short Notice	1,819,944	3,807,299	1,819,944	3,807,299
Deposits from Other Banks	(1,170,097)	(3,011,471)	(1,170,097)	(3,011,471)
	56,094,650	21,246,976	56,094,731	21,247,054
A. Reconciliation of Operating Profit				
Profit before Taxation	6 045 279	5,814,798	7 250 541	6 067 259
(Profit)/Loss on Disposal of Property, Plant and Equipment and Intangible	6,945,378		7,259,541	6,067,258
Assets	147	(39)	147	(39)
Impairment Charge/(Reversal)	10,200,046	2,496,572	10,200,046	2,496,572
Provision for Gratuity	129,023	121,943	129,904	123,241
(Increase)/Decrease in Interest Receivable	3,344,137	(484,723)	3,344,137	(484,723)
Increase/(Decrease) in Interest Payable	2,891,170	(98,363)	2,891,170	(98,363)
Increase/(Decrease) in Financial Guarantee Liabilities & Deferred Income (Increase)/Decrease in Fees & Commission Receivable and Prepayments of	113,684	853,053	113,684	853,053
Operating Expenses	174,259	(17,942)	174,259	(17,942)
Increase/(Decrease) in Fees & Commission and Operating Expenses Payable	572,112	(213,896)	573,997	(132,225)
Other Non Cash Items ***	13,150,605	838,684	13,113,536	697,483
Interest Paid on Subordinated Debt	613,583	545,093	613,583	545,093
Gratuity Payments Made	(71,835)	(72,459)	(71,835)	(72,459)
	38,062,309	9,782,721	38,342,168	9,976,949

^{*} Refer item (4) in the explanatory notes.

^{**} Above balance includes the period end balance held for Statutory Reserve Requirement (SRR) purposes with Central Bank of Sri Lanka (CBSL). The SRR needs to be maintained based on average balance with CBSL for a two-weeks period. The SRR requirement for the period ended 30 September 2022 was Rs. 6,472 Mn (2021 - Rs.2,127 Mn) has been maintained by the Bank.

^{***} This mainly includes the net translation difference on the foreign currency assets and liabilities except the cash and cash equivalents.



(1)	Product-wise Gross Loans and Advances			Bank/G	roup
				30.09.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
	Domestic Currency				
	Bills of Exchange			9	14,077
	Trade Finance			51,577,712	47,662,410
	Overdrafts Term Loans			39,860,460 65,794,545	34,940,324 65,975,567
	Staff Loans			3,650,131	3,818,727
	Leases			29,040,443	34,828,770
	Credit Cards			29,935,041	32,155,760
	Pawning			89,057	283,900
	Other Advances			262,950	262,950
				220,210,348	219,942,485
	Foreign Currency				
	Trade Finance			18,438,445	14,849,542
	Overdrafts			4,226,535	2,770,211
	Term Loans			31,484,125	21,451,937
				54,149,105	39,071,690
	Total			274,359,453	259,014,175
(2)	Product-wise Commitments and Contingencies			Parala/C	
(2)	Froduct-wise Commitments and Contingencies			Bank/G 30.09.2022	31.12.2021
				Rs. '000	Rs. '000 (Audited)
	Domestic Currency			220 505	(
	Guarantees			329,685	2,193,519
	Bonds Acceptances			17,494,600 1,637,396	17,539,521 63,620
	Letters of Credit			3,151,148	1,016,704
	Forward Contracts to buy/sell -Fixed Income Securities			1,855,733	1,010,704
	Undrawn Credit Lines			145,781,282	123,858,872
				170,249,844	144,672,236
	Foreign Currency				
	Guarantees			626,480	569,264
	Bonds			2,540,300	1,898,710
	Acceptances Letters of Credit			3,833,155 2,164,900	13,171,232 14,191,491
	Forward Exchange Contracts			47,340,768	31,402,154
	Undrawn Credit Lines			29,685,525	11,452,206
				86,191,128	72,685,057
	Total			256,440,972	217,357,293
(3)	Stage-wise Impairment on Loans & Advances, Commitments and		nk	Grou	
	Contingencies	30.09.2022 Rs. '000	31.12.2021 Rs. '000	30.09.2022 Rs. '000	31.12.2021 Rs. '000
		Ks. 000	(Audited)	A3. 000	(Audited)
	Gross Loans and Advances, Commitments and Contingencies (Less): Accumulated impairment under; (Note 3.1)	530,800,424	476,371,468	530,800,424	476,371,468
	Stage 1	(1,980,810)	(1,873,120)	(1,980,810)	(1,872,989)
	Stage 2	(5,029,927)	(1,722,233)	(5,029,927)	(1,722,233)
	Stage 3	(11,448,737)	(7,907,261)	(11,448,737)	(7,907,261)
	Net Value of Loans and Advances, Commitments and Contingencies	512,340,950	464,868,854	512,340,951	464,868,985
(3.1)	Movement in impairment during the period*				
		Ba		Grou	
		2022	2021	2022	2021
	Stage 1	Rs. '000	Rs. '000 (Audited)	Rs. '000	Rs. '000 (Audited)
	Stage 1		(Auditeu)		(Auditeu)
	Opening balance as at 01 January	1,873,119	1,558,299	1,872,989	1,558,169

		2022	2021	2022	2021
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Stage 1			(Audited)		(Audited)
	Opening balance as at 01 January	1,873,119	1,558,299	1,872,989	1,558,169
	Charge/(Write back) to income statement	90,440	314,820	90,440	314,820
	Write-off during the period	-	-	-	-
	Effect on Change in Exchange rates	17,251	-	17,251	-
	Closing balance	1,980,810	1,873,119	1,980,680	1,872,989
a. •					
Stage 2					
	Opening balance as at 01 January	1,722,233	634,962	1,722,233	634,962
	Charge/(Write back) to income statement	3,285,620	1,087,272	3,285,620	1,087,272
	Write-off during the period	-	-	-	-
	Effect on Change in Exchange rates	22,074	-	22,074	-
	Closing balance	5,029,927	1,722,233	5,029,928	1,722,233
Stage 3					
	Opening balance as at 01 January	7,907,263	6,871,634	7,907,263	6,871,634
	Charge/(Write back) to income statement	4,052,816	1,575,779	4,052,816	1,575,779
	Write-off during the period	(511,342)	(540,150)	(511,342)	(540,150)
	Effect on Change in Exchange rates	-	-	-	-
	Closing balance	11,448,737	7,907,263	11,448,737	7,907,263

^{* 2022} reflects the figures for 9 months ended 30.09.2022 and 2021 reflects the figures for 12 months ended 31.12.2021.



(4) Due to Depositors - By Product

Domestic Currency
Demand Deposits
Savings Deposits
Time Deposits

Foreign Currency
Demand Deposits
Savings Deposits
Time Deposits

Total

Ba	nk	Gre	oup
30.09.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)	30.09.2022 Rs. '000	31.12.2021 Rs. '000 (Audited)
24,087,565	29,287,653	24,079,428	29,284,010
47,197,933	59,334,729	47,197,933	59,334,729
136,896,295	126,907,776	135,357,467	126,907,776
208,181,793	215,530,158	206,634,828	215,526,515
6,802,820	3,947,111	6,802,820	3,947,111
19,466,435	14,467,303	19,466,435	14,467,303
68,129,967	34,047,334	68,129,967	34,047,334
94,399,222	52,461,748	94,399,222	52,461,748
302,581,015	267,991,906	301,034,050	267,988,263

NATIONS TRUST BANK PLC FAIR VALUE OF FINANCIAL INSTRUMENTS



Fair Value of Financial Instruments

Fair Values of Financial Instruments are determined according to the following hierarchy as described below:

Level 1 - quoted market price (unadjusted): financial instruments with quoted prices in active markets

Level 2 - valuation techniques using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

Level 3 - valuation techniques with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

There were no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31 December 2021. The Group has not changed the valuation models and assumptions used to measure the fair values of Level 03 financial instruments during the period ended 30 September 2022.

Financial Instruments Carried at Fair Value

Bank/Group		As at 30.09	0.2022			As at 31.12.2	2021	
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial Assets Measured at Fair Value								
Derivative Financial Instruments	-	26,288	-	26,288	-	472,864	-	472,864
Financial Assets at Fair Value through Profit or Loss	2,837,101	1,153,303	-	3,990,405	6,150,508	-	-	6,150,508
Financial Assets at Fair Value through Other Comprehensive Income	27,067,560	682,284	26,923	27,776,766	57,465,264	10,038,597	16,898	67,520,760
	29,904,661	1,861,875	26,923	31,793,459	63,615,772	10,511,461	16,898	74,144,132
Financial Liabilities					\ <u></u>			
Derivative Financial Instruments	-	89,698	-	89,698	-	165,699	-	165,699
		89,698	-	89,698	-	165,699	-	165,699

Fair Value of Financial Instruments Carried at Amortised Cost												
			Bank				(Group				
		As	at 30.09.2022			As at 30.09.2022						
	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value		
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		
Financial Assets												
Debt Instruments	62,914,646	27,792,611	20,190,196	-	47,982,807	62,914,646	27,792,611	20,190,196	-	47,982,807		
Loans and Advances to Customers	258,236,676	-	249,411,515	-	249,411,515	258,236,676	-	249,411,515	-	249,411,515		
	321,151,322	27,792,611	269,601,711	-	297,394,322	321,151,322	27,792,611	269,601,711	-	297,394,322		
Financial Liabilities												
Due to Customers	302,581,015	-	299,910,467	-	299,910,467	301,034,050	-	296,676,715	-	296,676,715		
Due to Other Borrowers	37,346,114	-	36,950,194	-	36,950,194	37,113,958	-	36,718,037	-	36,718,037		
Debt Securities Issued	12,655,975	-	10,511,779	-	10,511,779	12,655,975	-	10,511,779	-	10,511,779		
	352,583,104	-	347,372,440	-	347,372,440	350,803,983	-	343,906,531	-	343,906,531		

		As a	Bank at 31.12.2021		Group As at 31.12.2021						
	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value	Amortised Cost	Level 1	Level 2	Level 3	Total Fair Value	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Financial Assets											
Debt Instruments	26,140,298	3,126,725	23,223,889	-	26,350,614	26,140,298	3,126,725	23,223,889	-	26,350,614	
Loans and Advances to Customers	259,014,175	-	258,875,091	-	258,875,091	259,014,175	-	258,875,091	-	258,875,091	
	285,154,473	3,126,725	282,098,980	-	285,225,705	285,154,473	3,126,725	282,098,980	-	285,225,705	
Financial Liabilities											
Due to Customers	267,991,907	-	267,809,573	-	267,809,573	267,988,263	-	267,805,930	-	267,805,930	
Due to Other Borrowers	35,601,356	-	36,275,429	-	36,275,429	35,305,349	-	36,275,429	-	36,275,429	
Debt Securities Issued	12,352,873	-	12,402,989	-	12,402,989	12,352,873	-	12,402,989	-	12,402,989	
	315,946,136	-	316,487,991		316,487,991	315,646,485	-	316,484,348	-	316,484,348	

Assets and Liabilities where fair value approximates carrying value
For below listed financial assets and liabilities with short-term maturities or with short-term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value.

Financial Assets Financial Liabilities Cash and Cash equivalents Due to banks Balances with Central Bank of Sri Lanka Repurchase agreements Reverse Repurchase Agreements Sri Lanka Development Bonds, net of impairment

> 0 0

572111991.1

838684150

697483107.8

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



Item	Ba	nk	Group			
	30.09.2022	31.12.2021	30.09.2022	31.12.2021		
Regulatory Capital (Rs. '000)						
Common Equity Tier 1	32,298,057	35,772,533	33,513,583	37,073,777		
Core (Tier 1) Capital	32,298,057	35,772,533	33,513,583	37,073,777		
Total Capital Base	38,320,812	42,291,642	39,536,338	43,592,886		
Regulatory Capital Ratios (%)						
Common Equity Tier 1 Capital Ratio (%)						
(Minimum Requirement - 7.00%)	12.15%	14.77%	12.59%	15.31%		
	12.13 /0	11.7770	12.3970	13.3170		
Tier 1 Capital Ratio (%)						
(Minimum Requirement - 8.50%)	12.15%	14.77%	12.59%	15.31%		
Total Capital Ratio (%)						
(Minimum Requirement - 12.50%)	14.42%	17.46%	14.85%	18.01%		
Lavanaga Patia (Minimum Paguinament 20/)	7.420/	9.03%	7.710/	9.36%		
Leverage Ratio (Minimum Requirement - 3%)	7.43%	9.03%	7.71%	9.30%		
Regulatory Liquidity						
Statutory Liquid Assets (Rs. '000)	125,881,576	110,529,623				
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)						
Domestic Banking Unit (%)	32.86%	32.82%				
	28.01%	29.67%				
Off-Shore Banking Unit (%)	28.01%	29.07%				
Total Stock of High-Quality Liquid Assets (Rs. '000)	78,936,986	84,587,028				
Liquidity Coverage Ratio (%) (Minimum Requirement - 90%)						
Rupee	266.97%	355.54%				
All Currency	194.91%	304.28%				
Net Stable Funding Ratio (%)						
(Minimum Requirement - 90%)	143.57%	146.06%				
Assets Quality						
Impaired Loans (Stage 3) Ratio (%)	2.52%	2.09%				
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	51.45%	50.74%				
Profitability						
Interest Margin (%)	6.64%	3.85%		_		
Return on Assets (before tax) (%)	2.27%	2.23%	2.38%	2.32%		
Return on Equity (%)	17.26%	17.83%	17.35%	17.90%		
rectain on Equity (70)	17.20%	17.03%	17.55%	17.5070		
Net Assets Value Per Share (Rs.)	138.96	119.14	144.86	123.74		
) '						

Market Price Per Share (Rs.)

	Vot	ting	Non-Voting		
	30.09.2022 31.12.2021		30.09.2022	31.12.2021	
	(Quarter ended)	(Quarter ended)	(Quarter ended)	(Quarter ended)	
Highest	50.50	62.50	64.90	76.00	
Lowest	30.50	52.90	46.00	58.00	
Last Traded Price	50.40	55.00	54.90	65.10	

NATIONS TRUST BANK PLC ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



Bank/Group	A a a t 1	20 Santamban 20	22	Agat	21 Dagambar 20	11		
	As at 30 September 2022			As at 31 December 2021				
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000		
Assets								
Derivative Financial Instruments	26,288	-	26,288	472,864	-	472,864		
Government Securities	3,990,405	27,749,843	31,740,248	6,150,508	67,503,862	73,654,369		
Equity Instruments		26,923	26,923	-	16,898	16,898		
Total Financial Assets	4,016,693	27,776,766	31,793,459	6,623,372	67,520,760	74,144,131		
	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000	FVPL Rs. '000	FVOCI Rs. '000	Total Rs. '000		
Liabilities	1131 000	245. 000	2257 000	1457 000	2257 000	2251 000		
Derivative Financial Instruments	89,698	-	89,698	165,699	-	165,699		
Total Financial Liabilities	89,698	-	89,698	165,699	-	165,699		

Note

All other Financial assets and Financial liabilities are classified at amortised cost.

FVPL – Financial assets/liabilities measured at fair value through profit or loss

FVOCI – Financial assets measured at fair value through other comprehensive income

DEBENTURE INFORMATION

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



Debenture Categories	CSE Listing	Interest Payable Issued Dat	Issued Date	Maturity Date		Balance as at Balance as at		lues for the Qua 30.09.2022	rter Ended	Intere	est Rates	Interest Rate	of Comparable Securities	Government	Other Ratios Last T	
	, and the second	Frequency			30.09.2022	30.09.2021	Highest	Lowest	Period End	Coupon Rate	Effective Annual Yield	30.09.2022	30.09.2021	As at Issue Date	Interest Yield	Yield to Maturity
					Rs. '000	Rs. '000	Rs.	Rs.	Rs.	%	%	%	%	%	%	%
Fixed Rate	NTB-BD-20/04/23-C2402-12.65	Semi -Annually	20-Apr-18	20-Apr-23	2,213,000	2,213,000	Not trade	d during the curr	ent period	12.65	13.05	22.20	7.30	9.99	Not tr	aded
Fixed Rate	NTB-BD-20/04/23-C2401-13	Annually	20-Apr-18	20-Apr-23	1,287,000	1,287,000	Not trade	d during the curr	ent period	13.00	13.00	22.20	7.30	9.99	Not tr	aded
Fixed Rate	NTB-BD-23/12/24 - C2441 - 12.8	Annually	23-Dec-19	23-Dec-24	2,700,000	2,700,000	Not trade	d during the curr	ent period	12.80	12.80	23.35	8.37	9.89	Not tr	aded
Fixed Rate	NTB-BD-23/12/26 - C2442 - 12.9	Annually	23-Dec-19	23-Dec-26	1,800,000	1,800,000	Not trade	d during the curr	ent period	12.90	12.90	24.85	9.47	10.11	Not tr	aded
Fixed Rate	N/A	Semi -Annually	9-Jul-21	9-Jul-26	449,760	449,760		N/A		8.90	9.10	25.17	9.37	7.45	N/	/A
Fixed Rate	N/A	Annually	9-Jul-21	9-Jul-26	3,550,240	3,550,240		N/A		9.15	9.15	25.17	9.37	7.45	N/	/A
Total Debentures			·		12,000,000	12,000,000										

Ratios of Debt	30.09.2022	31.12.2021
* Debt/Equity Ratio (%)	98.66	80.64
Interest Cover (Times)	3.78	3.94
Quick Asset Ratio (%)	128.72	150

^{*} Borrowings of which original maturity with five years or more are considered for debt.



NATIONS TRUST BANK PLC SEGMENT INFORMATION

For the Nine months ended 30 September	Bank	ting	Treasury I	Functions	Othe	ers	Unallocated/ l	Eliminations	Total (Froup
	30.09,2022 Rs. '000	30.09.2021 Rs. '000	30.09.2022 Rs. '000	30.09.2021 Rs. '000						
Net Interest Income	14,244,675	7,474,612	6,169,114	2,601,055	126,055	41,775	(94,768)	(50,095)	20,445,076	10,067,347
Inter Segment	865,153	(1,330,597)	(865,153)	1,330,597		-	- 1		· · · · · ·	-
Total revenue from external customers	15,109,828	6,144,015	5,303,961	3,931,652	126,055	41,775	(94,768)	(50,095)	20,445,076	10,067,347
Net Fee and Commission Income	4,835,983	4,047,964	32,226	184,546	253,407	273,744	(132,029)	(194,400)	4,989,587	4,311,854
Net Gains/(Losses) from Trading	749,349	592,190	12,913,746	1,586,346	-	-	(1,067)	(168)	13,662,028	2,178,368
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value										
through Profit or Loss	-	-	58,344	5,590	-	-	-	-	58,344	5,590
Net Gains/(Losses) on Derecognition of Financial Assets at Fair										
Value through Other Comprehensive Income		-	15,685	541,960	-	-	-		15,685	541,960
Net Other Operating Income/(Loss)	662,289	641,033	(12,300,662)	(775,320)	-	-	3,528	19,575	(11,634,845)	(114,712)
Operating Income	21,357,449	11,688,593	6,023,300	5,474,774	379,462	315,519	(224,336)	(225,088)	27,535,875	16,990,407
Impairment Charge/(Reversal)	7,425,009	2,034,723	2,775,037	461,849	-	-	-	- (22 - 222)	10,200,046	2,496,572
Net Operating Income	13,932,440	9,390,479	3,248,263	5,012,925	379,462	315,519	(224,337)	(225,088)	17,335,828	14,493,836
Depreciation of Property, Plant and Equipment	225,923	289,169	7,503	13,756	14,919	259,199	18,491	(225,234)	266,836	336,890
Depreciation of Right of Use (ROU) Assets	278,529	283,424	-	-	72,064	72,064	(58,622)	(61,022)	291,971	294,466
Amortization of Intangible Assets	192,440	251,117	15,913	18,849	93	163,034	56,525	(161,527)	264,971	271,473
Capital Expenditures										
Property and Equipment	21,001	13,710	2,273	1,681	-	143	79,716	6,361	102,990	21,895
Other Intangible Assets	-	8,653	-	-	-	-	54,478	1,080	54,478	9,733
	-	-	-	-	-	-	-	-	-	-
Total Assets (as at)	271,659,326	256,585,761	153,990,396	121,318,366	2,153,942	1,915,791	(6,081,525)	(2,816,448)	421,722,140	377,003,468
Total Liabilities (as at)	306,502,554	262,791,425	59,231,498	69,498,189	93,974	90,727	12,223,339	6,050,716	378,051,365	338,431,054

NATIONS TRUST BANK PLC EXPLANATORY NOTES



(1) The Group Financial Statements comprise a consolidation of the Bank and its fully owned subsidiaries; Waldock Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited. These interim financial statements are presented in accordance with LKAS 34 - Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange and the Directions issued by the Central Bank of Sri Lanka.

(2) Expected Credit Loss (ECL)

When assessing the Expected Credit Loss (ECL), the Bank considered the potential impact for identified customer segments impacted due to COVID-19 and macro-economic uncertainties by projecting potential delays to the cash flow expectations based on the available information. In addition, the Bank continues to assess the Economic Factor Adjustment (EFA) to reflect the economic environment when assessing collective impairment provisions in the subsequent periods. The recommended treatments as per the guidelines issued by the Central Bank of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka were considered in assessing the above mentioned Expected Credit Losses (ECL).

The concession scheme announced by the government to provide relief to affected borrowers amidst the prevailing extraordinary macroeconomic circumstances is expected to have a negative impact on the earnings and contractual cash flows of the Bank. However, the Bank believes that the aforementioned negative impact did not pose significant stress to the Bank's liquidity and financial position.

(3) Surcharge Tax

Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022 and is applicable to the Nations Trust Bank and the Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 million, for the year of assessment 2020/2021. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements in the year of assessment which commenced on 1st April 2020.

Total Surcharge Tax liability of LKR 1,803Mn and LKR 1,889Mn has been recognised for the Bank and the Group respectively and the corresponding expenditure is accounted as an adjustment to the opening retained earnings on 1st January 2022 in the Statement of Changes in Equity as per the Statement of Alternative Treatment (SoAT) and the subsequent addendum issued by the Institute of Chartered Accountants of Sri Lanka.

The Bank and the Group settled this tax liability in two installments on 20th April 2022 and on 20th July 2022.

(4) Reclassification of Investment in Treasury Bonds issued by Sri Lanka Government

Considering the unprecedented changes in the macro-economic conditions and resulted changes to the business model of managing the assets, in June 2022 the Bank re-classified part of its investment in Treasury Bonds issued by the Government of Sri Lanka amounting to LKR 20,960 Mn from Fair Value Through Other Comprehensive Income (FVOCI) to Amortized Cost with effect from 1 April 2022, in accordance with the "Statement of Alternative Treatment (SoAT) on Re-classification of Debt Portfolio" issued by the Institute of Chartered Accountants of Sri Lanka. There was no change to the effective interest rate used and interest income recognized o/a reclassified treasury bond portfolio for the period under review.

If these financial assets were continued in the FVOCI category without the reclassification, carrying value of the portfolio, fair value loss from the reclassification date to reporting date and the impact on the equity as at the reporting date would be LKR 17,750 Mn, LKR 1,993 Mn and LKR 3,842 Mn respectively.

- (5) The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has informed that in terms of a decision of the Monetary Board of the CBSL, John Keells Group and Central Finance Group have been granted further time till 31 December 2021 to reduce their shareholding in the voting shares of the Bank to 20% and 15%, respectively. Further, John Keells Group is required to reduce its shareholding in the Bank to 15% on or before 31 December 2022. Restriction on voting rights at 10% each is applicable to John Keells Group and Central Finance Group until the shareholding is reduced to 15% each. Both John Keells Holdings and Central Finance have requested for an extension of the above deadline from CBSL.
- (6) The funds raised through debentures were fully utilized for the objectives mentioned in the prospectuses.
- (7) There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year ended 31 December 2021. There are no material changes to contingent assets and liabilities since 31 December 2021 and the balances reflected are arising from transactions carried out in the normal course of banking business.
- (8) There are no material events that took place after the reporting date which require adjustment to or disclosure in these Financial Statements.
- (9) The information contained in these statements have been extracted from the unaudited Financial Statements of the Bank and its Subsidiary companies unless indicated as audited.

NATIONS TRUST BANK PLC SHAREHOLDERS' INFORMATION



Twenty Largest Shareholders as at 30 September 2022

	Voting Sh	ares
Name of the Shareholder	No. of Shares	%
John Keells Holdings PLC	51,363,384	19.72%
HWIC Asia Fund	39,064,322	15.00%
Central Finance Company PLC A/C No 03	25,630,053	9.84%
Mackinnons Keells Limited	25,424,873	9.76%
Janashakthi Insurance PLC - Shareholders	25,250,730	9.70%
CF Insurance Brokers (Pvt) Ltd	12,910,418	4.96%
CF Growth Fund Ltd A/C No.01	12,822,902	4.92%
Sri Lanka Insurance Corporation Ltd - Life Fund	10,185,667	3.91%
Sri Lanka Insurance Corporation Ltd - General Fund	6,061,235	2.33%
Hatton National Bank PLC A/C No 1	4,124,460	1.58%
Mr. M.F. Hashim	2,734,971	1.05%
National Savings Bank	2,427,452	0.93%
Mr. P. Brahmanage	2,285,271	0.88%
J.B. Cocoshell (Pvt) Ltd	2,221,976	0.85%
Mr. N.R. Somaiya	1,470,715	0.56%
Timex Garments (Pvt) Ltd	1,273,931	0.49%
Mrs. H.K.S.R. Perera	1,239,744	0.48%
Deutsche Bank AG As Trustee To Assetline Income Plus Growth Fund	1,199,249	0.46%
Mr. M.A. Jafferjee	887,230	0.34%
Askold (Pvt) Ltd	831,295	0.32%
	229,409,878	88.08%
Others	31,018,936	11.92%
Total	260,428,814	100.00%

	Non-Voting S	Shares
Name of the Shareholder	No. of Shares	%
John Keells Holdings PLC	16,964,690	41.33%
Central Finance Company PLC A/C No 03	8,611,027	20.98%
HWIC Asia Fund	6,158,368	15.00%
Mackinnons Keells Limited	4,421,906	10.77%
CF Insurance Brokers (Pvt) Ltd	2,245,385	5.47%
CF Growth Fund Ltd A/C No.01	2,230,164	5.43%
Mr. M. G. H. I. Jafferjee	148,492	0.36%
The Incorporated Trustees of the Church of Ceylon	26,631	0.06%
Mr. K.N.J.Balendra	20,858	0.05%
Mr. S. J . Hirdaramani	19,367	0.05%
Mr. D. C . Fernando	16,478	0.04%
Vinik (Pvt) Ltd	13,556	0.03%
People's Leasing & Finance PLC/Mr. A.B.K. Weeraman	11,135	0.03%
Mr. J. B . Hirdaramani	11,097	0.03%
Mrs. E.M. Dias Bandaranaike	8,803	0.02%
Mr. K.O.V.S.M.S.Wijesinghe	7,678	0.02%
Miss. T.T. Weerasinghe	6,777	0.02%
Mr. H.P. Savindu	5,322	0.01%
Mr. K.S.N. Hirdaramani	4,437	0.01%
Miss. R.S. Wickremeratne	4,424	0.01%
	40,936,595	99.72%
Others	109,158	0.28%
Total	41,045,753	100.00%

	30.09.20)22
	Number	%
Number of shareholders representing the public holding (Voting)	7,027	35.78%
Number of shareholders representing the public holding (Non-Voting)	327	1.00%
Compliant under Option 4 - Float Adjusted Market Capitalization	Rs. 4.72 Bn	

Directors' Holding in Shares as at 30 September 2022

Name of the Director	No of	Shares
	Voting	Non-Voting
Mr. J.G.A. Cooray	9,35	3 1,624
Mr. J.C.A.D' Souza	-	-
Ms. R.D. Rajapaksa	-	-
Mr. N.I.R. De Mel	-	-
Mr. S.L. Sebastian	-	-
Mrs. R.S. Cader	-	-
Mr. C.H.A.W. Wickramasuriya	-	-
Mr. A.R. Fernando	-	-
Dr. R. Shanmuganathan	-	-
Mr. C.K.Hettiarachchi	-	-
Mr. H.D.Gunethilleke	-	-
Mr. Sanjeev Jha	_	-
·	9,35	3 1,624