

THE RIGHT WAY FORWARD

Interim Financial Statements

For the three months ended 31st March 2024
Company Registration Number: PQ 118



Nations Trust Bank PLC delivers a strong 1Q2024

- *Operating Income of LKR 11.9Bn up 3% YoY*
- *Stage 3 loan ratio reduced to 2.1%*
- *Profit After Tax of LKR 3.7Bn, up 35% YoY*
- *Total Capital Adequacy Ratio of 18.7%*
- *Liquidity Ratio of 45%*

Colombo, 14th May 2024 – Nations Trust Bank PLC reported a strong performance in the first 3 months of 2024 posting a Profit Before Tax (PBT) of LKR 7.5 billion, up 28% year-on-year (YoY) and a Profit After Tax (PAT) of 3.7 billion, up 35% YoY.

Commenting on the results, Hemantha Gunetilleke, Director & Chief Executive Officer of Nations Trust Bank said “The Bank recorded a strong first quarter, highlighting steady growth across our customer segments. The Bank’s strong capital base, healthy liquidity buffers, robust risk management models and continued focus on digital empowerment are the fundamental strengths that continue to drive the Bank’s performance”.

Underpinning the Bank’s financial performance is its strong capital position with Tier I Capital at 17.33% and Total Capital Adequacy Ratio of 18.76%, well above the regulatory requirement of 8.5% and 12.5% respectively.

The Bank also maintained strong liquidity buffers with a Liquidity Ratio of 45% against the regulatory requirement of 20%.

The Bank’s Return on Equity (ROE) increased from 21.3% in December 2023 to 24% in 1Q2024. Accordingly, Earnings Per Share rose to LKR 11.58 compared to LKR 8.56 during the same period last year.

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.

NATIONS TRUST BANK PLC
INCOME STATEMENT



	Bank			Group		
	Three Months Ended 31 March			Three Months Ended 31 March		
	2024	2023	Change	2024	2023	Change
	LKR '000	LKR '000	(%)	LKR '000	LKR '000	(%)
Gross Income	19,774,552	20,692,856	(4)	19,826,861	20,750,978	(4)
Interest Income	16,878,890	17,986,299	(6)	16,878,890	17,986,299	(6)
Less: Interest Expense	(7,854,558)	(9,139,587)	14	(7,786,818)	(9,052,558)	14
Net Interest Income	9,024,332	8,846,712	2	9,092,072	8,933,741	2
Fee and Commission Income	2,183,044	1,846,160	18	2,235,353	1,904,282	17
Less: Fee and Commission Expense	(141,833)	(103,097)	(38)	(141,833)	(103,098)	(38)
Net Fee and Commission Income	2,041,211	1,743,063	17	2,093,520	1,801,184	16
Net Gains/(Losses) from Trading	(2,796,633)	(2,224,972)	(26)	(2,796,633)	(2,224,972)	(26)
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	161,801	47,334	242	161,801	47,334	242
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	(142,456)	67,926	(310)	(142,456)	67,926	(310)
Net Other Operating Income/(Loss)	3,489,906	2,970,109	18	3,489,906	2,970,109	18
Total Operating Income	11,778,161	11,450,172	3	11,898,210	11,595,322	3
Impairment Charges/(Reversals)	558,344	2,105,651	73	558,344	2,105,651	73
Net Operating Income	11,219,817	9,344,521	20	11,339,866	9,489,671	19
Less: Operating Expenses						
Personnel Expenses	1,936,110	1,827,534	(6)	1,943,536	1,836,781	(6)
Depreciation of Property, Plant and Equipment	48,730	51,003	4	59,665	62,040	4
Depreciation of Right of Use (ROU) Assets	120,830	123,397	2	98,199	100,765	3
Amortization of Intangible Assets	86,685	83,045	(4)	86,716	83,076	(4)
Other Operating Expenses	1,659,428	1,541,718	(8)	1,664,662	1,548,678	(7)
Total Operating Expenses	3,851,783	3,626,697	(6)	3,852,778	3,631,340	(6)
Operating Profit before Taxes on Financial Services	7,368,034	5,717,824	29	7,487,088	5,858,331	28
Less: Taxes on Financial Services	1,575,658	1,329,647	(19)	1,576,223	1,330,338	(18)
Profit before Income Tax	5,792,376	4,388,178	32	5,910,865	4,527,992	31
Less: Income Tax Expense	2,094,324	1,689,037	(24)	2,134,781	1,734,828	(23)
Profit for the Period	3,698,052	2,699,141	37	3,776,084	2,793,165	35
Profit Attributable to:						
Equity Holders of the Bank	3,698,052	2,699,141	37	3,776,084	2,793,165	35
Non-Controlling Interest	-	-	-	-	-	-
Earnings Per Share						
Basic/Diluted Earning Per Share (Rs.)	11.34	8.27	37	11.58	8.56	35

NATIONS TRUST BANK PLC
STATEMENT OF COMPREHENSIVE INCOME



	Bank			Group		
	Three Months Ended 31 March			Three Months Ended 31 March		
	2024 LKR '000	2023 LKR '000	Change (%)	2024 LKR '000	2023 LKR '000	Change (%)
Profit for the Period	3,698,052	2,699,141	37	3,776,084	2,793,165	35
Other Comprehensive Income/(Expense) that will be Reclassified to Profit or Loss in Subsequent Periods;						
Debt Instruments at Fair Value through Other Comprehensive Income						
Net Change in Fair Value during the Period	1,465,651	651,036	125	1,465,651	651,036	125
Changes in Impairment for Expected Credit Losses	-	30,118	100	-	30,118	100
Tax (Expenses) / Reversal Relating to the Above	(439,695)	(204,346)	(115)	(439,695)	(204,346)	(115)
	1,025,956	476,808	115	1,025,956	476,808	115
Other Comprehensive Income/(Expense) that will not be Reclassified to Profit or Loss in Subsequent Periods:						
Total other comprehensive income that will not to be reclassified to profit or loss	-	-	-	-	-	-
Other Comprehensive Income for the Period, Net of Tax	1,025,956	476,808	115	1,025,956	476,808	115
Total Comprehensive Income for the Period, Net of Tax	4,724,008	3,175,949	49	4,802,040	3,269,972	47
Attributable to:						
Equity Holders of the Bank	4,724,008	3,175,949	49	4,802,040	3,269,972	47
Non-Controlling Interest	-	-	-	-	-	-

NATIONS TRUST BANK PLC
STATEMENT OF FINANCIAL POSITION



As at	Bank			Group		
	31.03.2024 LKR '000	31.12.2023 LKR '000 (Audited)	Change %	31.03.2024 LKR '000	31.12.2023 LKR '000 (Audited)	Change %
ASSETS						
Cash and Cash Equivalents	24,030,866	40,179,820	(40)	24,030,869	40,179,823	(40)
Balances with Central Bank of Sri Lanka	2,035,316	2,683,927	(24)	2,035,316	2,683,927	(24)
Reverse Repurchase Agreements	-	1,502,215	(100)	-	1,502,215	(100)
Derivative Financial Instruments	34,641	3,660	846	34,641	3,660	846
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	16,176,028	10,934,069	48	16,176,028	10,934,069	48
Financial Assets at Fair Value through Other Comprehensive Income	80,955,900	79,922,903	1	80,955,900	79,922,903	1
Financial Assets at Amortised Cost - Debt Instruments	89,858,529	97,357,849	(8)	89,858,529	97,357,849	(8)
Financial Assets at Amortised Cost - Loans and Advances	268,174,698	270,944,786	(1)	268,174,698	270,944,786	(1)
Other Assets	3,296,597	3,352,652	(2)	3,333,660	3,377,829	(1)
Investments in Subsidiaries	678,710	678,710	-	-	-	-
Property, Plant & Equipment	2,576,266	2,597,097	(1)	3,468,658	3,500,423	(1)
Right of Use (ROU) Assets	1,294,197	1,319,294	(2)	1,226,590	1,229,055	(0)
Intangible Assets	1,343,711	1,353,420	(1)	1,344,173	1,353,909	(1)
Deferred Tax Assets	3,043,945	3,334,268	(9)	2,853,580	3,143,936	(9)
Total Assets	493,499,404	516,164,670	(4)	493,492,642	516,134,384	(4)
LIABILITIES						
Due to Banks	25,566,460	49,681,663	(49)	25,566,460	49,681,663	(49)
Derivative Financial Instruments	1,785,016	658,707	171	1,785,016	658,707	171
Financial Liabilities at Amortised Cost						
Due to Depositors	336,697,356	349,533,404	(4)	336,681,726	347,768,600	(3)
Repurchase Agreements	19,124,073	7,064,447	171	16,852,827	6,631,325	154
Due to Other Borrowers	16,106,973	18,613,640	(13)	16,022,649	18,500,429	(13)
Debt Securities Issued	8,901,027	8,686,333	2	8,901,027	8,686,333	2
Retirement Benefit Obligations	1,306,416	1,242,223	5	1,315,200	1,250,916	5
Current Tax Liabilities	5,847,017	5,618,515	4	5,896,080	5,667,233	4
Other Liabilities	15,414,714	16,120,684	(4)	15,462,190	16,163,041	(4)
Total Liabilities	430,749,052	457,219,616	(6)	428,483,175	455,008,247	(6)
EQUITY						
Stated Capital	12,106,272	11,426,882	6	12,106,272	11,426,882	6
Statutory Reserve Fund	2,783,805	2,783,805	-	2,783,805	2,783,805	-
Retained Earnings	41,979,923	39,879,971	5	43,801,420	41,623,436	5
OCI Reserve	4,934,219	3,908,263	26	4,934,219	3,908,263	26
Revaluation Reserve	946,133	946,133	-	1,383,751	1,383,751	-
Total Shareholders' Equity	62,750,352	58,945,054	6	65,009,467	61,126,137	6
Total Equity and Liabilities	493,499,404	516,164,670	(4)	493,492,642	516,134,384	(4)
Contingent Liabilities and Commitments	370,638,164	316,741,904	17	370,638,164	316,741,904	17
Memorandum Information						
Number of Employees	2,460	2,460		2,480	2,481	
Number of Branches	96	96		96	96	
Number of Off-Site ATMs & CRMs	34	37		34	37	

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 Chairperson, 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.
Sherin Cader
Chairperson

Sgd.
Rachini Rajapaksa
Director

Sgd.
Hemantha D Gunetilleke
Director/Chief Executive Officer

14 May 2024
Colombo

NATIONS TRUST BANK PLC
STATEMENT OF CHANGES IN EQUITY



BANK	Stated Capital		Statutory Reserve Fund LKR '000	Retained Earnings LKR '000	OCI Reserve LKR '000	Revaluation Reserve LKR '000	Total LKR '000
	Voting LKR '000	Non-Voting LKR '000					
As at 01 January 2023	7,167,872	3,233,560	2,228,472	30,650,134	56	946,133	44,226,227
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	2,699,141	-	-	2,699,141
Other Comprehensive Income	-	-	-	-	476,808	-	476,808
Total Comprehensive Income for the Period	-	-	-	2,699,141	476,808	-	3,175,949
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip Dividend paid for 2022	885,820	139,630	-	(1,205,724)	-	-	(180,274)
Fractions of shares paid in cash for 2022	-	-	-	(175)	-	-	(175)
As at 31 March 2023	8,053,692	3,373,190	2,228,472	32,143,376	476,864	946,133	47,221,727
As at 01 January 2024	8,053,768	3,373,114	2,783,805	39,879,971	3,908,263	946,133	58,945,054
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	3,698,052	-	-	3,698,052
Other Comprehensive Income	-	-	-	-	1,025,956	-	1,025,956
Total Comprehensive Income for the Period	-	-	-	3,698,052	1,025,956	-	4,724,008
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend paid for 2023	587,203	92,187	-	(1,597,817)	-	-	(918,427)
Fractions of shares paid in cash for 2023	-	-	-	(283)	-	-	(283)
Conversion of Non-Voting Shares to Voting Shares	1,034	(1,034)	-	-	-	-	-
As at 31 March 2024	8,642,005	3,464,267	2,783,805	41,979,923	4,934,219	946,133	62,750,352
GROUP							
GROUP	Stated Capital		Statutory Reserve Fund LKR '000	Retained Earnings LKR '000	OCI Reserve LKR '000	Revaluation Reserve LKR '000	Total LKR '000
	Voting LKR '000	Non-Voting LKR '000					
As at 01 January 2023	7,167,872	3,233,560	2,228,472	32,026,947	56	1,383,751	46,040,658
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	2,793,165	-	-	2,793,165
Other Comprehensive Income	-	-	-	-	476,808	-	476,808
Total Comprehensive Income for the Period	-	-	-	2,793,165	476,808	-	3,269,973
Transactions with Equity Holders, Recognised Directly in Equity							
Scrip dividend paid for 2022	885,820	139,630	-	(1,205,724)	-	-	(180,274)
Fractions of shares paid in cash for 2022	-	-	-	(175)	-	-	(175)
As at 31 March 2023	8,053,692	3,373,190	2,228,472	33,614,213	476,864	1,383,751	49,130,183
As at 01 January 2024	8,053,768	3,373,114	2,783,805	41,623,436	3,908,263	1,383,751	61,126,137
Total Comprehensive Income for the Period							
Profit for the Period	-	-	-	3,776,084	-	-	3,776,084
Other Comprehensive Income	-	-	-	-	1,025,956	-	1,025,956
Total Comprehensive Income for the Period	-	-	-	3,776,084	1,025,956	-	4,802,040
Transactions with Equity Holders, Recognised Directly in Equity							
Dividend paid for 2023	587,203	92,187	-	(1,597,817)	-	-	(918,427)
Fractions of shares paid in cash for 2023	-	-	-	(283)	-	-	(283)
Conversion of Non-Voting Shares to Voting Shares	1,034	(1,034)	-	-	-	-	-
As at 31 March 2024	8,642,005	3,464,267	2,783,805	43,801,420	4,934,219	1,383,751	65,009,467

NATIONS TRUST BANK PLC
STATEMENT OF CASH FLOWS



	Bank		Group	
	Three Months ended 31 March 2024 Rs. '000	2023 Rs. '000	Three Months ended 31 March 2024 Rs. '000	2023 Rs. '000
Cash Flows from Operating Activities				
Receipts of Interest Income	15,783,957	24,162,485	15,783,957	24,162,485
Payments of Interest Expense	(8,056,012)	(6,977,021)	(7,988,272)	(6,977,021)
Receipts of Fees and Commission Income	2,276,295	2,034,030	2,328,604	2,034,030
Payments of Fees and Commission Expense	(141,833)	(291,903)	(141,833)	(291,904)
Net Trading Income / (Loss)	(1,701,305)	(1,614,309)	(1,701,305)	(1,614,309)
Realised gain on sale of financial assets at FVOCI	(749,805)	67,926	(749,805)	67,926
Receipts from Other Operating Income	(709,039)	925,846	(709,039)	1,074,549
Gratuity Payments Made	(31,985)	(34,417)	(31,985)	(34,417)
Payments for Operating Expenses	(2,924,386)	(2,231,198)	(2,936,958)	(2,247,404)
Payments for VAT and SSC on Financial Services	(1,476,031)	(1,461,290)	(1,476,589)	(1,461,982)
Operating Profit before Change in Operating Assets and Liabilities	2,269,856	14,580,149	2,376,775	14,711,953
(Increase)/Decrease in Operating Assets				
Balances with Central Bank of Sri Lanka	647,884	(1,312,247)	647,884	(1,312,247)
Reverse Repurchase Agreements	1,500,000	1,500,000	1,500,000	1,500,000
Financial Assets - At Fair Value through Profit or Loss	(4,896,269)	(3,051,934)	(4,896,269)	(3,051,934)
Financial Assets - At Fair Value through Other Comprehensive Income	2,528,910	(23,401,765)	2,528,910	(23,401,765)
Financial Assets - At Amortized Cost - Debt Instruments	6,894,452	(8,096,757)	6,894,452	(8,096,757)
Financial Assets - At Amortized Cost - Loans & Advances	(1,304,604)	4,395,445	(1,304,604)	4,395,445
Other Assets	18,150	151,609	6,270	128,061
(Increase)/Decrease in Operating Assets	5,388,523	(29,815,649)	5,376,643	(29,839,197)
Increase/(Decrease) in Operating Liabilities				
Repurchase Agreements	11,997,828	3,457,810	10,159,705	3,403,985
Financial Liabilities - At Amortized Cost - Due to Depositors	(6,100,261)	(995,400)	(4,351,086)	(1,043,563)
Money market borrowing	(24,626,100)	(1,822,500)	(24,626,100)	(1,822,500)
Other Liabilities	(1,405,931)	(1,073,942)	(1,403,790)	(1,145,584)
Increase/(Decrease) in Operating Liabilities	(20,134,464)	(434,032)	(20,221,271)	(607,663)
Net Cash Generated from Operating Activities before Income Tax	(12,476,085)	(15,669,532)	(12,467,853)	(15,734,907)
Income Tax Paid	(2,015,195)	(1,587,644)	(2,055,274)	(1,620,823)
Net Cash (Used in)/from Operating Activities	(14,491,280)	(17,257,176)	(14,523,127)	(17,355,730)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(27,900)	(80,939)	(27,900)	(81,354)
Purchase of Intangible Assets	(76,976)	(320,454)	(76,976)	(320,454)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	13	974	13	974
Net Cash (Used in)/from Investing Activities	(104,863)	(400,419)	(104,863)	(400,833)
Cash Flows from Financing Activities				
Receipt in Other Borrowed Funds	39,976	12,199	39,976	12,199
Repayment of Other Borrowed Funds	(1,205,576)	(2,830,431)	(1,205,576)	(2,761,953)
Operating Lease Rentals Paid	(169,339)	(290,901)	(137,488)	(260,166)
Interest Paid on Subordinated Debt	(22,677)	(20,250)	(22,677)	(20,250)
Dividends Paid to Equity Holders of the Parent	(918,709)	(175)	(918,710)	(175)
Net Cash (Used in)/from Financing Activities	(2,276,325)	(3,129,558)	(2,244,475)	(3,030,345)
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,872,468)	(20,787,153)	(16,872,465)	(20,786,909)
Cash and Cash Equivalents at the Beginning of the Period	39,545,578	62,677,477	39,545,578	62,677,364
Cash and Cash Equivalents at the End of the Period	22,673,110	41,890,324	22,673,113	41,890,455
Reconciliation of Cash and Cash Equivalents				
Cash in Hand	10,425,708	9,288,043	10,425,711	9,288,066
Balances with Banks	13,608,011	34,414,423	13,608,011	34,414,532
Money at Call and Short Notice	-	914,065	-	914,065
Deposits from Other Banks	(1,360,609)	(2,726,208)	(1,360,609)	(2,726,208)
	22,673,110	41,890,324	22,673,113	41,890,455

(1) Product-wise Gross Loans and Advances	Bank/Group	
	31.03.2024 LKR'000	31.12.2023 LKR '000 (Audited)
Domestic Currency		
Bills of Exchange	3,876	3,469
Trade Finance	67,561,203	67,997,103
Overdrafts	41,680,626	42,268,596
Term Loans	79,974,931	79,874,154
Staff Loans	3,475,400	3,477,105
Leases	23,689,003	23,943,559
Credit Cards	24,991,828	26,146,932
Pawning	1,741	1,741
Other Advances	262,917	262,917
	241,641,525	243,975,576
Foreign Currency		
Trade Finance	27,003,709	21,402,361
Overdrafts	3,519,793	3,307,939
Term Loans	17,555,578	23,889,096
	48,079,080	48,599,396
Total	289,720,605	292,574,972

(2) Product-wise Commitments and Contingencies	Bank/Group	
	31.03.2024 LKR'000	31.12.2023 LKR '000 (Audited)
Domestic Currency		
Guarantees	299,043	708,684
Bonds	20,303,373	20,090,599
Acceptances	3,055,475	3,212,038
Letters of Credit	6,200,673	5,140,942
Forward Contracts to buy/sell -Fixed Income Securities	10,360,714	11,951,589
Undrawn Credit Lines	176,293,410	156,551,907
	216,512,688	197,655,759
Foreign Currency		
Guarantees	254,212	197,234
Bonds	2,343,588	2,527,122
Acceptances	1,433,076	972,767
Letters of Credit	495,688	692,346
Forward Exchange Contracts	127,055,665	88,647,390
Undrawn Credit Lines	22,543,247	26,049,286
	154,125,476	119,086,145
Total	370,638,164	316,741,904

(3) Stage-wise Impairment on Loans & Advances, Commitments and Contingencies	Bank/Group	
	31.03.2024 LKR'000	31.12.2023 LKR '000 (Audited)
Gross Loans and Advances, Commitments and Contingencies	660,358,769	609,316,876
(Less): Accumulated impairment under; (Note 3.1)		
Stage 1	(3,873,153)	(3,806,063)
Stage 2	(6,380,338)	(6,124,934)
Stage 3	(11,835,188)	(12,179,282)
Net Value of Loans and Advances, Commitments and Contingencies	638,270,090	587,206,597

(3.1) Movement in Impairment during the period*	Bank/Group	
	2024 LKR'000	2023 LKR '000 (Audited)
Stage 1		
Opening balance as at 01 January	3,806,063	2,440,147
Charge/(Write back) to income statement	83,580	1,373,590
Write-off during the period	-	-
Effect on Change in Exchange rates	(16,490)	(7,674)
Closing balance	3,873,153	3,806,063
Stage 2		
Opening balance as at 01 January	6,124,934	6,983,159
Charge/(Write back) to income statement	300,829	(795,995)
Write-off during the period	-	-
Effect on Change in Exchange rates	(45,425)	(62,230)
Closing balance	6,380,338	6,124,934
Stage 3		
Opening balance as at 01 January	12,179,282	10,377,706
Charge/(Write back) to income statement	278,170	5,398,226
Write-off during the period	(622,264)	(3,596,650)
Effect on Change in Exchange rates	-	-
Closing balance	11,835,188	12,179,282

* 2024 reflects the figures for 3 months ended 31.03.2024 and 2023 reflects the figures for 12 months ended 31.12.2023.

NATIONS TRUST BANK PLC
ANALYSIS OF DEPOSITS



(4) Due to Depositors - By Product

	Bank		Group	
	31.03.2024 LKR'000	31.12.2023 LKR '000 (Audited)	31.03.2024 LKR'000	31.12.2023 LKR '000 (Audited)
Domestic Currency				
Demand Deposits	27,183,982	28,202,496	27,168,352	28,198,206
Savings Deposits	52,943,644	54,636,158	52,943,644	54,636,158
Time Deposits	152,128,085	149,180,435	152,128,085	147,419,921
	232,255,711	232,019,089	232,240,081	230,254,285
Foreign Currency				
Demand Deposits	3,137,635	6,465,710	3,137,635	6,465,710
Savings Deposits	16,018,164	19,297,722	16,018,164	19,297,722
Time Deposits	85,285,846	91,750,883	85,285,846	91,750,883
	104,441,645	117,514,315	104,441,645	117,514,315
Total	336,697,356	349,533,404	336,681,726	347,768,600

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 2023. 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 31 March 2024.

Financial Instruments Carried at Fair Value

Bank/Group	As at 31.03.2024				As at 31.12.2023 (Audited)			
	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total LKR '000
Financial Assets Measured at Fair Value								
Derivative Financial Instruments	-	34,641	-	34,641	-	3,660	-	3,660
Financial Assets at Fair Value through Profit or Loss	8,191,135	7,984,893	-	16,176,028	2,809,736	8,124,333	-	10,934,069
Financial Assets at Fair Value through Other Comprehensive Income	63,002,897	17,929,922	23,081	80,955,900	64,720,703	15,177,671	24,529	79,922,903
	71,194,032	25,949,456	23,081	97,166,569	67,530,439	23,305,664	24,529	90,860,632
Financial Liabilities								
Derivative Financial Instruments	-	1,785,016	-	1,785,016	-	658,707	-	658,707
	-	1,785,016	-	1,785,016	-	658,707	-	658,707

Fair Value of Financial Instruments Carried at Amortised Cost

Bank	As at 31.03.2024					As at 31.12.2023 (Audited)				
	Amortised Cost LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total Fair Value LKR '000	Amortised Cost LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total Fair Value LKR '000
Financial Assets										
Debt Instruments	89,858,529	33,907,779	69,431,698	-	103,339,477	97,357,849	39,459,011	67,973,263	-	107,432,274
Loans and Advances to Customers- Gross	289,720,605	-	292,333,397	-	292,333,397	292,574,972	-	291,467,645	-	291,467,645
	379,579,134	33,907,779	361,765,095	-	395,672,874	389,932,821	39,459,011	359,440,908	-	398,899,919
Financial Liabilities										
Due to Customers	336,697,356	-	338,191,096	-	338,191,096	349,533,404	-	348,296,525	-	348,296,525
Due to Other Borrowers	16,106,973	-	16,106,973	-	16,106,973	18,613,640	-	18,605,408	-	18,605,408
Debt Securities Issued	8,901,027	-	8,970,387	-	8,970,387	8,686,333	-	8,155,431	-	8,155,431
	361,705,356	-	363,268,456	-	363,268,456	376,833,377	-	375,057,364	-	375,057,364

Group	As at 31.03.2024					As at 31.12.2023 (Audited)				
	Amortised Cost LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total Fair Value LKR '000	Amortised Cost LKR '000	Level 1 LKR '000	Level 2 LKR '000	Level 3 LKR '000	Total Fair Value LKR '000
Financial Assets										
Debt Instruments	89,858,529	33,907,779	69,431,698	-	103,339,477	97,357,849	39,459,011	67,973,263	-	107,432,274
Loans and Advances to Customers	289,720,605	-	292,333,397	-	292,333,397	292,574,972	-	291,467,645	-	291,467,645
	379,579,134	33,907,779	361,765,095	-	395,672,874	389,932,821	39,459,011	359,440,908	-	398,899,919
Financial Liabilities										
Due to Customers	336,681,726	-	338,175,466	-	338,175,466	347,768,600	-	346,531,722	-	346,531,722
Due to Other Borrowers	16,022,649	-	16,106,973	-	16,106,973	18,500,429	-	18,489,124	-	18,489,124
Debt Securities Issued	8,901,027	-	8,970,387	-	8,970,387	8,686,333	-	8,155,431	-	8,155,431
	361,605,402	-	363,252,826	-	363,252,826	374,955,362	-	373,176,277	-	373,176,277

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	

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

Item	Bank		Group	
	31.03.2024	31.12.2023	31.03.2024	31.12.2023
Regulatory Capital (LKR '000)				
Common Equity Tier 1	51,129,248	51,747,926	53,062,616	53,681,235
Core (Tier 1) Capital	51,129,248	51,747,926	53,062,616	53,681,235
Total Capital Base	55,478,226	56,330,223	57,411,595	58,263,532
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (%) (Minimum Requirement - 7.00%)	16.74	17.52	17.33	18.14
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.50%)	16.74	17.52	17.33	18.14
Total Capital Ratio (%) (Minimum Requirement - 12.50%)	18.16	19.07	18.76	19.68
Leverage Ratio (Minimum Requirement - 3%)	9.97	9.72	10.35	10.08
Regulatory Liquidity				
Statutory Liquid Assets (LKR '000)	176,130,547	171,133,564		
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)	44.81	45.03		
Total Stock of High-Quality Liquid Assets (LKR '000)	171,038,394	150,385,533		
Liquidity Coverage Ratio (%) (Minimum Requirement: 100%)				
Rupee	451.95	410.23		
All Currency	323.64	274.10		
Net Stable Funding Ratio (%) (Minimum Requirement : 100%)	156.97	158.59		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio %	2.15	2.34		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	56.62	55.30		
Profitability				
Interest Margin (%)	7.17	7.72		
Return on Assets (before tax) (%)	4.60	3.97	4.70	4.09
Return on Equity (%)	24.38	21.46	24.02	21.34
Net Assets Value Per Share (LKR)	192.37	184.42	199.29	191.25

Market Price Per Share (LKR)

	Voting		Non-Voting	
	31.03.2024 (Quarter ended)	31.12.2023 (Quarter ended)	31.03.2024 (Quarter ended)	31.12.2023 (Quarter ended)
Highest	108.25	110.00	123.50	110.00
Lowest	99.80	99.30	98.50	93.10
Last Traded Price	107.50	107.50	103.50	99.80

NATIONS TRUST BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS



Bank	As at 31 March 2024				As at 31 December 2023 (Audited)			
	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000
Financial Assets								
Cash and Cash Equivalents	24,030,866	-	-	24,030,866	40,179,820	-	-	40,179,820
Balances with Central Bank of Sri Lanka	2,035,316	-	-	2,035,316	2,683,927	-	-	2,683,927
Reverse Repurchase Agreements	-	-	-	-	1,502,215	-	-	1,502,215
Derivative Financial Instruments	-	34,641	-	34,641	-	3,660	-	3,660
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	16,176,028	-	16,176,028	-	10,934,069	-	10,934,069
Financial Assets at Fair Value through Other Comprehensive Income	-	-	80,955,900	80,955,900	-	-	79,922,903	79,922,903
Financial Assets at Amortised Cost - Debt Instruments	89,858,529	-	-	89,858,529	97,357,849	-	-	97,357,849
Financial Assets at Amortised Cost - Loans and Advances	268,174,698	-	-	268,174,698	270,944,786	-	-	270,944,786
Total Financial Assets	384,099,409	16,210,669	80,955,900	481,265,978	412,668,597	10,937,729	79,922,903	503,529,229
Financial Liabilities								
Due to Banks	25,566,460	-	-	25,566,460	49,681,663	-	-	49,681,663
Derivative Financial Instruments	-	1,785,016	-	1,785,016	-	658,707	-	658,707
Financial Liabilities at Amortised Cost								
Due to Depositors	336,697,356	-	-	336,697,356	349,533,404	-	-	349,533,404
Repurchase Agreements	19,124,073	-	-	19,124,073	7,064,447	-	-	7,064,447
Due to Other Borrowers	16,106,973	-	-	16,106,973	18,613,640	-	-	18,613,640
Debt Securities Issued	8,901,027	-	-	8,901,027	8,686,333	-	-	8,686,333
Total Financial Liabilities	406,395,889	1,785,016	-	408,180,905	433,579,487	658,707	-	434,238,194
Group								
	As at 31 March 2024				As at 31 December 2023 (Audited)			
	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000	AC LKR '000	FVPL LKR '000	FVOCI LKR '000	Total LKR '000
Financial Assets								
Cash and Cash Equivalents	24,030,869	-	-	24,030,869	40,179,823	-	-	40,179,823
Balances with Central Bank of Sri Lanka	2,035,316	-	-	2,035,316	2,683,927	-	-	2,683,927
Reverse Repurchase Agreements	-	-	-	-	1,502,215	-	-	1,502,215
Derivative Financial Instruments	-	34,641	-	34,641	-	3,660	-	3,660
Financial Assets Recognised through Profit or Loss - Measured at Fair Value	-	16,176,028	-	16,176,028	-	10,934,069	-	10,934,069
Financial Assets at Fair Value through Other Comprehensive Income	-	-	80,955,900	80,955,900	-	-	79,922,903	79,922,903
Financial Assets at Amortised Cost - Debt Instruments	89,858,529	-	-	89,858,529	97,357,849	-	-	97,357,849
Financial Assets at Amortised Cost - Loans and Advances	268,174,698	-	-	268,174,698	270,944,786	-	-	270,944,786
Total Financial Assets	384,099,412	16,210,669	80,955,900	481,265,981	412,668,600	10,937,729	79,922,903	503,529,232
Financial Liabilities								
Due to Banks	25,566,460	-	-	25,566,460	49,681,663	-	-	49,681,663
Derivative Financial Instruments	-	1,785,016	-	1,785,016	-	658,707	-	658,707
Financial Liabilities at Amortised Cost								
Due to Depositors	336,681,726	-	-	336,681,726	347,768,600	-	-	347,768,600
Repurchase Agreements	16,852,827	-	-	16,852,827	6,631,325	-	-	6,631,325
Due to Other Borrowers	16,022,649	-	-	16,022,649	18,500,429	-	-	18,500,429
Debt Securities Issued	8,901,027	-	-	8,901,027	8,686,333	-	-	8,686,333
Total Financial Liabilities	404,024,689	1,785,016	-	405,809,705	431,268,350	658,707	-	431,927,057

Note

AC - Financial Instruments at Amortised cost

FVPL - Financial instruments measured at fair value through profit or loss

FVOCI - Financial instruments measured at fair value through other comprehensive income

DEBENTURE INFORMATION

The rated, unsecured, subordinated redeemable debentures 2019/24 & 2019/26 of the Bank are listed on the Colombo Stock Exchange.



Debenture Categories	CSE Listing	Interest Payable Frequency	Issued Date	Maturity Date	Balance as at 31.03.2024 LKR '000	Balance as at 31.12.2023 (Audited) LKR '000	Market Values for the Quarter Ended 31.03.2024			Interest Rates		Interest Rate of Comparable Government Securities			Other Ratios as at Date of Last Trade	
							Highest LKR	Lowest LKR	Period End LKR	Coupon Rate %	Effective Annual Yield %	31.03.2024 %	31.12.2023 %	As at Issue Date %	Interest Yield %	Yield to Maturity %
Fixed Rate	NTB-BD-23/12/24 - C2441 - 12.8	Annually	23-Dec-19	23-Dec-24	2,700,000	2,700,000	100.46	100.22	100.46	12.80	12.80	9.97	13.56	9.89	12.80	11.92
Fixed Rate	NTB-BD-23/12/26 - C2442 - 12.9	Annually	23-Dec-19	23-Dec-26	1,800,000	1,800,000	Not traded during the current period			12.90	12.90	11.27	13.68	10.11	Not traded	
Fixed Rate	N/A	Semi -Annually	9-Jul-21	9-Jul-26	449,760	449,760	N/A			8.90	9.10	11.15	13.64	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	11.15	13.64	7.45	N/A	
Total Debentures					8,500,000	8,500,000										

Ratios of Debt	31.03.2024	31.12.2023
* Debt/Equity Ratio (%)	36.11	41.54
Interest Cover (Times)	11.30	7.38
Quick Asset Ratio (%)	123.96	120

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

NATIONS TRUST BANK PLC
SEGMENT INFORMATION



<i>For the Three months ended 31 March</i>	Banking		Treasury Functions		Others		Unallocated/ Eliminations		Total Group	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Net Interest Income	3,209,446	3,659,521	5,845,680	5,170,780	64,400	81,067	(27,454)	22,374	9,092,072	8,933,741
Inter Segment	1,612,689	2,072,801	(1,612,689)	(2,072,801)	-	-	-	-	-	-
Total revenue from external customers	4,822,135	5,732,322	4,232,991	3,097,979	64,400	81,067	(27,454)	22,374	9,092,072	8,933,741
Net Fee and Commission Income	1,948,248	1,767,168	19,315	9,455	86,117	88,768	39,840	(64,207)	2,093,520	1,801,184
Net Gains/(Losses) from Trading	293,923	496,088	(3,123,319)	(2,721,060)	-	-	32,763	-	(2,796,633)	(2,224,972)
Net Fair Value Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	-	-	161,801	47,334	-	-	-	-	161,801	47,334
Net Gains/(Losses) on Derecognition of Financial Assets at Fair Value through Other Comprehensive Income	-	-	(142,456)	67,926	-	-	-	-	(142,456)	67,926
Net Other Operating Income/(Loss)	450,577	401,848	3,038,186	2,566,548	-	-	1,143	1,713	3,489,906	2,970,109
Operating Income	7,514,883	8,397,426	4,186,518	3,068,181	150,517	169,835	46,292	(40,120)	11,898,210	11,595,322
Impairment Charge/(Reversal)	666,048	2,112,671	(107,704)	(7,020)	-	-	-	-	558,344	2,105,651
Net Operating Income	6,848,835	6,284,756	4,294,222	3,075,201	150,517	169,835	46,292	(40,120)	11,339,866	9,489,671
Depreciation of Property, Plant and Equipment	46,757	48,990	1,641	1,672	4,803	4,906	6,464	6,473	59,665	62,040
Depreciation of Right of Use (ROU) Assets	120,830	123,397	-	-	1,409	1,409	(24,040)	(24,040)	98,199	100,765
Amortization of Intangible Assets	72,843	70,113	13,512	12,611	31	31	330	322	86,716	83,076
Capital Expenditures										
Property and Equipment	13,407	14,943	-	-	-	-	9,429	17,157	22,836	32,099
Other Intangible Assets	3,428	-	-	-	-	-	11,680	432	15,108	432
Total Assets (as at)	290,004,274	250,940,705	213,179,314	169,258,224	2,722,494	2,362,538	(12,413,440)	(9,759,240)	493,492,642	412,802,227
Total Liabilities (as at)	342,800,712	298,848,529	69,702,597	339,575,686	110,891	137,822	15,868,975	(274,889,993)	428,483,175	363,672,044

- (1) There are no changes to the accounting policies and methods of computation since the publication of the annual report for the year ended 31 December 2023.
- (2) During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities. All known expenditure items have been accrued.
- (3) 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.
- (4) 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.

(5) **Impairment of financial assets**

Loans and Advances – ECL assessment

A comprehensive assessment was carried out when assessing the Expected Credit Loss (ECL) with respect to individually significant customers by projecting potential delays on the expected cash flows considering the impact arising from current macro-economic environment. Adequate provisions were recognized in the financial statements to ensure such potential impact to the Bank's loan portfolio is adequately covered. Customers recognized with an increased credit risk were classified into Stage 2 or Stage 3 as appropriate. Further, provisions recognised by way of management overlays for exposures on specific risk elevated industries continued without any change along with the other assumptions used in the economic factor adjustment.

Other Financial Assets – Sri Lanka International Sovereign Bonds (SLISBs)

Sri Lanka International Sovereign Bonds (SLISBs) are classified under stage 2 in line with Banking Act Direction No. 14 of 2021,- Classification, Recognition and Measurement of Financial Assets Other than Credit Facilities in Licensed Banks.

The Bank considered the latest available information including the indicative terms of the debt restructuring exercise currently being undertaken by the Government of Sri Lanka in estimating the impairment provision of SLISB's as at 31 March 2024.

- (6) 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 were 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 was 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. As disclosed by the two companies in their market announcement on 31 December 2021, they have sought approval from CBSL to continue their shareholding.
- (7) The funds raised through debentures were fully utilized for the objectives mentioned in the prospectuses.
- (8) There are no material events that took place after the reporting date which require adjustment to or disclosure in these Financial Statements.

**NATIONS TRUST BANK PLC
SHAREHOLDERS' INFORMATION**



Twenty Largest Shareholders as at 31 March 2024

Name of the Shareholder	Voting Shares	
	No. of Shares	% holding
John Keells Holdings PLC	55,611,559	19.72
HWIC Asia Fund	42,296,993	15.00
Central Finance Company PLC A/C No 03	27,749,869	9.84
Mackinnons Keells Limited	27,527,718	9.76
Amaliya Private Limited	16,861,200	5.98
CF Insurance Brokers (Pvt) Ltd	13,978,215	4.96
CF Growth Fund Ltd A/C No.01	13,883,461	4.92
Thread Capital (Pvt) Ltd	10,499,827	3.72
J.B. Cocoshell (Pvt) Ltd	5,148,263	1.83
Hatton National Bank PLC A/C No 1	4,465,586	1.58
Mr. G.B.D. Tilakaratne	3,006,464	1.07
Mr. M.F. Hashim	2,961,174	1.05
Odyssey Capital Partners (Pvt) Ltd	1,807,549	0.64
Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	1,692,403	0.60
Mr. P. Brahmanage	1,611,104	0.57
Mr.N.R.Somaiya	1,592,354	0.56
Mr. Y.S.H.R.S. SILVA	1,395,885	0.50
Deutsche Bank AG as Trustee For JB Vantage Value Equity Fund	1,172,213	0.42
Peoples Leasing & Finance PLC/ MRS. M.E.Amarasinghe	981,497	0.35
Mr.M.A.Jafferjee	960,610	0.34
	235,203,944	83.41
Others	46,773,413	16.59
Total	281,977,357	100.00

Name of the Shareholder	Non-Voting Shares	
	No. of Shares	% holding
John Keells Holdings PLC	18,283,973	41.35
Central Finance Company PLC A/C No 03	9,280,675	20.99
HWIC Asia Fund	6,635,552	15.00
Mackinnons Keells Limited	4,765,781	10.78
CF Insurance Brokers (Pvt) Ltd	2,420,000	5.47
CF Growth Fund Ltd A/C No.01	2,403,595	5.44
Mr. M. G. H. I. Jafferjee	160,039	0.36
The Incorporated Trustees of the Church of Ceylon	28,700	0.06
Mr. K.N.J. Balendra	22,479	0.05
Mr. S. J. Hirdaramani	20,872	0.05
Mr. D. C. Fernando	17,759	0.04
Vinik (Pvt) Ltd	14,609	0.03
People's Leasing & Finance PLC/Mr. A.B.K. Weeraman	12,000	0.03
Mr. J. B. Hirdaramani	11,959	0.03
Mr. K.O.V.S.M.S.Wijesinghe	8,274	0.02
Miss. T.T. Weerasinghe	7,303	0.02
Mr. H.P. Savindu	5,735	0.01
Mr. K.S.N. Hirdaramani	4,781	0.01
Mr. A.K. Gunaratne	4,053	0.01
Swastika Mills Limited	3,755	0.01
	44,111,894	99.76
Others	110,996	0.24
Total	44,222,890	100.00

	31.03.2024	
	Number	%
Number of shareholders representing the public holding (Voting)	6,419	35.79%
Number of shareholders representing the public holding (Non-Voting)	349	0.98%
Compliant under Option 1 - Float Adjusted Market Capitalization	Rs. 10.89 Bn	

Directors' Holding in Shares as at 31 March 2024

Name of the Director	No of Shares	
	Voting	Non-Voting
Mrs. R.S. Cader	-	-
Mr. J.C.A. D'Souza	-	-
Ms. R.D. Rajapaksa	-	-
Mr. N.I.R. De Mel	-	-
Mr. S.L. Sebastian	-	-
Mr. C.H.A.W. Wickramasuriya	-	-
Mr. A.R. Fernando	-	-
Dr. R. Shanmuganathan	-	-
Mr. C.K.Hettiarachchi	-	-
Mr. H.D.Gunetilleke (Director/CEO)	-	-
Dr. S. Jha	-	-
Mr. K.C. Subasinghe	-	-