

Nations Trust Bank Records Subdued Performance



Renuka Fernando, Director / CEO.



Gihan Cooray, Chairman.

The Bank's performance during the quarter ending March 31, 2019 reflected a continuation of the issues witnessed in the previous few quarters with increasing non-performing loans and moderation of credit growth. Despite these unfavorable conditions, Group pre-tax profits was 1,938 million rupees. Group post-tax profits for the quarter recorded 773 million rupees, down by 18 percent over the corresponding period. Nations Trust Bank records subdued performance. The Bank post-tax profits recorded a larger drop due to the inter-company dividend income of 291 million rupees received last year resulting in a higher operating income for the comparative quarter.

Net interest income growth was eight percent. Interest income growth moderated at 18 percent. There was a higher increase of 26 percent in interest expenses. Fees and commission income growth reduced to six percent reflecting the sluggish rate of growth witnessed in fee generating transactional volumes across product lines.

Impairment charges recorded an increase of ten percent mainly due to the continued cash flow stresses witnessed in selective portfolios as evidenced in the deterioration of the Group NPL ratio to 4.88 percent from 4.58 percent reported in December 2018.

Growth in the loans and advances portfolio of six percent was primarily driven by Corporate and Leasing. CASA growth was recorded at ten percent.

Commenting on the results and the achievements, Renuka Fernando, Director/CEO stated, "Despite top-line numbers showing restrained growth largely due to multiple changes in accounting rules impacting the current quarter coupled with a slow recovery of the economy, the core foundations put in place in our business pillars remains strong. We will continue to focus our efforts on managing impairment and driving our strategic agenda set at the beginning of the year."