

# FINANCIAL STATEMENTS

For the year ended 31 December 2025



## Highest-Ever Profit by NSB in 2025

- **Record breaking operating profit of Rs. 59 billion**
- **Total tax contributions of Rs. 31 billion**
- **Total Deposit base of Rs. 1.6 trillion**
- **Stage 3 Loans Ratio reduced to 2.53%**
- **Total Capital Adequacy Ratio at 29%**

National Savings Bank Group (NSB) reported an outstanding financial performance for the year ended 31 December 2025, demonstrating the strength of its core banking franchise, the prudence of its risk management framework, and the resilience of its balance sheet amid a gradually recovering economic environment. The Group's Operating Profit (before all taxes) surged by 55% to reach Rs. 59 billion, while Profit After Tax (PAT) recorded a corresponding increase of 61% to Rs. 28.2 billion, underscoring the breadth and sustainability of the earnings momentum across all operating segments.

The detailed financial information that follows pertains to the performance of the Bank, which accounts for the predominant share of the Group's operations.

Profit After Tax (PAT) of the Bank surged by 69% reflecting sustained momentum in net interest income, disciplined cost management, and a sharp decline of 86% in impairment charges. This outstanding performance underscores NSB's pivotal role in sustaining public trust within Sri Lanka's financial system.

Total assets expanded by 4% to Rs. 1,831 billion, supported by calibrated growth in the loans and advances portfolio and strategic investments in government securities. Funding stability remained a cornerstone of NSB's strength, with the deposit base growing by 3% to Rs. 1,608 billion, underpinned by sustained depositor confidence and the Bank's explicit Government guarantee.

### **Robust Profitability Driven by Core Strengths**

NSB's exceptional profit growth was underpinned by a 17% increase in net interest income (NII), which rose to Rs. 84.8 billion from Rs. 72.6 billion in 2024. This performance was achieved despite a 3% decline in interest income, as the Bank's proactive asset-liability management and disciplined deposit repricing delivered a 14% reduction in interest expenses, from Rs. 131.2 billion to Rs. 112.9 billion. Accordingly, the Bank's net interest margin (NIM) strengthened to 4.74% from 4.22% reported a year ago, supported by effective funding cost optimisation and a stable, low-cost deposit base. The translation of this robust operational performance into superior shareholder returns is evidenced by the sharp expansion in key profitability metrics, with Return on Equity (ROE) surging to 25.08% from 17.89% in the preceding year, while Return on Assets (ROA) increased to 2.48% from 1.53%. This significant enhancement in both returns on equity and assets underscores the Bank's exceptional efficiency in deploying its capital and asset base to generate value for its stakeholder.

### **Non-Funded Income Surges on Higher Customer Activity**

Net fee and commission income recorded exceptional growth of 46%, reaching Rs. 2.56 billion compared to Rs. 1.75 billion in the previous year. This robust performance was driven by increased loan disbursements, higher card issuance and usage, and improved trade and remittance-related fee income, reflecting deepening customer engagement and the success of NSB's service diversification strategy.

Net other operating income increased by an impressive 72% to Rs. 786 million, further contributing to the Bank's income diversification and earnings resilience.

### **Sharp Decline in Impairment Charges Reflects Strengthening Asset Quality**

A defining feature of NSB's 2025 performance was the 86% reduction in impairment charges, which fell sharply to Rs. 1.64 billion from Rs. 11.53 billion in 2024. This significant decline reflects improving macroeconomic conditions, stabilisation in borrower creditworthiness, and the effectiveness of the Bank's proactive credit risk management framework.

The resultant enhancement in portfolio quality is evidenced by a marked improvement in the Stage 3 Ratio, which improved sharply to 2.53% as of 31 December 2025 from 5.18% reported at the close of 2024. Concurrently, the Bank maintained a prudent and well-calibrated provisioning stance, with the Stage 3 Provision Coverage Ratio strengthening to 58.56% in 2025 from 44.50% in the previous year. This dual improvement, lower non-performing loans and higher coverage reflects a disciplined approach to balance sheet management, ensuring that the loan portfolio remains resilient against potential macroeconomic volatility while safeguarding the interests of depositors and other stakeholders.

### **Operating Expenses Contained Despite Strategic Investments**

Operating expenses were managed with discipline, increasing marginally to Rs. 30.4 billion including depreciation. Personnel expenses recorded a slight 2% decline to Rs. 19.9 billion, reflecting careful cost governance even as the Bank continued to invest in its people and developments. This unwavering commitment to financial discipline ensured that strong income growth translated directly into bottom-line expansion, with the Bank's cost-to-income ratio excluding taxes improving to 34.30% from 38.35% reported in the preceding year.

### **Substantial Contribution to National Finances**

NSB continued to uphold its fiscal responsibilities, contributing Rs. 30.1 billion in taxes to the national economy during the year. This comprised Value Added Tax (VAT) on financial services of Rs. 11.32 billion, Social Security Contribution Levy (SSCL) of Rs. 1.57 billion, and income tax expenses of Rs. 17.17 billion. With a dividend declaration of Rs. 6.1 billion, and Rs. 1.8 billion of Deposit Insurance and Crop Levy, the Bank's total contribution to the government stood at Rs. 38 billion with a 77% increase compared to the last year.

### **Balance Sheet Strength and Capital Resilience**

NSB's total asset base grew by 4% to reach Rs. 1,831 billion as of 31 December 2025, compared to Rs. 1,752 billion at the close of 2024. This growth reflects a deliberate and measured strategy focused on optimising core operations and leveraging emerging opportunities in a recovering economic environment.

Loans and advances increased by 3% to Rs. 550.8 billion, driven by growth in retail loans and advances and securities purchased under resale agreements. Financial assets at amortised cost, comprising debt and other instruments, increased by 5% to Rs. 1,093 billion, reflecting continued investment in government securities and other high-quality liquid assets. Financial assets measured at fair value

through other comprehensive income grew by 21% to Rs. 64.6 billion, supported by favourable market conditions and portfolio optimisation.

Customer deposits, the cornerstone of NSB's funding model, increased by 3% to Rs. 1,608 billion, accounting for approximately 94% of total liabilities. This growth underscores the unwavering confidence that millions of Sri Lankans place in NSB as the nation's safest and most trusted savings institution.

### **Fortress Capital and Liquidity Buffers Reinforce NSB's Unshakeable Stability**

NSB maintained its position as one of the best-capitalised banks in Sri Lanka, with capital ratios significantly exceeding regulatory minimums. The Tier 1 Capital Ratio stood at 24.90%, well above the regulatory minimum of 8.5%, while the Total Capital Ratio (CAR) remained at 26.83% compared to the minimum requirement of 12.5%. Total shareholders' equity grew by an impressive 20% to Rs. 119.1 billion, driven by strong profit retention and fair value gains on investment portfolios. This robust capital base provides NSB with substantial capacity to absorb potential shocks, support future growth initiatives, and continue serving as a pillar of financial stability for the nation.

Complementing its capital strength, NSB's liquidity position remained exceptionally robust throughout the year, with all regulatory ratios comfortably exceeding minimum thresholds. The Liquidity Coverage Ratio (LCR) for all currencies stood at 349.2% against the minimum requirement of 100%, while the Rupee LCR was recorded at 360.4%. The Net Stable Funding Ratio (NSFR) reached 206.4%, significantly above the 100% minimum threshold. Together, these fortress-like capital and liquidity buffers provide absolute assurance that NSB can meet all obligations as they fall due, even under stressed conditions, and continue serving customers without interruption.

### **Strategic Priorities and Outlook**

Dr. Harsha Cabral PC, Chairman, stated that NSB's 69% PAT growth reflects the resilience of its core franchise, the effectiveness of its risk management framework and the focused financial discipline. With capital ratios among the strongest in the sector and an explicit Government guarantee, NSB provides absolute assurance as the safest home for Sri Lanka's savings. Looking ahead, the Bank will sustain strong capital buffers to protect depositor confidence while supporting national economic recovery through responsible credit expansion, particularly in housing and green financing segments.

Mr. Rohana Bandara Weerakoon, Acting General Manager/CEO, added that 17% NII growth, a 46% surge in fee income, and an 86% reduction in impairment charges demonstrate disciplined execution and improving fundamentals. Digital transformation gained significant momentum, positioning NSB to meet evolving customer expectations. The Bank will accelerate this transformation to improve service efficiency and expand reach, while deepening customer relationships through enhanced service delivery and financial literacy programmes. With its fortress balance sheet and unwavering public trust, NSB enters 2026 firmly committed to empowering every journey, with safety, stability, and service at its core.

**INCOME STATEMENT (AUDITED)**  
**FOR THE YEAR ENDED 31ST DECEMBER**

	Bank			Group		
	2025 Rs. '000	2024 Rs. '000	Change (%)	2025 Rs. '000	2024 Rs. '000	Change (%)
<b>Income</b>	<b>202,761,289</b>	<b>207,636,948</b>	<b>(2)</b>	<b>207,907,654</b>	<b>213,417,164</b>	<b>(3)</b>
Interest income	197,777,349	203,748,274	(3)	202,459,287	208,632,122	(3)
Interest expenses	(112,928,430)	(131,165,321)	(14)	(116,039,888)	(133,563,015)	(13)
<b>Net interest income</b>	<b>84,848,919</b>	<b>72,582,953</b>	<b>17</b>	<b>86,419,399</b>	<b>75,069,107</b>	<b>15</b>
Fee and commission income	2,936,871	2,078,830	41	2,938,382	2,085,090	41
Fee and commission expenses	(376,539)	(328,272)	15	(376,923)	(328,737)	15
<b>Net fee and commission income</b>	<b>2,560,332</b>	<b>1,750,558</b>	<b>46</b>	<b>2,561,459</b>	<b>1,756,353</b>	<b>46</b>
Net gains/(losses) from trading	708,034	911,630	(22)	1,137,128	1,791,936	(37)
Net fair value gains/(losses) on:						
financial assets at fair value through profit or loss	-	-	-	-	-	-
financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) on derecognition of financial assets :						
at fair value through profit or loss	-	-	-	-	-	-
at amortised cost	-	-	-	-	-	-
at fair value through other comprehensive income	553,002	442,273	25	553,002	442,273	25
Net other operating income	786,033	455,941	72	819,855	465,743	76
<b>Total operating income</b>	<b>89,456,320</b>	<b>76,143,355</b>	<b>17</b>	<b>91,490,843</b>	<b>79,525,412</b>	<b>15</b>
Impairment charges	(1,636,616)	(11,526,056)	(86)	(1,571,222)	(11,513,684)	(86)
<b>Net operating income</b>	<b>87,819,704</b>	<b>64,617,299</b>	<b>36</b>	<b>89,919,621</b>	<b>68,011,728</b>	<b>32</b>
Personnel expenses	(19,891,920)	(20,306,147)	(2)	(19,968,397)	(20,846,003)	(4)
Depreciation and amortisation expenses	(2,258,283)	(1,674,524)	35	(2,272,374)	(1,689,188)	35
Other expenses	(8,282,777)	(7,021,348)	18	(8,472,393)	(7,228,304)	17
<b>Operating profit/(loss) before VAT &amp; SSCL on financial services</b>	<b>57,386,724</b>	<b>35,615,280</b>	<b>61</b>	<b>59,206,457</b>	<b>38,248,233</b>	<b>55</b>
Value Added Tax (VAT) on financial services	(11,321,227)	(8,207,522)	38	(11,644,625)	(8,683,243)	34
Social Security Contribution Levy (SSCL) on financial services	(1,572,393)	(1,139,934)	38	(1,617,126)	(1,205,905)	34
<b>Operating profit/(loss) after VAT &amp; SSCL on financial services</b>	<b>44,493,104</b>	<b>26,267,824</b>	<b>69</b>	<b>45,944,706</b>	<b>28,359,085</b>	<b>62</b>
Share of profits of associates and joint ventures	-	-	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>44,493,104</b>	<b>26,267,824</b>	<b>69</b>	<b>45,944,706</b>	<b>28,359,085</b>	<b>62</b>
Income tax expenses	(17,172,346)	(10,145,432)	69	(17,782,154)	(10,862,124)	64
<b>Profit/(loss) for the year</b>	<b>27,320,758</b>	<b>16,122,392</b>	<b>69</b>	<b>28,162,552</b>	<b>17,496,961</b>	<b>61</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	27,320,758	16,122,392	69	28,162,552	17,496,961	61
Non-controlling interests	-	-	-	-	-	-
<b>Earnings per share on profit</b>						
Basic earnings per ordinary share (Rs.)	29.06	17.15	69	29.96	18.61	61
Diluted earnings per ordinary share (Rs.)	29.06	17.15	69	29.96	18.61	61

**STATEMENT OF COMPREHENSIVE INCOME (AUDITED)  
FOR THE YEAR ENDED 31ST DECEMBER**

	Bank			Group		
	2025 Rs. '000	2024 Rs. '000	Change (%)	2025 Rs. '000	2024 Rs. '000	Change (%)
<b>Profit/(Loss) for the year</b>	<b>27,320,758</b>	<b>16,122,392</b>	<b>69</b>	<b>28,162,552</b>	<b>17,496,961</b>	<b>61</b>
<b>Items that will be reclassified to Income Statement</b>						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Net gains/(losses) on cash flow hedges	-	-	-	-	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-	-	-	-
Share of profits of associates and joint ventures	-	-	-	-	-	-
Debt instruments at fair value through other comprehensive Income	225,681	996,856	(77)	178,526	1,053,092	(83)
Net gains/(losses) on investment in debt instruments transferred to income statement	(553,002)	(442,273)	25	(553,002)	(442,273)	25
Deferred tax effect on the above	98,196	(166,375)	159	112,343	(183,246)	161
<b>Total other comprehensive income to be reclassified to Income Statement</b>	<b>(229,125)</b>	<b>388,208</b>	<b>(159)</b>	<b>(262,133)</b>	<b>427,573</b>	<b>(161)</b>
<b>Items that will not to be reclassified to Income Statement</b>						
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	1,587,818	2,538,631	(37)	1,603,677	2,705,001	(41)
Change in the fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Re-measurement of post-employment benefit obligations	(3,335,729)	(2,228,542)	50	(3,335,546)	(2,231,825)	49
Deferred tax effect on the above	729,878	486,042	50	729,823	487,027	50
Re-measurement of post-employment benefit obligations (net of taxes)	(2,605,851)	(1,742,500)	50	(2,605,723)	(1,744,798)	49
Change in revaluation reserve	-	-	-	-	-	-
Deferred tax effect on the above	-	-	-	-	-	-
Changes in revaluation surplus (net of taxes)	-	-	-	-	-	-
Share of profits of associates and joint ventures	-	-	-	-	-	-
<b>Total other comprehensive income not to be reclassified to Income Statement</b>	<b>(1,018,033)</b>	<b>796,131</b>	<b>(228)</b>	<b>(1,002,046)</b>	<b>960,203</b>	<b>(204)</b>
<b>Total other comprehensive income(OCI) for the year, net of taxes</b>	<b>(1,247,158)</b>	<b>1,184,339</b>	<b>(205)</b>	<b>(1,264,179)</b>	<b>1,387,776</b>	<b>(191)</b>
<b>Total comprehensive income for the year</b>	<b>26,073,600</b>	<b>17,306,731</b>	<b>51</b>	<b>26,898,373</b>	<b>18,884,737</b>	<b>42</b>
<b>Attributable to:</b>						
Equity holders of the Bank	26,073,600	17,306,731	51	26,898,373	18,884,737	42
Non-controlling interests	-	-	-	-	-	-

**Explanatory Notes :-**

- There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2024.
- The comparable information is re-classified as wherever necessary to compare with the current year's classification in order to provide a better presentation.
- Impairment Assessment**  
Individual impairment assessment were done for the customers who have exceeded the threshold limit. They were assessed individually based on their historical payment patterns, economic recession impact to their sectors and expected recovery of the sector, financial strength of the entity and other holistic factors. The portfolio level impairment assessment was carried out for the other borrowers. Based on the assessment some borrowers were moved from stage one to stage two and some borrowers were moved from stage two to stage three (due to expected cashflow impairment) despite of their past due status. The Bank closely monitors and considers the impact of economy to business operations and performance. In order to capture the expected losses from loans and advances due to prevalent economic conditions, the Bank adjusted the economic factor adjustment.

**STATEMENT OF FINANCIAL POSITION (AUDITED)**
**AS AT**

	Bank			Group		
	31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change (%)	31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change (%)
<b>Assets</b>						
Cash and cash equivalents	8,326,738	8,358,742	(0.4)	8,386,287	8,544,416	(2)
Balances with central banks	167,212	357,054	(53)	167,236	357,117	(53)
Placements with banks	24,181,317	14,794,637	63	24,181,317	14,794,637	63
Derivative financial instruments	68,813	9,131	654	83,979	54,892	53
Financial assets recognized through profit or loss measured at fair value	22,158,765	21,086,781	5	78,625,066	46,749,528	68
designated at fair value	-	-	-	-	-	-
Financial assets at amortised cost						
Loans and advances	550,828,369	532,379,013	3	550,639,060	527,715,322	4
Debt and other instruments	1,092,989,914	1,039,034,572	5	1,096,342,623	1,048,965,769	5
Financial assets measured at fair value through other comprehensive income	64,634,698	53,469,178	21	67,997,754	55,306,512	23
Investments in subsidiaries	7,311,000	7,311,000	-	-	-	-
Investments in associates and joint ventures	-	-	-	-	-	-
Property, plant and equipment	17,311,732	17,415,792	(1)	18,448,620	18,556,112	(1)
Right of use assets	1,244,252	1,041,185	20	1,265,447	1,066,014	19
Investment properties	-	-	-	349,000	349,000	-
Goodwill and intangible assets	2,380,283	2,183,860	9	2,383,250	2,185,087	9
Deferred tax assets	6,562,684	4,995,021	31	6,562,684	4,995,021	31
Other assets	32,858,406	50,002,248	(34)	32,906,100	50,127,502	(34)
<b>Total assets</b>	<b>1,831,024,183</b>	<b>1,752,438,214</b>	<b>4</b>	<b>1,888,338,423</b>	<b>1,779,766,929</b>	<b>6</b>
<b>Liabilities</b>						
Due to banks	80,972	487,521	(83)	80,972	487,521	(83)
Derivative financial instruments	13	258,409	(100)	13	258,409	(100)
Financial liabilities recognized through profit or loss measured at fair value	-	-	-	-	-	-
designated at fair value through profit or loss	-	-	-	-	-	-
Financial liabilities at amortised cost						
due to depositors	1,608,490,322	1,556,270,863	3	1,608,891,967	1,556,681,918	3
due to debt securities holders	-	-	-	-	-	-
due to other borrowers	39,057,116	48,190,057	(19)	93,629,216	66,049,093	42
Lease liability	1,492,523	1,281,561	16	1,522,484	1,314,177	16
Debt securities issued	16,911,043	16,966,482	(0.3)	16,983,801	17,039,651	(0.3)
Retirement benefit obligations	19,922,794	17,489,868	14	19,941,644	17,597,407	13
Current tax liabilities	8,483,816	3,648,729	133	8,798,200	4,054,844	117
Deferred tax liabilities	-	-	-	73,495	61,869	19
Other provisions	-	-	-	-	-	-
Other liabilities	17,534,957	9,002,109	95	10,549,051	9,387,245	12
Due to subsidiaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,711,973,556</b>	<b>1,653,595,599</b>	<b>4</b>	<b>1,760,470,843</b>	<b>1,672,932,134</b>	<b>5</b>
<b>Equity</b>						
Stated capital/Assigned capital	9,400,000	9,400,000	-	9,400,000	9,400,000	-
Statutory reserve fund	6,241,292	5,694,877	10	6,364,888	5,810,742	10
OCI reserve	5,571,995	4,213,302	32	5,628,305	4,566,424	23
Retained earnings	46,545,531	28,462,305	64	52,797,100	33,771,814	56
Other reserves	51,291,809	51,072,131	0.4	53,677,287	53,285,815	1
Total shareholders' equity	119,050,627	98,842,615	20	127,867,580	106,834,795	20
Non-controlling interests	-	-	-	-	-	-
<b>Total equity</b>	<b>119,050,627</b>	<b>98,842,615</b>	<b>20</b>	<b>127,867,580</b>	<b>106,834,795</b>	<b>20</b>
<b>Total equity and liabilities</b>	<b>1,831,024,183</b>	<b>1,752,438,214</b>	<b>4</b>	<b>1,888,338,423</b>	<b>1,779,766,929</b>	<b>6</b>
<b>Contingent liabilities and commitments</b>	<b>12,653,943</b>	<b>15,042,447</b>	<b>(16)</b>	<b>12,655,443</b>	<b>15,050,755</b>	<b>(16)</b>

**Memorandum Information**

Number of Employees	4,203	4,212
Number of Branches	263	262

**Note: Amounts stated are in net of impairment and depreciation.**

**STATEMENT OF CHANGES IN EQUITY - BANK (AUDITED)**
*In Rupees Thousand*

FOR THE YEAR ENDED 31ST DECEMBER 2024	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
<b>Balance as at 1st January 2024</b>	<b>9,400,000</b>	<b>5,369,172</b>	<b>7,946,216</b>	<b>1,286,463</b>	<b>14,408,118</b>	<b>42,964,284</b>	<b>81,374,253</b>
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	16,122,392	-	16,122,392
Other comprehensive income net of tax	-	-	-	-	(1,742,500)	-	(1,742,500)
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	388,208	-	-	388,208
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	2,538,631	-	-	2,538,631
Net change in Revaluation Reserve	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,926,839</b>	<b>14,379,892</b>	<b>-</b>	<b>17,306,731</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	161,631	161,631
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the year	-	325,705	-	-	(325,705)	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>325,705</b>	<b>-</b>	<b>-</b>	<b>(325,705)</b>	<b>161,631</b>	<b>161,631</b>
<b>Balance as at 31st December 2024</b>	<b>9,400,000</b>	<b>5,694,877</b>	<b>7,946,216</b>	<b>4,213,302</b>	<b>28,462,305</b>	<b>43,125,915</b>	<b>98,842,615</b>

*In Rupees Thousand*

FOR THE YEAR ENDED 31ST DECEMBER 2025	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
<b>Balance as at 1st January 2025</b>	<b>9,400,000</b>	<b>5,694,877</b>	<b>7,946,216</b>	<b>4,213,302</b>	<b>28,462,305</b>	<b>43,125,915</b>	<b>98,842,615</b>
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	27,320,758	-	27,320,758
Other comprehensive income net of tax	-	-	-	-	(2,605,851)	-	(2,605,851)
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(229,125)	-	-	(229,125)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	1,587,818	-	-	1,587,818
Net change in Revaluation Reserve	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,358,693</b>	<b>24,714,907</b>	<b>-</b>	<b>26,073,600</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	222,708	222,708
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	(6,088,296)	-	(6,088,296)
Surplus/(reversals) on revaluation of property	-	-	(3,030)	-	3,030	-	-
Transfers during the year	-	546,415	-	-	(546,415)	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>546,415</b>	<b>(3,030)</b>	<b>-</b>	<b>(6,631,681)</b>	<b>222,708</b>	<b>(5,865,588)</b>
<b>Balance as at 31st December 2025</b>	<b>9,400,000</b>	<b>6,241,292</b>	<b>7,943,186</b>	<b>5,571,995</b>	<b>46,545,531</b>	<b>43,348,623</b>	<b>119,050,627</b>

**STATEMENT OF CHANGES IN EQUITY - GROUP (AUDITED)**
*In Rupees Thousand*

FOR THE YEAR ENDED 31ST DECEMBER 2024	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
<b>Balance as at 1st January 2024</b>	<b>9,400,000</b>	<b>5,464,218</b>	<b>8,642,884</b>	<b>1,433,850</b>	<b>18,605,719</b>	<b>44,241,756</b>	<b>87,788,427</b>
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	17,496,961	-	17,496,961
Other comprehensive income net of tax	-	-	-	-	(1,744,798)	-	(1,744,798)
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	427,573	-	-	427,573
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	2,705,001	-	-	2,705,001
Net change in Revaluation Reserve	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,132,574</b>	<b>15,752,163</b>	<b>-</b>	<b>18,884,737</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	161,631	161,631
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the year	-	346,524	-	-	(586,068)	239,544	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>346,524</b>	<b>-</b>	<b>-</b>	<b>(586,068)</b>	<b>401,175</b>	<b>161,631</b>
<b>Balance as at 31st December 2024</b>	<b>9,400,000</b>	<b>5,810,742</b>	<b>8,642,884</b>	<b>4,566,424</b>	<b>33,771,814</b>	<b>44,642,931</b>	<b>106,834,795</b>

*In Rupees Thousand*

FOR THE YEAR ENDED 31ST DECEMBER 2025	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
<b>Balance as at 1st January 2025</b>	<b>9,400,000</b>	<b>5,810,742</b>	<b>8,642,884</b>	<b>4,566,424</b>	<b>33,771,814</b>	<b>44,642,931</b>	<b>106,834,795</b>
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	28,162,552	-	28,162,552
Other comprehensive income net of tax	-	-	-	-	(2,605,723)	-	(2,605,723)
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(262,133)	-	-	(262,133)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	1,324,014	279,663	-	1,603,677
Net change in Revaluation Reserve	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,061,881</b>	<b>25,836,492</b>	<b>-</b>	<b>26,898,373</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	222,708	222,708
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	(6,088,296)	-	(6,088,296)
Surplus/(reversals) on revaluation of property	-	-	(3,030)	-	3,030	-	-
Transfers during the year	-	554,146	-	-	(725,940)	171,794	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>554,146</b>	<b>(3,030)</b>	<b>-</b>	<b>(6,811,206)</b>	<b>394,502</b>	<b>(5,865,588)</b>
<b>Balance as at 31st December 2025</b>	<b>9,400,000</b>	<b>6,364,888</b>	<b>8,639,854</b>	<b>5,628,305</b>	<b>52,797,100</b>	<b>45,037,433</b>	<b>127,867,580</b>

**CASH FLOW STATEMENT (AUDITED)**  
**FOR THE YEAR ENDED 31ST DECEMBER**

	Bank		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Cash flows from operating activities</b>				
Interest receipts	190,765,104	202,040,657	195,108,335	207,054,865
Interest payments	(110,450,988)	(141,113,474)	(112,773,629)	(120,872,004)
Net commission receipts	2,560,332	1,750,558	2,561,458	1,756,353
Trading income	740,505	1,319,972	1,417,338	2,050,386
Payment to employees	(19,133,809)	(19,229,579)	(19,250,556)	(19,753,044)
VAT & SSCL on financial services	(12,686,629)	(9,495,582)	(13,008,523)	(10,045,524)
Receipts from other operating activities	474,263	341,384	518,375	351,186
Payment on other operating activities	(8,035,120)	(6,999,833)	(8,238,825)	(7,212,338)
<b>Operating profit before change in operating assets &amp; liabilities</b>	<b>44,233,658</b>	<b>28,614,103</b>	<b>46,333,973</b>	<b>53,329,880</b>
<b>(Increase) / decrease in operating assets</b>				
Placement with banks	(9,392,784)	7,060,549	(9,392,784)	8,026,324
Derivative financial Instruments	258,395	(241,327)	288,990	(276,780)
Financial assets at FVPL	(800,005)	(3,106,029)	(31,200,280)	(6,325,589)
Financial assets at amortised cost – loans & advances	(21,776,943)	(15,430,619)	(26,196,305)	(13,466,139)
Financial assets at amortised cost - debt & other Instruments	(40,749,916)	(91,233,762)	(41,703,119)	(91,744,837)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Other assets	17,324,173	17,754,749	17,381,158	17,794,102
	(55,137,080)	(85,196,439)	(90,822,340)	(85,992,919)
<b>Increase / (decrease) in operating liabilities</b>				
Due to banks	-	(8,750,000)	1,070	(20,625,367)
Derivative financial Instruments	(258,395)	258,208	(258,395)	258,208
Financial liabilities at amortised cost – due to depositors	52,978,422	85,708,062	52,965,492	85,696,513
Financial liabilities at amortised cost – due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost – due to other borrowers	(10,529,563)	(12,579,138)	25,397,132	(23,170,978)
Debt securities issued	-	(6,323,000)	-	(6,323,000)
Other liabilities	(207,349)	(5,895,370)	(450,799)	(5,757,565)
	41,983,115	52,418,762	77,654,500	30,077,811
<b>Net cash generated from operating activities before income tax</b>	<b>31,079,693</b>	<b>(4,163,574)</b>	<b>33,166,133</b>	<b>(2,585,228)</b>
Income tax paid	(13,008,193)	(5,035,397)	(13,674,766)	(5,637,408)
<b>Net cash (used in)/from operating activities</b>	<b>18,071,500</b>	<b>(9,198,971)</b>	<b>19,491,367</b>	<b>(8,222,636)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(779,736)	(620,581)	(785,712)	(630,105)
Proceeds from the sale of property, plant and equipment	4,865	7,287	5,095	7,287
Net (increase)/decrease in finance instruments at fair value through other comprehensive income	(9,692,542)	11,877,564	(11,229,228)	11,058,062
Net purchase/ improvement to investment properties	-	-	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	(733,067)	(177,346)	(736,255)	(177,346)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	-
Dividends received from investment in subsidiaries and associates	-	-	-	-
<b>Net cash (used in)/from investing activities</b>	<b>(11,200,480)</b>	<b>11,086,924</b>	<b>(12,746,100)</b>	<b>10,257,898</b>
<b>Cash flows from financing activities</b>				
Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	-	-	(294)	-
Interest paid on subordinated debt	(1,686,673)	(3,223,872)	(1,686,790)	(3,223,872)
Contribution to consolidated fund-dividend/levy	(5,000,000)	-	(5,000,000)	-
<b>Net cash (used in)/from financing activities</b>	<b>(6,686,673)</b>	<b>(3,223,872)</b>	<b>(6,687,084)</b>	<b>(3,223,872)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>184,347</b>	<b>(1,335,919)</b>	<b>58,183</b>	<b>(1,188,610)</b>
Cash and cash equivalents at the beginning of the year	8,228,822	9,564,741	8,414,559	9,603,169
Exchange difference in respect of cash & cash equivalents	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>8,413,169</b>	<b>8,228,822</b>	<b>8,472,742</b>	<b>8,414,559</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS**
**a. Bank - as at 31.12.2025 (Audited)**

In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,326,738	-	-	8,326,738
Balances with central banks	167,212	-	-	167,212
Placements with banks	24,181,317	-	-	24,181,317
Derivative financial instruments	-	68,813	-	68,813
Loans and advances	550,828,369	-	-	550,828,369
Debt instruments	1,092,989,914	20,855,082	57,442,616	1,171,287,612
Equity instruments	-	1,303,683	7,192,082	8,495,765
<b>Total financial assets</b>	<b>1,676,493,550</b>	<b>22,227,578</b>	<b>64,634,698</b>	<b>1,763,355,826</b>

In Rupees Thousand	AC	FVPL	Total
<b>LIABILITIES</b>			
Due to banks		80,972	80,972
Derivative financial instruments		-	13
Financial liabilities			
- due to depositors	1,608,490,322	-	1,608,490,322
- due to debt securities holders	-	-	-
- due to other borrowers	39,057,116	-	39,057,116
Debt securities issued	16,911,043	-	16,911,043
<b>Total financial liabilities</b>	<b>1,664,539,453</b>	<b>13</b>	<b>1,664,539,466</b>

**b. Bank - as at 31.12.2024 - (Audited)**

In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,358,742	-	-	8,358,742
Balances with central banks	357,054	-	-	357,054
Placements with banks	14,794,637	-	-	14,794,637
Derivative financial instruments	-	9,131	-	9,131
Loans and advances	532,379,013	-	-	532,379,013
Debt instruments	1,039,034,572	20,874,049	47,900,345	1,107,808,966
Equity instruments	-	212,732	5,568,833	5,781,565
<b>Total financial assets</b>	<b>1,594,924,018</b>	<b>21,095,912</b>	<b>53,469,178</b>	<b>1,669,489,108</b>

In Rupees Thousand	AC	FVPL	Total
<b>LIABILITIES</b>			
Due to banks		487,521	487,521
Derivative financial instruments		-	258,409
Financial liabilities			
- due to depositors	1,556,270,863	-	1,556,270,863
- due to debt securities holders	-	-	-
- due to other borrowers	48,190,057	-	48,190,057
Debt securities issued	16,966,482	-	16,966,482
<b>Total financial liabilities</b>	<b>1,621,914,923</b>	<b>258,409</b>	<b>1,622,173,332</b>

**AC** - Financial assets / liabilities measured 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

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS**
**c. Group - as at 31.12.2025 (Audited)**

In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,386,287	-	-	8,386,287
Balances with central banks	167,236	-	-	167,236
Placements with banks	24,181,317	-	-	24,181,317
Derivative financial instruments	-	83,979	-	83,979
Loans and advances	550,639,060	-	-	550,639,060
Debt instruments	1,096,342,623	77,321,383	60,794,901	1,234,458,907
Equity instruments	-	1,303,683	7,202,853	8,506,536
<b>Total financial assets</b>	<b>1,679,716,523</b>	<b>78,709,045</b>	<b>67,997,754</b>	<b>1,826,423,322</b>

In Rupees Thousand	AC	FVPL	Total
<b>LIABILITIES</b>			
Due to banks	80,972	-	80,972
Derivative financial instruments	-	13	13
Financial liabilities			
- due to depositors	1,608,891,967	-	1,608,891,967
- due to debt securities holders	-	-	-
- due to other borrowers	93,629,216	-	93,629,216
Debt securities issued	16,983,801	-	16,983,801
<b>Total financial liabilities</b>	<b>1,719,585,956</b>	<b>13</b>	<b>1,719,585,969</b>

**d. Group - as at 31.12.2024 - (Audited)**

In Rupees Thousand	AC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	8,544,416	-	-	8,544,416
Balances with central banks	357,117	-	-	357,117
Placements with banks	14,794,637	-	-	14,794,637
Derivative financial instruments	-	54,892	-	54,892
Loans and advances	527,715,322	-	-	527,715,322
Debt instruments	1,048,965,769	46,536,796	49,366,765	1,144,869,330
Equity instruments	-	212,732	5,939,747	6,152,479
<b>Total financial assets</b>	<b>1,600,377,261</b>	<b>46,804,420</b>	<b>55,306,512</b>	<b>1,702,488,193</b>

In Rupees Thousand	AC	FVPL	Total
<b>LIABILITIES</b>			
Due to banks	487,521	-	487,521
Derivative financial instruments	-	258,409	258,409
Financial liabilities			
- due to depositors	1,556,681,918	-	1,556,681,918
- due to debt securities holders	-	-	-
- due to other borrowers	66,049,093	-	66,049,093
Debt securities issued	17,039,651	-	17,039,651
<b>Total financial liabilities</b>	<b>1,640,258,183</b>	<b>258,409</b>	<b>1,640,516,592</b>

**AC** - Financial assets / liabilities measured 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

**ANALYSIS OF LOANS & ADVANCES AND IMPAIRMENT (AUDITED)**

In Rupees Thousand	Bank		Group	
	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
<b>Product-wise Gross loans and advances</b>				
<b>By product - Domestic currency</b>				
Lease rental and hire purchase receivable	-	-	-	25,911
Term loans	353,249,944	380,863,516	354,584,345	382,389,974
Pawning	155,376,418	119,692,775	155,376,446	119,692,803
<b>Other loans</b>				
Loan to Government	-	-	-	-
Securities purchased under resale agreements	50,416,574	40,930,913	49,870,040	35,762,112
Staff loans	17,432,546	16,307,926	17,708,028	16,648,714
<b>Sub Total</b>	<b>576,475,482</b>	<b>557,795,130</b>	<b>577,538,859</b>	<b>554,519,514</b>
<b>By product - Foreign currency</b>				
Term loans	3,675,074	3,518,569	3,675,074	3,518,569
<b>Gross loans &amp; advances</b>	<b>580,150,556</b>	<b>561,313,699</b>	<b>581,213,933</b>	<b>558,038,083</b>
Less: Accumulated impairment under stage 1	(5,118,887)	(4,700,749)	(5,120,508)	(4,703,623)
Accumulated impairment under stage 2	(4,543,720)	(2,129,055)	(4,546,322)	(2,133,932)
Accumulated impairment under stage 3	(19,659,580)	(22,104,882)	(20,908,043)	(23,485,206)
<b>Net value of loans &amp; advances</b>	<b>550,828,369</b>	<b>532,379,013</b>	<b>550,639,060</b>	<b>527,715,322</b>
<b>Movement of Impairment during the year</b>				
<b>Under Stage 1</b>				
Opening balance	4,700,749	4,426,656	4,703,623	4,435,168
Charge/(Write back) to Income Statement	418,138	274,093	416,885	268,455
Closing balance at	<b>5,118,887</b>	<b>4,700,749</b>	<b>5,120,508</b>	<b>4,703,623</b>
<b>Under Stage 2</b>				
Opening balance	2,129,055	3,501,809	2,133,932	3,525,267
Charge/(Write back) to Income Statement	2,414,665	(1,372,754)	2,412,390	(1,391,335)
Closing balance at	<b>4,543,720</b>	<b>2,129,055</b>	<b>4,546,322</b>	<b>2,133,932</b>
<b>Under Stage 3</b>				
Opening balance	22,104,882	14,448,907	23,485,206	15,826,569
Charge/(Write back) to Income Statement	(2,387,428)	7,698,282	(2,449,291)	7,710,325
Write-off during the year	(57,874)	(42,307)	(103,731)	(42,307)
Other movements	-	-	(24,141)	(9,381)
Closing balance at	<b>19,659,580</b>	<b>22,104,882</b>	<b>20,908,043</b>	<b>23,485,206</b>
<b>Total Impairment</b>	<b>29,322,187</b>	<b>28,934,686</b>	<b>30,574,873</b>	<b>30,322,761</b>

**ANALYSIS OF DEPOSITS (AUDITED)**

In Rupees Thousand	Bank		Group	
	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
<b>By product - Domestic currency</b>				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	331,380,061	296,756,417	331,461,740	296,848,996
Fixed deposits	1,244,028,104	1,233,892,594	1,244,348,070	1,234,211,070
<b>Sub total</b>	<b>1,575,408,165</b>	<b>1,530,649,011</b>	<b>1,575,809,810</b>	<b>1,531,060,066</b>
<b>By product - Foreign currency</b>				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	6,588,840	5,788,396	6,588,840	5,788,396
Fixed deposits	26,493,317	19,833,456	26,493,317	19,833,456
<b>Sub total</b>	<b>33,082,157</b>	<b>25,621,852</b>	<b>33,082,157</b>	<b>25,621,852</b>
<b>Total</b>	<b>1,608,490,322</b>	<b>1,556,270,863</b>	<b>1,608,891,967</b>	<b>1,556,681,918</b>

**ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS (AUDITED)**

In Rupees Thousand	Bank		Group	
	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
<b>By product - Domestic currency</b>				
Undrawn credit facilities	2,648,208	3,459,333	2,648,208	3,459,333
Documentary credit	65,792	-	65,792	-
Bank guarantees	1,467,204	990,116	1,467,204	990,116
Forward exchange contracts	6,173,400	8,331,516	6,173,400	8,331,516
Other Commitments	989,579	25,519	991,079	33,827
<b>Sub total</b>	<b>11,344,183</b>	<b>12,806,484</b>	<b>11,345,683</b>	<b>12,814,792</b>
<b>By product - Foreign currency</b>				
Undrawn credit facilities	-	-	-	-
Documentary credit	-	-	-	-
Bank guarantees	-	305,652	-	305,652
Forward exchange contracts	315,263	292,875	315,263	292,875
Other Commitments	994,497	1,637,436	994,497	1,637,436
<b>Sub total</b>	<b>1,309,760</b>	<b>2,235,963</b>	<b>1,309,760</b>	<b>2,235,963</b>
<b>Grand Total</b>	<b>12,653,943</b>	<b>15,042,447</b>	<b>12,655,443</b>	<b>15,050,755</b>

**SELECTED PERFORMANCE INDICATORS / KEY FINANCIAL DATA (BASED ON REGULATORY REPORTING)**

Item	Bank		Group	
	As at 31.12.2025	As at 31.12.2024	As at 31.12.2025	As at 31.12.2024
<b>Regulatory Capital Adequacy (LKR in Millions)</b>				
Common Equity Tier 1	78,053	63,454	90,980	75,395
Tier 1 Capital	83,053	68,454	95,980	80,395
Total Regulatory Capital	89,487	75,660	102,327	87,519
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	23.400	21.707	25.847	25.032
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	24.899	23.418	27.268	26.692
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	26.827	25.883	29.071	29.058
Basel III Leverage Ratio (Minimum Requirement - 3.00%)	9.34	8.00	9.48	8.85
<b>Regulatory Liquidity Requirement</b>				
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)				
Rupee (%)	360.39	351.33	NR	NR
All Currency (%)	349.15	344.55	NR	NR
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	206.44	193.53	NR	NR
<b>Assets Quality</b>				
Impaired Loans (Stage 3) to Total Loans, Ratio (%)*	2.53	5.18	NR	NR
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)*	58.56	44.50	NR	NR
<b>Income and Profitability</b>				
Net Interest Margin (%)	4.74	4.22	4.71	4.30
Return on Assets (before tax) (%)	2.48	1.53	2.51	1.62
Return on Equity (%)	25.08	17.89	24.00	17.98
Cost to Income Ratio (%)	34.30	38.35	33.84	37.68
<b>Memorandum Information</b>				
Credit Rating (LRA)	AAA	AAA	NR	NR
Number of Employees	4,203	4,212	4,224	4,331
Number of Branches	263	262	266	265

\* Including undrawn portion of credit

**Note :** NR - Not Relevant

**CERTIFICATION :**

I, the undersigned, being the Deputy General Manager ((Finance, Planning & MIS) / CFO) of National Savings Bank certify 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 audited Financial Statements of the Bank and its subsidiary companies.

sgd. **Ajith Akmeemana**

Deputy General Manager (Finance, Planning & MIS) / CFO

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.

sgd. **Dr. Harsha Cabral, PC**  
Chairman

sgd. **Supul Wijesinghe**  
Director

sgd. **Jude Nilukshan**  
Director

Colombo, Sri Lanka  
23 February 2026