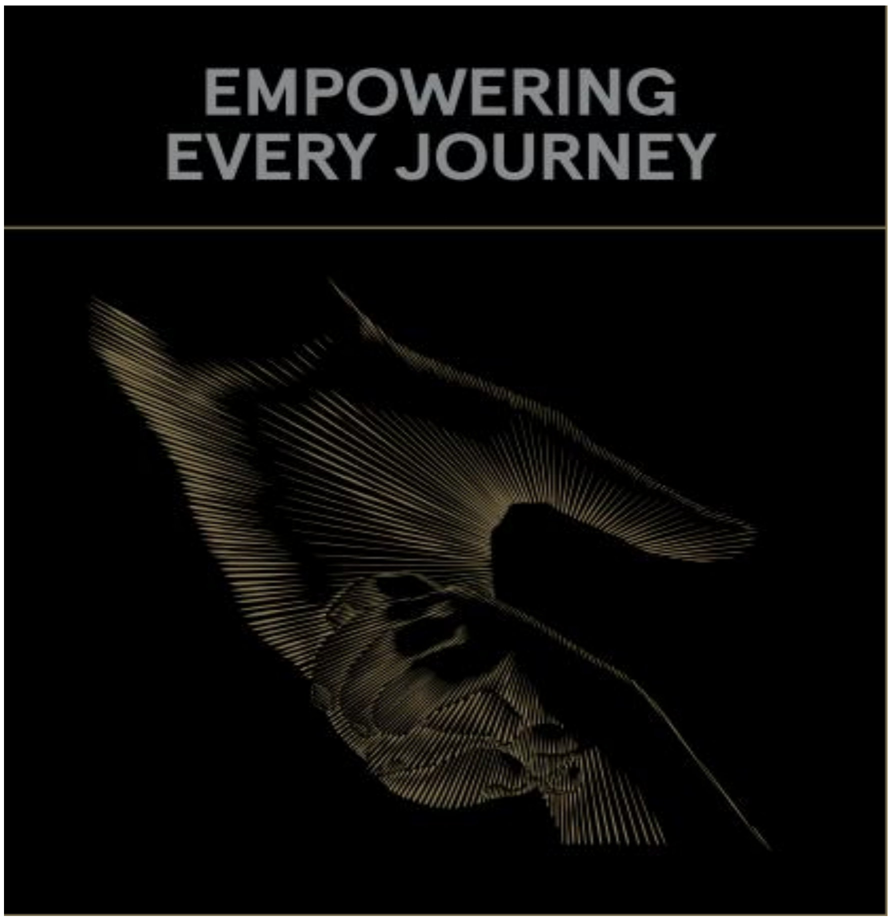
National Savings Bank

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026



NSB Group delivers Rs.22.5bn operating profit in 1H 2026 as lending and core income strengthen

Group net interest income rises 5.1%; Bank's loan portfolio expands 9.1% to Rs.601bn as the Bank continues to support customers and the national economy.

National Savings Bank Group (NSB) recorded resilient core banking performance during the first six months of 2026, supported by stronger net interest income, a notable expansion in fee-based earnings and continued growth in loans and advances. The results demonstrate the Bank's capacity to maintain business momentum while navigating cost pressures and volatility in market-related income.

The Bank reported total operating income of Rs. 45.8 billion for the period, an increase of 3.1% compared with Rs. 44.5 billion in the corresponding period of 2025. Net operating income increased by 2.3% to Rs. 49.1 billion from Rs. 48 billion reported a year ago, providing a stable foundation for the Bank's operations and customer-focused growth agenda.

Net interest income rose by 5.5% year-on-year to Rs. 44.2 billion, compared with Rs. 41.9 billion in the first half of 2025. This improvement was supported by a 4.7% reduction in interest expenses to Rs. 54.5 billion, despite a marginal moderation in interest income to Rs. 98.6 billion. The result reflects disciplined balance-sheet management and the Bank's continued focus on maintaining a sustainable funding and asset mix.

The Bank also achieved substantial growth in fee-based earnings. Net fee and commission income increased by 37.0% to Rs. 1.40 billion, from Rs. 1.02 billion a year earlier. The increase underlines the growing contribution from transaction-led services and the Bank's ongoing efforts to broaden non-interest revenue through customer-centric and digitally enabled banking solutions.

Profit before Tax (PBT) amounted to Rs. 22.6 billion, compared with Rs. 24.1 billion in the first half of 2025, while profit after tax stood at Rs. 13.4 billion, compared with Rs. 14.7 billion. The moderation in profitability principally reflected higher operating costs and the lower contribution from trading and derecognition gains. Personnel expenses increased to Rs. 13.8 billion from Rs. 11.5 billion, while other operating expenses rose to Rs. 4.3 billion from Rs. 4.1 billion.

Despite these pressures, the Bank preserved a substantial earnings base and continued to invest in the people, systems and service capabilities required to improve operational resilience and the customer experience. Income tax for the period amounted to Rs. 9.14 billion, while VAT and the Social Security Contribution Levy on financial services together exceeded Rs. 7.29 billion. In addition, the Bank declared a dividend of Rs. 7.4 billion to the Government as its sole shareholder. Accordingly, NSB's total contribution to the Government through dividends, taxes and levies amounted to Rs. 23.8 billion, underscoring the Bank's significant contribution to public finances and national development.

Commenting on the results, National Savings Bank Chairman Dr. Harsha Cabral PC said: "The first-half results reflect the resilience of NSB's core business model and the enduring confidence placed in the Bank by generations of Sri Lankans. Our priority remains the prudent stewardship of public savings while supporting productive economic activity, financial inclusion and sustainable national development."

NSB's total assets increased by 2.1% during the first six months of the year to Rs. 1.87 trillion, from Rs. 1.83 trillion at end-December 2025. Loans and advances recorded a strong 9.1% expansion to Rs. 601.01 billion from Rs. 550.83 billion, demonstrating the Bank's continued support for the financing needs of individuals, households and eligible institutional customers within its mandate.

Deposits, the principal source of funding for NSB, increased by 1.5% to Rs. 1.63 trillion from Rs. 1.61 trillion. The sustained growth in the deposit base reflects continued public confidence in the Bank and provides a stable platform for its savings-led business model. The Bank's financial position remained sound, with total shareholders' equity increasing by 4.1% to Rs. 123.91 billion from Rs. 119.05 billion. Retained earnings rose by 12.4% to Rs. 52.34 billion, further strengthening the Bank's capacity to support future growth and absorb potential shocks.

Acting General Manager/CEO of National Savings Bank, Mr. Rohana Bandara Weerakoon, said: "Our focus is on translating the Bank's trusted savings franchise into sustainable customer value. The growth achieved in lending, fee income and shareholder's equity is encouraging. We will continue to strengthen digital access, service quality, cost discipline and risk management while delivering on NSB's national mandate."

The Bank's profitability indicators continued to reflect the strength of its core banking activities, although higher operating expenses moderated overall returns. The net interest margin improved to 4.81% from 4.74% at the end of 2025, demonstrating an improvement in the Bank's core interest spread. Return on assets before tax remained broadly stable at 2.46%, compared with 2.48%, while return on equity stood at 22.30%, compared with 25.08% at the end of 2025.

Asset quality improved during the first half of 2026. The net Stage 3 loans ratio declined to 2.05% from 2.52% at the end of 2025, indicating a reduction in net impaired credit exposures relative to the loan portfolio. At the same time, the Stage 3 impairment coverage ratio strengthened to 59.77% from 58.54%, reflecting improved impairment coverage against Stage 3 loans.

NSB maintained capital buffers comfortably above the applicable regulatory minimum requirements. The Tier 1 capital ratio stood at 19.72%, compared with the regulatory minimum of 8.5%, while the total capital ratio stood at 21.1%, well above the minimum requirement of 12.5%. These ratios demonstrate the Bank's capacity to absorb potential risks while supporting continued business growth.

The Bank also maintained a strong liquidity and stable funding position. The all-currency liquidity coverage ratio stood at 311.88%, substantially above the statutory minimum of 100%, reflecting the availability of sufficient high-quality liquid assets to meet short-term liquidity requirements. The net stable funding ratio stood at 196.17%, also comfortably above the regulatory minimum of 100%, demonstrating the stability of the Bank's longer-term funding profile.

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE

	Bank			Group		
	2026 Rs. '000	2025 Rs. '000	Change (%)	2026 Rs. '000	2025 Rs. '000	Change (%)
Income	**100,534,506**	**101,793,035**	**(1)**	**102,924,888**	**104,921,841**	**(2)**
Interest income	98,625,555	98,999,548	(0)	101,686,583	101,203,907	0
Interest expenses	(54,473,012)	(57,142,827)	(5)	(56,790,897)	(58,494,317)	(3)
Net interest income	**44,152,543**	**41,856,721**	**5**	**44,895,686**	**42,709,590**	**5**
Fee and commission income	1,647,422	1,219,072	35	1,648,145	1,220,056	35
Fee and commission expenses	(250,655)	(199,642)	26	(250,819)	(199,811)	26
Net fee and commission income	**1,396,767**	**1,019,430**	**37**	**1,397,326**	**1,020,245**	**37**
Net gains/(losses) from trading	(65,998)	724,476	(109)	(808,285)	1,346,639	(160)
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	39,123	506,156	(92)	39,123	506,156	(92)
Net other operating income	288,404	343,783	(16)	359,322	645,083	(44)
Total operating income	**45,810,839**	**44,450,566**	**3**	**45,883,172**	**46,227,713**	**(1)**
Impairment (charges) / reversal	3,296,233	3,555,048	(7)	3,301,442	3,571,381	(8)
Net operating income	**49,107,072**	**48,005,614**	**2**	**49,184,614**	**49,799,094**	**(1)**
Personnel expenses	(13,831,867)	(11,483,126)	20	(13,899,608)	(11,556,852)	20
Depreciation and amortisation expenses	(1,105,664)	(1,161,857)	(5)	(1,110,454)	(1,169,926)	(5)
Other expenses	(4,303,779)	(4,086,823)	5	(4,387,669)	(4,185,346)	5
Operating profit/(loss) before VAT & SSCL on financial services	**29,865,762**	**31,273,808**	**(5)**	**29,786,883**	**32,886,970**	**(9)**
Value Added Tax (VAT) on financial services	(6,403,910)	(6,291,804)	2	(6,411,842)	(6,505,151)	(1)
Social Security Contribution Levy (SSCL) on financial services	(889,432)	(873,862)	2	(890,534)	(903,310)	(1)
Operating profit/(loss) after VAT & SSCL on financial services	**22,572,420**	**24,108,142**	**(6)**	**22,484,507**	**25,478,509**	**(12)**
Share of profits of associates and joint ventures	-	-	-	-	-	-
Profit/(loss) before tax	**22,572,420**	**24,108,142**	**(6)**	**22,484,507**	**25,478,509**	**(12)**
Income tax expenses	(9,136,101)	(9,411,650)	(3)	(9,147,660)	(9,765,297)	(6)
Profit/(loss) for the period	**13,436,319**	**14,696,492**	**(9)**	**13,336,847**	**15,713,212**	**(15)**
Profit attributable to:						
Equity holders of the Bank	13,436,319	14,696,492	(9)	13,336,847	15,713,212	(15)
Non-controlling interests	-	-	-	-	-	-
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	14.29	15.63	(9)	14.19	16.72	(15)
Diluted earnings per ordinary share (Rs.)	14.29	15.63	(9)	14.19	16.72	(15)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE

	Bank			Group		
	2026 Rs. '000	2025 Rs. '000	Change (%)	2026 Rs. '000	2025 Rs. '000	Change (%)
Profit/(Loss) for the period	**13,436,319**	**14,696,492**	**(9)**	**13,336,847**	**15,713,212**	**(15)**
Items that will be reclassified to Income Statement						
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	(1,428,643)	378,370	(478)	(1,635,118)	339,946	(581)
Net gains/(losses) on investment in debt instruments transferred to income statement	(39,123)	(506,156)	(92)	(39,123)	(506,156)	(92)
Deferred tax effect on the above	440,330	38,336	1,049	502,272	49,863	907
Total other comprehensive income to be reclassified to Income Statement	**(1,027,436)**	**(89,450)**	**1,049**	**(1,171,969)**	**(116,347)**	**907**
Items that will not to be reclassified to Income Statement						
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	(127,039)	457,333	(128)	(127,657)	192,518	(166)
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	-	-	-	2,156	2,172	(1)
Deferred tax effect on the above	-	-	-	(647)	(1,636)	(60)
Re-measurement of post-employment benefit obligations (net of taxes)	-	-	-	1,509	536	182
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	-	-	-	-	-	-
Total other comprehensive income not to be reclassified to Income Statement	**(127,039)**	**457,333**	**(128)**	**(126,148)**	**193,054**	**(165)**
Total other comprehensive income(OCI) for the period, net of taxes	**(1,154,475)**	**367,883**	**(414)**	**(1,298,117)**	**76,707**	**(1,792)**
Total comprehensive income for the period	**12,281,844**	**15,064,375**	**(18)**	**12,038,730**	**15,789,919**	**(24)**
Attributable to:						
Equity holders of the Bank	**12,281,844**	**15,064,375**	**(18)**	**12,038,730**	**15,789,919**	**(24)**
Non-controlling interests	-	-	-	-	-	-

Explanatory Notes :-

1. There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2025.
2. The comparable information is re-classified as wherever necessary to compare with the current year's classification in order to provide a better presentation.

3. 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
AS AT

	Bank			Group		
	30.06.2026 Rs. '000	31.12.2025 Rs. '000 (Audited)	Change (%)	30.06.2026 Rs. '000	31.12.2025 Rs. '000 (Audited)	Change (%)
Assets						
Cash and cash equivalents	9,074,433	8,326,738	9	9,123,254	8,386,287	9
Balances with central banks	160,612	167,212	(4)	160,617	167,236	(4)
Placements with banks	28,982,558	24,181,317	20	28,982,558	24,181,317	20
Derivative financial instruments	501,450	68,813	629	501,450	83,979	497
Financial assets recognized through profit or loss						
measured at fair value	36,809,622	22,158,765	66	87,624,697	78,625,066	11
designated at fair value	-	-	-	-	-	-
Financial assets at amortised cost						
Loans and advances	601,007,063	550,828,369	9	601,830,241	550,639,060	9
Debt and other instruments	1,064,455,223	1,092,989,914	(3)	1,067,800,151	1,096,342,623	(3)
Financial assets measured at fair value through other comprehensive income	60,201,293	64,634,698	(7)	66,338,717	67,997,754	(2)
Investments in subsidiaries	7,311,000	7,311,000	-	-	-	-
Investments in associates and joint ventures	-	-	-	-	-	-
Property, plant and equipment	17,346,021	17,311,732	0	18,480,560	18,448,620	0
Right of use assets	1,143,910	1,244,252	(8)	1,163,289	1,265,447	(8)
Investment properties	-	-	-	349,000	349,000	-
Goodwill and intangible assets	2,154,398	2,380,283	(9)	2,157,014	2,383,250	(9)
Deferred tax assets	6,450,013	6,562,684	(2)	6,480,687	6,562,684	(1)
Other assets	34,088,455	32,855,655	4	34,170,996	32,906,100	4
Due from subsidiaries	770	2,751	(72)	-	-	-
Total assets	**1,869,686,821**	**1,831,024,183**	**2**	**1,925,163,231**	**1,888,338,423**	**2**
Liabilities						
Due to banks	192,081	80,972	137	192,081	80,972	137
Derivative financial instruments	-	13	(100)	22,877	13	175,877
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	1,633,031,365	1,608,490,322	2	1,633,356,223	1,608,891,967	2
due to debt securities holders	-	-	-	-	-	-
due to other borrowers	36,969,936	39,057,116	(5)	90,519,560	93,629,216	(3)
Lease liability	1,379,288	1,492,523	(8)	1,407,533	1,522,484	(8)
Debt securities issued	16,922,675	16,911,043	0	16,995,433	16,983,801	0
Retirement benefit obligations	22,836,545	19,922,794	15	22,856,333	19,941,644	15
Current tax liabilities	8,218,193	8,483,816	(3)	8,271,777	8,798,200	(6)
Deferred tax liabilities	-	-	-	42,537	73,495	(42)
Other provisions	-	-	-	-	-	-
Other liabilities	18,837,709	10,324,328	82	19,016,848	10,549,051	80
Due to subsidiaries	7,390,839	7,210,629	2	-	-	-
Total liabilities	**1,745,778,631**	**1,711,973,556**	**2**	**1,792,681,202**	**1,760,470,843**	**2**
Equity						
Stated capital/Assigned capital	9,400,000	9,400,000	-	9,400,000	9,400,000	-
Statutory reserve fund	6,510,018	6,241,292	4	6,638,169	6,364,888	4
OCI reserve	4,417,520	5,571,995	(21)	4,328,679	5,628,305	(23)
Retained earnings	52,337,519	46,545,531	12	58,486,570	52,797,100	11
Other reserves	51,243,133	51,291,809	(0)	53,628,611	53,677,287	(0)
Total shareholders' equity	123,908,190	119,050,627	4	132,482,029	127,867,580	4
Non-controlling interests	-	-	-	-	-	-
Total equity	**123,908,190**	**119,050,627**	**4**	**132,482,029**	**127,867,580**	**4**
Total equity and liabilities	**1,869,686,821**	**1,831,024,183**	**2**	**1,925,163,231**	**1,888,338,423**	**2**
Contingent liabilities and commitments	**17,005,144**	**12,653,943**	**34**	**17,006,644**	**12,655,443**	**34**

Memorandum Information

	30.06.2026	31.12.2025
Number of Employees	4,155	4,203
Number of Branches	263	263

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

STATEMENT OF CHANGES IN EQUITY - BANK

NSB

In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2025	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2025	**9,400,000**	**5,694,877**	**7,946,216**	**4,213,302**	**28,462,305**	**43,125,915**	**98,842,615**
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	14,696,492	-	14,696,492
Other comprehensive income net of tax	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(89,450)	-	-	(89,450)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	457,333	-	-	457,333
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**367,883**	**14,696,492**	**-**	**15,064,375**
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(43,569)	(43,569)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	293,930	-	-	(293,930)	-	-
Total transactions with equity holders	**-**	**293,930**	**-**	**-**	**(293,930)**	**(43,569)**	**(43,569)**
Balance as at 30th June 2025	**9,400,000**	**5,988,807**	**7,946,216**	**4,581,185**	**42,864,867**	**43,082,346**	**113,863,421**

In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2026	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2026	**9,400,000**	**6,241,292**	**7,943,186**	**5,571,995**	**46,545,531**	**43,348,623**	**119,050,627**
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	13,436,319	-	13,436,319
Other comprehensive income net of tax	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(1,027,436)	-	-	(1,027,436)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	(127,039)	-	-	(127,039)
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(1,154,475)**	**13,436,319**	**-**	**12,281,844**
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(48,676)	(48,676)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	(7,375,605)	-	(7,375,605)
Transfers during the period	-	268,726	-	-	(268,726)	-	-
Total transactions with equity holders	**-**	**268,726**	**-**	**-**	**(7,644,331)**	**(48,676)**	**(7,424,281)**
Balance as at 30th June 2026	**9,400,000**	**6,510,018**	**7,943,186**	**4,417,520**	**52,337,519**	**43,299,947**	**123,908,190**

STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2025	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2025	**9,400,000**	**5,810,742**	**8,642,884**	**4,566,424**	**33,771,814**	**44,642,931**	**106,834,795**
Prior year Adjustments	-	-	-	-	(67,384)	-	(67,384)
Re-stated opening balance	**9,400,000**	**5,810,742**	**8,642,884**	**4,566,424**	**33,704,430**	**44,642,931**	**106,767,411**
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	15,713,212	-	15,713,212
Other comprehensive income net of tax	-	-	-	-	536	-	536
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(116,347)	-	-	(116,347)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	192,518	-	-	192,518
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**76,171**	**15,713,748**	**-**	**15,789,919**
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(43,569)	(43,569)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	314,654	-	-	(465,210)	150,556	-
Total transactions with equity holders	**-**	**314,654**	**-**	**-**	**(465,210)**	**106,987**	**(43,569)**
Balance as at 30th June 2025	**9,400,000**	**6,125,396**	**8,642,884**	**4,642,595**	**48,952,968**	**44,749,918**	**122,513,761**

In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2026	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2026	**9,400,000**	**6,364,888**	**8,639,854**	**5,628,305**	**52,797,100**	**45,037,433**	**127,867,580**
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	13,336,847	-	13,336,847
Other comprehensive income net of tax	-	-	-	-	1,509	-	1,509
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(1,171,969)	-	-	(1,171,969)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	(127,657)	-	-	(127,657)
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**(1,299,626)**	**13,338,356**	**-**	**12,038,730**
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(48,676)	(48,676)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	(7,375,605)	-	(7,375,605)
Transfers during the period	-	273,281	-	-	(273,281)	-	-
Total transactions with equity holders	**-**	**273,281**	**-**	**-**	**(7,648,886)**	**(48,676)**	**(7,424,281)**
Balance as at 30th June 2026	**9,400,000**	**6,638,169**	**8,639,854**	**4,328,679**	**58,486,570**	**44,988,757**	**132,482,029**

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE

	Bank		Group	
	2026 Rs.'000	**2025** Rs.'000	**2026** Rs.'000	**2025** Rs.'000
Cash flows from operating activities				
Interest receipts	93,663,269	93,840,768	96,646,128	96,060,359
Interest payments	(60,218,968)	(59,303,947)	(62,307,726)	(60,211,260)
Net commission receipts	1,396,767	1,019,430	1,397,326	1,020,245
Trading income	(172,947)	808,187	(54,204)	1,393,255
Payment to employees	(14,493,981)	(11,385,471)	(14,562,574)	(11,459,685)
VAT & SSCL on financial services	(6,437,857)	(6,044,488)	(6,499,069)	(6,296,811)
Receipts from other operating activities	295,077	272,161	363,614	573,230
Payment on other operating activities	(3,797,821)	(3,943,380)	(3,882,844)	(4,061,651)
Operating profit before change in operating assets & liabilities	**10,233,539**	**15,263,260**	**11,100,651**	**17,017,682**
(Increase) / decrease in operating assets				
Placement with banks	(4,799,649)	(2,840,621)	(4,799,649)	(2,840,621)
Derivative financial Instruments	13	256,086	15,180	301,847
Financial assets at FVPL	(14,475,395)	1,295,986	(9,509,258)	(8,133,107)
Financial assets at amortised cost – loans & advances	(46,167,775)	23,497,770	(47,195,938)	15,228,832
Financial assets at amortised cost - debt & other Instruments	31,375,584	(85,536,001)	31,317,666	(86,316,485)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Other assets	(1,033,669)	1,612,584	(1,069,732)	1,631,041
	(35,100,891)	(61,714,196)	(31,241,731)	(80,128,493)
Increase / (decrease) in operating liabilities				
Due to banks	-	125,000	-	126,246
Derivative financial Instruments	(13)	(256,086)	22,864	(256,005)
Financial liabilities at amortised cost – due to depositors	30,680,194	24,636,200	30,603,529	24,628,460
Financial liabilities at amortised cost – due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost – due to other borrowers	(1,530,012)	5,429,112	(2,781,915)	26,816,502
Debt securities issued	-	-	-	-
Other liabilities	3,728,714	2,825,973	3,558,462	2,619,520
	32,878,883	32,760,199	31,402,940	53,934,723
Net cash generated from operating activities before income tax	**8,011,531**	**(13,690,737)**	**11,261,860**	**(9,176,088)**
Income tax paid	(8,809,925)	(3,688,286)	(9,080,639)	(4,152,686)
Net cash (used in)/from operating activities	**(798,394)**	**(17,379,023)**	**2,181,221**	**(13,328,774)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(504,900)	(328,709)	(505,172)	(333,463)
Proceeds from the sale of property, plant and equipment	1,290	980	3,672	1,210
Net (increase)/decrease in finance instruments at fair value through other comprehensive income	2,902,334	20,029,356	(90,139)	15,878,520
Net purchase/ improvement to investment properties	-	-	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	(209,607)	(472,029)	(209,607)	(473,600)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	-
Dividends received from investment in subsidiaries and associates	-	-	-	-
Net cash (used in)/from investing activities	**2,189,117**	**19,229,598**	**(801,246)**	**15,072,667**
Cash flows from financing activities				
Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of subordinated debt	-	-	-	-
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(760,756)	(878,627)	(760,756)	(878,627)
Contribution to consolidated fund-dividend/levy	-	-	-	-
Net cash (used in)/from financing activities	**(760,756)**	**(878,627)**	**(760,756)**	**(878,627)**
Net increase/(decrease) in cash & cash equivalents	**629,967**	**971,948**	**619,219**	**865,266**
Cash and cash equivalents at the beginning of the year	8,413,169	8,228,822	8,472,742	8,414,559
Exchange difference in respect of cash & cash equivalents	-	-	-	-
Cash and cash equivalents at the end of the period	**9,043,136**	**9,200,770**	**9,091,961**	**9,279,825**

a. Bank - as at 30.06.2026

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,074,433	-	-	9,074,433
Balances with central banks	160,612	-	-	160,612
Placements with banks	28,982,558	-	-	28,982,558
Derivative financial instruments	-	501,450	-	501,450
Loans and advances	601,007,063	-	-	601,007,063
Debt instruments	1,064,455,223	35,373,687	53,080,647	1,152,909,557
Equity instruments	-	1,435,935	7,120,646	8,556,581
Total financial assets	**1,703,679,889**	**37,311,072**	**60,201,293**	**1,801,192,254**

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	192,081	-	192,081
Derivative financial instruments	-	-	-
Financial liabilities			
- due to depositors	1,633,031,365	-	1,633,031,365
- due to debt securities holders	-	-	-
- due to other borrowers	36,969,936	-	36,969,936
Debt securities issued	16,922,675	-	16,922,675
Total financial liabilities	**1,687,116,057**	**-**	**1,687,116,057**

b. Bank - as at 31.12.2025 - (Audited)

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
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
Total financial assets	**1,676,493,550**	**22,227,578**	**64,634,698**	**1,763,355,826**

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	80,972	-	80,972
Derivative financial instruments	-	13	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
Total financial liabilities	**1,664,539,453**	**13**	**1,664,539,466**

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**

c. Group - as at 30.06.2026

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,123,254	-	-	9,123,254
Balances with central banks	160,617	-	-	160,617
Placements with banks	28,982,558	-	-	28,982,558
Derivative financial instruments	-	501,450	-	501,450
Loans and advances	601,830,241	-	-	601,830,241
Debt instruments	1,067,800,151	86,188,763	59,207,897	1,213,196,811
Equity instruments	-	1,435,934	7,130,820	8,566,754
Total financial assets	**1,707,896,821**	**88,126,147**	**66,338,717**	**1,862,361,685**

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	192,081	-	192,081
Derivative financial instruments	-	22,877	22,877
Financial liabilities			
- due to depositors	1,633,356,223	-	1,633,356,223
- due to debt securities holders	-	-	-
- due to other borrowers	90,519,560	-	90,519,560
Debt securities issued	16,995,433	-	16,995,433
Total financial liabilities	**1,741,063,297**	**22,877**	**1,741,086,174**

d. Group - as at 31.12.2025 - (Audited)

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
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
Total financial assets	**1,679,716,523**	**78,709,045**	**67,997,754**	**1,826,423,322**

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
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
Total financial liabilities	**1,719,585,956**	**13**	**1,719,585,969**

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

In Rupees Thousand	Bank As at 30.06.2026	Bank As at 31.12.2025 (Audited)	Group As at 30.06.2026	Group As at 31.12.2025 (Audited)
Product-wise Gross loans and advances				
By product - Domestic currency				
Lease rental and hire purchase receivable	-	-	-	-
Term loans	378,370,338	353,249,944	379,477,475	354,584,345
Pawning	191,709,381	155,376,418	191,709,450	155,376,446
Other loans				
Loan to Government	-	-	-	-
Securities purchased under resale agreements	35,633,074	50,416,574	36,372,106	49,870,040
Staff loans	17,542,032	17,432,546	17,617,354	17,708,028
Sub Total	**623,254,825**	**576,475,482**	**625,176,385**	**577,538,859**
By product - Foreign currency				
Term loans	3,912,865	3,675,074	3,912,865	3,675,074
Gross loans & advances	**627,167,690**	**580,150,556**	**629,089,250**	**581,213,933**
Less: Accumulated impairment under stage 1	(4,025,136)	(5,118,887)	(4,025,137)	(5,120,508)
Accumulated impairment under stage 2	(3,564,424)	(4,543,720)	(3,564,426)	(4,546,322)
Accumulated impairment under stage 3	(18,571,067)	(19,659,580)	(19,669,446)	(20,908,043)
Net value of loans & advances	**601,007,063**	**550,828,369**	**601,830,241**	**550,639,060**
Movement of Impairment during the period				
Under Stage 1				
Opening balance	5,118,887	4,700,749	5,120,508	4,703,623
Charge/(Write back) to Income Statement	(1,095,034)	418,138	(1,095,371)	416,885
Other movements	1,283	-	-	-
Closing balance at	**4,025,136**	**5,118,887**	**4,025,137**	**5,120,508**
Under Stage 2				
Opening balance	4,543,720	2,129,055	4,546,322	2,133,932
Charge/(Write back) to Income Statement	(982,132)	2,414,665	(981,896)	2,412,390
Other movements	2,836	-	-	-
Closing balance at	**3,564,424**	**4,543,720**	**3,564,426**	**4,546,322**
Under Stage 3				
Opening balance	19,659,580	22,104,882	20,908,043	23,485,206
Charge/(Write back) to Income Statement	(1,218,614)	(2,387,428)	(1,223,672)	(2,449,291)
Write-off during the period	(33,297)	(57,874)	(33,452)	(103,731)
Other movements	163,398	-	18,527	(24,141)
Closing balance at	**18,571,067**	**19,659,580**	**19,669,446**	**20,908,043**
Total Impairment	**26,160,627**	**29,322,187**	**27,259,009**	**30,574,873**

ANALYSIS OF DEPOSITS

In Rupees Thousand	Bank As at 30.06.2026	Bank As at 31.12.2025 (Audited)	Group As at 30.06.2026	Group As at 31.12.2025 (Audited)
By product - Domestic currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	347,277,238	331,380,061	347,282,182	331,461,740
Fixed deposits	1,247,043,565	1,244,028,105	1,247,363,479	1,244,348,071
Sub total	**1,594,320,803**	**1,575,408,166**	**1,594,645,661**	**1,575,809,811**
By product - Foreign currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	6,751,154	6,588,840	6,751,154	6,588,840
Fixed deposits	31,959,408	26,493,316	31,959,408	26,493,316
Sub total	**38,710,562**	**33,082,156**	**38,710,562**	**33,082,156**
Total	**1,633,031,365**	**1,608,490,322**	**1,633,356,223**	**1,608,891,967**

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

In Rupees Thousand	Bank As at 30.06.2026	Bank As at 31.12.2025 (Audited)	Group As at 30.06.2026	Group As at 31.12.2025 (Audited)
By product – Domestic currency				
Undrawn credit facilities	7,522,968	2,648,208	7,522,968	2,648,208
Documentary credit	-	-	-	-
Bank guarantees	1,541,194	1,467,204	1,541,194	1,467,204
Forward exchange contracts	6,729,670	6,173,400	6,729,670	6,173,400
Other Commitments	38,922	989,579	40,422	991,079
Sub total	**15,832,754**	**11,278,391**	**15,834,254**	**11,279,891**
By product – Foreign currency				
Undrawn credit facilities	-	-	-	-
Documentary credit	35,765	65,792	35,765	65,792
Bank guarantees	-	-	-	-
Forward exchange contracts	-	315,263	-	315,263
Other Commitments	1,136,625	994,497	1,136,625	994,497
Sub total	**1,172,390**	**1,375,552**	**1,172,390**	**1,375,552**
Grand Total	**17,005,144**	**12,653,943**	**17,006,644**	**12,655,443**

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

Item	Bank As at 30.06.2026	Bank As at 31.12.2025	Group As at 30.06.2026	Group As at 31.12.2025
Regulatory Capital Adequacy (LKR in Millions)				
Common Equity Tier 1	69,238	78,053	82,014	90,980
Tier 1 Capital	74,238	83,053	87,014	95,980
Total Regulatory Capital	79,448	89,487	92,243	102,327
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%)(Minimum Requirement - 7%)	18.393	23.400	20.939	25.847
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	19.721	24.899	22.215	27.268
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	21.105	26.827	23.550	29.071
Basel III Leverage Ratio (Minimum Requirement - 3.00%)	8.13	9.34	8.42	9.48
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)				
Rupee (%)	324.34	360.39	NR	NR
All Currency (%)	311.88	349.15	NR	NR
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	196.17	206.44	NR	NR
Assets Quality				
Impaired Loans (Stage 3) to Total Loans, Ratio - Gross (%)*	5.11	6.07	NR	NR
Impaired Loans (Stage 3) to Total Loans, Ratio - Net (%)*	2.05	2.52	NR	NR
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)*	59.77	58.54	NR	NR
Income and Profitability				
Net Interest Margin (%)	4.81	4.74	4.75	4.71
Return on Assets (before tax) (%)	2.46	2.48	2.38	2.51
Return on Equity (%)	22.30	25.08	20.66	24.00
Cost to Income Ratio (%)	42.32	34.30	42.59	33.84
Memorandum Information				
Credit Rating (LRA)	AAA	AAA	NR	NR
Number of Employees	4,155	4,203	4,176	4,224
Number of Branches	263	263	267	267

* 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 unaudited Financial Statements of the Bank and its subsidiary companies, unless indicated as audited.

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. **Rohana Bandara Weerakoon**
Acting General Manager / CEO

Colombo, Sri Lanka
25 August 2026