



INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025



NSB records highest ever Group Profit Before Tax (PBT) of Rs 25.5Bn in 1H 2025

- Total deposits increased to Rs 1.6 trillion
- Stage 3 loan ratio reduced to 2.83%
- Capital Adequacy ratio at 27%
- 5th most valuable brand in Sri Lanka

Robust performance

National Savings Bank Group (NSB) reported outstanding results for the first half of 2025, marking a new high in financial performance and operational resilience. The Bank posted a Profit Before Tax (PBT) of Rs. 25.5 billion for the six months ended 30th June 2025, reflecting robust bottom-line efficiency and strategic cost containment. Profit After Tax (PAT) stood at Rs. 15.7 billion, representing a substantial 65% year-on-year increase compared to the corresponding period of 2024. This performance was primarily driven by a 27% growth in net interest income, which rose to Rs. 42.7 billion, underpinned by proactive asset-liability management and pricing. Operating income increased to Rs. 46.2 billion, supported by higher fee based and trading activities.

Commenting on the performance, NSB Chairman Dr. Harsha Cabral PC stated, “The first half of 2025 reflects the strength of our strategic foundation, governance frameworks, and execution capability. Amidst economic shifts, NSB has continued to deliver value, strengthen its fundamentals, and strengthen its national mandate.”

Surpassing a PBT of Rs. 25.5 billion within just six months with strict discipline on all aspects stands as a defining milestone in the Bank’s journey”, said Ms Shashi Kandambi, General Manager/CEO. “This achievement underscores the effectiveness of our strategic focus on balance sheet optimisation, disciplined cost management, and sustainable growth. Notably, our elevation to the position of the 5th most valuable brand in Sri Lanka by Brand Finance up from 7th place last year reflects the growing strength of our brand loyalty and stakeholder trust. We remain steadfast in our commitment to maintaining this performance trajectory, while consistently creating long-term value for all stakeholders”.

Enhanced profitability

The net interest margin (NIM) improved to 4.74%, compared to 4.31% reported at the end of December 2024, driven by better yields on assets and a reduction in cost of funds. This performance was complemented by continued improvement in cost-to-income ratio, which stood at 36.8%, down from 38%, signifying better cost control across the organization.

The Bank delivered an outstanding improvement in profitability, with Return on Assets (ROA) rising to 2.8% and Return on Equity (ROE) climbing sharply to 27.6%, up from 1.6% and 18.1% respectively as at the end of the 2024 financial year, reaffirming NSB’s strategic emphasis on sustainable value creation.

Strong financial position, Improved Asset Quality

NSB's total asset base expanded to Rs. 1.85 trillion as of 30th June 2025, compared to Rs. 1.78 trillion at the end of December 2024, reflecting continued balance sheet growth and financial strength. The Bank's investment portfolio comprising of government securities, equity investments, and debt instruments registered a 9.3% increase over the six-month period, reaching Rs. 1.14 trillion, up from Rs. 1.05 trillion at year-end 2024. Concurrently, total deposits rose to Rs. 1.58 trillion during the first half of 2025, underscoring sustained depositor confidence.

The Bank also made commendable progress in enhancing its asset quality indicators. As of 30th June 2025, the Stage 3 loans to total loans ratio declined to 2.83%, a sharp improvement from 5.18% recorded at the end of 2024. Moreover, the Stage 3 impairment coverage ratio improved to 56.9%, up from 44.50%. This significant improvement demonstrates the Bank's tightened credit risk assessment, timely resolution of non-performing exposures, and increased focus on recoveries.

Capital Strength and Liquidity profile

NSB continues to demonstrate strong capital adequacy, comfortably exceeding all statutory thresholds mandated by the Central Bank of Sri Lanka. As of 30th June 2025, the capital ratios remained robust, with Tier 1 capital at 25%, and the Total Capital Ratio at 27% well above the regulatory minimums of 8.5%, and 12.5%, respectively.

The Bank's liquidity position remains among the strongest in the industry, attesting to its business model and robust funding model. As of 30th June 2025, the Liquidity Coverage Ratio (LCR) stood at 362% in rupee terms and 356% for all currencies, substantially surpassing the regulatory requirement of 100%.

Also, the Net Stable Funding Ratio (NSFR) reached 197%, affirming the Bank's sound long-term funding capability and structural stability.

These capital and liquidity buffers reflect efficient balance sheet management, and a prudent retention policy that supports a sustainable business growth and the resilience in a dynamic operating environment.

The Board of Directors of NSB is composed of five distinguished members, led by Chairman Dr. Harsha Cabral, PC. The Board also includes Mr. Jude Nilukshan, Mr. S. R. W. M. Ruwan Palitha Sathkumara, Mr. Dushyanta Basnayake, and Mr. Ashane Jayasekara.

INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE

	Bank		Group	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Income	101,793,035	106,042,806	104,921,841	108,777,290
Interest income	98,999,548	103,892,470	101,203,907	106,278,870
Interest expenses	(57,142,827)	(71,486,267)	(58,494,317)	(72,635,946)
Net interest income	41,856,721	32,406,203	42,709,590	33,642,924
Fee and commission income	1,219,072	1,059,072	1,220,056	1,063,616
Fee and commission expenses	(199,642)	(149,479)	(199,811)	(149,645)
Net fee and commission income	1,019,430	909,593	1,020,245	913,971
Net gains/(losses) from trading	724,476	645,185	1,346,639	976,059
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	506,156	442,273	506,156	442,273
Net other operating income	343,783	3,806	645,083	16,472
Total operating income	44,450,566	34,407,060	46,227,713	35,991,699
Impairment charges	3,555,048	162,902	3,571,381	169,101
Net operating income	48,005,614	34,569,962	49,799,094	36,160,800
Personnel expenses	(11,483,126)	(10,309,496)	(11,556,852)	(10,499,105)
Depreciation and amortisation expenses	(1,161,857)	(774,219)	(1,169,926)	(781,475)
Other expenses	(4,086,823)	(3,459,884)	(4,185,346)	(3,530,709)
Operating profit/(loss) before VAT & SSCL on financial services	31,273,808	20,026,363	32,886,970	21,349,511
Value Added Tax (VAT) on financial services	(6,291,804)	(4,495,563)	(6,505,151)	(4,717,517)
Social Security Contribution Levy (SSCL) on financial services	(873,862)	(624,384)	(903,310)	(655,211)
Operating profit/(loss) after VAT & SSCL on financial services	24,108,142	14,906,416	25,478,509	15,976,783
Share of profits of associates and joint ventures	-	-	-	-
Profit/(loss) before tax	24,108,142	14,906,416	25,478,509	15,976,783
Income tax expenses	(9,411,650)	(6,082,891)	(9,765,297)	(6,480,686)
Profit/(loss) for the period	14,696,492	8,823,525	15,713,212	9,496,097
Profit attributable to:				
Equity holders of the Bank	14,696,492	8,823,525	15,713,212	9,496,097
Non-controlling interests	-	-	-	-
Earnings per share on profit				
Basic earnings per ordinary share (Rs.)	15.63	9.39	16.72	10.10
Diluted earnings per ordinary share (Rs.)	15.63	9.39	16.72	10.10

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE

	Bank		Group	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Profit / (Loss) for the period	14,696,492	8,823,525	15,713,212	9,496,097
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	378,370	820,681	339,946	832,322
Net gains/(losses) on investment in debt instruments transferred to income statement	(506,156)	(442,273)	(506,156)	(442,273)
Deferred tax effect on the above	38,336	(113,522)	49,863	(117,015)
Total other comprehensive income to be reclassified to Income Statement	(89,450)	264,886	(116,347)	273,034
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	457,333	629,938	192,518	664,692
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	-	-	2,172	407
Deferred tax effect on the above	-	-	(1,636)	(122)
Re-measurement of post-employment benefit obligations (net of taxes)	-	-	536	285
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	457,333	629,938	193,054	664,977
Total other comprehensive income(OCI) for the period, net of taxes	367,883	894,824	76,707	938,011
Total comprehensive income for the period	15,064,375	9,718,349	15,789,919	10,434,108
Attributable to:				
Equity holders of the Bank	15,064,375	9,718,349	15,789,919	10,434,108
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 2024.
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	
	30.06.2025 Rs. '000	31.12.2024 Rs. '000 (Audited)	30.06.2025 Rs. '000	31.12.2024 Rs. '000 (Audited)
Assets				
Cash and cash equivalents	9,287,763	8,358,742	9,366,242	8,544,416
Balances with central banks	172,332	357,054	172,908	357,117
Placements with banks	17,635,214	14,794,637	17,635,214	14,794,637
Derivative financial instruments	49,287	9,131	49,287	54,892
Financial assets recognized through profit or loss				
measured at fair value	20,058,728	21,086,781	55,471,885	46,749,528
designated at fair value	-	-	-	-
Financial assets at amortised cost				
Loans and advances	513,547,282	532,379,013	517,173,988	527,715,322
Debt and other instruments	1,135,682,184	1,039,034,572	1,138,871,711	1,048,965,769
Financial assets measured at fair value through other comprehensive income	33,654,379	53,469,178	39,347,461	55,306,512
Investments in subsidiaries	7,311,000	7,311,000	-	-
Investments in associates and joint ventures	-	-	-	-
Property, plant and equipment	17,315,062	17,415,792	18,453,369	18,556,112
Right of use assets	1,178,580	1,041,185	1,201,592	1,066,014
Investment properties	-	-	349,000	349,000
Goodwill and intangible assets	2,565,710	2,183,860	2,567,832	2,185,087
Deferred tax assets	4,973,087	4,995,021	4,973,087	4,995,021
Other assets	47,615,727	50,002,248	47,721,498	50,127,502
Total assets	1,811,046,335	1,752,438,214	1,853,355,074	1,779,766,929
Liabilities				
Due to banks	384,578	487,521	384,578	487,521
Derivative financial instruments	2,323	258,409	2,404	258,409
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	1,576,378,655	1,556,270,863	1,576,781,345	1,556,681,918
due to debt securities holders	-	-	-	-
due to other borrowers	55,044,205	48,190,057	94,736,680	66,049,093
Lease liability	1,416,392	1,281,561	1,447,769	1,314,177
Debt securities issued	16,929,209	16,966,482	17,002,378	17,039,651
Retirement benefit obligations	19,860,654	17,489,868	19,874,973	17,597,407
Current tax liabilities	9,293,962	3,648,729	9,657,065	4,054,844
Deferred tax liabilities	-	-	50,612	61,869
Other provisions	-	-	-	-
Other liabilities	17,872,936	9,002,109	10,903,509	9,387,245
Due to subsidiaries	-	-	-	-
Total liabilities	1,697,182,914	1,653,595,599	1,730,841,313	1,672,932,134
Stated capital/Assigned capital	9,400,000	9,400,000	9,400,000	9,400,000
Statutory reserve fund	5,988,807	5,694,877	6,125,397	5,810,742
OCI reserve	4,581,185	4,213,302	4,642,595	4,566,424
Retained earnings	42,864,867	28,462,305	48,952,968	33,771,814
Other reserves	51,028,562	51,072,131	53,392,802	53,285,815
Total shareholders' equity	113,863,421	98,842,615	122,513,761	106,834,795
Non-controlling interests	-	-	-	-
Total equity	113,863,421	98,842,615	122,513,761	106,834,795
Total equity and liabilities	1,811,046,335	1,752,438,214	1,853,355,074	1,779,766,929
Contingent liabilities and commitments	14,899,729	15,042,447	14,908,037	15,050,755

Memorandum Information

Number of Employees	4,232	4,212
Number of Branches	262	262

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

STATEMENT OF CHANGES IN EQUITY - BANK
In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2024	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2024	9,400,000	5,369,172	7,946,216	1,286,463	14,408,118	42,964,284	81,374,253
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	8,823,525	-	8,823,525
Other comprehensive income net of tax	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	264,886	-	-	264,886
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	629,938	-	-	629,938
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	894,824	8,823,525	-	9,718,349
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(103,474)	(103,474)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	178,253	-	-	(178,253)	-	-
Total transactions with equity holders	-	178,253	-	-	(178,253)	(103,474)	(103,474)
Balance as at 30th June 2024	9,400,000	5,547,425	7,946,216	2,181,287	23,053,390	42,860,810	90,989,128

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

STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees Thousand

FOR THE SIX MONTHS ENDED 30TH JUNE 2024	Stated Capital / Assigned Capital	Statutory Reserve Fund	Revaluation Reserve	OCI Reserve	Retained Earnings	Other Reserve	Total Equity
Balance as at 1st January 2024	9,400,000	5,464,218	8,642,884	1,433,850	18,605,719	44,241,756	87,788,427
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	9,496,097	-	9,496,097
Other comprehensive income net of tax	-	-	-	-	285	-	285
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	273,034	-	-	273,034
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	664,692	-	-	664,692
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	937,726	9,496,382	-	10,434,108
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(103,474)	(103,474)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	189,921	-	-	(299,727)	109,806	-
Total transactions with equity holders	-	189,921	-	-	(299,727)	6,332	(103,474)
Balance as at 30th June 2024	9,400,000	5,654,139	8,642,884	2,371,576	27,802,374	44,248,088	98,119,061

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 period 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	-	314,655	-	-	(465,210)	150,556	-
Total transactions with equity holders	-	314,655	-	-	(465,210)	106,987	(43,569)
Balance as at 30th June 2025	9,400,000	6,125,397	8,642,884	4,642,595	48,952,968	44,749,918	122,513,761

CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30TH JUNE

	Bank		Group	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash flows from operating activities				
Interest receipts	93,840,768	106,285,246	96,060,359	108,772,685
Interest payments	(59,303,947)	(87,484,316)	(60,211,260)	(88,639,530)
Net commission receipts	1,019,430	909,593	1,020,245	913,971
Trading income	808,187	976,047	1,393,255	1,241,712
Payment to employees	(11,385,471)	(8,534,097)	(11,459,685)	(8,721,437)
VAT & SSCL on financial services	(6,044,488)	(4,453,197)	(6,296,811)	(4,713,445)
Receipts from other operating activities	272,161	109,255	573,230	121,922
Payment on other operating activities	(3,943,380)	(3,015,674)	(4,061,651)	(3,110,679)
Operating profit before change in operating assets & liabilities	15,263,260	4,792,857	17,017,682	5,865,199
(Increase) / decrease in operating assets				
Placement with banks	(2,840,621)	1,534,281	(2,840,621)	1,900,009
Derivative financial Instruments	256,086	12,084	301,847	14,162
Financial assets at FVPL	1,295,986	(10,474,845)	(8,133,107)	(11,859,095)
Financial assets at amortised cost – loans & advances	23,497,770	9,815,283	15,228,832	8,325,460
Financial assets at amortised cost - debt & other Instruments	(85,536,001)	(43,581,630)	(86,316,485)	(43,762,412)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Other assets	1,612,584	3,679,258	1,631,041	3,665,014
	(61,714,196)	(39,015,569)	(80,128,493)	(41,716,862)
Increase / (decrease) in operating liabilities				
Due to banks	125,000	(8,750,000)	126,246	(12,259,592)
Derivative financial Instruments	(256,086)	(20)	(256,005)	(20)
Financial liabilities at amortised cost – due to depositors	24,636,200	29,745,151	24,628,460	29,738,516
Financial liabilities at amortised cost – due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost – due to other borrowers	5,429,112	(14,273,393)	26,816,502	(6,970,737)
Debt securities issued	-	-	-	-
Other liabilities	2,825,973	(1,938,445)	2,619,520	(1,931,643)
	32,760,199	4,783,293	53,934,723	8,576,524
Net cash generated from operating activities before income tax	(13,690,737)	(29,439,419)	(9,176,088)	(27,275,139)
Income tax paid	(3,688,286)	-	(4,152,686)	(249,252)
Net cash (used in)/from operating activities	(17,379,023)	(29,439,419)	(13,328,774)	(27,524,391)
Cash flows from investing activities				
Purchase of property, plant and equipment	(328,709)	(365,371)	(333,463)	(367,681)
Proceeds from the sale of property, plant and equipment	980	6,722	1,210	6,722
Net (increase)/decrease in finance instruments at fair value through other comprehensive income	20,029,356	30,356,804	15,878,520	28,473,990
Net purchase/ improvement to investment properties	-	-	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	(472,029)	(263,660)	(473,600)	(263,660)
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	19,229,598	29,734,495	15,072,667	27,849,371
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	(878,627)	(300,296)	(878,627)	(300,296)
Contribution to consolidated fund-dividend/levy	-	-	-	-
Net cash (used in)/from financing activities	(878,627)	(300,296)	(878,627)	(300,296)
Net increase/(decrease) in cash & cash equivalents	971,948	(5,220)	865,266	24,684
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	-	-	-	-
Cash and cash equivalents at the end of the period	9,200,770	9,559,521	9,279,825	9,627,853

ANALYSIS OF LOANS & ADVANCES AND IMPAIRMENT

In Rupees Thousand	Bank		Group	
	As at 30.06.2025	As at 31.12.2024 (Audited)	As at 30.06.2025	As at 31.12.2024 (Audited)
Product-wise Gross loans and advances				
By product - Domestic currency				
Lease rental and hire purchase receivable	-	-	-	25,911
Term loans	362,348,308	380,863,516	363,804,325	382,389,974
Pawning	131,821,153	119,692,775	131,821,182	119,692,803
Other loans				
Loan to Government	-	-	-	-
Securities purchased under resale agreements	24,015,483	40,930,913	27,228,287	35,762,112
Staff loans	16,554,116	16,307,926	16,839,925	16,648,714
Sub Total	534,739,060	557,795,130	539,693,719	554,519,514
By product - Foreign currency				
Term loans	3,584,486	3,518,569	3,584,486	3,518,569
Gross loans & advances	538,323,546	561,313,699	543,278,205	558,038,083
Less: Accumulated impairment under stage 1	(3,963,169)	(4,700,749)	(3,966,647)	(4,703,623)
Accumulated impairment under stage 2	(1,638,511)	(2,129,055)	(1,642,965)	(2,133,932)
Accumulated impairment under stage 3	(19,174,584)	(22,104,882)	(20,494,605)	(23,485,206)
Net value of loans & advances	513,547,282	532,379,013	517,173,988	527,715,322
Movement of Impairment during the period				
Under Stage 1				
Opening balance	4,700,749	4,426,656	4,703,623	4,435,168
Charge/(Write back) to Income Statement	(737,580)	274,093	(736,976)	268,455
Closing balance at	3,963,169	4,700,749	3,966,647	4,703,623
Under Stage 2				
Opening balance	2,129,055	3,501,809	2,133,932	3,525,267
Charge/(Write back) to Income Statement	(490,544)	(1,372,754)	(490,967)	(1,391,335)
Closing balance at	1,638,511	2,129,055	1,642,965	2,133,932
Under Stage 3				
Opening balance	22,104,882	14,448,907	23,485,206	15,826,569
Charge/(Write back) to Income Statement	(2,910,909)	7,698,282	(2,927,425)	7,710,325
Write-off during the period	(19,389)	(42,307)	(55,521)	(42,307)
Other movements	-	-	(7,655)	(9,381)
Closing balance at	19,174,584	22,104,882	20,494,605	23,485,206
Total Impairment	24,776,264	28,934,686	26,104,217	30,322,761

ANALYSIS OF DEPOSITS

In Rupees Thousand	Bank		Group	
	As at 30.06.2025	As at 31.12.2024 (Audited)	As at 30.06.2025	As at 31.12.2024 (Audited)
By product - Domestic currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	318,800,771	296,756,417	318,887,551	296,848,996
Fixed deposits	1,230,146,343	1,233,892,594	1,230,462,253	1,234,211,070
Sub total	1,548,947,114	1,530,649,011	1,549,349,804	1,531,060,066
By product - Foreign currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	6,595,078	5,788,396	6,595,078	5,788,396
Fixed deposits	20,836,463	19,833,456	20,836,463	19,833,456
Sub total	27,431,541	25,621,852	27,431,541	25,621,852
Total	1,576,378,655	1,556,270,863	1,576,781,345	1,556,681,918

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

In Rupees Thousand	Bank		Group	
	As at 30.06.2025	As at 31.12.2024 (Audited)	As at 30.06.2025	As at 31.12.2024 (Audited)
By product - Domestic currency				
Undrawn credit facilities	2,512,654	3,459,333	2,512,654	3,459,333
Documentary credit	-	-	-	-
Bank guarantees	1,397,495	990,116	1,397,495	990,116
Forward exchange contracts	8,627,098	8,331,516	8,627,098	8,331,516
Other Commitments	48,555	25,519	56,863	33,827
Sub total	12,585,802	12,806,484	12,594,110	12,814,792
By product - Foreign currency				
Undrawn credit facilities	-	-	-	-
Documentary credit	36,645	-	36,645	-
Bank guarantees	313,120	305,652	313,120	305,652
Forward exchange contracts	524,962	292,875	524,962	292,875
Other Commitments	1,439,200	1,637,436	1,439,200	1,637,436
Sub total	2,313,927	2,235,963	2,313,927	2,235,963
Grand Total	14,899,729	15,042,447	14,908,037	15,050,755

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS
a. Bank - as at 30.06.2025

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,287,763	-	-	9,287,763
Balances with central banks	172,332	-	-	172,332
Placements with banks	17,635,214	-	-	17,635,214
Derivative financial instruments	-	49,287	-	49,287
Loans and advances	513,547,282	-	-	513,547,282
Debt instruments	1,135,682,184	17,896,402	27,628,212	1,181,206,798
Equity instruments	-	2,162,326	6,026,167	8,188,493
Total financial assets	1,676,324,775	20,108,015	33,654,379	1,730,087,169

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	384,578	-	384,578
Derivative financial instruments	-	2,323	2,323
Financial liabilities			
-due to depositors	1,576,378,655	-	1,576,378,655
-due to debt securities holders	-	-	-
- due to other borrowers	55,044,205	-	55,044,205
Debt securities issued	16,929,209	-	16,929,209
Total financial liabilities	1,648,736,647	2,323	1,648,738,970

b. Bank - as at 31.12.2024 - (Audited)

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
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
Total financial assets	1,594,924,018	21,095,912	53,469,178	1,669,489,108

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	487,521	-	487,521
Derivative financial instruments	-	258,409	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
Total financial liabilities	1,621,914,923	258,409	1,622,173,332

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 30.06.2025

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,366,242	-	-	9,366,242
Balances with central banks	172,908	-	-	172,908
Placements with banks	17,635,214	-	-	17,635,214
Derivative financial instruments	-	49,287	-	49,287
Loans and advances	517,173,988	-	-	517,173,988
Debt instruments	1,138,871,711	53,309,559	33,311,535	1,225,492,805
Equity instruments	-	2,162,326	6,035,926	8,198,252
Total financial assets	1,683,220,063	55,521,172	39,347,461	1,778,088,696

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	384,578	-	384,578
Derivative financial instruments	-	2,404	2,404
Financial liabilities			
-due to depositors	1,576,781,345	-	1,576,781,345
-due to debt securities holders	-	-	-
- due to other borrowers	94,736,680	-	94,736,680
Debt securities issued	17,002,378	-	17,002,378
Total financial liabilities	1,688,904,981	2,404	1,688,907,385

d. Group - as at 31.12.2024 - (Audited)

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
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
Total financial assets	1,600,377,261	46,804,420	55,306,512	1,702,488,193

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
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
Total financial liabilities	1,640,258,183	258,409	1,640,516,592

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

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

Item	Bank		Group	
	As at 30.06.2025	As at 31.12.2024	As at 30.06.2025	As at 31.12.2024
Regulatory Capital Adequacy (LKR in Millions)				
Common Equity Tier 1	61,100	63,454	73,418	75,395
Tier 1 Capital	66,100	68,454	78,418	80,395
Total Regulatory Capital	72,614	75,660	84,853	87,519
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	20.452	21.707	23.482	25.032
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	22.126	23.418	25.081	26.692
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	24.306	25.883	27.140	29.058
Basel III Leverage Ratio (Minimum Requirement - 3.00%)	7.27	8.00	7.83	8.85
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)				
Rupee (%)	362.25	351.33	NR	NR
All Currency (%)	356.06	344.55	NR	NR
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	197.06	193.53	NR	NR
Assets Quality				
Impaired Loans (Stage 3) to Total Loans, Ratio (%)*	2.83	5.18	NR	NR
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)*	56.89	44.50	NR	NR
Income and Profitability				
Net Interest Margin (%)	4.74	4.23	4.74	4.31
Return on Assets (before tax) (%)	2.73	1.54	2.83	1.63
Return on Equity (%)	27.87	18.07	27.63	18.15
Cost to Income Ratio (%)	37.92	38.72	36.86	38.04
Memorandum Information				
Credit Rating (LRA)	AAA	AAA	NR	NR
Number of Employees	4,232	4,212	4,253	4,331
Number of Branches	262	262	265	265

* Including undrawn portion of credit

Note : NR - Not Relevant

CERTIFICATION :

I certify that the above Financial Statements give a true and fair view of the State of Affairs of the Bank and its subsidiaries as at 30th June 2025 and the profits for the period then ended.

sgd. **Ajith Akmeemana**

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

We, the undersigned, being the Chairman and the General Manager / Chief Executive Officer of National Savings Bank jointly 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. **Dr. Harsha Cabral, PC**

Chairman

sgd. **Shashi Kandambi**

General Manager/CEO

Colombo, Sri Lanka
28 August 2025