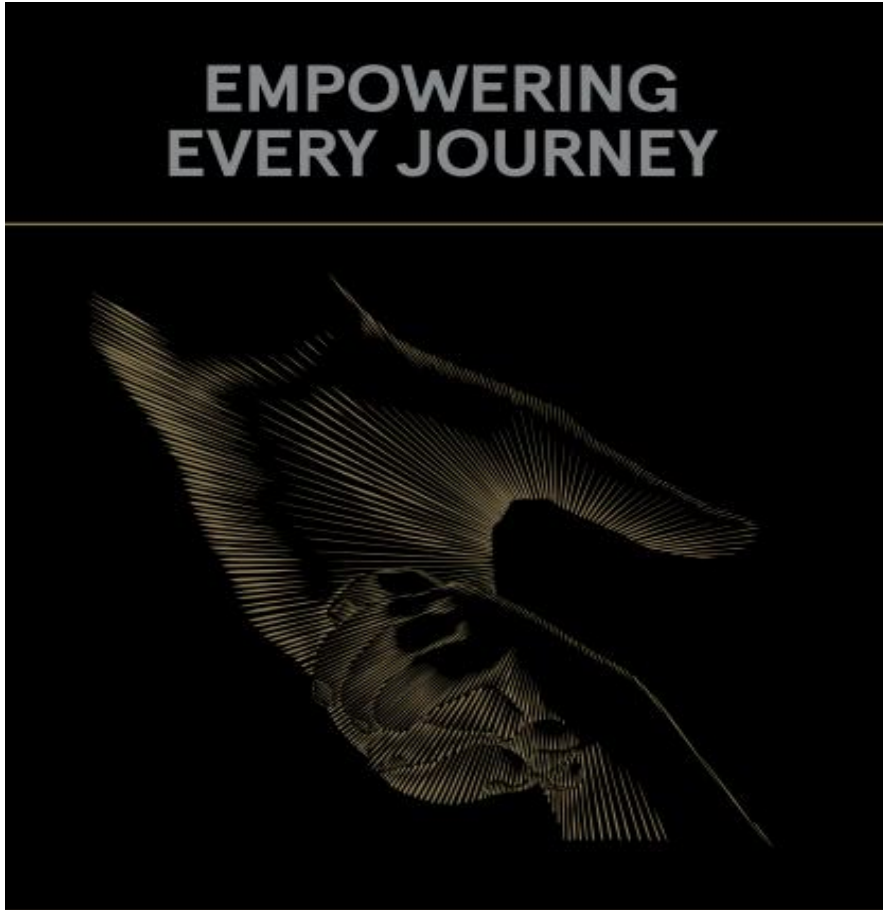




National Savings Bank
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2026

**EMPOWERING
EVERY JOURNEY**



NSB Group posts Rs. 15.5 billion Operating Profit for 1Q2026

Strong capital, liquidity and asset quality indicators reinforce the Bank's resilient first-quarter performance

- **Total deposits stand at Rs 1.6 trillion**
- **Total operating income rises to Rs. 22.5 billion**
- **Total tax contribution for the quarter amounts to Rs. 8.5 billion**
- **Stage 3 loans at 2.3% and Stage 3 provision cover at 59.2%**
- **Total Capital Adequacy ratio at 24.9%**

National Savings Bank Group (NSB) recorded a steady and resilient performance for the first quarter of 2026, supported by a stronger core banking income base and disciplined asset-liability management. For the three months ended 31 March 2026, the Group reported Profit Before Tax of Rs. 11.8 billion and Profit After Tax of Rs. 7 billion, while making a total tax contribution of Rs. 8.5 billion during the quarter.

The performance reflects the Bank's ability to maintain stability and earnings momentum in an evolving operating environment, while continuing to support Sri Lanka's savings culture, financial inclusion and responsible credit growth. NSB's public mandate, extensive customer reach and trusted deposit franchise continued to provide a strong foundation for sustainable business performance.

The Bank's principal earnings driver, Net Interest Income, increased by 8.1% year-on-year to Rs. 21.8 billion, reflecting focused management of interest income and funding cost. Total Operating Income increased by 5.0% to Rs. 22.5 billion, supported by a strong 53.5% increase in Net Fee and Commission Income to Rs. 760.6 million, reflecting the continued expansion of transaction-led banking activity and service-based income streams.

Commenting on the Bank's first-quarter performance, Dr. Harsha Cabral PC, Chairman of National Savings Bank, said: "NSB's performance for the first quarter of 2026 reflects the strength, stability and public confidence that continue to define the Bank. As a state-owned savings institution with a national mandate, our focus remains on safeguarding depositor confidence, supporting financial stability and contributing to the country's development agenda. The Bank's contribution of Rs. 8.4 billion in taxes during the quarter further demonstrates its role as a responsible public financial institution and a partner in national progress."

Operating Profit before VAT and SSCL on financial services amounted to Rs. 15.3 billion. Profit Before Tax for the quarter stood at Rs. 11.6 billion, compared to Rs. 12.1 billion in the corresponding period of the previous year, while Profit After Tax was Rs. 6.9 billion. The moderation in bottom-line profitability was mainly reflective of higher provisions for operating expenses and higher tax charges, even as the Bank strengthened its core income lines and maintained operational stability.

The Bank's lending portfolio expanded in a measured manner during the quarter, with loans and advances increasing to Rs. 556.1 billion from Rs. 550.8 billion at the close of 2025. Financial assets held at amortised cost in debt and other instruments remained a significant component of the asset portfolio at approximately Rs. 1.1 trillion, underscoring the Bank's prudent and liquidity-conscious asset allocation approach.

Customer deposits, which remain central to NSB’s identity and national savings mandate, stood at approximately Rs. 1.6 trillion as of 31 March 2026. The Bank’s deposit base continued to provide a strong foundation for liquidity, depositor confidence and national savings mobilisation, while supporting its role in financial intermediation across households, individuals and communities.

Mr. Rohana Bandara Weerakoon, Acting General Manager/CEO of National Savings Bank, stated: “The quarter was characterised by disciplined execution, careful balance sheet management and close monitoring of business performance across the Bank. We pursued growth selectively, with emphasis on funding discipline, asset quality, customer service and operational efficiency. The improvement in Net Interest Income, fee-based income and asset quality indicators reflects the continued strength of NSB’s core banking franchise and the commitment of our teams across the network.”

The Stage 3 Impaired Loans to Total Loans Ratio reduced to 2.34% from 2.53% as of 31 December 2025, indicating a positive movement in the quality of the lending portfolio while, impairment coverage on Stage 3 loans improved to 59.20% from 58.56%, reflecting continued attention to credit risk management and prudent provisioning practices.

Return on Assets before tax stood at 2.56%, while Return on Equity was recorded at 22.73%.

As of 31 March 2026, the Bank continued to maintain a strong capital position, with the Tier 1 Capital Ratio and Total Capital Ratio stood at 23.34% and 24.90%, respectively. The Bank reported a Liquidity Coverage Ratio of 335.54% on an all-currency basis, while the Net Stable Funding Ratio also remained strong at 204.05%, substantially above the minimum regulatory requirement, reflecting the stability of the Bank’s funding structure, the strength of its deposit base and its ability to meet medium to long-term funding requirements in a prudent manner.

Looking ahead, NSB is expected to maintain its focus on quality growth, prudent asset and liability management, deposit mobilisation, digital transformation, customer-centric service delivery and operational efficiency. The first-quarter performance provides a constructive platform for the remainder of the year, with management attention directed towards disciplined implementation, careful risk oversight, sustained service excellence and continued support for the financial aspirations of Sri Lankan households.

The Board of Directors of NSB is composed of seven 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, Mr. Ashane Jayasekara, Mr. Ranil Goonetilleke and Mr. Supul Wijesinghe.

**INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH**



	Bank			Group		
	2026 Rs. '000	2025 Rs. '000	Change (%)	2026 Rs. '000	2025 Rs. '000	Change (%)
Income	49,473,325	50,278,755	(2)	50,942,829	51,506,456	(1)
Interest income	48,741,289	49,001,773	(1)	50,252,572	50,098,536	0.3
Interest expenses	(26,898,098)	(28,791,825)	(7)	(28,047,449)	(29,402,414)	(5)
Net interest income	21,843,191	20,209,948	8	22,205,123	20,696,122	7
Fee and commission income	851,357	575,982	48	851,598	576,434	48
Fee and commission expenses	(90,783)	(80,428)	13	(90,852)	(80,495)	13
Net fee and commission income	760,574	495,554	53	760,746	495,939	53
Net gains/(losses) from trading	(239,135)	242,934	(198)	(328,807)	363,950	(190)
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	(100)	-	506,156	(100)
Net other operating income	119,814	(48,090)	349	167,466	(38,620)	534
Total operating income	22,484,444	21,406,502	5	22,804,528	22,023,547	4
Impairment charges	2,074,067	1,569,340	32	2,079,221	1,575,881	32
Net operating income	24,558,511	22,975,842	7	24,883,749	23,599,428	5
Personnel expenses	(6,929,209)	(5,100,055)	36	(6,960,194)	(5,146,163)	35
Depreciation and amortisation expenses	(543,001)	(588,818)	(8)	(545,407)	(592,773)	(8)
Other expenses	(1,785,749)	(1,703,672)	5	(1,841,594)	(1,744,642)	6
Operating profit/(loss) before VAT & SSCL on financial services	15,300,552	15,583,297	(2)	15,536,554	16,115,850	(4)
Value Added Tax (VAT) on financial services	(3,253,797)	(3,065,330)	6	(3,287,788)	(3,151,006)	4
Social Security Contribution Levy (SSCL) on financial services	(451,916)	(425,740)	6	(456,637)	(437,640)	4
Operating profit/(loss) after VAT & SSCL on financial services	11,594,839	12,092,227	(4)	11,792,129	12,527,204	(6)
Share of profits of associates and joint ventures	-	-	-	-	-	-
Profit/(loss) before tax	11,594,839	12,092,227	(4)	11,792,129	12,527,204	(6)
Income tax expenses	(4,740,053)	(4,573,937)	4	(4,803,749)	(4,688,759)	2
Profit/(loss) for the period	6,854,786	7,518,290	(9)	6,988,380	7,838,445	(11)
Profit attributable to:						
Equity holders of the Bank	6,854,786	7,518,290	(9)	6,988,380	7,838,445	(11)
Non-controlling interests	-	-	-	-	-	-
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	7.29	8.00	(9)	7.43	8.34	(11)
Diluted earnings per ordinary share (Rs.)	7.29	8.00	(9)	7.43	8.34	(11)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH**



	Bank			Group		
	2026 Rs. '000	2025 Rs. '000	Change (%)	2026 Rs. '000	2025 Rs. '000	Change (%)
Profit/(Loss) for the period	6,854,786	7,518,290	(9)	6,988,380	7,838,445	(11)
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	(401,300)	91,066	(541)	(440,774)	54,276	(912)
Net gains/(losses) on investment in debt instruments transferred to income statement	-	(506,156)	100	-	(506,156)	100
Deferred tax effect on the above	120,390	124,527	(3)	132,232	135,564	(2)
Total other comprehensive income to be reclassified to Income Statement	(280,910)	(290,563)	(3)	(308,542)	(316,316)	(2)
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	1,455	(139,382)	101	750	(134,776)	101
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	-	-	-	2,401	2,238	7
Deferred tax effect on the above	-	-	-	(720)	(1,656)	(57)
Re-measurement of post-employment benefit obligations (net of taxes)	-	-	-	1,681	582	189
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	1,455	(139,382)	101	2,431	(134,194)	102
Total other comprehensive income(OCI) for the period, net of taxes	(279,455)	(429,945)	(35)	(306,111)	(450,510)	(32)
Total comprehensive income for the period	6,575,331	7,088,345	(7)	6,682,269	7,387,935	(10)
Attributable to:						
Equity holders of the Bank	6,575,331	7,088,345	(7)	6,682,269	7,387,935	(10)
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 2025.
- 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
AS AT**



	Bank			Group		
	31.03.2026 Rs. '000	31.12.2025 Rs. '000 (Audited)	Change (%)	31.03.2026 Rs. '000	31.12.2025 Rs. '000 (Audited)	Change (%)
Assets						
Cash and cash equivalents	9,687,008	8,326,738	16	9,733,472	8,386,287	16
Balances with central banks	167,283	167,212	0	167,304	167,236	0
Placements with banks	27,028,093	24,181,317	12	27,028,093	24,181,317	12
Derivative financial instruments	88,817	68,813	29	88,817	83,979	6
Financial assets recognized through profit or loss measured at fair value	39,088,545	22,158,765	76	96,643,844	78,625,066	23
designated at fair value	-	-	-	-	-	-
Financial assets at amortised cost						
Loans and advances	556,072,687	550,828,369	1	558,623,183	550,639,060	1
Debt and other instruments	1,079,457,998	1,092,989,914	(1)	1,082,928,941	1,096,342,623	(1)
Financial assets measured at fair value through other comprehensive income	69,057,975	64,634,698	7	73,469,636	67,997,754	8
Investments in subsidiaries	7,311,000	7,311,000	-	-	-	-
Investments in associates and joint ventures	-	-	-	-	-	-
Property, plant and equipment	17,253,398	17,311,732	(0.3)	18,389,236	18,448,620	(0.3)
Right of use assets	1,187,363	1,244,252	(5)	1,207,650	1,265,447	(5)
Investment properties	-	-	-	349,000	349,000	-
Goodwill and intangible assets	2,161,899	2,380,283	(9)	2,164,692	2,383,250	(9)
Deferred tax assets	6,337,070	6,562,684	(3)	6,337,070	6,562,684	(3)
Other assets	34,177,790	32,855,655	4	34,233,385	32,906,100	4
Due from subsidiaries	2,191	2,751	(20)	-	-	-
Total assets	1,849,079,117	1,831,024,183	1	1,911,364,323	1,888,338,423	1
Liabilities						
Due to banks	6,106,792	80,972	7,442	8,556,309	80,972	10,467
Derivative financial instruments	-	13	(100)	2,914	13	22,315
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	1,602,094,628	1,608,490,322	(0.4)	1,602,420,134	1,608,891,967	(0.4)
due to debt securities holders	-	-	-	-	-	-
due to other borrowers	47,545,623	39,057,116	22	104,873,862	93,629,216	12
Lease liability	1,444,372	1,492,523	(3)	1,473,487	1,522,484	(3)
Debt securities issued	16,762,737	16,911,043	(1)	16,835,495	16,983,801	(1)
Retirement benefit obligations	21,170,511	19,922,794	6	21,190,054	19,941,644	6
Current tax liabilities	8,484,602	8,483,816	0	8,727,843	8,798,200	(1)
Deferred tax liabilities	-	-	-	62,358	73,495	(15)
Other provisions	-	-	-	-	-	-
Other liabilities	12,475,924	10,324,328	21	12,694,887	10,549,051	20
Due to subsidiaries	7,390,839	7,210,629	2	-	-	-
Total liabilities	1,723,476,028	1,711,973,556	1	1,776,837,343	1,760,470,843	1
Equity						
Stated capital/Assigned capital	9,400,000	9,400,000	-	9,400,000	9,400,000	-
Statutory reserve fund	6,378,388	6,241,292	2	6,504,510	6,364,888	2
OCI reserve	5,292,540	5,571,995	(5)	5,320,513	5,628,305	(5)
Retained earnings	53,263,221	46,545,531	14	59,626,773	52,797,100	13
Other reserves	51,268,940	51,291,809	(0)	53,675,184	53,677,287	(0)
Total shareholders' equity	125,603,089	119,050,627	6	134,526,980	127,867,580	5
Non-controlling interests	-	-	-	-	-	-
Total equity	125,603,089	119,050,627	6	134,526,980	127,867,580	5
Total equity and liabilities	1,849,079,117	1,831,024,183	1	1,911,364,323	1,888,338,423	1
Contingent liabilities and commitments	11,560,199	12,653,943	(9)	11,561,699	12,655,443	(9)

Memorandum Information

Number of Employees	4,182	4,203
Number of Branches	263	263

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

STATEMENT OF CHANGES IN EQUITY - BANK



In Rupees Thousand

FOR THE THREE MONTHS ENDED 31ST MARCH 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	-	-	-	-	7,518,290	-	7,518,290
Other comprehensive income net of tax	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(290,563)	-	-	(290,563)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	(139,382)	-	-	(139,382)
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(429,945)	7,518,290	-	7,088,345
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(32,916)	(32,916)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	151,885	-	-	(151,885)	-	-
Total transactions with equity holders	-	151,885	-	-	(151,885)	(32,916)	(32,916)
Balance as at 31st March 2025	9,400,000	5,846,762	7,946,216	3,783,357	35,828,710	43,092,999	105,898,044

In Rupees Thousand

FOR THE THREE MONTHS ENDED 31ST MARCH 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	-	-	-	-	6,854,786	-	6,854,786
Other comprehensive income net of tax	-	-	-	-	-	-	-
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(280,910)	-	-	(280,910)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	1,455	-	-	1,455
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(279,455)	6,854,786	-	6,575,331
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(22,869)	(22,869)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	137,096	-	-	(137,096)	-	-
Total transactions with equity holders	-	137,096	-	-	(137,096)	(22,869)	(22,869)
Balance as at 31st March 2026	9,400,000	6,378,388	7,943,186	5,292,540	53,263,221	43,325,754	125,603,089

STATEMENT OF CHANGES IN EQUITY - GROUP



In Rupees Thousand

FOR THE THREE MONTHS ENDED 31ST MARCH 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
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	7,838,445	-	7,838,445
Other comprehensive income net of tax	-	-	-	-	582	-	582
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(316,316)	-	-	(316,316)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	(134,776)	-	-	(134,776)
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(451,092)	7,839,027	-	7,387,935
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(32,916)	(32,916)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	158,024	-	-	(207,363)	49,339	-
Total transactions with equity holders	-	158,024	-	-	(207,363)	16,423	(32,916)
Balance as at 31st March 2025	9,400,000	5,968,766	8,642,884	4,115,332	41,403,478	44,659,354	114,189,814

In Rupees Thousand

FOR THE THREE MONTHS ENDED 31ST MARCH 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	-	-	-	-	6,988,380	-	6,988,380
Other comprehensive income net of tax	-	-	-	-	1,681	-	1,681
Net change in fair value of debt instrument of Fair Value through Other Comprehensive Income	-	-	-	(308,542)	-	-	(308,542)
Net change in fair value of equity instrument of Fair Value through Other Comprehensive Income	-	-	-	750	-	-	750
Net change in Revaluation Reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(307,792)	6,990,061	-	6,682,269
Transactions with equity holders, recognised directly in equity							
Transfers to unclaimed deposits reserve / issued share capital	-	-	-	-	-	(22,869)	(22,869)
Contribution to the consolidated fund-Dividend/Levy	-	-	-	-	-	-	-
Transfers during the period	-	139,622	-	-	(160,388)	20,766	-
Total transactions with equity holders	-	139,622	-	-	(160,388)	(2,103)	(22,869)
Balance as at 31st March 2026	9,400,000	6,504,510	8,639,854	5,320,513	59,626,773	45,035,330	134,526,980

**CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH**



	Bank		Group	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash flows from operating activities				
Interest receipts	48,854,847	51,686,547	50,256,076	52,538,209
Interest payments	(30,681,389)	(27,491,515)	(31,778,364)	(28,001,077)
Net commission receipts	760,574	495,554	760,746	495,939
Trading income	(61,162)	619,532	75,021	830,009
Payment to employees	(6,159,768)	(4,425,499)	(6,190,753)	(4,471,871)
VAT & SSCL on financial services	(2,780,546)	(2,689,645)	(2,832,391)	(2,798,059)
Receipts from other operating activities	34,027	73,748	81,448	83,217
Payment on other operating activities	(1,639,432)	(1,646,379)	(1,699,122)	(1,690,296)
Operating profit before change in operating assets & liabilities	8,327,151	16,622,343	8,672,661	16,986,071
(Increase) / decrease in operating assets				
Placement with banks	(2,843,891)	(1,051,117)	(2,843,891)	(1,051,117)
Derivative financial Instruments	13	251,153	15,180	296,545
Financial assets at FVPL	(16,908,901)	(11,668,394)	(18,076,390)	(29,168,762)
Financial assets at amortised cost – loans & advances	(3,476,157)	24,475,382	(6,233,952)	21,659,162
Financial assets at amortised cost - debt & other Instruments	12,603,334	(38,379,391)	12,420,532	(38,779,231)
Proceeds from the sale and maturity of financial investments	-	-	-	-
Other assets	(877,672)	(327,595)	(883,368)	(321,445)
	(11,503,274)	(26,699,962)	(15,601,889)	(47,364,848)
Increase / (decrease) in operating liabilities				
Due to banks	6,000,000	-	8,449,000	3,197,710
Derivative financial Instruments	(13)	(251,153)	2,900	(251,153)
Financial liabilities at amortised cost – due to depositors	(2,135,528)	7,273,467	(2,211,544)	7,269,588
Financial liabilities at amortised cost – due to debt securities holders	-	-	-	-
Financial liabilities at amortised cost – due to other borrowers	8,520,454	165,687	11,224,437	16,806,922
Debt securities issued	-	-	-	-
Other liabilities	1,933,502	963,098	1,766,758	782,673
	14,318,415	8,151,099	19,231,551	27,805,740
Net cash generated from operating activities before income tax	11,142,292	(1,926,520)	12,302,323	(2,573,037)
Income tax paid	(4,365,475)	(2,055,620)	(4,500,347)	(2,305,863)
Net cash (used in)/from operating activities	6,776,817	(3,982,140)	7,801,976	(4,878,900)
Cash flows from investing activities				
Purchase of property, plant and equipment	(171,577)	(256,822)	(171,850)	(261,346)
Proceeds from the sale of property, plant and equipment	1,228	935	1,458	935
Net (increase)/decrease in finance instruments at fair value through other comprehensive income	(4,745,956)	7,027,162	(5,784,160)	7,806,397
Net purchase/ improvement to investment properties	-	-	-	-
Proceeds from the sale and maturity of financial investments	-	-	-	-
Net purchase of intangible assets	1,939	(461,427)	1,939	(461,427)
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	(4,914,366)	6,309,848	(5,952,613)	7,084,559
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	(526,649)	(600,916)	(526,649)	(600,916)
Contribution to consolidated fund-dividend/levy	-	-	-	-
Net cash (used in)/from financing activities	(526,649)	(600,916)	(526,649)	(600,916)
Net increase/(decrease) in cash & cash equivalents	1,335,802	1,726,792	1,322,714	1,604,743
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	9,748,971	9,955,614	9,795,456	10,019,302

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS



a. Bank - as at 31.03.2026

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,687,008	-	-	9,687,008
Balances with central banks	167,283	-	-	167,283
Placements with banks	27,028,093	-	-	27,028,093
Derivative financial instruments	-	88,817	-	88,817
Loans and advances	556,072,687	-	-	556,072,687
Debt instruments	1,079,457,998	37,935,527	61,864,438	1,179,257,963
Equity instruments	-	1,153,018	7,193,537	8,346,555
Total financial assets	1,672,413,069	39,177,362	69,057,975	1,780,648,406

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	6,106,792	-	6,106,792
Derivative financial instruments	-	-	-
Financial liabilities			
- due to depositors	1,602,094,628	-	1,602,094,628
- due to debt securities holders	-	-	-
- due to other borrowers	47,545,623	-	47,545,623
Debt securities issued	16,762,737	-	16,762,737
Total financial liabilities	1,672,509,780	-	1,672,509,780

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

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS



c. Group - as at 31.03.2026

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	9,733,472	-	-	9,733,472
Balances with central banks	167,304	-	-	167,304
Placements with banks	27,028,093	-	-	27,028,093
Derivative financial instruments	-	88,817	-	88,817
Loans and advances	558,623,183	-	-	558,623,183
Debt instruments	1,082,928,941	95,490,826	66,266,032	1,244,685,799
Equity instruments	-	1,153,018	7,203,604	8,356,622
Total financial assets	1,678,480,993	96,732,661	73,469,636	1,848,683,290

In Rupees Thousand	AC	FVPL	Total
LIABILITIES			
Due to banks	8,556,309	-	8,556,309
Derivative financial instruments	-	2,914	2,914
Financial liabilities			
- due to depositors	1,602,420,134	-	1,602,420,134
- due to debt securities holders	-	-	-
- due to other borrowers	104,873,862	-	104,873,862
Debt securities issued	16,835,495	-	16,835,495
Total financial liabilities	1,732,685,800	2,914	1,732,688,714

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		Group	
	As at 31.03.2026	As at 31.12.2025 (Audited)	As at 31.03.2026	As at 31.12.2025 (Audited)
Product-wise Gross loans and advances				
By product - Domestic currency				
Lease rental and hire purchase receivable	-	-	-	-
Term loans	366,857,567	353,249,944	367,987,253	354,584,345
Pawning	172,528,109	155,376,418	172,528,177	155,376,446
Other loans				
Loan to Government	-	-	-	-
Securities purchased under resale agreements	22,680,347	50,416,574	25,144,093	49,870,040
Staff loans	17,929,334	17,432,546	18,007,260	17,708,028
Sub Total	579,995,357	576,475,482	583,666,783	577,538,859
By product - Foreign currency				
Term loans	3,724,366	3,675,074	3,724,366	3,675,074
Gross loans & advances	583,719,723	580,150,556	587,391,149	581,213,933
Less: Accumulated impairment under stage 1	(4,452,070)	(5,118,887)	(4,452,071)	(5,120,508)
Accumulated impairment under stage 2	(4,277,340)	(4,543,720)	(4,277,342)	(4,546,322)
Accumulated impairment under stage 3	(18,917,626)	(19,659,580)	(20,038,553)	(20,908,043)
Net value of loans & advances	556,072,687	550,828,369	558,623,183	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	(668,100)	418,138	(668,437)	416,885
Other movements	1,283	-	-	-
Closing balance at	4,452,070	5,118,887	4,452,071	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	(269,216)	2,414,665	(268,980)	2,412,390
Other movements	2,836	-	-	-
Closing balance at	4,277,340	4,543,720	4,277,342	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	(890,296)	(2,387,428)	(895,354)	(2,449,291)
Write-off during the period	(15,056)	(57,874)	(15,056)	(103,731)
Other movements	163,398	-	40,920	(24,141)
Closing balance at	18,917,626	19,659,580	20,038,553	20,908,043
Total Impairment	27,647,036	29,322,187	28,767,966	30,574,873

ANALYSIS OF DEPOSITS

In Rupees Thousand	Bank		Group	
	As at 31.03.2026	As at 31.12.2025 (Audited)	As at 31.03.2026	As at 31.12.2025 (Audited)
By product - Domestic currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	338,951,350	331,380,061	338,956,941	331,461,740
Fixed deposits	1,227,366,663	1,244,028,105	1,227,686,578	1,244,348,071
Sub total	1,566,318,013	1,575,408,166	1,566,643,519	1,575,809,811
By product - Foreign currency				
Demand deposits (current accounts)	-	-	-	-
Savings deposits	6,453,082	6,588,840	6,453,082	6,588,840
Fixed deposits	29,323,533	26,493,316	29,323,533	26,493,316
Sub total	35,776,615	33,082,156	35,776,615	33,082,156
Total	1,602,094,628	1,608,490,322	1,602,420,134	1,608,891,967

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

In Rupees Thousand	Bank		Group	
	As at 31.03.2026	As at 31.12.2025 (Audited)	As at 31.03.2026	As at 31.12.2025 (Audited)
By product - Domestic currency				
Undrawn credit facilities	2,679,126	2,648,208	2,679,126	2,648,208
Documentary credit	-	-	-	-
Bank guarantees	1,421,095	1,467,204	1,421,095	1,467,204
Forward exchange contracts	6,011,439	6,173,400	6,011,439	6,173,400
Other Commitments	78,993	989,579	80,493	991,079
Sub total	10,190,653	11,278,391	10,192,153	11,279,891
By product - Foreign currency				
Undrawn credit facilities	-	-	-	-
Documentary credit	77,719	65,792	77,719	65,792
Bank guarantees	-	-	-	-
Forward exchange contracts	157,550	315,263	157,550	315,263
Other Commitments	1,134,277	994,497	1,134,277	994,497
Sub total	1,369,546	1,375,552	1,369,546	1,375,552
Grand Total	11,560,199	12,653,943	11,561,699	12,655,443

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

Item	Bank		Group	
	As at 31.03.2026	As at 31.12.2025	As at 31.03.2026	As at 31.12.2025
Regulatory Capital Adequacy (LKR in Millions)				
Common Equity Tier 1	78,081	78,053	90,964	90,980
Tier 1 Capital	83,081	83,053	95,964	95,980
Total Regulatory Capital	88,637	89,487	101,432	102,327
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Minimum Requirement - 7%)	21.934	23.400	24.438	25.847
Tier 1 Capital Ratio (%) (Minimum Requirement - 8.5%)	23.339	24.899	25.781	27.268
Total Capital Ratio (%) (Minimum Requirement - 12.5%)	24.899	26.827	27.250	29.071
Basel III Leverage Ratio (Minimum Requirement - 3.00%)	8.98	9.34	9.06	9.48
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)				
Rupee (%)	346.83	360.39	NR	NR
All Currency (%)	335.54	349.15	NR	NR
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	204.05	206.44	NR	NR
Assets Quality				
Impaired Loans (Stage 3) to Total Loans, Ratio (%)*	2.34	2.53	NR	NR
Impairment (Stage 3) to Stage 3 Loans, Ratio (%)*	59.20	58.56	NR	NR
Income and Profitability				
Net Interest Margin (%)	4.81	4.74	4.74	4.71
Return on Assets (before tax) (%)	2.56	2.48	2.52	2.51
Return on Equity (%)	22.73	25.08	21.60	24.00
Cost to Income Ratio (%)	41.41	34.30	41.22	33.84
Memorandum Information				
Credit Rating (LRA)	AAA	AAA	NR	NR
Number of Employees	4,182	4,203	4,203	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
26 May 2026