

Dr Harsha Cabral PC, Chairperson, NSB.



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National Savings Bank surged its Profit Before Tax by 192.4 percent during 1Q2024



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National Savings Bank began 2024 with a growth momentum, achieving 3.4 billion rupees Profit After Tax (PAT) for the first quarter, with an impressive increase of 221.8 percent over the same period last year. Following two years of financial hardships, the Bank has reverted to its regular financial performance, showing the balance sheet strength backed by a 100 percent government guarantee and demonstrating employees' strong management skills and dedication at all levels.

The downward trajectory in the market interest rates positively impacted NSB's profit and loss statement by lowering the cost of funds. The Bank reported a Net Interest Income of 14 billion rupees for the first three months of the year, an upswing of 79 percent. Prevalent low interest rates in the financial market abridged the Bank's Interest Expense by 18 percent to 39 billion rupees compared to a reduction of Interest Income by 4.3 percent to 53 billion rupees, which became the major contributor to the increase in the Net Interest Income.

Fee and Commission Income increased by 35 percent, which was mainly contributed by Fee and Commission by Cards and Service charges. Commission

Income from Trade and Remittance also increased by 17 percent, demonstrating the expansion of Remittance business during the period.

Net Gain from Trading and Net gains/ (losses) on the derecognition of financial assets through OCI also increased by 85 percent and 416 percent, respectively, mainly due to Trading income from fixed-income securities and Realized Gain from Treasury Bills and Treasury Bonds.

The Bank made an impairment charge of 270 million rupees for the period concerned, a reduction of 11.2 percent compared to the first quarter of 2023. The Impaired Loan (stage 3) Ratio and Impairment (stage 3) to Stage 3 loans stood at 2.42 percent and 52.93 percent, respectively, indicating the financial resilience and robust controlling mechanisms followed by the Bank. These strategic actions paved the path to increase the bottom line and highlighted the Bank's dedication to maintaining stability in challenging economic environments.

Accordingly, the Bank reported an operating profit before taxes of 8.1 billion rupees with a notable increase of 158. 4 percent despite the increase in operating expenses by 33.2 percent to 7.3 billion rupees. Taxes on financial services increased by 98 percent to 2.2 billion rupees, leading to a Profit Before Tax of 5.8 billion rupees, which is a significant 192.4 percent YoY growth. Income Tax expense increased by 160 percent to 2.5 billion rupees for the three months of the financial year 2024, resulting in a Profit after Tax of 3.4 billion rupees, a remarkable 221.8 percent growth.

The bank's Total Assets were 1.68 trillion rupees at the end of the first quarter of 2024, a marginal decrease of 0.3 percent due to a reduction in the Loans and Advances portfolio. Total Deposits amounted to 1.5 trillion rupees, a marginal increase of 0.9 percent.

Dr Harsha Cabral PC, Chairperson, said, "Our bank's resilience has been a critical factor in navigating the challenges of the current economic landscape. Our ability to adapt and thrive amid market fluctuations speaks volumes about the strength and stability of our institution."

Shashi Kandambi, GM and CEO, commented, "With all the obstacles and hardships faced during the last two years, 2024 is a game-changing year for National Savings Bank. Our strategic initiatives have yielded significant results, underscoring our commitment to excellence and sustainable growth. Our key operational indicators

and performance ratios continued to be robust, demonstrating our strong financial health and operational efficiency. These positive results reinforce our position as a responsible corporate citizen, and we are confident in our ability to build on this momentum in the coming quarters". She added that "we remain committed to delivering value to our customers, shareholders, and the community".