NSB Group posts strong 3Q 2025 growth with 30 percent surge in Profit Before Tax to 34.8 billion

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Dr Harsha Cabral PC, Chairman, NSB.

Shashi Kandambi, General Manager/CEO, NSB.

The National Savings Bank Group (NSB) reported a solid performance for the nine months ended September 30, 2025, delivering sharp improvements in profitability, margins, and asset quality despite a moderating interest-rate environment. The state-owned savings giant recorded a Profit Before Tax (PBT) of 34.8 billion, up 30 percent, while Profit After Tax (PAT) surged 32 percent to 21.2 billion.

Dr Harsha Cabral PC, Chairman, NSB, said the results highlight the Bank’s ability to uphold its dual mandate of safeguarding national savings and supporting state financing, while maintaining strong profitability. Shashi Kandambi, General Manager/CEO, NSB, noted that disciplined balance-sheet management, improved margins and sustained investments in technology and staff contributed to the strong performance.

Core profitability improved despite slightly lower total income. Interest expenses fell by 15.8 percent due to active liability management, boosting Net Interest Income by 16.8 percent to 64.4 billion rupees and lifting the Net Interest Margin to 4.71 percent. Net fee and commission income rose 26.3 percent, while other non-interest income increased 62.5 percent, resulting in an overall 18.4 percent growth in total operating income year-on-year.

Operating expenses increased due to wage adjustments and digital investments, but the cost-to-income ratio remained steady at 38.28 percent, demonstrating solid cost control. After absorbing financial service levies of 10.6 billion rupees (VAT and SSCL) and an income tax expense of 13.6 billion rupees that rose in line with higher earnings, NSB delivered a Profit After Tax (PAT) of 21.2 billion rupees, a strong year-on-year increase of over 32 percent. This robust bottom-line performance was supported by a dramatic improvement in asset quality and an exceptionally fortified capital base. The Stage 3 impaired loan (NPL) ratio more than halved, falling sharply to 2.63 percent from 5.18 percent at the end of 2024. At the same time, the Stage 3 impairment coverage ratio increased to 59.36 percent, underscoring the Bank’s conservative provisioning stance and resilience against potential credit shocks. Concurrently, the Bank’s capital buffers remained strong, with a Tier 1 Capital Ratio of 21.92 percent and a Total Capital Ratio of 23.89 percent, both of which were well above regulatory requirements. This reinforced financial foundation directly translated into enhanced profitability, with key metrics showing significant improvement: the Return on Assets (before tax) rose to 2.54 percent from 1.63 percent, and the Return on Equity increased substantially to 24.67 percent from 18.15 percent, evidencing greater earnings generation.

NSB’s total assets rose to 1.87 trillion, up 5.3 percent from end-2024, supported primarily by increased investments in government securities. Loans and advances stood at 519 billion, marginally lower due to selective lending efforts.

Customer deposits increased to 1.59 trillion, reaffirming strong depositor confidence. Liquidity remained a standout strength, with the Liquidity Coverage Ratio (LCR) exceeding 349 percent and the Net Stable Funding Ratio (NSFR) at 195 percent, all far above regulatory requirements.

During the period, NSB contributed over 24.1 billion in taxes on financial services and income tax, reinforcing its role as a key supporter of public finance, in addition to the Bank’s ongoing role as a major investor in government securities and a conduit for funding to key state-owned enterprises.

Dr Cabral, Chairman, NSB, noted that NSB will continue expanding access to financial services through its island-wide branch network and over 4,000 postal banking outlets. Kandambi, GM/CEO, NSB, added that the strong 3Q performance provides a firm foundation for the Bank’s continued focus on digital banking, sustainable growth, and enhanced governance.