NATIONS TRUST BANK PLC [NTB.N0000]

MAINTAIN BUY

"THE SCALE IS SET, MARGINS TO FOLLOW"

Post Rights:

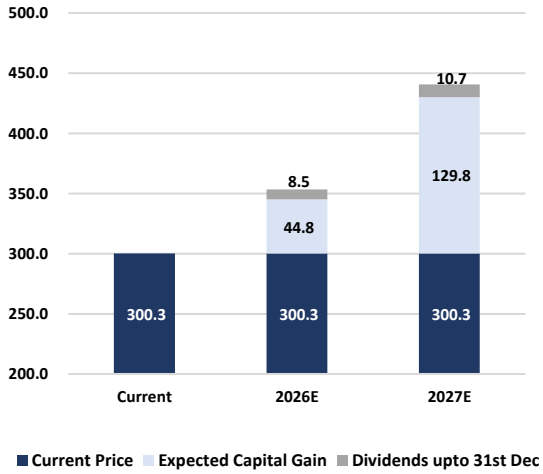
Fair Value: 2026E - LKR 345.00 [+15%] **2027E - LKR 430.00 [+43%]**

Total Return with DPS: 2026E - 18% [AER 113%] *2027E - 47% [AER 37%]*

Pre Rights:

Fair Value: 2026E - LKR 380.00 [+27%] **2027E - LKR 460.00 [+53%]**

Total Return with DPS: 2026E - 29% [AER 229%] *2027E - 57% [AER 45%]*



NTB reported a net profit of LKR 11.0Bn in 2Q2026, up 133.4%YoY (+140.2%QoQ), largely reflecting the completion of the HSBC Sri Lanka retail banking acquisition on 01 May 2026 and the associated one-off tax credit, alongside continued growth in core income. Robust growth in Net Interest Income (+21.9%YoY) and fee income (+29.2%YoY) supported the topline. However, a sharp increase in impairment charges tied to the enlarged loan book and a 39.2%YoY rise in operating expenses absorbed most of the operating income growth, leaving PBT broadly flat at LKR 7.5Bn (+1.3%YoY). The acquisition has transformed the scale of the franchise, lifting loans to LKR 541.9Bn and deposits to LKR 688.0Bn, and cementing NTB's position as the market leader in credit cards. However, the transaction was heavily deposit led, bringing in LKR 131.7Bn of deposits against only LKR 30.0Bn of loans. Together with the maturity of legacy high yield bonds, this pushed the Bank's NIM down to 5.58% in 1H2026 from 6.37% in 1H2025. We expect NIMs to compress by c.28bps in 2026E before gradually recovering from 2027E onwards, as lending rates reprice following the 100bps OPR increase in May 2026 and surplus liquidity is redeployed into loans. Capital ratios eased following the cash-funded acquisition but remain comfortably above regulatory thresholds, while asset quality remained resilient. Accordingly, we revise our 2026E net profit estimate to LKR 27.2Bn (from LKR 22.1Bn), including the one-off tax credit; on a recurring basis, 2026E earnings stand at LKR 21.5Bn. Our 2027E net profit estimate is raised to LKR 27.1Bn (from LKR 25.2Bn), implying recurring earnings growth of 26.2%YoY. Furthermore, our consideration of the upcoming rights issue into valuations has resulted in a minor downward revision in value per share for both 2026E and 2027E. Consequently, target price for 2026E stands at LKR 345.0 (from LKR 380.0), and target price for 2027E stands at LKR 430.0 (from LKR 460.0), implying annualized returns of 112.6% and 37.1%, respectively, from the current share price of LKR 300.3.

LKR (Mn)	2Q2025	2Q2026	YoY	1H2025	1H2026	YoY
Earnings (LKR 'Mn)						
NII	9,756	11,892	+22%	19,036	22,222	+17%
Total Operating Income	13,171	16,547	+26%	25,543	30,351	+19%
Net Operating Income	13,027	14,918	+15%	24,953	28,098	+13%
Profit Before Tax	7,363	7,462	+1%	13,670	14,483	+6%
Net Profit	4,708	10,986	+133%	8,793	15,559	+77%
Net Recurring Profit	4,708	5,246	+11%	8,793	9,820	+12%
Balance Sheet (LKR 'Mn)						
Loans	361,351	541,892	+50%	361,351	541,892	+50%
Shareholders' Equity	88,271	105,030	+19%	88,271	105,030	+19%
Adjusted NAVPS	233.0	277.2	+19%	233.0	277.2	+19%

Profitability lifted by one-off tax credit; underlying operating profit broadly flat

NTB registered a quarterly net profit of LKR 11.0Bn in 2Q2026, marking a 133.4%YoY (+140.2%QoQ) increase. Earnings growth was underpinned by a 21.9%YoY expansion in NII and a 29.2%YoY increase in Net Fee and Commission Income, alongside a substantial pickup in trading income (+468.7%YoY), which was largely offset by losses in other operating income. However, PBT rose just 1.3%YoY to LKR 7.5Bn. Impairment charges rose almost elevenfold YoY to LKR 1.6Bn, and operating expenses climbed 39.2%YoY as the transferred HSBC workforce, branches and integration costs came on board; together they absorbed most of the operating income growth. The divergence between PBT and PAT growth was driven by a one-off tax credit linked to the HSBC acquisition, which swung the Group's tax line from an expense of LKR 2.7Bn in 2Q2025 to a credit of LKR 3.5Bn in 2Q2026. We estimate the benefit relative to a normal tax charge at c.LKR 5.7Bn for 1H2026 and treat it as non recurring in our valuation. 1H2026 Group ROE stood at 31.33%, up sharply from 21.86% for FY2025, reflecting both the one-off tax credit and the earnings contribution from the enlarged post acquisition balance sheet.

HSBC acquisition drives a step-change in the balance sheet; margins to be watched through integration

Loans and advances grew 25.9%YTD (an increase of 14.9%QoQ versus the LKR 471.7Bn reported for 1Q2026) to LKR 541.9Bn. The acquired HSBC portfolio, comprising credit cards, overdrafts and term loans, contributed roughly LKR 30.0Bn of this growth alongside continued organic expansion, lifting the credit card book to LKR 48.8Bn from LKR 28.0Bn at FY2025. Deposits grew 37.0% since 31 Dec 2025 to LKR 688.0Bn, driven predominantly by the c.LKR 131.7Bn deposit book onboarded from HSBC. The transaction was funded through a cash consideration of LKR 21.8Bn, with provisional goodwill of LKR 22.2Bn recognised pending the identification of separately amortisable intangible assets within the 12 month measurement period. The Bank also raised LKR 15.0Bn through Basel III-compliant subordinated debentures in June 2026 to support capital and growth.

FIRST CAPITAL RESEARCH

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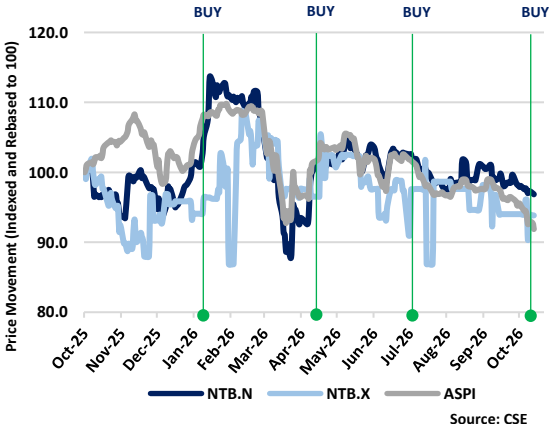
Price movement of NTB Vs ASPI (Indexed and rebased to 100)



Source: CSE

Minimum Return for BUY:

Buy Below for 2027E [AER of 15.0% with DPS]: LKR 360.4*

NTB categorized as 'Grade A' counter.

**Based on post rights target price for 2027E*

Disclosure on Shareholding:

First Capital Group or the covering analyst did not hold 1% or more of the total outstanding share capital of NTB during the five trading days prior to the issuance of this document.

Important:

Our recommendation is based on the ex-rights share volume of 378.9Mn shares, assuming the Rights Issue is fully subscribed.

Margins dip on a deposit-heavy acquisition; gradual recovery expected from 2027E

Bank-level NIM stood at 5.58% in 1H2026, down 47bps from 6.05% in FY2025 and 8bps lower than the 5.66% reported for 1Q2026. Most of this compression reflects the structure of the HSBC transaction rather than any weakening in core lending spreads. NTB took on LKR 131.7Bn of deposits but only LKR 30.0Bn of loans, leaving a surplus of roughly LKR 100.0Bn invested in lower-yielding liquid assets and government securities, while the full cost of the deposits is borne immediately. We expect NIM to decline by c.28bps to 6.31% in 2026E from 6.59% in 2025. Lower reinvestment yields on maturing treasury bonds, a heavier funding base after the deposit heavy acquisition, and higher deposit costs following the May 2026 rate increase drive the decline, partly offset by higher yields on the card portfolio. In 2027E, we expect NIM to stabilise at 6.32% (+2bps). Loan yields are projected to rise by a further c.50bps to 11.9% as the book reprices following the OPR hike and the card portfolio contributes for a full year, largely offset by a c.25bps increase in deposit costs and a full year of carrying the acquired deposit base. Beyond 2027E, we expect margins to improve gradually by c.4bps to 6bps a year, reaching 6.45% by 2030E, as surplus liquidity is redeployed into loans and lending rates reprice ahead of funding costs.

Asset quality remains resilient despite rapid loan book expansion

The Bank's Stage 3 (impaired loans) ratio stood at 1.05% as at 30 Jun 2026, a modest improvement from 1.10% at 1Q2026 and broadly in line with 0.91% at FY2025, despite the substantial loan book expansion from the HSBC acquisition. The gross Stage 3 ratio improved to 2.61% from 2.72% at FY2025, while Stage 3 provision cover moderated to 59.98% from 66.69%, partly because the acquired loans were recognised at fair value without a day one provision. This suggests the acquired portfolio has not, to date, materially diluted the Bank's overall credit profile, though the book remains early in its integration. Going forward, we expect impairment charges of LKR 4.5Bn in 2026E, normalising from the reversal recorded in 2025 as provisions are built in line with loan growth. We expect a broadly similar charge of LKR 5.5Bn in 2027E, in line with the expected loan growth levels.

Capital adequacy moderates on acquisition funding but remains comfortably above regulatory minimums

NTB's regulatory capital ratios eased following the cash-funded acquisition. The Bank's CET1/Tier 1 ratio (minimum requirement: 7.00%/8.50%) declined to 12.63% as at 30 Jun 2026, from 16.80% at 1Q2026 and 19.06% at FY2025. The Total Capital Ratio (minimum requirement: 12.50%) fell to 16.28% from 17.90% at 1Q2026 and 20.17% at FY2025, with the decline cushioned by the new subordinated debt. Shareholders' equity was also reduced by a LKR 5.8Bn fair-value loss on FVOCI securities recognised through other comprehensive income. Despite the decline, both ratios remain comfortably above regulatory thresholds. Liquidity metrics strengthened further, reflecting the substantial cash and liquid-asset inflow from the HSBC transaction, and both remain well above the 100.00% regulatory minimum:

- The Rupee Liquidity Coverage Ratio rose to 373.19% from 280.19% at 1Q2026.
- The All Currency LCR reached 202.98% from 181.27% at 1Q2026.

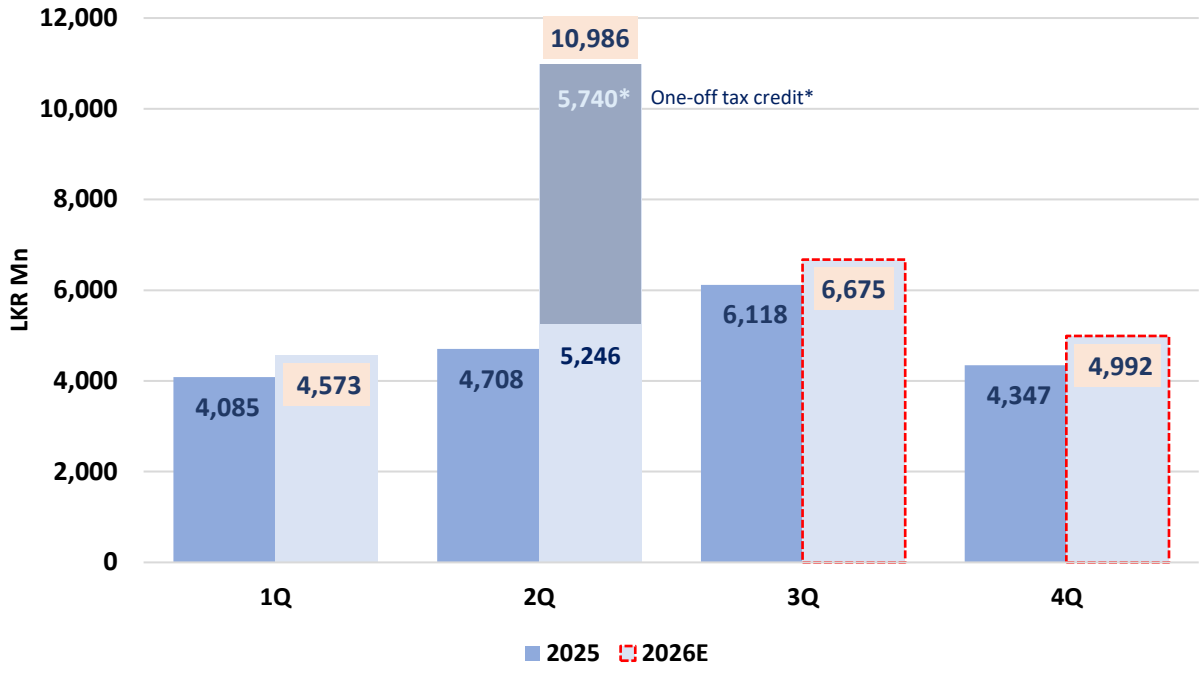
Rights Issue of c.LKR 13.9Bn to rebuild capital buffers post acquisition

NTB has resolved to raise c.LKR 13.9Bn through a Rights Issue of 45,467,286 Ordinary Non-Voting Convertible Shares at LKR 305.0 per share, in the proportion of 3 for every 22 Ordinary Voting and/or Ordinary Non-Voting Convertible Shares held. As the new shares are non-voting, the voting structure remains unchanged, while the total share count rises to c.378.9Mn from 333.4Mn. Assuming full subscription, the proceeds would lift shareholders' equity by c.13% from LKR 105.0Bn at 1H2026, rebuilding CET1 headroom after the cash-funded HSBC acquisition. Our estimates and fair values reflect the Rights Issue, assuming full subscription.

FV for 2026E stands at LKR 345.0, whilst FY27E FV recorded as LKR 430.0; MAINTAIN BUY

NTB's underlying earnings trajectory in 2Q2026 was reshaped by the completion of the HSBC Sri Lanka retail banking acquisition, which drove a step-change in the balance sheet, a one-off tax credit that lifted headline PAT growth well ahead of underlying PBT growth, and a temporary moderation in capital ratios that nonetheless remain comfortably above regulatory minimums. Core operating trends such as NII growth, fee income growth and asset quality, remained resilient through the transition. Our valuation is based on recurring earnings, excluding the one-off tax credit. Furthermore, our consideration of the upcoming rights issue into valuations has resulted in a minor downward revision in value per share for both 2026E and 2027E. Consequently, target price for 2026E stands at LKR 345.0 (from LKR 380.0), and target price for 2027E stands at LKR 430.0 (from LKR 460.0), implying annualized returns of 112.6% and 37.1%, respectively. **MAINTAIN BUY.**

Quarterly Earnings



Note: 2Q2026 includes a one-off income tax credit attributable to the HSBC acquisition. 3Q2026E and 4Q2026E are estimates.
**Refer Appendix III*

Estimate Revision

In LKR Mn	2026E - O	2026E - R	% Change	2027E - O	2027E - R	% Change
Earnings Estimate						
Net Interest Income	39,831	48,994	+23.0%	46,179	59,850	+29.6%
Total Operating Income	65,091	66,701	+2.5%	74,953	80,994	+8.1%
Net Operating Income	61,616	62,192	+0.9%	70,556	75,449	+6.9%
Profit Before Tax	31,193	31,689	+1.6%	35,517	39,987	+12.6%
Net Profit	22,147	27,226	+22.9%	25,217	27,112	+7.5%
Net Recurring Profit	22,147	21,486	-3.0%	25,217	27,112	+7.5%
Adjusted EPS*	58.5	56.7		76.3	71.6	
*Growth YoY**	*15%*	*12%*		*14%*	*26%*	
Balance Sheet Estimate						
Shareholders' Equity	116,003	120,875	+4.2%	137,739	143,866	+4.4%
Adjusted NAVPS*	**350.8**	**319.0**		**416.6**	**379.7**	
Ratio Estimate						
ROE (%)	***20.8%***	***19.7%***		***19.9%***	***20.5%***	
PER (x)	***4.6***	***5.3***		***4.0***	***4.2***	
PBV (x)	***0.9***	***0.9***		***0.9***	***0.9***	

Note: Adjusted EPS, PER and valuation are based on Net Recurring Profit, excluding the one-off tax credit of c.LKR 5.7Bn (Appendix III), recognised in 2Q2026.
**Adjusted EPS and NAVPS have been calculated by adjusting for the proposed rights issue, assuming full subscription.*

Valuation Table

P/E 31 December	*2022*	*2023*	*2024*	*2025*	*2026E*	*2027E*	*2028E*
Estimates (LKR 'Mn)							
Net Interest Income	29,301	34,951	35,916	38,778	48,994	59,850	67,668
Total Operating Income	38,867	45,032	44,402	52,200	66,701	80,994	91,711
Net Profit	**7,228**	**11,471**	**16,802**	**19,258**	**27,226**	**27,112**	**30,672**
Net Recurring Profit	**7,228**	**11,471**	**14,565**	**19,258**	**21,486**	**27,112**	**30,672**
Adjusted EPS (LKR)*	19.1	30.3	38.4	50.8	56.7	71.6	81.0
YoY Growth (%)	8%	59%	27%	32%	12%	26%	13%
Valuations							
PER (x)	*15.7x*	*9.9x*	*7.8x*	*5.9x*	*5.3x*	*4.2x*	*3.7x*
PBV (x)	*2.5x*	*1.9x*	*1.4x*	*1.2x*	*0.9x*	*0.8x*	*0.7x*
DY (%)	*0.9%*	*1.1%*	*1.4%*	*1.9%*	*2.8%*	*3.6%*	*4.0%*
*Adjusted NAVPS**	*121.5*	*161.3*	*209.8*	*255.8*	*319.0*	*379.7*	*448.3*
DPS (LKR)	*2.6*	*3.2*	*4.2*	*5.6*	*8.5*	*10.7*	*12.1*
Payout ratio	*13.7%*	*10.5%*	*11.0%*	*11.0%*	*15.0%*	*15.0%*	*15.0%*

*Note: *Adjusted EPS, PER and valuation are based on Net Recurring Profit, excluding the one-off tax credit of c.LKR 5.7Bn recognised in 2Q2026. Furthermore, the shares in issue have been adjusted for the proposed rights issue, assuming full subscription.*

Ratio Analysis

		2022	2023	2024	2025	2026E	2027E	2028E
Growth	Asset	8.4%	25.3%	5.7%	28.4%	35.4%	12.7%	11.5%
	Deposit	10.9%	17.0%	10.6%	30.6%	42.7%	12.0%	11.0%
	Net Loans	-2.5%	12.0%	6.1%	49.8%	39.5%	17.6%	12.7%
Profitability	Return on Equity	16.8%	21.4%	23.9%	21.8%	19.7%	20.5%	19.6%
	Return on Average Assets	1.8%	2.5%	3.2%	3.1%	2.6%	2.7%	2.7%
	Net Interest Spread	8.3%	8.5%	6.7%	5.8%	5.7%	5.7%	5.6%
	Net Interest Margin	8.5%	8.7%	7.4%	6.6%	6.3%	6.3%	6.4%
Funding & Liquidity	Loan/ Deposits	81.4%	77.9%	74.7%	85.7%	83.8%	88.0%	89.3%
	Loan/ Assets	58.7%	52.5%	52.7%	61.5%	63.3%	66.1%	66.8%
	Deposit/ Liabilities	80.6%	76.4%	82.5%	83.2%	86.6%	86.8%	87.2%
	CASA	31.6%	31.2%	31.1%	30.1%	32.0%	31.5%	31.0%

Note: Valuations are based on Net Recurring Profit, excluding the one-off tax credit of c.LKR 5.7Bn recognised in 2Q2026.

Valuation Summary

Expected NTB.N price	2026E	2027E
Justified PBV based target price	337.8	420.1
PER Valuation based target price	340.2	429.3
RI Valuation based target price	355.5	423.4
Average Target Price	344.5	424.3
Target Price after Rounding off	345.0	430.0

Return	2026E	2027E
Target Price	345.0	430.0
Current Price	300.3	300.3
Capital Gain (LKR)	45	130
Dividends upto 31st Dec (LKR)	8.5	10.7
Capital Gain %	15%	43%
Dividend Yield %	3%	4%
Total Return %	18%	47%
Annualized Return %	113%	37%

Justified PBV Valuation

Justified PBV based Valuation	2026E	2027E
ROAE	19.7%	20.5%
Growth	3.0%	3.0%
COE	18.8%	18.8%
PBV	1.1	1.1
NAVPS	319.0	379.7
Target Price	337.8	420.1

PER Valuation

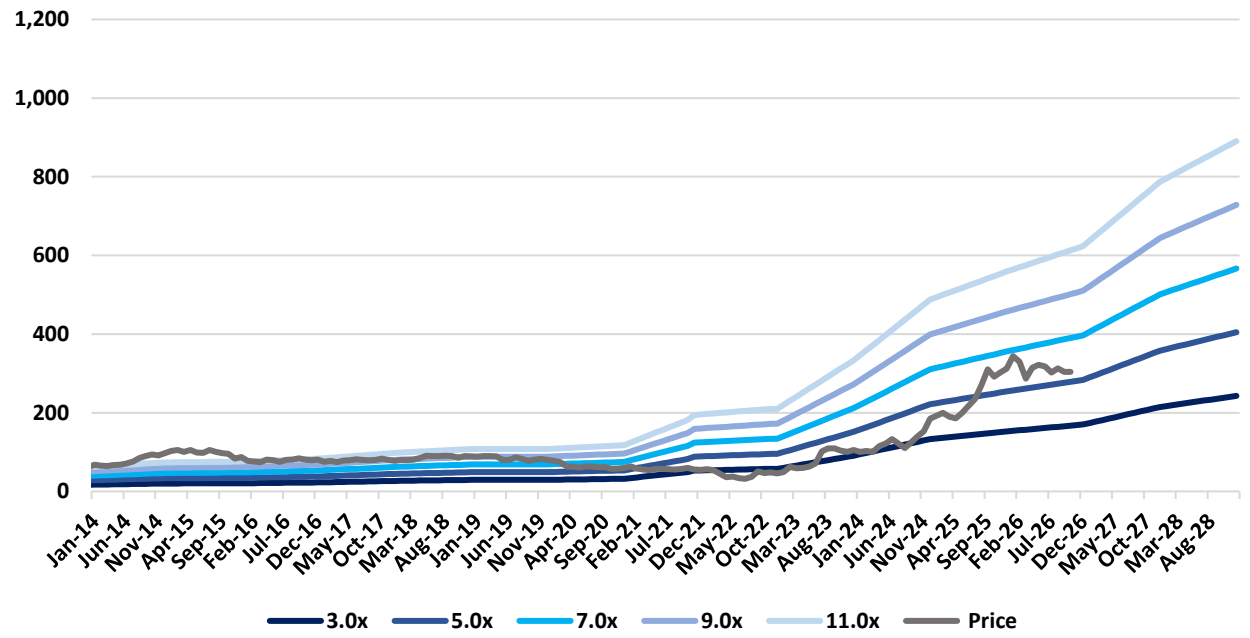
PER based Valuation	2026E	2027E
Earnings (LKR 'Mn)	21,486	27,112
No. of Shares ('Mn)	379	379
EPS	56.7	71.6
Expected PER	6.0x	6.0x
Price at 6.0x Earnings	340.2	429.3

Residual Income Valuation

Residual Income based Valuation	2026E	2027E
PV of Residual Income	37,798	39,556
No. of Shares ('Mn)	378.9	378.9
RI per Share	99.8	104.4
Opening Book value per Share	255.8	319.0
Value per Share	355.5	423.4

COE	2026E	2027E
Rf	10.0%	10.0%
Rm	18.0%	18.0%
Growth %	3.0%	3.0%
β	1.1	1.1
Ke=Rf+β(Rm-Rf)	18.8%	18.8%

PER Chart



Recommendation Criteria

Categorization	Company Category	Buy	Hold	Sell
Grade A	S&P SL20 Companies	T.Bill + 5% & Above	T.Bill + 1% & Above	Below T.Bill + 1%
Grade B	Rest of the Companies	T.Bill + 8% & Above	T.Bill + 3% & Above	Below T.Bill + 3%
Grade C	Companies less than LKR 1Bn Market Cap	T.Bill + 11% & Above	T.Bill + 6% & Above	Below T.Bill + 6%

Categorization	Company Category	Buy	Hold	Sell
Grade A	S&P SL20 Companies	15.00%	11.00%	11.00%
Grade B	Rest of the Companies	18.00%	13.00%	13.00%
Grade C	Companies less than LKR 1Bn Market Cap	21.00%	16.00%	16.00%

Appendix I: Statement of Income and Expenses

Income Statement (LKR Mn) P/E 31st December	2022	2023	2024	2025	2026E	2027E	2028E
Interest Income	54,308	70,558	64,013	70,346	91,825	113,647	129,506
Interest Expense	(25,007)	(35,607)	(28,097)	(31,568)	(42,831)	(53,797)	(61,838)
Net Interest Income	**29,301**	**34,951**	**35,916**	**38,778**	**48,994**	**59,850**	**67,668**
Fees and Commission Income	7,738	8,335	9,502	10,634	13,506	15,532	17,395
Fees and Commission Expense	(944)	(1,234)	(1,436)	(1,772)	(2,161)	(2,485)	(2,783)
Net Fees and Commission Income	**6,794**	**7,100**	**8,066**	**8,863**	**11,345**	**13,047**	**14,612**
Net Trading Income	14,233	(1,267)	(1,712)	6,139	2,687	3,010	3,341
Other Operating Income	(11,490)	3,775	5,268	(2,435)	3,675	5,087	6,090
Total Operating Income	**38,867**	**45,032**	**44,402**	**52,200**	**66,701**	**80,994**	**91,711**
Impairment (Charge) / Reversal for Loans and Advances	(13,842)	(7,500)	3,196	106	(4,508)	(5,544)	(6,166)
Net Operating Income	**25,025**	**37,532**	**47,599**	**52,306**	**62,192**	**75,449**	**85,546**
Personnel Expenses	5,999	7,441	8,563	9,608	11,561	13,063	14,865
Depreciation of Property, Plant and Equipment	346	248	242	343	296	290	284
Amortization of Intangible Assets	279	329	331	318	437	439	438
Other Operating Expenses	4,547	5,663	5,447	6,316	8,716	10,024	11,527
Less: Total Operating Expenses	**11,559**	**14,079**	**14,974**	**16,957**	**21,010**	**23,817**	**27,115**
Operating Profit Before Value Added Tax (VAT)	13,466	23,453	32,624	35,349	41,183	51,633	58,431
Less: Value Added Tax (VAT) on Financial Services	3,021	5,145	6,888	6,945	9,494	11,645	13,193
Profit Before Income Tax	**10,445**	**18,308**	**25,737**	**28,403**	**31,689**	**39,987**	**45,237**
Less: Income Tax Expense	3,217	6,837	8,934	9,145	4,463	12,875	14,565
Profit for the Year	**7,228**	**11,471**	**16,802**	**19,258**	**27,226**	**27,112**	**30,672**
Recurring Profit	***7,228***	***11,471***	***14,565***	***19,258***	***21,486***	***27,112***	***30,672***
Adjusted EPS	**19.1**	**30.3**	**44.3**	**50.8**	**56.7**	**71.6**	**81.0**

Note: 2026E Profit for the Year includes a one-off income tax credit of c.LKR 5.7Bn attributable to the HSBC acquisition. Net Recurring Profit of LKR 20.9Bn is used for valuation purposes. Furthermore, the shares in issue have been adjusted for the proposed rights issue, assuming full subscription.

Appendix II: Statement of Financial Position

Statement of Financial Position (LKR Mn) As at 31st December	2022	2023	2024	2025	2026E	2027E	2028E
Assets							
Cash and Cash Equivalents	58,748	40,180	20,814	19,864	19,545	19,179	21,745
Balances with Central Bank of Sri Lanka	6,074	2,684	1,183	2,046	2,687	6,621	8,018
Reverse Repurchase Agreements	1,502	1,502	2,389	646	659	672	685
Derivative Financial Instruments	103	4	224	613	900	1,059	1,193
Financial Assets - Held for Trading	3,734	10,934	17,195	11,590	21,498	20,065	17,818
Financial Assets - Available for Sale	30,350	79,923	107,015	133,113	157,655	168,547	187,087
Financial Assets - Held to Maturity	59,928	97,358	96,796	88,898	107,492	108,352	120,270
Deferred Tax Asset	-	3,144	863	855	898	943	990
Loans and Advances to Customers	241,910	270,945	287,363	430,368	600,237	705,962	795,391
Other Assets	3,400	3,378	4,966	3,882	6,002	7,060	7,954
Property, Plant and Equipment	3,495	3,500	4,084	5,111	4,715	4,327	3,947
Goodwill	-	-	-	-	22,190	22,190	22,190
Intangible Assets	1,286	1,354	1,409	1,783	1,746	1,707	1,669
Total Assets	**411,842**	**516,134**	**545,586**	**700,309**	**947,919**	**1,068,548**	**1,191,008**
Liabilities							
Due to Banks	3,989	49,682	27,403	42,773	49,188	54,107	59,518
Repurchase Agreements	33,533	6,631	19,529	20,909	20,634	21,046	21,467
Derivative Financial Instruments	39	659	372	38	39	39	40
Due to Customers	297,253	347,769	384,655	502,219	716,612	802,605	890,892
Debt Issued and Other Borrowed Funds	12,355	27,187	15,098	15,526	20,992	21,622	22,271
Current Tax Liabilities	5,243	5,667	4,640	5,632	2,678	7,725	8,739
Other Liabilities	12,629	16,163	12,941	14,627	15,066	15,518	15,984
Deferred Tax Liabilities	-	-	-	-	-	-	-
Total Liabilities	**368,903**	**455,008**	**466,109**	**603,393**	**827,044**	**924,682**	**1,021,132**
Equity Attributable to Equity Holders of the Parent							
Stated Capital	10,401	11,427	12,106	13,008	13,008	13,008	13,008
Statutory Reserve Fund	2,228	2,784	3,610	4,554	5,848	7,135	8,592
Retained Earnings	32,027	41,624	55,917	72,070	94,735	116,439	140,992
Other Reserves	1,384	5,292	7,844	7,284	7,284	7,284	7,284
Total Equity	**46,041**	**61,126**	**79,477**	**96,916**	**120,875**	**143,866**	**169,876**
Total Liabilities and Equity	**414,944**	**516,135**	**545,586**	**700,309**	**947,919**	**1,068,548**	**1,191,008**
NAVPS	**121.5**	**161.3**	**209.8**	**255.8**	**319.0**	**379.7**	**448.3**

Note: The shares in issue have been adjusted for the proposed rights issue, assuming full subscription.

Appendix III: Computation of One-off tax credit linked to HSBC acquisition

LKR Mn	1H2026
Profit before tax	14,482.9
Normal tax rate (FY2025 effective rate)	**32.2%**
Normal tax charge	4,663.1
Actual tax recognised (credit)	(1,076.5)
One-off tax benefit	**5,739.6**

Note: The one-off tax credit linked to the HSBC acquisition is not disclosed separately by NTB. ***The value derived is an FCR estimate based on previous effective tax rates.***

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