

20. NDB



Left: **Eshana De Silva**, Chairman/Non-Executive Independent Director.
Right: **Dimantha Seneviratne**, Group CEO/Executive Non- Independent Director

NDB recognized the role in supporting the country’s economic revival and

the critical interdependencies in ensuring the sustainability of its customers, the broader economy, and the Bank.

NDB marked a strong year and delivered a strong performance. As credit demand slowed, the Bank continued to drive growth in selected sectors, leading to an 8% gross portfolio growth. Net interest income remained relatively unchanged at the Bank level, reflecting considerable pressure on interest margins. This was somewhat offset by a 9% growth in net fee and commission income as the Company proactively strengthened the transactional banking footprint. Total operating income increased by 7% to Rs.25.4 billion, a commendable achievement given the prevailing operating conditions. As expected, the banking industry recorded a weakening of portfolio quality. Operating profit (after tax on financial services) recorded an increase of 6% to Rs.7.4 billion supported by income growth, cost efficiencies, and a decline in tax expenses, while Profit after Tax increased by 8% to Rs.5.5 billion during the year. Profit attributable to shareholders grew by 7% to Rs.5.1 billion. The Group continued to drive Balance Sheet growth, with total assets expanding by 18% to Rs.632 billion. This was funded by deposit growth of 21%, as the Group leveraged its strengthening franchise and branch network to garner deposits.

Empowering Sri Lankan Women and Communities

Driving the socio-economic empowerment of women is both a commercial and sustainability objective for the Group. NDB launched the Sri Lanka Vanithabhimana (Pride of Women) recognition program during the year. It recognized the efforts of 79 top women excelling in multiple disciplines across the country and created a platform for over 8,000 women to showcase their talents. Through the Banking on Women initiative, the Bank continued to invest in the capacity building of women entrepreneurs through workshops and digital platforms.

WAY FORWARD

Customer centricity will be central to the Bank’s agenda as it expands beyond traditional solutions to offer innovative and competitive offerings, which would drive increased wallet share. Strengthening its transactional banking footprint will also be a key priority while leveraging market-leading digital capabilities and branch networks to drive customer acquisition and deeper relationships with existing

customers. As the Banking sector will be compelled to adjust to the low-interest-rate environment, the Bank will seek to drive increased operational efficiencies to build a leaner, more responsive organization while increasing contributions from fee-based income. The Group's improved capital strength has aptly positioned it to drive its ambitious targets, as it pursues organic and inorganic growth to solidify its position as a leader in Sri Lanka's financial services sector.

Supporting the economic revival

NDB quickly recognized the banking sectors' vital role in supporting the country's economic revival and the critical interdependencies in ensuring our customers' sustainability, the broader economy, and the Bank. National Development Bank accordingly embraced its role as change agents, adopting a shared approach to value creation while balancing stakeholder interests.

In addition to proactively responding to customers' essential banking needs through the deployment of mobile ATMs and increased digital penetration, the Bank launched unique initiatives such as NDB Jayagamu Sri Lanka, which aimed to support export-oriented organizations through a holistic value proposition.

The Bank also exceeded regulatory requirements by offering a two-month moratorium to customers. Meanwhile, with approvals of Rs. 18 billion, the Bank was the fourth largest lender under the Saubagya COVID-19 Renaissance Facility introduced by the Central Bank of Sri Lanka.



Board of Directors

Eshana De Silva

Chairman/Non-Executive Independent Director

Dimantha Seneviratne

Group CEO/Executive Non-Independent Director

1. Sriyan Cooray

Non-Executive Independent Director

2. Bernard Sinniah

Non-Executive Non-Independent Director

3. Dr Dinusha Panditaratne

Non-Executive Independent Director

4. Sujeewa Mudalige

Non-Executive Independent Director

5. Hiransa Kaluthantri

Non-Executive Non-Independent Director

6. Hiran Perera

Non-Executive Non-Independent Director

7. Kushan D’alwis

President’s Counsel

Non-Executive Independent Director

8. Shehani Ranasinghe

Company Secretary