NDB goes from strength to strength

NDB’s pre-tax profits have grown to 66.9 million, from Rs. 602 million for the previous year, and that the bank’s asset base reached Rs. 25 billion, marking a 26.5% increase from last year.

The figures for the 9 months of operation ending 30 September, show an increase of 23% in NDB’s total income, to reach Rs. 2.5 billion.

The Net Interest income was Rs 796.9 million, compared with Rs 682.4 million as at 30.09.96. Interest Expenses have continued to increase, and the bank is currently negotiating to bring down the cost of borrowing from some sources. Other income has nearly doubled to Rs. 217.2 million, from last year’s figure of Rs 110.6 million, the period having proved good for capital gains on quoted shares. The net income for the nine months was Rs 1 billion, up by 27.4% from Rs 793 million last year.

During the month of September, three non-quoted investments were provided for amounting to Rs 38 million. While the profit before taxation showed a healthy increase of 27.4% from last year, this level of growth increases further after eliminating items of an exceptional or special nature such as equity income and quoted and non-quoted equity provisions. However, higher taxation has limited growth of after-tax profits to 15.7%. The APT recorded was Rs. 508.8 million, an increase of 64.4 million from last year’s figure.

The Group Income improved from Rs 2 billion to Rs 2.6 billion, while the share of associate companies’ profit before tax increased from Rs 10.2 million last year, to 19.6 million for the corresponding period this year. The NDB group pre-tax profits rose by a substantial 42.2% from Rs 576.1 million to Rs 820.5 million for the period under re- view, while the group after-tax profits increased from Rs 397.9 million to Rs 550.5 million.

The strong pre-tax profit growth has been underpinned by exceptional asset growth which has resulted mainly from extensive borrowings, including a syndicated loan direct from the overseas capital markets.

The liabilities of the bank amounted to Rs 20.5 billion, up from Rs 14.8 billion last year, while borrowings rose from Rs 13.5 billion to Rs 18.9 billion.

The bank’s share capital has doubled since September 1996, and now stands at Rs 358.3 million, following the early conversion of government held debentures into shares and its subsequent sale. Shareholders funds have risen by Rs 700 million, to Rs 4.6 billion for the period under review.