



NDB Pre-tax profits surge by 118 percent to four billion rupees



Sriyan Cooray, Chairman, NDB.



Kelum Edirisinghe, Director/CEO, NDB.

National Development Bank (NDB) released its financial results for the three months ended March 31, 2025 (1Q 2025) reflecting solid growth in line with the revival of economic activity and rising private sector credit demand.

Kelum Edirisinghe, Director/Chief Executive Officer, NDB stated, “We made a strong start to the year, following the highest-ever profit recorded in the Bank’s history in 2024. Guided by our priorities, we have devised bold, actionable plans to unlock greater potential and accelerate our strategic growth agenda for 2025 and beyond. Our aim is to make an impactful contribution to the country’s economic growth, provide superior service to our clients, deliver sustainable returns, and enhance shareholder value. We are seeing renewed demand for credit as our customers regain financial momentum in an improving economic environment. NDB is well-positioned to serve our clientele with simpler, smarter, and more agile banking solutions, blending expert product advisory, digital convenience, and exceptional customer care to deliver a truly rewarding banking experience”, he further noted.

For the three months ending March 31, 2025, the Bank’s total operating income grew five percent YoY to 10.6 billion rupees. Net interest income (NII), the main contributor, was eight billion rupees, down one percent YoY due to lower interest rates.

Strategic measures improved funding efficiency, leading to a net interest margin (NIM) of 3.92 percent. Net fee and commission income was 1.8 billion rupees, a two percent decrease YoY, with slower card income but growth in electronic transactions. Other income categories rose significantly, enhancing total operating income. The Bank recorded a total impairment charge of 2.6 billion rupees, down 40 percent from the previous year. It also reversed 457.5 million rupees related to the Day One Loss of debt restructuring in 1Q 2025.

The impairment charge on loans and advances for 1Q 2025 decreased by 22 percent year-over-year. Positive trends include improved staging of credit facilities and a 5.53 percent ratio of impaired loans (Stage 3) to total loans, with a 53.26 percent ratio of impairment to Stage three loans.

The Bank reported total operating expenses of 4.4 billion rupees for 1Q 2025, a 13 percent YoY increase, mainly due to higher premises and establishment costs. Despite this, strong cost management kept expenses in check.

Profit before tax rose to four billion rupees, up 118 percent YoY, while taxes netted 2.1 billion rupees, leading to a Profit after tax of 1.9 billion rupees, a 168 percent increase YoY. The balance sheet grew by seven percent from the end of 2024, reaching 852.4 billion rupees, marking the highest growth in recent quarters. Gross loans increased by five percent (25.4 billion rupees) YTD, totaling 535.2 billion rupees, with a notable 16.9 billion rupees growth in local currency loans. Total deposits increased by two percent, or 10.6 billion rupees YTD, to 642.3 billion rupees, primarily due to local currency deposit growth of 9.1 billion rupees over the last three months.

The Bank’s CASA ratio improved by 91 bps to 25.82 percent, with a CASA base growth of 8.5 billion rupees, a five percent increase.

The total equity base was 76.8 billion rupees, with Tier I and Total capital adequacy at 12.16 percent and 16.95 percent, significantly above minimum requirements. Regulatory liquidity ratios were also well above the 100 percent threshold.

Return on average equity dropped to 10.03 percent, while earnings per share decreased to 18.18 rupees. The Bank’s return on average assets was 1.92 percent. The net asset value per share was 180.29 rupees against a closing share price of 107 rupees. Group net asset value per share was 192.53 rupees.

NDB is dedicated to supporting Sri Lanka’s recovery and growth, leveraging our development financing expertise and ESG principles to create sustainable value for customers, shareholders, and communities.