

# NDB records strong profit growth in first nine months of 2025



Sriyan Cooray, Chairman, NDB.



Kelum Edirisinghe, CEO, NDB.

National Development Bank (NDB) released its financial results for the nine months ending September 30, 2025, demonstrating strong profitability and broad-based operational growth. Net operating income rose by 32.3 percent to 28.4 billion rupees, while profit before tax increased by 62.1 percent to 11 billion rupees, underscoring the Bank's strengthened core banking performance.

Net interest income grew by 6.4 percent to 25.9 billion rupees, despite operating in a tapering interest rate environment. The Bank maintained Net Interest Margins at 4.1 percent, or 4.3 percent on a normalized basis. As of September 2025, NDB held

46.8 billion rupees in loans and deposits under a special netting-off arrangement, compared with 19.6 billion rupees at end- 2024. Non-fund income continued to strengthen. Net fee and commission income increased by 13.8 percent year-on-year to 5.8 billion rupees, driven by improved performance across multiple business lines. Third-quarter fee income alone rose 24.2 percent compared with Q3 2024, reflecting targeted efforts to diversify earnings and enhance resilience.

Impairment charges continued to decline due to improved asset quality and focused risk management. Total impairment for the period was 5.9 billion rupees, a 46.7 percent reduction year-on-year. The impairment coverage ratio, excluding special items, stood at 8.8 percent—comparable with industry levels. Operating expenses rose 14.8 percent to 13.9 billion rupees, largely due to staff-related adjustments, IT investments, and business development initiatives.

Return on average equity was 12.4 percent for the nine-month period, rising to 16.0 percent for Q3 alone. Annualized earnings per share increased to 23.41 rupees. Group EPS stood at 25.28 rupees, and Group net asset value per share was 207.34 billion rupees. At the Bank level, net asset value per share was 194.01 billion rupees, against a share price of 142 billion rupees, marking a 25.4 percent appreciation since end-2024. Pre-tax return on average assets was 2.3 percent, and 2.6 percent for Q3. NDB's balance sheet remained strong. Total deposits grew by 11.3 percent to 702.9 billion rupees, while net loans expanded by 27.1 percent to 585.4 billion rupees. Adjusted for one-off items, normalized loan and deposit growth stood at 22.1 percent and 7.2 percent, respectively. The CASA ratio improved to 23.8 percent from 22.5 percent at end-2024, reflecting efforts to improve low-cost funding.

Asset quality strengthened further, with the Stage 3 impaired loan ratio declining to 4.5 percent from 5.2 percent. Stage 3 provision coverage was 55.6 percent, in line with industry averages. Liquidity remained robust, with LCR at 343.3 percent (rupee) and 226.6 percent (all currency), and an NSFR of 136.1 percent—all comfortably above regulatory requirements. Capital adequacy ratios remained above minimums, with CET1/Tier I at 11.5 percent and Total CAR at 15.4 percent.

Kelum Edirisinghe, CEO/Director, NDB highlighted that NDB's strong performance over the first nine months of 2025 reflects consistent progress across all areas of the Bank's operations. He attributed this success to strategic clarity, organizational agility, and the dedication of staff in navigating a fast-changing market environment. The results demonstrate the Bank's internal resilience and the

positive momentum of the Sri Lankan economy. A key achievement during the period was the over 24 percent year-to-date growth in the SME loan book, underscoring NDB's continued commitment to supporting small and medium enterprises. Looking ahead, Edirisinghe emphasized that the Bank is undertaking a broad strategic realignment to strengthen its foundation for long-term, sustainable growth. He reiterated NDB's unwavering commitment to ESG principles, emphasizing that sustainability has long been embedded in its business model to ensure responsible and inclusive growth for communities and stakeholders