NDB reports an institutional all-time high PAT of 4.2 billion rupees for H1 2025



Sriyan Cooray, Chairman, NDB.



Kelum Edirisinghe, Director and CEO, NDB.

National Development Bank announced the results for six-months ended June 30, 2025, reporting a total operating income and pre-tax profit of 22.3 billion rupees and 8.6 billion rupees respectively.

Net interest income, which accounted for over 75 percent of the Bank’s total operating revenue, amounted to 16.9 billion rupees for the semi-annual period, rising 2.7 percent over 16.5 billion rupees in H1-24. This was notwithstanding the

sharp decline in interest rates, where the one-year government Treasury Bill yield fell to 7.9 percent at the end of June 2025 from close to 10.3 percent at the end of June 2024. NDB maintained its net interest margins broadly at four percent levels, excluding items of a one-off nature, which were 4.2 percent on a like-for-like basis.

At the end of June 2025, the Bank had close to 50.3 billion rupees in loans and deposits under a special arrangement with its customers with a netting-off feature. Net fee and commission income grew 8.4 percent to reach 3.6 billion rupees. In the second quarter alone, it was an impressive 20.8 percent quarter-on-quarter growth, underlining the conscious and diligent efforts to improve its overall contribution to income from non-funded sources.

Impairment charges decreased by 46.7 percent YoY to 4.5 billion rupees in 2024, reflecting the Bank’s focus on credit quality. The total impairment coverage ratio reached 8.7 percent, above the industry average. Operating expenses rose by 14.8 percent to 9.2 billion rupees, mainly due to staff increments and increased investments in IT and business development.

Return on average equity was 10.6 percent down, whilst Annualized Earnings per share was 19.65 rupees down. Return on average equity was 10.6 percent down, whilst Annualized Earnings per share was 19.65 rupees down. Respective ratios at the Group level were 10.8 percent and 21.23 percent, respectively.

The Bank’s Pre-tax return on average assets was two percent. Net asset value per share was 186.81 rupees, compared with a closing share price of 120.25, which posted a 6.2 percent appreciation since the end of 2024. Group Net asset value per share was 199.37 rupees. The Bank’s total deposits amounted to 696.1 billion rupees at June 30, 2025, whilst net loans expanded to 557 billion rupees. Excluding transactions of a one-off and special nature, this represented a normalized absolute net growth of 5.5 percent and 14.9 percent over the end of 2024, respectively. The Bank’s CASA ratio on a normalized basis was 25 percent, having improved from 22.5 percent at the end of 2024, which reflects the Bank’s conscious efforts to strengthen its low-cost funding.

Kelum Edirisinghe, Director and CEO, NDB stated that: “Our results reflect our dedicated efforts to improve our business and strengthen our risk management practices. Despite global economic challenges, we are encouraged by the positive developments in the Sri Lankan economy and the recovery of our customers across various segments. By prioritizing customer-centricity, we have provided essential

support to help our clients move forward in this emerging environment. The first six months of this year have been significant for us, particularly in supporting SMEs. Our loan book has surpassed the 100 billion rupees mark, representing nearly 20 percent of our total loans.

We are proud of this achievement, further highlighted by NDB being recognized as Euromoney’s Best Digital Bank for SMEs in 2025, underscoring our commitment to this vital sector of the economy. Looking ahead, our focus is clear: we will leverage our deep understanding of customer behavior and enhance digital capabilities for greater access. By utilizing the diverse skills of our staff, we aim to adapt to the evolving business landscape and create sustained shareholder value. While mindful of future challenges, we are confident in the Bank’s growth trajectory in core banking operations and in achieving our vision for the future.”