



NDB reports Highest-ever Group PBT, surpassing 24 billion rupees



Sriyan Cooray, Chairman, NDB.



Kelum Edirisinghe, Director/CEO, NDB.

National Development Bank (NDB) announces record profit for financial year 2024, highlighting strong growth and improved key performance indicators reflecting NDB’s resilience and commitment to value.

Kelum Edirisinghe, Director/CEO, NDB commented on the performance. “We are proud of our performance in FY 2024, which demonstrates our financial strength and our ability to adapt in a reviving and evolving economic landscape. In FY 2024, we focused on enhancing operational efficiency and customer engagement through three key pillars: driving transactions, improving portfolio quality, and increasing net interest margins. This resulted in a pre-tax profit of 24.3 billion rupees, up 141 percent from 2023, aided by a one-off gain of 12.8 billion rupees from the ISB restructure. Excluding this gain, our underlying pre-tax profit rose 31 percent year on year, demonstrating our business model’s resilience. I appreciate all our stakeholders for their invaluable support in our shared value journey. As we look to the future, NDB remains committed to driving sustainable growth, aligned with national priorities whilst empowering all our stakeholders to unlock lasting prosperity. Our focus on environmental, social, and governance (ESG) principles continues to be at the heart of our efforts, ensuring we make a positive impact on

the wider ecosystem.”

NDB reported a post-tax profit of nine billion rupees for the financial year ending December 31, 2024, with profit attributable to shareholders rising 70 percent YoY to 9.8 billion rupees. Both profit before tax figures were record highs at 24.3 billion and 25.7 billion rupees for the Bank and Group. Net interest income (NII) grew seven percent YoY to 34.2 billion rupees, contributing 75 percent of total operating income and achieving a Net Interest Margin (NIM) of 4.34 percent. Net fee and commission income increased nine percent YoY to 7.8 billion rupees, leading to total operating income of 45.5 billion rupees. The debt restructuring affected the bank by 14.3 billion rupees. A net impairment reversal of ten billion rupees was recorded, with loan book impairment charges decreasing by 17 percent (2.7 billion rupees). Consequently, the Impaired Loans to Total Loans Ratio improved by 340 bps to 5.18 percent, while the Impairment to Stage 3 Loans Ratio increased by 13.37 percentage points to 54.48 percent. Total operating costs rose to 16.8 billion rupees, a 23 percent YoY increase, resulting in a cost to income ratio of 36.9 percent.

Balance Sheet performance showed moderate growth, with total assets increasing by two percent to 796 billion rupees. Gross loans and deposits rose by three percent to 510 and 632 billion rupees, influenced by exchange rate fluctuations. The CASA ratio improved by 2 percentage points to 25 percent, indicating potential for future growth. Total equity increased by 11 percent to 77.7 billion rupees. NDB raised ten billion rupees in Basel III compliant Tier II capital in two tranches. Regulatory capital ratios remain robust, with Tier I at 13.68 percent and Total Capital Adequacy at 19.09 percent. Liquidity ratios exceeded requirements, with the Liquidity Coverage Ratio (Rupee) at 358.12 and the Net Stable Funding Ratio at 152.43 percent. In 2024, investor KPIs hit record highs. Return on Average Equity rose to 12.22 percent, while Earnings per Share increased to 21.73 rupees. The Group’s return was 12.46 percent, with Earnings per Share at 23.57 rupees. The Bank’s Pre-tax Return on Average Assets improved to 3.09 percent. Net Asset Value per Share was 186.91 rupees, closing at 113.25 rupees, while the Group’s Net Asset Value per Share reached 199.13 rupees.

Sri Lanka’s growth is reflected in the upgrade of its Long-Term Foreign- Currency Issuer Default Rating to CCC+ from Restricted Default, boosting investor confidence and benefiting the banking sector, including NDB. Our commitment to improving processes, digital capabilities, and staff skills positions NDB to seize new opportunities and support the nation’s economic growth.