

# National Development Bank PLC

Financial Results for nine months ended 30 September 2025

## Presentation to Analysts

12 November 2025

3:30 p.m. (UTC+05:30)

Colombo



UNLOCKING PROSPERITY  
EMPOWERING A FUTURE OF SMART GROWTH





## **PRESENTED BY**

Kelum Edirisinghe, Director/ Chief Executive Officer

## **Q&A PANELISTS**

Kelum Edirisinghe, Director/ Chief Executive Officer

K V Vinoj - Deputy Chief Executive Officer

Sanjaya Perera - Senior Vice President - Personal Banking and Customer Experience

Damitha Samaranayake - Vice President - Treasury

Azzam A Ahamat - Vice President – Finance (Moderator)

Alex Perera - Vice President - Risk/ Chief Risk Officer

Nadika Ranasinghe - Vice President - Strategy & Business Intelligence

# Agenda

- 1** Performance snapshot
- 2** Income and profitability highlights
- 3** Balance sheet performance highlights
- 4** Solvency and key investor ratios
- 5** Long term strategy and transformation programme
- 6** Q&A

# Agenda

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## **1** Performance snapshot

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**2** Income and profitability highlights

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**3** Balance sheet performance highlights

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**4** Solvency and key investor ratios

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**5** Long term strategy and transformation programme

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**6** Q&A

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# Performance snapshot

## The P&L perspective

**Rs 7.5 Bn PAT**  
**65.5% YoY growth**  
 Driven by core banking operations

**Institutional highest**  
 on a normalized basis

**Impairment charges**  
**down by 46.7%**  
 reflecting greater focus on improving credit quality

**Rs 23.41 EPS**  
**12.4% ROE**  
**16.0% ROE**  
 (3Q standalone)

## The balance sheet perspective

**22.1% growth**  
 in net loans\*

**7.2% and 10.6%**  
**growth**  
 in deposits and total assets\*  
 On a normalized basis\*

**All business lines**  
**post robust**  
**growth**

**Over 24.0% growth**  
 in the SME book

\*Impact of special arrangement(s) on loans and deposits excluded – refer slide 6 for explanation.

## Liquidity and solvency perspective

Sound solvency and strong levels of liquidity

**+304 bps**  
 Buffer in Tier I CAR of 11.5%

**+291 bps**  
 Buffer in Total CAR of 15.4%

**343.3%**  
 Rupee LCR

**226.6%**  
 All currency LCR

## Other qualitative indicators

**Best Digital Bank**  
**for SMEs**  
 as adjudged by **Euromoney**

Certified as a  
**Great Place To**  
**Work**  
 for the third time

Staff - 2,851  
 Branch network - 113

**Status quo broadly**  
**maintained**

## Performance snapshot

### Impact of special arrangement(s) on loans and deposits

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As at the reporting date of 30 September 2025, the Bank's portfolio of loans & advances, and deposits included a total amount of Rs.46.8 Bn (2024 year-end: Rs.19.6 Bn), which had been received from customer(s) under a special arrangement. This amount represents funds held on behalf of customer(s) with a netting arrangement, wherein both lending and deposit positions are maintained concurrently in the same currency (USD).

These arrangements are subject to specific contractual terms that may allow for netting of obligations between the Bank and the customer(s) in the event of certain trigger events.

Where pertinent, financial performance of the nine months ended 30 September 2025 (9M25) is shown excluding the impact of this special arrangement (s).

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## Income and profitability

Rs. Bn – 9 months ended 30 September	2024	2025	Δ Rs.	Δ %
NII	24.4	25.9	1.5	6.4
Net fee and commission income	5.1	5.8	0.7	13.8
Total operating income	32.5	34.3	1.8	5.4
Impairment charges on loans and other investments	11.0	5.9	(5.1)	(46.7)
Net operating income	21.5	28.4	6.9	32.3
Operating expenses	12.1	13.9	1.8	14.8
Profit before all taxes	9.4	14.5	5.1	54.7
Total taxes	4.9	7.0	2.1	44.6
PAT	4.5	7.5	3.0	65.5
Group Profit Attributable to Shareholders	4.9	8.1	3.2	64.8

### Consistent progress in PAT QoQ (on a standalone basis)

**1Q 2025: Rs. 1.9 Bn**

**2Q 2025: Rs. 2.3 Bn**

**3Q 2025: Rs. 3.3 Bn**

### YoY PAT movement in Rs. Bn



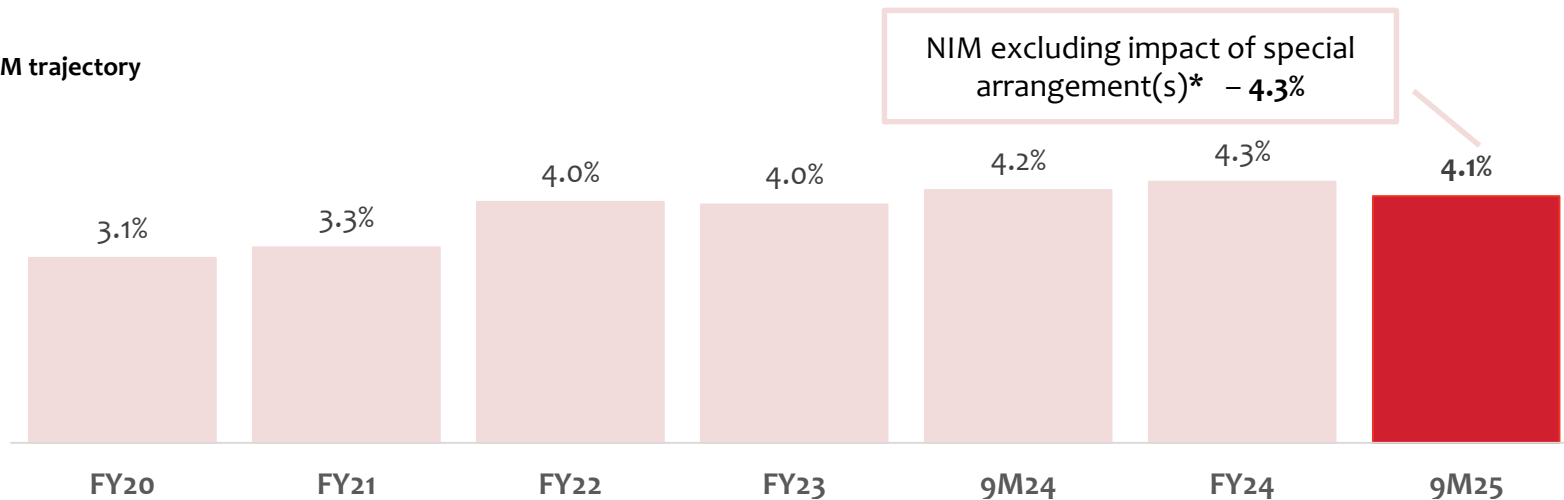


# NII & NIM

Rs. Bn – 9 months ended 30 September	2024	2025	Δ Rs.	Δ %
Interest income	66.0	64.4	(1.6)	(2.4)
Interest expenses	41.6	38.5	(3.1)	(7.6)
NII	24.4	25.9	1.5	6.4

QoQ performance – Rs. Bn	1Q25	2Q25	3Q25	3Q24
Interest income	20.4	21.5	22.1	20.0
Interest expenses	12.4	13.0	13.1	12.2
NII	8.0	8.5	9.0	7.9

## NIM trajectory



\*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

## Non-fund based income (NFBI)

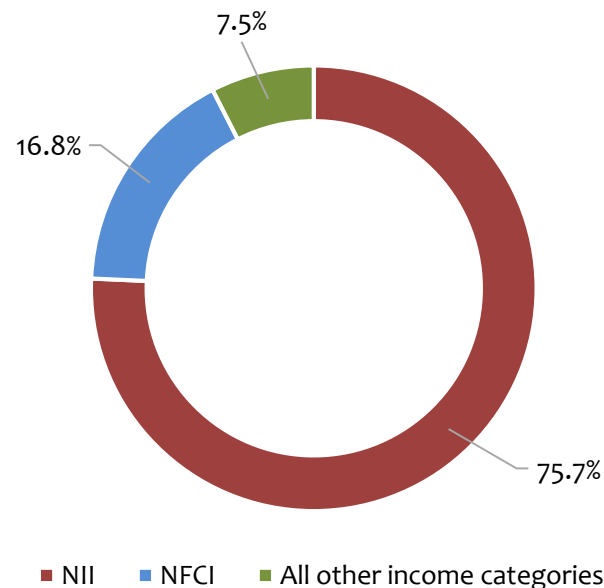
Rs. Bn – 9 months ended 30 September	2024	2025	Δ Rs.	Δ %
Net fee and commission income (NFCI)	5.1	5.8	0.7	13.8
Net gain from trading (NGT)	4.4	1.7	(2.7)	(60.3)
Other	(1.3)	0.8	2.1	166.2
Total non-fund based income	8.1	8.3	0.2	2.5

### Net fee and commission income

QoQ performance – Rs. Bn	1Q	2Q	3Q	9M
2025	1.75	1.9	2.1	5.8
2024	1.79	1.6	1.7	5.1
Growth (%)	(2.3)	20.8	24.2	13.8

**Growth in net fees stemming from almost all aspects of core business operations**

### Total operating income composition

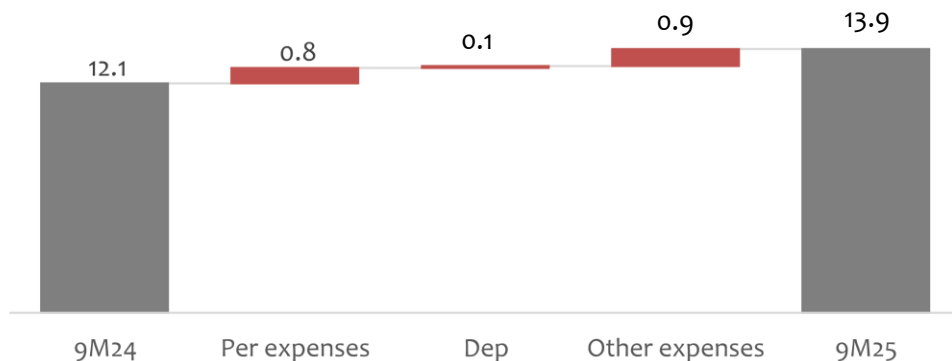


# Operating expenses

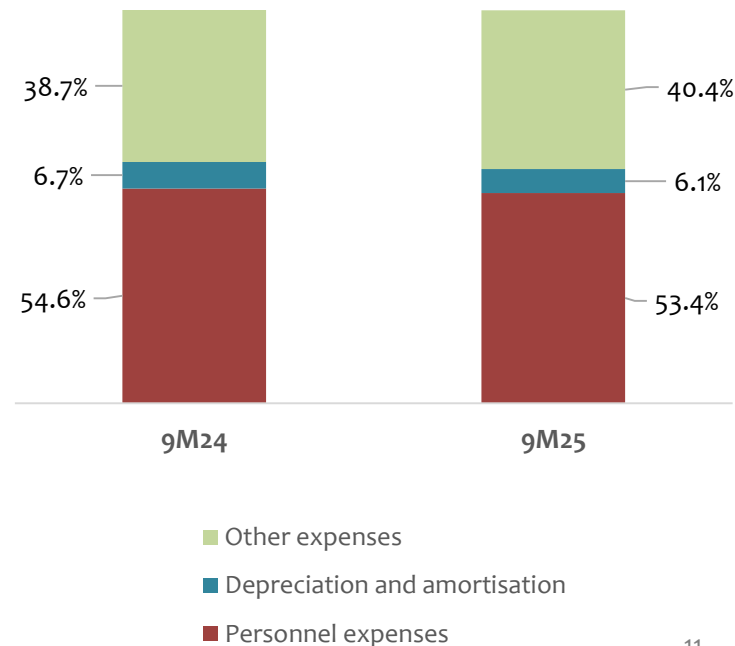
## Operating expenses

Rs. Bn – 9 months ended 30 September	2024	2025	Δ Rs.	Δ %
Personnel expenses	6.6	7.4	0.8	12.4
Depreciation and amortisation	0.8	0.9	0.1	5.3
Other expenses	4.7	5.6	0.9	19.9
Total operating expenses	12.1	13.9	1.8	14.8
Cost to income ratio (%)	37.1	40.4		

## Operating expenses - YoY movement in Rs. Bn



## Operating cost composition

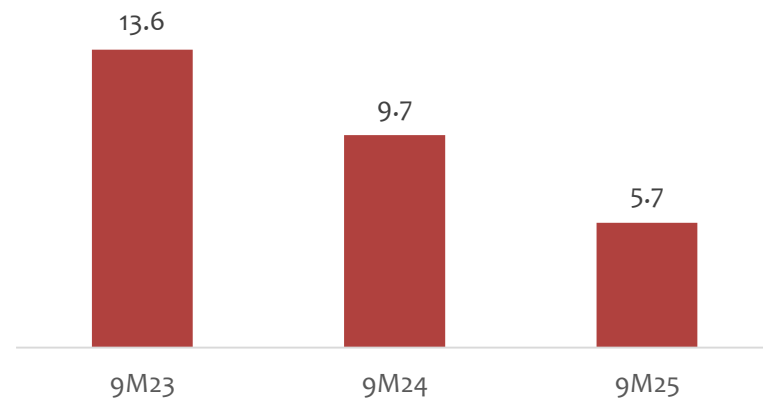


# Credit costs

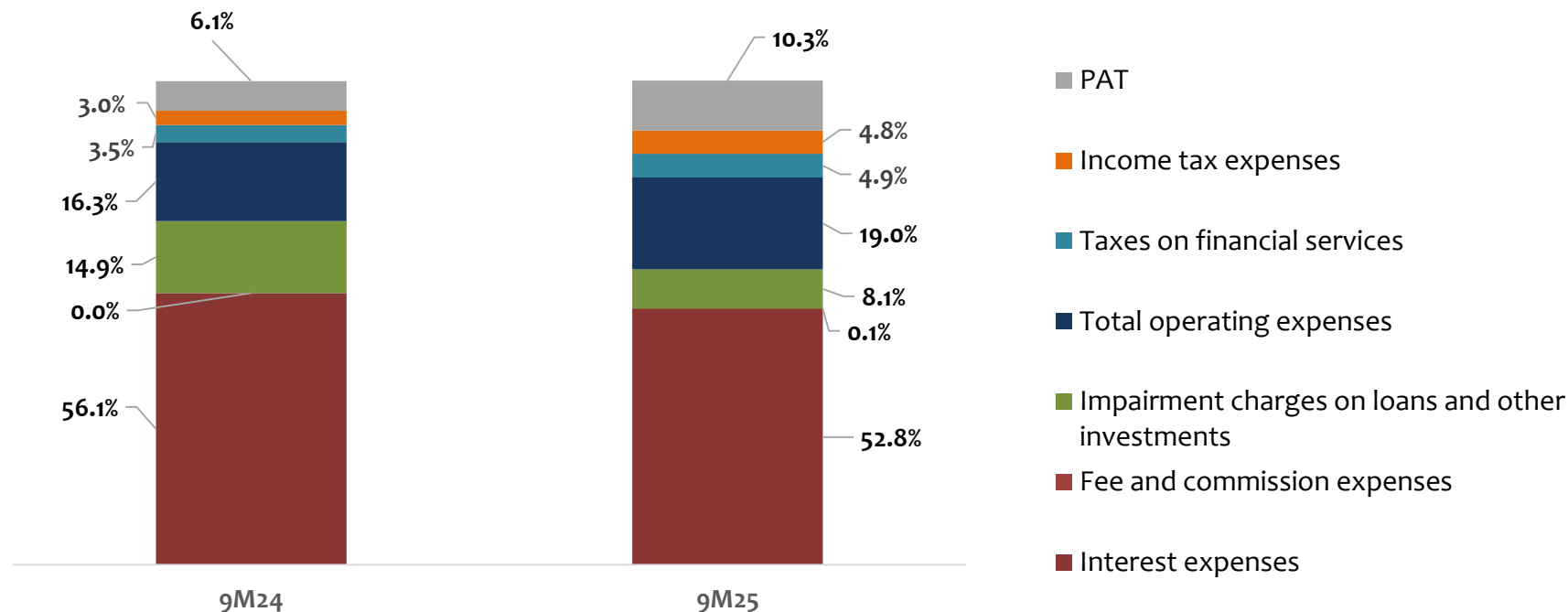
## Impairment charges on loans and other investments

Rs. Bn – 9 months ended 30 September	2024	2025	Δ Rs.	Δ %
Impairment on the loan book	9.7	5.7	(4.0)	(41.6)
Impairment on investments and others	1.3	0.2	(1.1)	(83.0)
Total Impairment charges	11.0	5.9	(5.1)	(46.7)

## Impairment on the loan book in Rs. Bn



# Gross income dispersion



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# Balance sheet performance - Loans

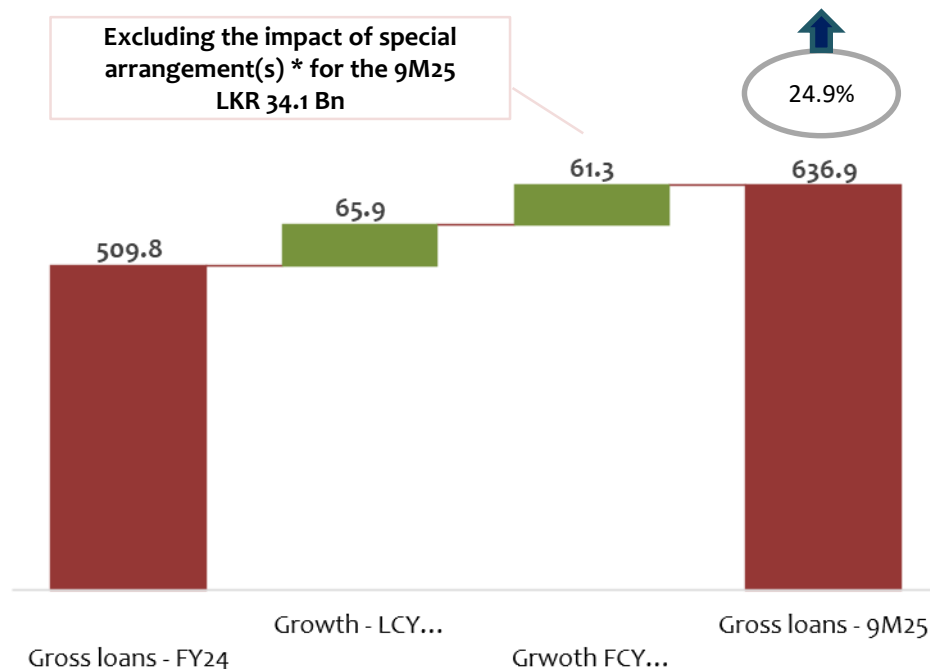
Rs. Bn – As at end	FY24	9M25	Δ Rs.	Δ %
Total assets	795.7	904.9	109.2	13.7
Net loans	460.7	585.4	124.7	27.1
Investments	267.2	246.2	(21.0)	(7.9)

Net loans growth (YTD) excluding the impact of special arrangement(s) \* - 22.1%/ Rs. 97.4 Bn

**Strong loan growth momentum attuned to national economic revival**

**Lending to the SME sector**  
**Over 24.0% YTD growth**  
**Portfolio exceeding LKR 100.0 Bn**

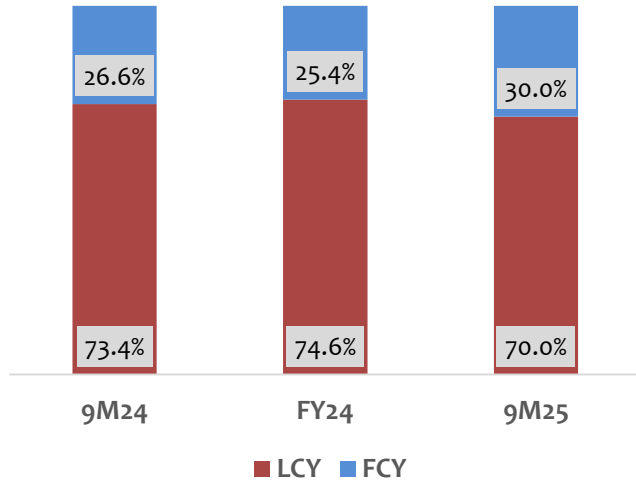
## Movement in gross loan book in Rs. Bn



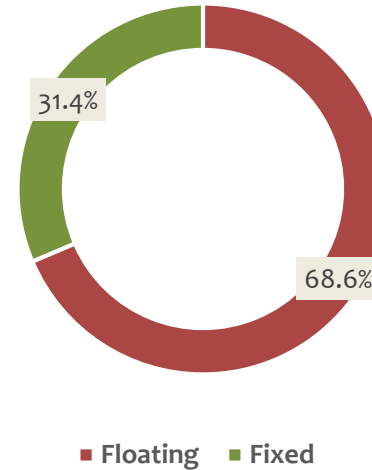
# Balance sheet performance – Loans (Cont....)

9M 2025 Results Appendix

## Currency composition of the loan book



## Composition of the loan book – on the basis of pricing

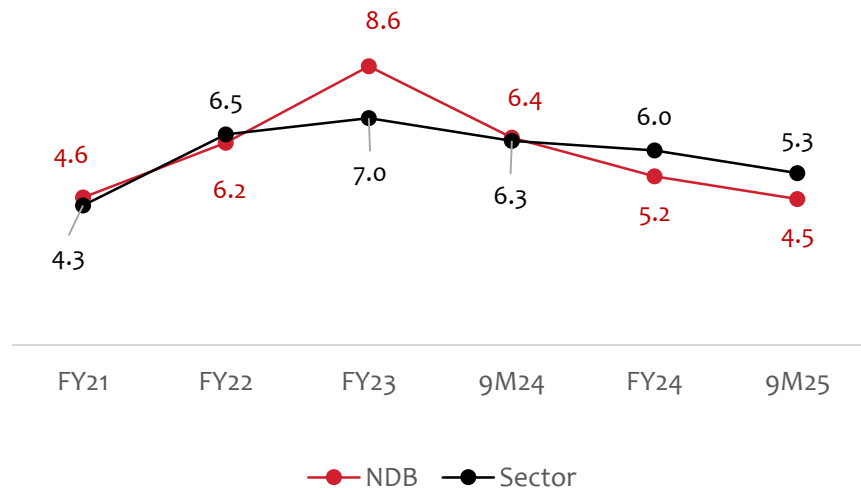


\*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.



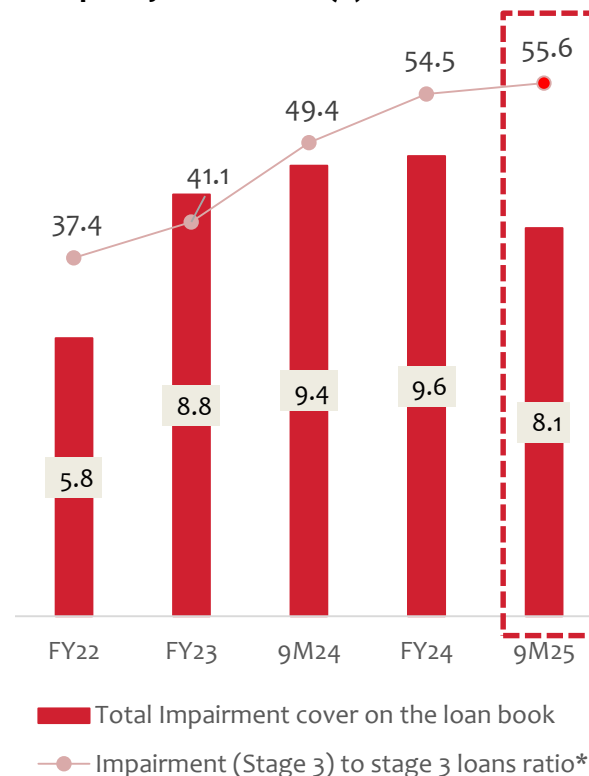
# Credit quality

## Impaired Loans (Stage 3) Ratio (%)



**Reflects also concerted efforts deployed in enhancing the quality of loan book**

## Credit quality movement (%)



# Currency wise deposits analysis

## Reported results

Rs. Bn – As at end	FY24	9M25	YTD growth %
LCY deposits	471.3	491.8	4.3
FCY deposits	160.4	211.2	31.7
Total deposits	631.7	702.9	11.3

## Impact of special arrangement(s) adjusted results\*

Rs. Bn – As at end	FY24	9M25	YTD growth %
LCY deposits	454.7	471.6	3.7
FCY deposits	157.4	184.5	17.2
Total deposits	612.1	656.1	7.2

Deposits growth (YTD) excluding the impact of special arrangement(s) on loans and deposits\* - 7.2%

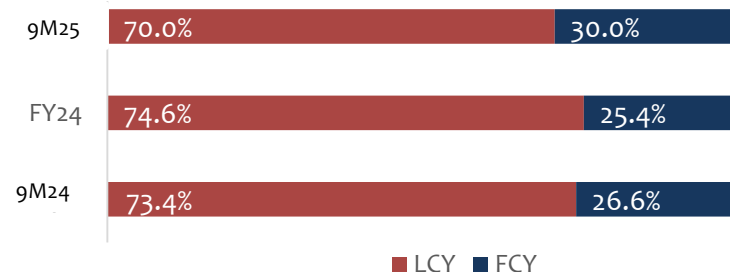
\*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

## Movement in deposits in Rs. Bn

Excluding the impact of special arrangement(s) \* for the 9M25  
LKR 23.6 Bn



## Currency composition of the deposit book

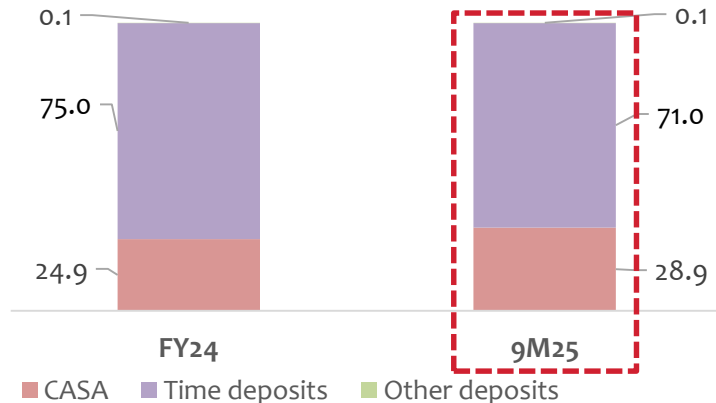


# Product wise deposits analysis

## Reported results

Rs. Bn – As at end	FY24	9M25	YTD growth %
CASA total	157.4	202.9	28.9
Time deposits	473.6	499.6	5.5
Other deposits	0.7	0.5	(28.6)
<b>Total</b>	<b>631.7</b>	<b>702.9</b>	<b>11.3</b>

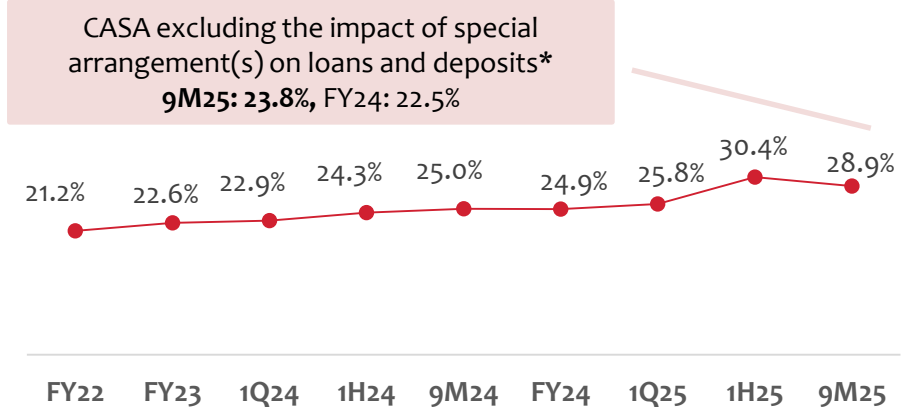
## Deposits composition – Reported results (%)



## Impact of special arrangement(s) adjusted results\*

Rs. Bn – As at end	FY24	9M25	Composition %	YTD growth %
CASA total	137.7	156.0	23.8	13.3
Time deposits	473.6	499.6	76.1	5.5
Other deposits	0.7	0.5	0.1	(28.6)
<b>Total</b>	<b>612.1</b>	<b>656.1</b>		<b>7.2</b>

## CASA trend



\*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

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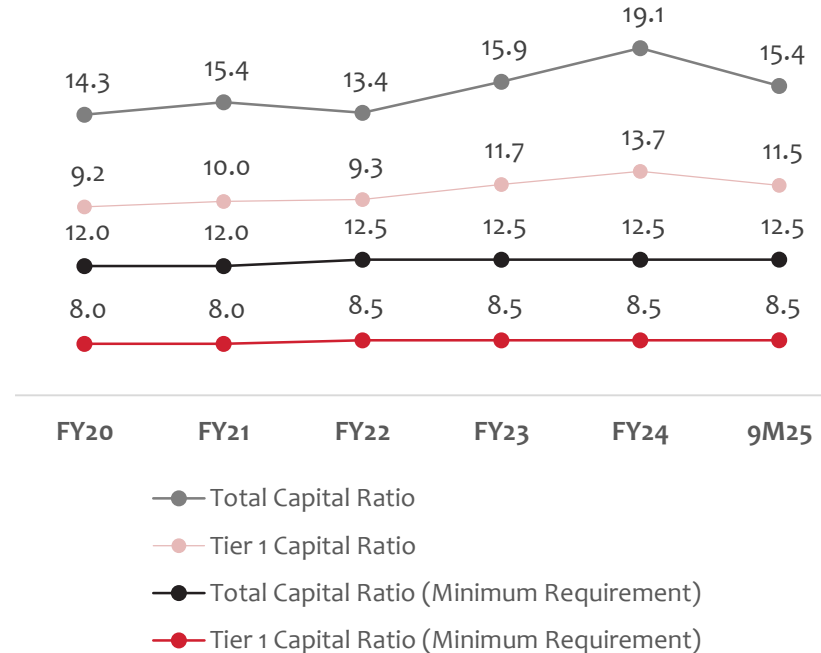
# Capital

Rs. Bn – As at end	FY24	9M25	Δ Rs.	Δ %
Common Equity Tier 1 (CET1) capital	62.1	61.3	(0.8)	(1.2)
Tier 1 capital	62.1	61.3	(0.8)	(1.2)
Total capital	86.7	81.9	(4.8)	(5.5)
Risk Weighted Assets (RWA)	453.9	531.3		

**Stable capital base with capital adequacy ratios (CAR) well above regulatory minimum requirements**

- CET 1 CAR + 454 bps vs. 7.0%
- Total CAR + 291 bps vs. 12.5%

## Capital adequacy ratios in %

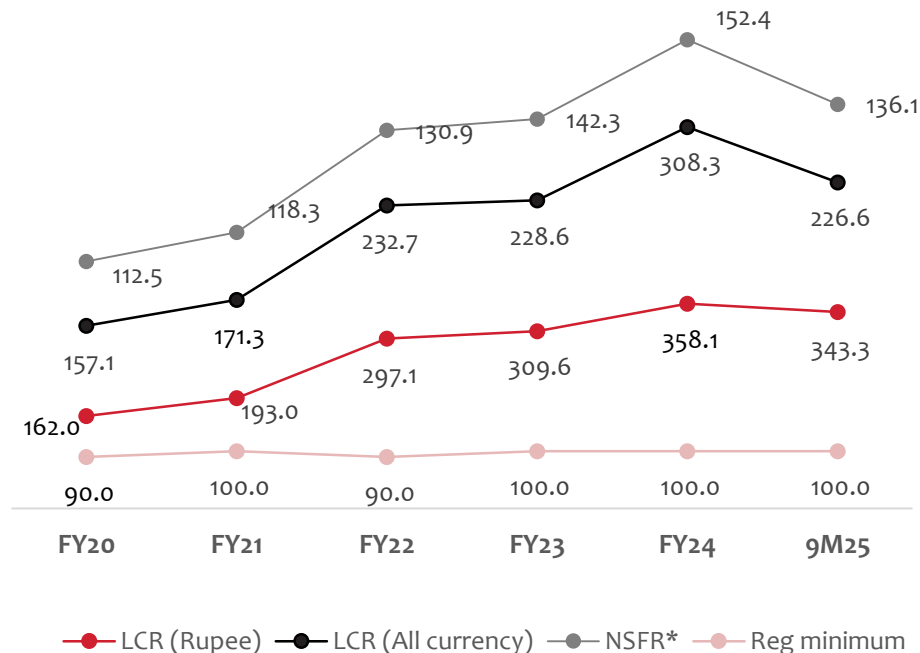


# Liquidity

Regulatory ratios % - As at end	FY24	9M25	Δ ppts
Liquidity Coverage Ratio – Rupee (Minimum Requirement – 100%)	358.1	343.3	(14.8)
Liquidity Coverage Ratio – All Currency (Minimum Requirement - 100%)	308.3	226.6	(81.7)
Net stable funding ratio ( Minimum Requirement 100% )	152.4	136.1	(16.3)

**Consistently strong liquidity levels maintained over regulatory minimum requirements**

Liquidity - Ratios in %



\*Secondary axis

# Key investor ratios

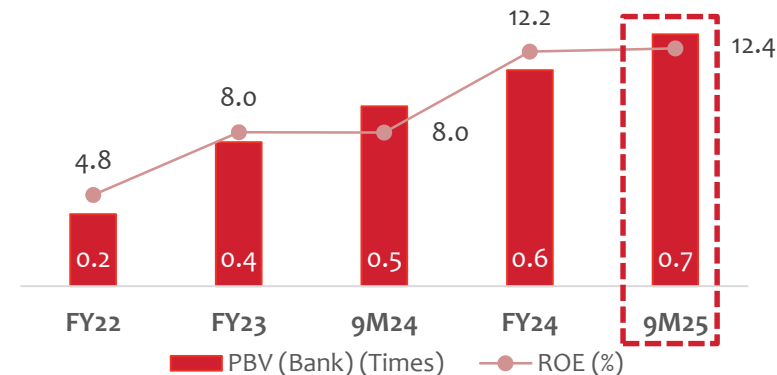
Investor ratios	FY24	9M25	Δ
Closing Price per Share - Rs.	113.25	142.00	28.75
EPS - Rs. (Annualised)	21.25	23.41	2.16
ROE (%)	12.2	12.4	0.2ppt
ROA (%) Pre-tax	3.1	2.3	(0.8)ppt
Book Value per Share - Rs.	186.91	194.01	7.10
P/E (times)	5.2	6.1	
Price to Book Value (PBV) (times)	0.6	0.7	

## Consistent progress in ROE and ROA\* (QoQ)

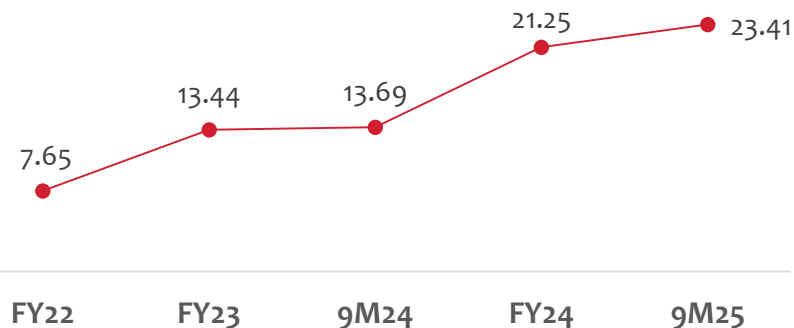
Standalone Quarter – 2025 - %	ROE	ROA*
1Q	10.0	1.9
2Q	11.8	2.1
3Q	16.0	2.6

\*Pre-tax ROA

## ROE and PBV movement



## Annualised EPS (Rs.)



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# NDB Bank's long-term transformation programme

NDB, in partnership with The Boston Consulting Group (BCG) - one of the world's leading management consulting firms - has charted its Strategic Roadmap to 2030 marking the launch of its long-term transformation programme.

With Sri Lanka's economy regaining momentum and financial activity picking up, NDB's solid capital base, strong governance puts it in the right position to lead the next phase of growth.

Transformation program will build on this position to further accelerate business expansion, improve profitability through greater efficiency and productivity, and sharpen NDB's competitive advantage - creating a more agile, customer-centric institution & unlocking sustainable long-term value for shareholders.



Industry  
benchmarking levels  
of growth

.....



Improved  
profitability

.....



Superior customer  
experience

# Key pillars of the Transformation Programme

**Building for Scale, Profitability  
and superior Customer experience**

## **Strengthen Core Franchises**

Extend market leadership in segments with established strength through focused investments and initiatives

## **Expand Growth Segments**

Accelerate growth in priority customer segments & products in retail & SME through differentiated value propositions

## **Future Ready Foundations**

Strengthen the Bank's digital and risk backbone

## **Operational efficiency**

Bank wide process re-engineering & digitization

## **Salesforce Effectiveness**

Empower a high-performing, customer-centric front line

## **Disciplined Execution & Governance**

Clear ownership, measurable targets, and rigorous tracking to ensure delivery

# Redefining the long-term aspiration



## Gaining market share

- Growth focused more in segments/ business lines that are more closely aligned with economic growth
- Higher-yield diversified portfolio along with scale in core segments driving sustainable growth



## Improve Profitability

- Support NIM through optimized product mix, pricing & expanded CASA base
- Reduced cost to serve via digital process efficiency
- Lower credit costs through stronger underwriting and monitoring



## Superior Customer Experience

- Frictionless onboarding journeys & omnichannel service excellence
- Improved turnaround time across customer segments



**Q&A**



**Annexures**

# Financial performance summary

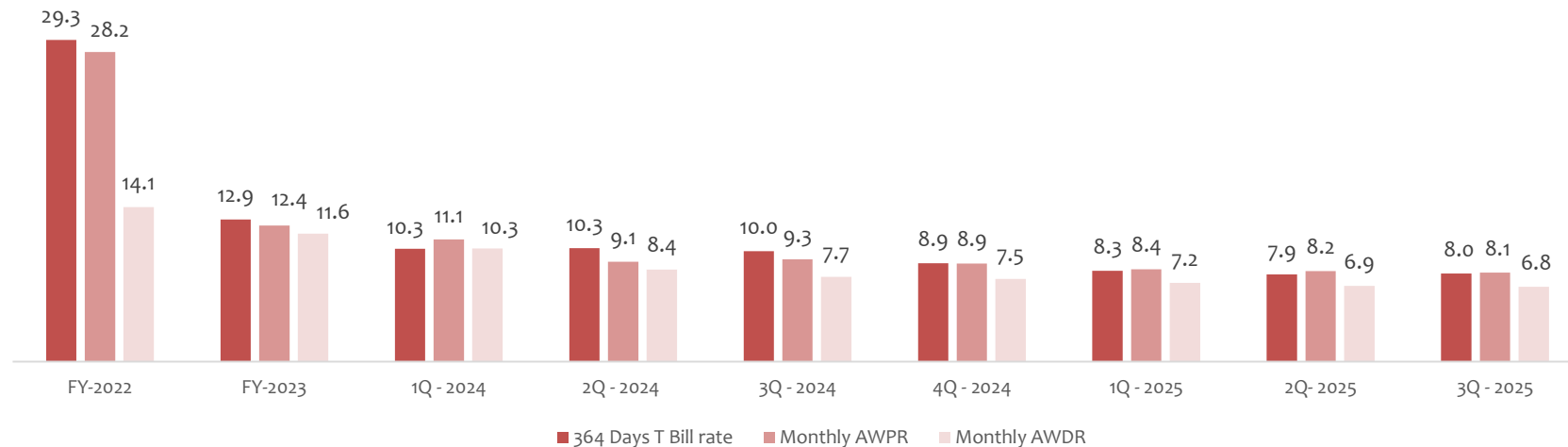
9M 2025 Results Appendix

Income and profitability - Rs. Bn - for the quarter of	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
Gross income	21.8	25.2	23.0	24.3	25.1	15.6
NII	7.9	9.8	8.0	8.5	9.0	14.1
NFBI	1.7	3.2	2.6	2.8	3.0	76.4
Total operating income	9.6	13.0	10.6	11.3	12.0	25.1
Impairment charge/ (reversal)	2.7	(21.2)	2.6	1.8	1.4	(47.0)
Impact of the debt restructuring	-	14.3	(0.5)	-	-	-
Operating expenses	4.1	4.7	4.4	4.8	4.7	15.0
PBT (Taxes on FS + Income Tax)	2.9	14.9	4.0	4.7	5.9	106.6
All Taxes	1.5	10.5	2.1	2.4	2.6	71.3
PAT	1.3	4.5	1.9	2.3	3.3	147.1
Group PAS	1.5	4.9	2.0	2.4	3.6	145.6
Financial position - Rs. Bn - As at end	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
Total assets	763.2	795.7	852.4	916.7	904.9	18.6
Customer loans	501.1	509.8	535.2	607.5	636.9	27.1
Customer deposits	611.5	631.7	642.3	696.1	702.9	14.9
Total equity	71.7	77.7	76.8	79.7	82.8	15.5
RWA	452.9	453.9	483.3	512.6	531.3	17.3
Shareholder ratios	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
EPS - Basic (Rs.)	3.20	10.81	4.52	5.41	7.71	140.9
NAVPS (Rs.)	172.6	186.9	180.3	186.81	194.01	12.4
ROE (%)	8.0	12.2	10.0	10.6	12.4	4.4ppt
Share price (At end of period) (Rs.)	78.3	113.3	107.0	120.25	142.00	81.4
PE ratio (Times) (Based on annualized EPS)	5.7	5.2	5.9	6.1	6.1	-
PBV ratio (Times)	0.5	0.6	0.6	0.6	0.7	-

# Banking NII

NII & NIM	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
NII - Rs. Bn (for the quarter)	7.9	9.8	8.0	8.5	9.0	14.1
NIM - % (as at end of the quarters)	4.2	4.3	3.9	4.0	4.1	(13) bps
Average interest earning assets - Rs. Bn (as at end of the quarter)	776.0	797.7	836.8	868.6	915.2	17.9

## Key market interest rates



# Impairment

Impairment and related ratios – For the quarter of	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
Impairment on loans / (reversal) (Rs. Bn)	2.6	3.6	2.4	1.8	1.4	(46.2)
Impairment on investments / (reversal) (Rs. Bn)	0.1	(25.1)	0.2	(0.02)	(0.02)	(120.0)
Impaired Loans (Stage 3) Ratio (%)	6.5	5.2	5.5	5.1	4.5	(30.8)
Impairment (stage 3) to Stage 3 loans Ratio (%)	49.4	54.5	53.3	53.3	55.6	12.6
Impairment staging (including commitments and contingencies) - Rs. Bn As at end	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
Stage 1 - Closing balance	6.2	6.1	6.5	7.1	7.6	22.6
Stage 2 - Closing balance	5.4	5.4	4.8	4.3	3.8	(29.6)
Stage 3 - Closing balance	37.5	39.4	40.3	41.3	42.4	13.1
Total	49.1	50.9	51.6	52.7	53.8	9.6



# Expenses

Expenses - Rs. Bn - for the quarter of	3Q24	4Q24	1Q25	2Q25	3Q25	Δ% vs 3Q24
Personnel Expenses	2.3	2.5	2.3	2.6	2.5	12.4
Depreciation and amortization	0.3	0.3	0.3	0.3	0.3	7.4
Other Expenses	1.5	2.0	1.8	1.9	1.9	20.1
Total operating expenses	4.1	4.7	4.4	4.8	4.7	15.0
Cost to income ratio (%) (as at end of the quarter)	37.1	36.9	41.8	41.2	40.4	3.3

# Balance Sheet

Rs. Bn - As at end	3Q24	4Q24	3Q25	Δ% YoY
Total assets	763.2	795.7	904.9	18.6
Gross loans	501.1	509.8	636.9	27.1
Net loans	453.9	460.7	585.4	29.0
Customer deposits	611.5	631.7	702.9	14.9
Return on assets (before taxes) (%)	1.5	3.1	2.3	73.6bps
Loans to deposits ratio (%)	81.9	80.7	90.6	8.7ppt

## Capital

Rs. Bn - As at end	3Q24	4Q24	3Q25	Δ% YoY
Common Equity Tier 1 (CET1) Capital	50.1	62.1	61.3	22.4
Tier 1 Capital	50.1	62.1	61.3	22.4
Total Capital	71.1	86.7	81.9	15.2

## Liquidity

% - As at end	3Q24	4Q24	3Q25	Δ ppt (YoY)
Liquidity Coverage Ratio (%) - Rupee	326.9	358.1	343.3	16.5
Liquidity Coverage Ratio (%) – All Currency	280.4	308.3	226.6	(53.8)
Net stable funding ratio	143.8	152.4	136.1	(7.7)

# Glossary

AWDR	Average weighted deposits rate
AWPR	Average weighted prime lending rate
bps	Basis points
CAR	Capital adequacy ratio
CASA	Current accounts and savings accounts
ECL	Expected credit losses
EPS	Earnings per share
ESMS	Environmental and social management systems
FX	Foreign exchange
FY	Financial year
GHG	Green house gases
GOSL	Government of Sri Lanka
IMF	International Monetary Fund
LCR	Liquidity Coverage Ratio
NAVPS	Net assets value per share
NFBI	Non-fund based income
NFCI	Net fee and commission income
NGDRFA	Net gains/(losses) from derecognition of financial assets

NGFAFVP&L	Net gain/(loss) from financial assets at fair value through profit or loss
NGT	Net gains from trading
NII	Net interest income
NIM	Net interest margin
NP	Notional pooling
NSFR	Net stable funding ratio
OOI	Other operating income
P/E	Price/ Earnings
PAS	Profit attributable to shareholders
PAT	Profit after tax
PBT	Profit before all taxes (including FSVAT)
PBV	Price to book value
ROA	Return on average assets
ROE	Return on equity
RWA	Risk weighted assets
SASB	Sustainability Accounting Standards Board
SLAR	Statutory liquid assets ratio
T Bill	Treasury bills

# Forward looking statements

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# Analyst support

- Webinar transcripts hosted on the NDB Corporate website/ IR page in playback video and written transcript forms
- Dedicated communication channels made available for any queries and clarifications

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