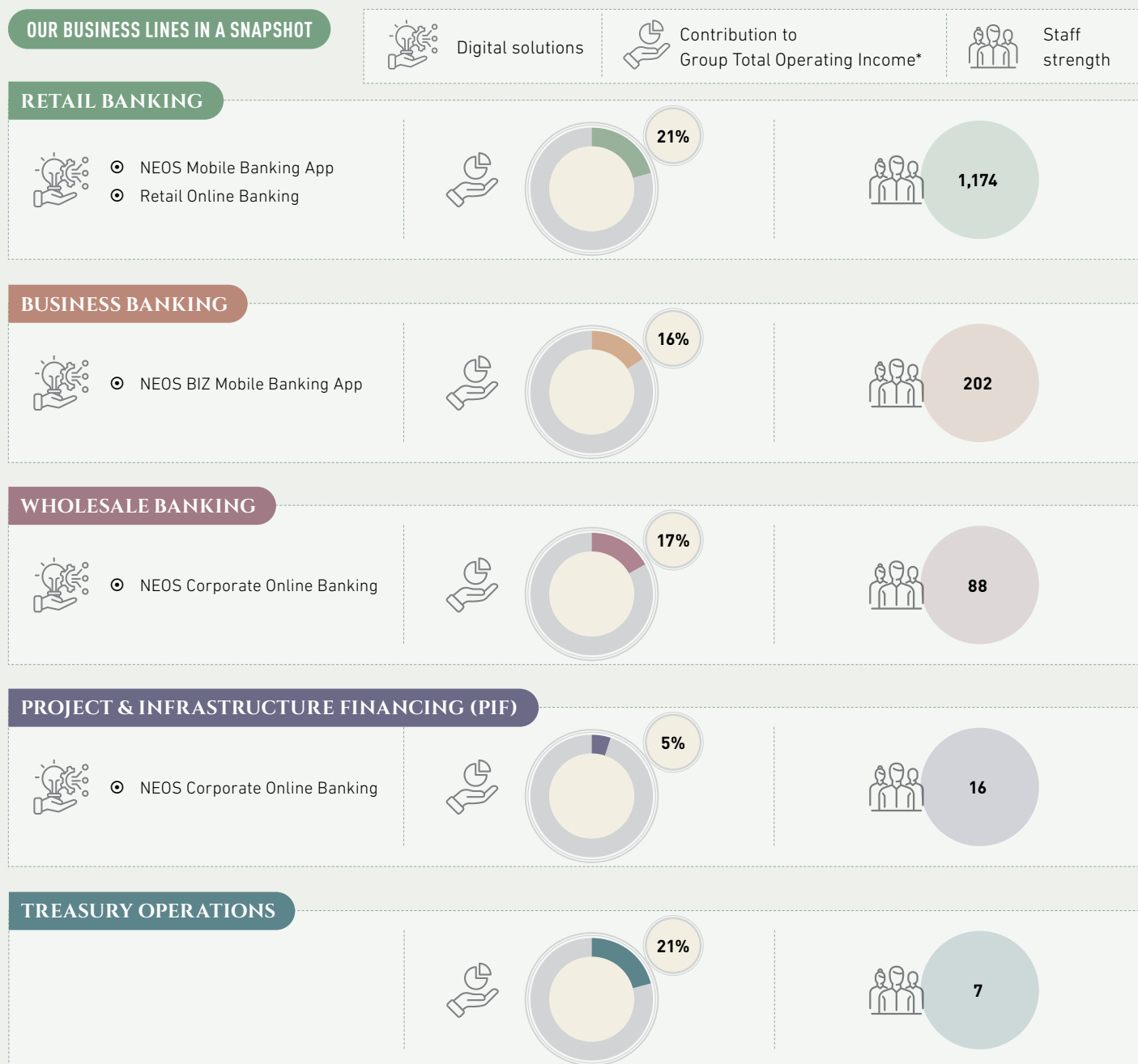


# BUSINESS LINES PERFORMANCE REVIEW

The Bank operates through five strategically structured business lines, catering to all our key customer segments. These business lines serve as the engine driving the Bank's core business, delivering on our promise to unlock prosperity and drive smart growth of our valued customers. As Sri Lanka's economy has evolved, so too have our business lines, continuously refining their offerings to ensure that every customer segment we serve benefits from the most effective financial solutions.

Our business lines are driven by teams of highly competent professionals who possess deep expertise in the products and propositions they offer. They are seamlessly supported by enabling functions, ensuring a smooth and efficient service experience for our customers. Each business line is also distinguished by its robust digital capabilities, enhancing both customer engagement and process efficiency.



\* Arrived at based on the Bank's internal fund transfer pricing mechanism.



# BUSINESS LINES PERFORMANCE REVIEW

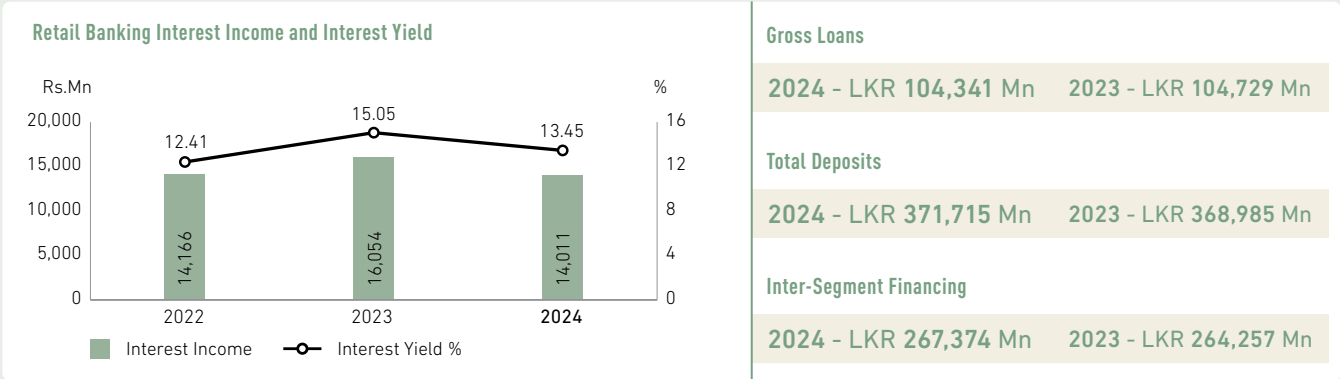
## RETAIL BANKING

### RETAIL BANKING

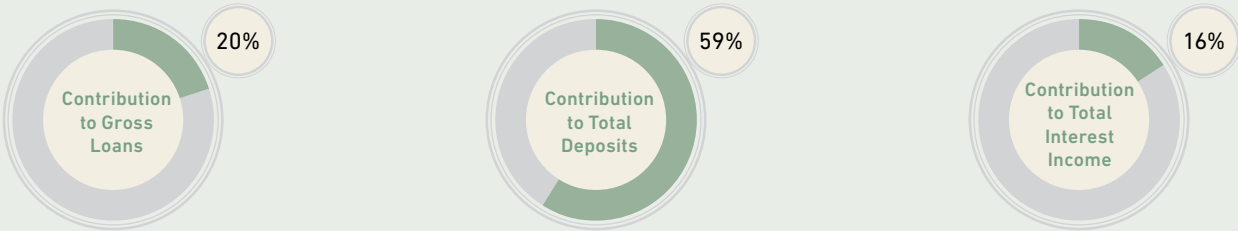
NDB's retail banking proposition stands out for its customer-centric solutions, cutting-edge digital offerings, and unwavering commitment to service excellence. Designed to cater to every stage of a customer's life journey, this proposition has demonstrated remarkable growth in brand equity, since its entry into the retail banking space.



### Financial Performance Highlights



### Retail Banking - Contribution to Group Performance



### Excellence in Retail Banking

Domestic Retail Bank of the Year – Sri Lanka  
Asian Banking and Finance Magazine (Singapore) Awards 2024



# BUSINESS LINES PERFORMANCE REVIEW

## RETAIL BANKING

### UNLOCKING PROSPERITY

#### Delivering Banking Convenience

Aligned with the Bank’s vision of being the driving force for a financially empowered Sri Lanka, NDB Retail Banking has consistently evolved its offerings to meet the dynamic needs of current and future customers. We continue to embrace innovation to deliver cutting-edge financial and digital solutions that resonate with an increasingly tech-savvy customer base while fostering lasting relationships with the nation’s younger demographic, our future customers. Our commitment to empowering women meanwhile remains steadfast, with the NDB Araliya proposition providing exclusive, tailor-made products designed to meet their unique financial needs.

#### Strategy in Action



##### Business Focus - CASA drive

Focused efforts were directed towards Current And Savings Accounts (CASA) growth during the year. While actively promoting our existing savings products we introduced several innovative products specifically targeting younger demographics. Notable among these were NDB PIXEL (Saving Product for Teens) and Privilege Junior Savings, both designed as tech-enabled secured banking solutions. These initiatives expand CASA by engaging untapped customer segments and foster enduring relationships with our future customer base.



##### Business Focus - Capital efficient lending

Amid sustained pressure on Net Interest Margins (NIMs) driven by lower market interest rates, we strategically prioritised capital-efficient lending. This approach led to significant growth in key segments such as credit cards, pawning, housing loans, and leasing, reflecting our focus on optimising profitability while meeting diverse customer needs.



##### Operational Excellence - Focus on cost and process efficiencies

We continued to streamline operations during the year, focusing on internal process automation to achieve faster turnaround times, deliver superior customer service, and improve overall operational efficiency. Targeted training also was carried out to enhance service delivery levels. This included specific training for branch managers through the TITANNS 100 programme as well as tailor made training for other staff. During the year we also engaged an external party to work in collaboration with the internal Business Process Re-engineering (BPR) team to identify areas for improvement and automation.



##### Empowered Stakeholders

Our retail banking client base, which is the largest among all business segments, continued to enjoy convenience defining financing solutions through our digital solutions. The dynamic range of product portfolio offering solutions to individuals at any stage of life ensured financial prosperity and enabled sound financial planning. Our deep segmented solutions targeting mass to ultra-high net worth segments ensured that our solutions are curated, meaningful and impactful.

## KEY INITIATIVES IN 2024

## Introduction of NDB Pixel digital transaction account

We continued to enhance our youth proposition, introducing a unique digital transaction account NDB PIXEL. Designed specifically for teenagers aged 13 to 18, the product offers account holders a wide range of benefits including debit card facilities, access to NEOS mobile banking and exclusive promotional offers. The product is an example of our continued efforts to attract emerging generations with innovative, tech-enabled banking solutions.

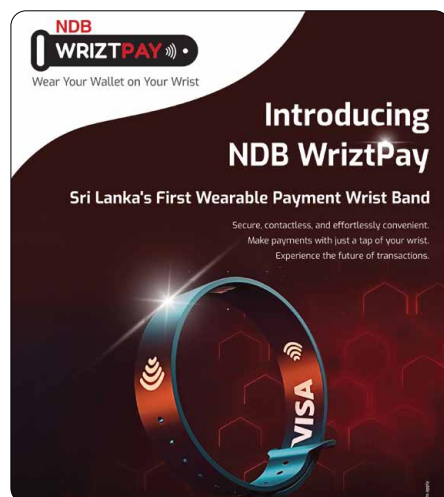


## NDB-AIA Bancassurance Partnership Wins Prestigious International Award

NDB achieved significant recognition in 2024 when the NDB-AIA Bancassurance partnership was awarded the prestigious title of Bank Partner of the Year at the Asia Trusted Life Agents & Advisors Awards 2024. This international honour, received for the first time in Sri Lanka reflects our commitment to providing retail customers with seamless solutions for their protection and financial planning needs.

## Launch of NDB WriztPay

During the year the Retail Banking arm launched the country's first wearable payment solution, the NDB WriztPay band, in partnership with VISA Inc. Leveraging advanced Near Field Communication (NFC) technology, NDB WriztPay enables seamless communication with payment terminals, offering the same convenience as contactless card transactions. The launch of this ground-breaking solution is part of our ongoing efforts to seamlessly integrate into the lifestyles of our tech-savvy customers by providing innovative solutions for managing finances.



## Empowering Sri Lankan Women: Revitalising NDB Araliya and Celebrating Female Achievements

We continued our strategic focus on empowering the retail women's market segment which comprise home makers, salaried women and women entrepreneurs. Our full-suite of NDB Araliya proposition augmented by both financial and non-financial support continued to extend support to the segment. NDB Araliya underwent a refresher during 2023 and was relaunched under the theme of "Giving you more than you want for yourself". Following this re-launch, the proposition continued with added vigour through 2024. We also continued the Sri Lanka Vanithabhimana, a nationwide women's recognition programme, for the fourth consecutive year to reward and empower

## NDB's Game-Changing Digital Solutions

NDB's digital suite for retail customers features the NEOS Digital Banking Platform, a revolutionary omnichannel experience that seamlessly pairs online banking and mobile banking, and NEOS PAY – a QR payment solution enabling merchant payments, bill settlements, and a variety of other transactions. Customers also benefit from a nationwide network of ATMs and Cash Recycle Machines strategically located for convenience, along with AI-powered video KYC (vKYC) for hassle-free online account opening and fully integrated digital loan solutions. The latest addition NDB WriztPay, takes our digital proposition to new heights by redefining how Sri Lankans interact with their finances with cutting edge technology.

high-performing, high-potential women across various categories (see page 166 for more details). These two flagship initiatives have enabled us to make considerable contribution to a number of UN Sustainability Development Goals and heralding lasting positive impact on the lives of many.



## BUSINESS LINES PERFORMANCE REVIEW

### RETAIL BANKING

#### PRIVILEGE BANKING



Known for its personalised customer service and life-style and financial solutions, NDB Privilege Banking has maintained its position as the market leader in the Sri Lankan private banking domain by consistently delivering excellence to its discerning clientele.



#### NDB Privilege Offering

- ➔ Customised financial advisory services
- ➔ Curated lending solutions
- ➔ 24 hours access to banking services
- ➔ Dedicated relationship managers
- ➔ Fee-less electronic banking
- ➔ Exclusive Life and Health benefits
- ➔ Preferential tariffs for all banking products and services
- ➔ Curated quarterly newsletter
- ➔ A range of value added services including estate planning advisory, philanthropy services, family banking and digital services

#### PERFORMANCE

The Privilege Banking segment performed well during the year, further consolidating its market position in a challenging operating environment. Liabilities and assets grew year-on-year driven by notable deposit and CASA growth amidst declining interest rates. Focused efforts to drive transaction volumes helped to increase the overall revenue and fee income. Fee income from bancassurance also witnessed an increase due to the efforts of the Unit and the Unit contributed to the biggest percentage contribution for bancassurance for the Bank.

#### KEY INITIATIVES IN 2024

##### Launch of NDB Privilege Junior

Creating a Family Banking proposition is an integral part of our strategy to build brand loyalty and increase customer retention across generations. A key initiative during the year was the launch of NDB Privilege Junior Saving, an exclusive offering, tailored for children of high-net-worth individuals. Account holders enjoy a plethora of benefits including elevated interest rates, bonus interest for monthly deposit commitments, a dedicated debit card facility for teenagers (13 to 18 years) via the NEOS Pixel Digital Savings Account, and mobile banking facilities in addition to other benefits such as a special gift scheme, hospitalisation cover, and a range of unique tailor-made engagement activities to partake in.

##### Deeper Customer Engagement

Throughout the year, we fostered deeper connections with our customers through a series of engaging activities. In collaboration with VISA Inc, we hosted our clients at events such as the VISA Card Monthly Medal Golf Tournament, curated gourmet dinners, and other exclusive gatherings. We also carried out a special launch of NDB WriztPay to our high net worth customers. These initiatives helped reinforce our relationships with our valued clientele whilst enhancing their overall banking experience, augmenting their trust and loyalty.

#### EXPANDED VALUE ADDITIONS

We also strengthened our collaborations with key partners to enhance the suite of value-added services offered to our Privilege Banking clientele. This year, we entered into partnerships with Allianz Insurance and Senaratne Insurance brokers to offer Insurance products to widen the bancassurance options and global services available to our clients. Our ongoing partnership with VISA Inc also enables NDB's Privilege customers to avail privileges offered to VISA Infinite cardholders including the recently introduced VISA Concierge service. VISA Concierge is a 24/7 digital personal assistant and lifestyle guide, giving access to a variety of experiences through a curated range of services, amenities and exclusive privileges. We continue to leverage our strong Group Company network to offer our customers an unparalleled suite of savings and investment options.

**Good life starts early**

**Secure your child's financial legacy with NDB Privilege Junior**

- Build smart money habits from the beginning ensuring a robust foundation for your child's financial future
- Enjoy exclusive perks with an initial deposit of LKR 1,000,000\*
- Nurture your child's wealth with bonus interest by maintaining a monthly commitment of LKR 10,000\*
- Empower your child with digital financial literacy at the responsible age of 13 through the Neos app and debit card facilities

Rest assured, you possess complete control over your child's financial journey, ensuring you peace of mind every step of the way.

011 754 8888 | [www.ndb.lk](http://www.ndb.lk) | [info@ndb.lk](mailto:info@ndb.lk)

\*NDB Privilege Junior - Minimum Deposit LKR 1,000,000. LKR 10,000 monthly commitment. Bank operates from 9 AM to 5 PM. All services subject to NDB's internal policies and procedures. NDB is a member of the NDB Group of Banks.

## WAY FORWARD- RETAIL BANKING



## Opportunities

- + Prevailing low interest rates and gradually improving economic conditions likely to boost segments such as housing loans, credit cards and leasing
- + Gradual improvement in economic conditions likely to positively impact transaction volumes, CASA and deposit growth
- + Further reduction in NPLs and provisioning due to improvement in repayment capacities

## Key Risks

- Margin pressure expected to continue amidst prevailing low interest regime and intensify competition among banks
- Lower disposable income levels due to higher income tax may result in some deposit attrition

## Strategic Focus in 2025

With the economy showing steady signs of recovery, we are bullish about our prospects for 2025, and are well prepared to capitalise on these growth prospects. Our strategy will remain focused on increasing customer share of wallet by actively driving transaction volumes across segments. Meanwhile, we will continue to leverage advanced data analytic capabilities to deepen customer insights, strengthen our retail value proposition, and deliver a more customer-centric experience. In terms of products we will drive leasing, pawning, credit cards, NDB Achara, etc.. We will make foray into specifically identified untapped market segments. The diverse product range we have across all lifestyles will auger well in this regard.



BUSINESS LINES PERFORMANCE REVIEW

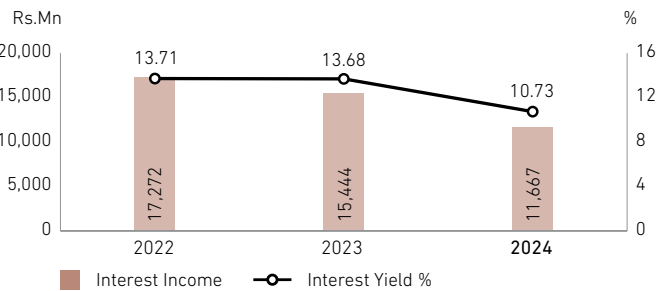
BUSINESS BANKING

NDB combines its extensive expertise in development banking and digital prowess to offer a unique value proposition to the SME sector. NDB empowers SMEs to optimise their operations, streamline transactions, and access financing solutions designed to meet their specific growth needs.



Financial Performance Highlights

Business Banking Interest Income and Interest Yield



Gross Loans

2024 - LKR 108,680 Mn    2023 - LKR 110,508 Mn

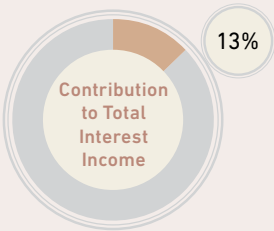
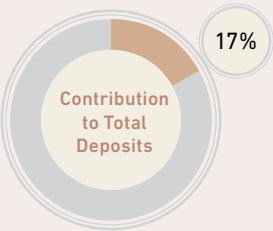
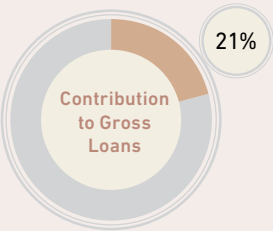
Total Deposits

2024 - LKR 107,687 Mn    2023 - LKR 101,851 Mn

Inter-Segment Financing

2024 - LKR (994) Mn    2023 - LKR (8,657) Mn

Business Banking - Contribution to Group Performance





## UNLOCKING PROSPERITY

## Strategic Support for SME Growth in Sri Lanka

While continuing to provide support for SMEs recovering from the chain of challenges which commenced since 2019, such as the Easter Sunday attacks, the COVID-19 pandemic and economic crisis, we shifted gears during the year to ramp up support to help SMEs move beyond survival towards sustainable growth and resilience amid evolving market conditions. To this end, several targeted initiatives were carried out to help SMEs build capacity, move towards greater digitisation and explore new growth opportunities. Special emphasis was placed on export orientated SMEs and female-led enterprises, providing them with targeted resources and support to enhance their competitiveness and expand their reach in international markets.

## Strategy in Action



## Business Focus - Focus on value-chain financing to drive growth

We expanded our SME customer base by leveraging existing client relationships, our broad network and deep industry expertise to offer tailor made financial solutions across the value chain.



## Operational Excellence - Driving transaction volumes by promoting SME digitisation

We continued to strengthen our SME digital value proposition NEOSBIZ while actively driving digitisation of the SME sector through capacity building and awareness creation



## Empowered Stakeholders- Strategic partnerships to drive SME development

Strategic partnerships with key stakeholders such as National Enterprise Development Authority (NEDA), Export Development Board (EDB), International Finance Corporation (IFC) and Asian Development Bank (ADB) have enabled us to have broader reach and a greater impact.

## COLLABORATION WITH NATIONAL ENTERPRISE DEVELOPMENT AUTHORITY (NEDA) TO EMPOWER SMES

During the year NDB entered into an Memorandum of Understanding (MoU) with National Enterprise Development Authority (NEDA) to empower Micro, Small and Medium- sized enterprises across Sri Lanka. Several capacity building initiatives were rolled out as part of this MoU. As one of the initiatives carried out under this MoU, NDB partnered with NEDA to facilitate the "SME Connect" online platform among MSMEs. 'SME Connect' platform, developed by the Asian Development Bank, offers MSMEs digital access to training programmes, learning resources, mentoring, and networking opportunities, thereby directly contributing to their growth journey. NDB also conducted a series of capacity-building workshops as part of NEDA's 'B500 Project,' an innovative initiative focused on developing 500 Sri Lankan brands. To further support programme participants, NDB assigned dedicated advisors from the Business Banking Unit to provide personalised guidance and support throughout their business journey.



# BUSINESS LINES PERFORMANCE REVIEW

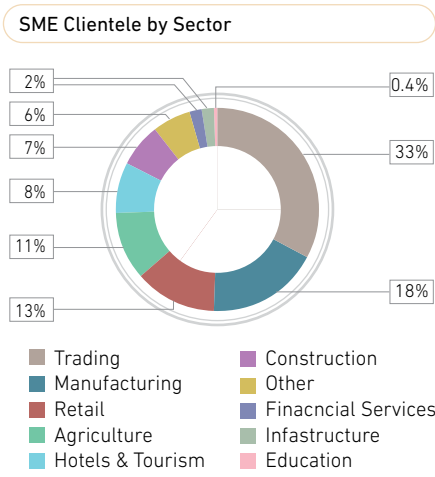
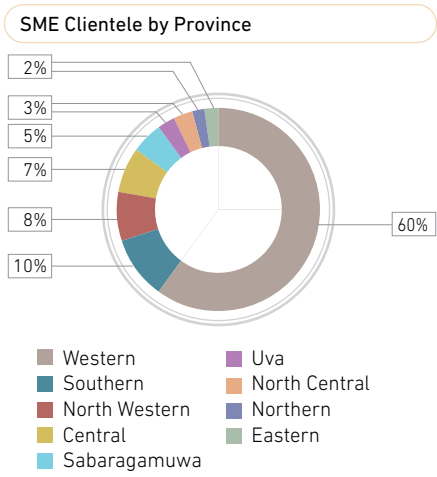
## BUSINESS BANKING

### NDB EXPORTERS' FORUMS TO DRIVE ECONOMIC RECOVERY AND GROWTH IN SRI LANKA

As part of our ongoing efforts to bolster the export sector in the country, NDB hosted two successful exporter forums in Colombo and Greater Colombo Regions during the year. The forums which brought together industry leaders, policymakers, and exporters to discuss strategies for boosting foreign exchange earnings and driving export growth in the aftermath of the economic crisis garnered widespread interest with over 200 participants in total.

### CREATING DIGITAL AWARENESS AMONG SME CLIENTS

A series of digitalisation workshops were carried out during the year with the participation of over 350 SMEs from across the island. The workshops, served the dual purpose of enhancing the digital capabilities of SME entrepreneurs across Sri Lanka while providing awareness on NDB NEOSBIZ app, NDB's pioneering mobile banking application designed specifically for SMEs.



### NEOS BIZ Performance

2,999

Active customers

412,740

Number of transactions

LKR 73.38 Bn

Value of transactions

**NEOSBIZ**

The first ever business banking Mobile app in sri lanka.

Manage the finances of your enterprise from wherever you are – efficiently, conveniently, securely and safely. NEOSBIZ is a first-of-its-kind revolutionary app, geared to give progressive and smart business owners like you the control, freedom and advantage you critically need. To succeed, everyday. So, NEOSBIZ with you.

ONE APP, MULTIPLE USERS

BULK SALARY TRANSFERS

BULK FUND TRANSFERS

SUPPLIER MANAGEMENT

BILL PAYMENTS

MERCHANT QR PAYMENTS

011 744 8888 | www.ndbbank.com

**NDB bank**

The future is banking on us.

## REFINANCE OPERATIONS

As a leading Participating Financial Institution (PFI) for various credit lines provided by the Government of Sri Lanka and multilateral funding agencies, NDB plays a pivotal role in driving sustainable economic development in the country. By offering concessionary funding and technical assistance to priority sectors, NDB empowers SMEs, encourages broader economic participation and fosters resilience and sustainable growth in key sectors.

### Credit Lines

- E-Friends re-finance loan scheme
- Small & Micro Industries Leader & Entrepreneur (SMILE III) re-finance loan scheme
- Re-energizer loan scheme
- Asian Development Bank - Small & Medium Enterprise Line of Credit (ADB SMELoC)
- Development Finance Corporation (DFC) funding

## KEY INITIATIVES IN 2024

### Concessionary Working Capital and Technical Assistance

We continued to support SMEs impacted by the economic crisis, channelling almost LKR 875.0 Mn in concessionary working capital funding through ADB SMELoC Emergency Response Scheme and the new ADB Working Capital loan. Over 98 projects in key sectors such as manufacturing, agriculture and tourism received concessionary funding through these credit lines. In addition to financial support we also worked closely with these businesses providing advisory and remedial services to ensure that these businesses move beyond survival to a sustainable growth trajectory.

### Re-Energizer Loan Scheme

During the year we also launched the 'Re-Energizer' loan scheme in collaboration with the Sri Lankan Government. Targeting export orientated, women led SMEs in key sectors such as manufacturing, construction, tourism, apparel, agriculture and agro-based industries, the scheme provides tailor-made long-term financial solutions for business expansion, cost reduction, productivity improvement and climate financing initiatives. Almost LKR 646.0 Mn was disbursed through this scheme to over 50 SMEs.

In addition to the above, the Bank continued lending actively under ongoing schemes such as ADB SMELoC T6, ADB Revolving, DFC, SMILE III Revolving and E-Friends Revolving Fund. A total of LKR 958.0 Mn was granted through these schemes to over 73 projects across the country.

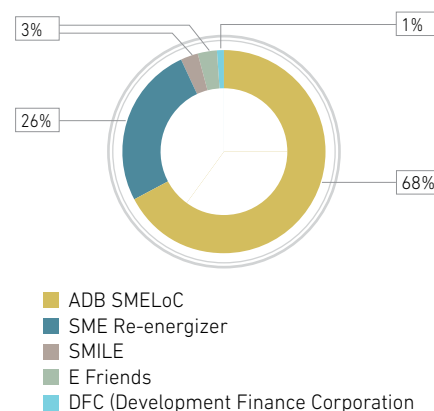
### Industry Collaboration

We are actively involved in creating a more supportive environment for SMEs by addressing key challenges faced by the sector. As a shareholder of the National Credit Guarantee Institution (NCGI) - a Public-Private Partnership between the Government of Sri Lanka (GOSL) and 10 local commercial banks, we help SMEs and startups access loans from Participating Financial Institutions (PFIs) based on National Credit Guarantee Institution (NCGI) provided guarantees, eliminating the need for collateral. Additionally, we are participating in discussions and workshops to develop a refinance code that would enhance access to affordable financing for SMEs and other priority sectors.

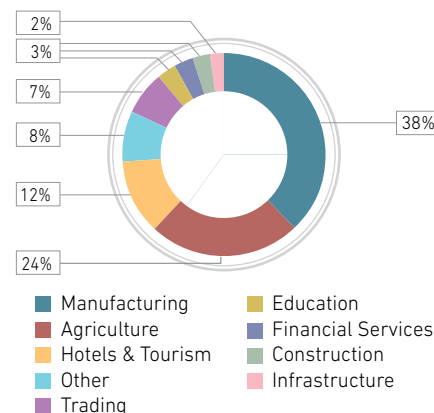
### Streamlining our Operations

As part of the Bank's broader digitisation drive, the Refinance Unit has begun digitising and automating its internal processes to enhance efficiency. At the same time, we continued strengthening our internal capacity through ICT training programmes, conducted in partnership with USAID. During the year over 50 relationship managers and officers participated in these training programmes.

### Loans Granted - by Credit Line



### Loans Granted by Sector



**Empower Your Growth with SME Re-Energizer**

Fuel your business ambitions with NDB Bank's SME Re-Energizer, the investment loan designed to power MSMEs and start-ups. Competitive 7% interest rate and a maximum loan amount of LKR 15 million to fulfill your dreams of business expansion.

**Special Features:**

- Competitive low interest rate: 7% p.a.
- Loan amount: Up to LKR 15 million
- Convenient repayment terms

Visit the nearest NDB branch or call 011 744 8888 for more information

**NDB bank**  
The future is banking on us

# BUSINESS LINES PERFORMANCE REVIEW

## BUSINESS BANKING

### ISLAMIC BANKING

Celebrating ten years of operations within the Islamic banking space, NDB’s Islamic banking proposition, “NDB Shareek,” continues to lead the way in delivering alternative Shariah-compliant financial solutions that cater to the evolving needs of its diverse clientele. Over the past decade, NDB Shareek has established a strong reputation with an ongoing focus on offering innovative products, revolving around customer centricity and easy accessibility via NDB branch network.

#### Excellence in Islamic Banking

Reflecting its unwavering commitment to delivering excellence, NDB Shareek received six awards at the recently concluded SLIBFI Awards 2024 (Sri Lankan Islamic Banking and Finance Industry Awards), reinforcing its position as a leader in the industry.

Refer page 403 for full list of awards won by the Islamic Banking Unit.

#### Our Product Proposition

- ➔ Investment options

  - Mudarabah Savings and Term Investments that offer competitive monthly and maturity profit payments
  - Wakala Term Investments
- ➔ Financing options

  - Murabaha Financing for working capital
  - Wakala Financing for investment management
  - Diminishing Musharakah for Home Financing
  - Ijarah Leasing for vehicles and machinery

These offerings are complemented by features such as e-statements, mobile and internet banking, debit cards, and doorstep banking for business customers. Each product is tailored to foster financial growth while adhering to Shariah guidelines, ensuring ethical and transparent banking for all

#### Performance

The Unit continued to perform well during the year with total deposit growing by 10% compared to 2023. Total assets also witnessed a growth of 22% as a result of targeted efforts to grow the Islamic banking portfolio.

### KEY INITIATIVES IN 2024

#### Expanded Product Range

During the year, NDB Shareek expanded its offerings on both the deposit and asset sides. New savings products introduced during the year such as the Money Market Saver, Corporate Saver, NEOS Pixel, and Privilege Junior accounts were also launched through the Islamic Banking Unit with Shariah compliant terms. On the asset side NDB Shareek introduced Import Murabaha, a Shariah-compliant financing solution for businesses involved in import activities.

#### Enhanced Service Quality

As part of our ongoing efforts to provide a customised service offering, three dedicated managers were on-boarded to specifically address the requirements of Wholesale Banking, Mid-Corporate, and Middle Market clients. These managers serve as a central contact point to provide specialised support tailored to each segment’s unique needs. Branch Managers and officers across all our branches are provided extensive training in Islamic Banking principles and products, upskilling them to offer personalised service and expert guidance. During the year over 50 hours of training were delivered across 24 branches on our Islamic Banking proposition covering 200 staff across the branch network and support units in order to standardise the service delivery and enhance the knowledge of alternative Islamic banking concepts.

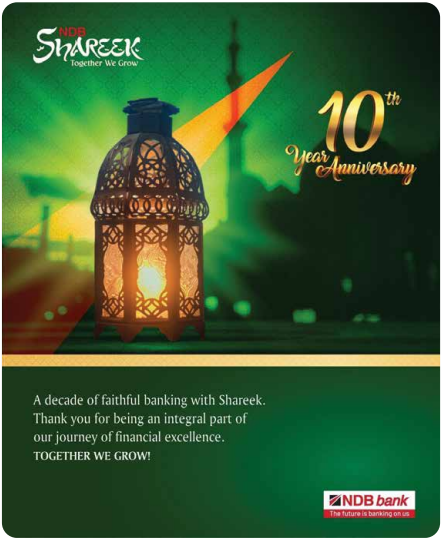
#### Ensuring Total Shariah Compliance

All NDB Shareek products, services and transactions are vetted and approved by an independent Shariah Supervisory Board (SSB) to ensure total Shariah compliance, which is headed by Ash Sheikh Shafique Ahmed Jakhura(Mufti) and closely supported by Ash- Sheikh Insaf Mashood.

### A Decade of Excellence

NDB marked a monumental milestone as NDB Shareek, celebrated 10 years of providing Shariah-Compliant Banking and Financial solutions to Sri Lankans in 2024. This achievement is particularly significant, as NDB is among the few financial Institutions in Sri Lanka to reach this remarkable milestone in the Islamic Banking space.

NDB Shareek Islamic Banking has upheld its mission of offering an Alternative Banking method in line with the Central Bank of Sri Lanka regulations and Shariah principles. Supported by a comprehensive range of products and services, over the years, NDB Shareek has grown into a trusted partner for individuals and businesses.



### WAY FORWARD - ISLAMIC BANKING

As NDB Shareek Islamic Banking looks ahead, the focus remains on empowering Sri Lankans through ethical financial practices. With its extensive branch network of 113 locations and a robust digital infrastructure, NDB Shareek is poised to drive financial inclusion and growth in Sri Lanka's Islamic banking sector for years to come, guided under the new theme "Together We Grow".



### WAY FORWARD - BUSINESS BANKING

#### Opportunities

- + Notable revival in SME sector mainly due to the recovery of the tourism sector
- + Opportunities arising from the Bank's strong value chain financing proposition
- + The Government's focus on the export and ICT sectors as priority thrust industries
- + Significant growth potential for Islamic Banking proposition outside Western and Central Provinces

#### Key Risks

- Erratic weather patterns having adverse effects on SME operations and revenue
- Emerging stringent regulations in EU and other parts of the world affecting export businesses

#### Strategic Focus in 2025

With the SME sector showing promising signs of revival, we are confident that 2025 will bring significant opportunities for growth and innovation. We will therefore continue to pursue growth opportunities particularly through value-chain financing while maintaining a sharp focus on portfolio quality. We will continue to enhance our digital value proposition for SMEs, emphasising on our transaction banking offerings to maximise fee-based income. The Bank will also partner with a number of credit insurance agencies in sharing risk, which stems from increased lending to untapped and underserved SMEs. Additionally focus will be directed toward empowering the women's market segment and expanding our Islamic Banking footprint across the country as we see these segments as having significant growth potential.



BUSINESS LINES PERFORMANCE REVIEW

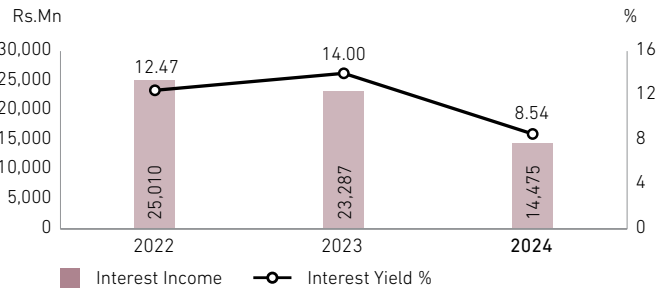
WHOLESALE BANKING

Our commercial banking proposition offers a comprehensive suite of services, including transactional banking, cash management, and supply chain financing. Coupled with our deep understanding of the complex financial needs of our clients, we are able to provide a holistic value proposition that delivers both financial and non-financial support to our corporate customers.



Financial Performance Highlights

Wholesale Banking Interest Income and Interest Yield



Gross Loans

2024 - LKR 180,562 Mn    2023 - LKR 164,650 Mn

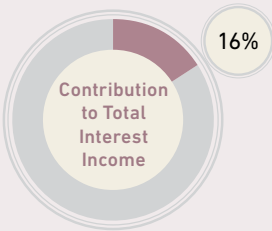
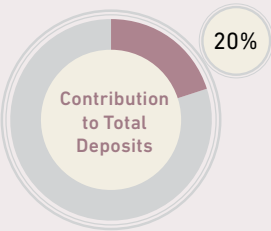
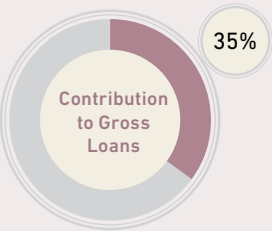
Total Deposits

2024 - LKR 124,741 Mn    2023 - LKR 113,616 Mn

Inter-Segment Financing

2024 - LKR (55,821) Mn    2023 - LKR (51,034) Mn

Wholesale Banking - Contribution to Group Performance



Excellence in Wholesale Banking



Sri Lanka's Best Bank for Corporates  
Euromoney Awards 2024

National Best Quality Software Award  
(NBQSA) 2024 for "Tradelinc" platform





## UNLOCKING PROSPERITY

## DRIVING SRI LANKA'S ECONOMIC REVIVAL - Strengthening Customer Resilience with Value Chain Financing

Providing our corporate customers tailor-made supply-chain solutions is part of our overall efforts to empower our customers to build resilient business models. Supply chain solutions such as our distributor financing scheme and NDB Supplier Early Payment Programme (N-SEPP) enable customers to reduce financial risks in their supply chain and improve liquidity of their channel partners. During the year we increased focus on this segment, closely working with our corporate customers to provide tailor-made supply-chain solutions while enhancing our value-chain financing proposition. The launch of "Tradelinc" a pioneering digital platform specifically tailored for local businesses was a key achievement during the year (refer more information below).

## Strategy in Action



## Business Focus - Driving trade financing

In order to improve client-centricity, Trade Operations Unit was also brought under the Transaction Banking Unit that falls under the Wholesale Banking arm. Trade operations were streamlined with extended cutoff times and faster turnaround times. Additionally, on Cash Management front, host to host (clients' ERP integration) development commenced to provide top corporates a sophisticated and more streamlined solution.



## Operational Excellence - Digitising processes

Emphasis was placed on streamlining critical operations and strengthening control measures. Several processes in the trade department were also digitised to increase efficiency.



## Empowered Stakeholders

With a bid to enhance customer experience and empower them with seamless and superior solutions, we introduced Service Level Agreement (SLA) turnaround times for each business line, setting clear expectations for clients. This was supported with ongoing training for client facing officers to ensure the highest levels of client service. This initiative ensured that our client facing officers are also equipped with the right knowledge on processes.

## KEY INITIATIVES IN 2024

## Launch of "Tradelinc" Platform

2024 witnessed the launch of "Tradelinc", our tailor-made digital solution for suppliers, distributors, and corporates to manage trade-related transactions. Designed and developed entirely in-house, the platform offers real-time funding, supply chain transparency, 24/7 access, and localised functionality, making it a cost-effective alternative to international platforms. As the first local bank to introduce a purpose-built platform designed specifically to suit Sri Lankan businesses, the launch of Tradelinc has significantly enhanced our supply-chain finance value proposition.

## A Digital Banking Solution Designed to Shape the Future of Supply Chain Finance

Experience the future today with **Tradelinc**, a revolutionary system designed to shape the future of supply chain finance. Tradelinc connects you with your suppliers and distributors on a single platform, seamlessly connecting the dots and providing end-to-end digital banking solutions to drive efficiency and growth in your business.



# BUSINESS LINES PERFORMANCE REVIEW

## WHOLESALE BANKING

### Structural Re-alignment for Better Service Delivery

As part of our efforts to offer our customers a seamless , one-stop-shop service, transaction banking and trade operations were consolidated under the Wholesale Banking in 2024. This structural integration together with ongoing process improvements have significantly enhanced service efficiency and positioned the Unit to better support the diverse needs of corporate clients.

### Ongoing Improvements to Digital Value Proposition

We continued to enhance our digital value proposition to our corporate customers. Improvements continued on NEOS Corporate, our dedicated digital banking platform for corporate customers, further enhancing usability and functionability. Additionally, we are collaborating closely with our IT department to develop a host-to-host system, which will enable seamless direct integration with our customers' ERP systems, streamlining interactions and further elevating the customer experience.

### Customised Trade Solutions

We remained committed to supporting our customers navigate persisting challenges, in the aftermath of the economic crisis. To minimise the impact on our customers from restrictions imposed by correspondent banks following the 2022 credit downgrade, our Trade Department proactively negotiated special arrangements to maintain customer access to trade lines. Meanwhile, we closely engaged with customers, offering tailor-made solutions to support customers in need.

### WAY FORWARD - WHOLESALE BANKING



#### Opportunities

- + Expected resumption of corporate trade activity in line with anticipated economic recovery
- + Growth opportunities for trade business particularly from regions
- + Opportunities arising from being a part of the banking ecosystem at the Colombo Port City
- + Upliftment of import restrictions on motor vehicles, increased risk appetite on these sectors

#### Key Risks

- Continued margin pressure resulting from low interest rate environment and increasing competition
- Impact of the Banking Act Direction on Large Exposures of Licensed Banks issued in March 2024 limiting borrowing capacity of local clients

#### Strategic Focus in 2025

We are optimistic of our prospects for 2025, particularly in the trade and transaction segments, due to gradually improving economic conditions in the country as well as due to our focused efforts during the last two years to strengthen our position in this space. Ongoing efforts to support customers recover from the economic crisis are also showing results and we are confident that we can leverage these stronger relationships to drive growth and volumes. While focusing on growth we will continue to strengthen our internal processes and monitoring mechanisms to drive greater efficiency and service quality, thereby striving to be a true partner in our customer value chain. We will also explore cross-border business opportunities, given our expertise and experience in this regard.

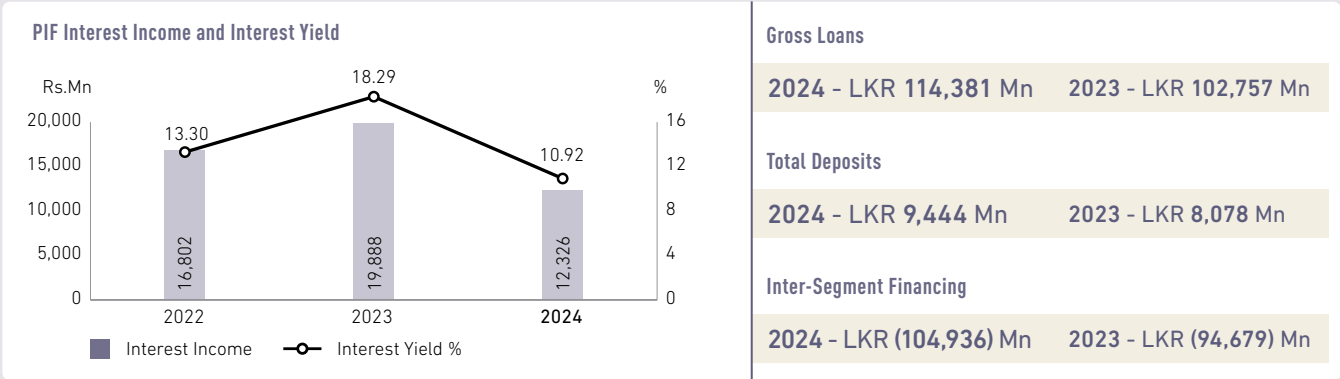
For the purpose of simplifying the credit approving process and document management system, we plan to move to an automated Loan Origination System (LOS). Further, to strengthening the control measures, impairment processes will also be carried out through an automated work flow system.

PROJECT & INFRASTRUCTURE FINANCING (PIF)

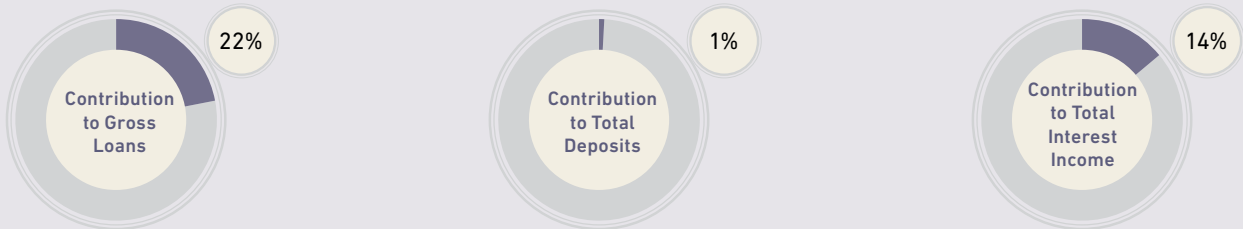
With unique insights and domain-specific knowledge honed over four decades, NDB has become an established leader in project financing within Sri Lanka. Our comprehensive expertise includes long-term lending solutions and advisory services, all tailored to support complex, large-scale projects. This deep-rooted experience enables us to deliver unmatched value and strategic guidance, empowering clients through every stage of their project development journey.



Financial Performance Highlights



PIF - Contribution to Group Performance



Excellence in Project Financing

Sri Lanka Domestic Project Finance Bank of the Year  
Asian Banking and Finance Magazine (Singapore) Awards 2024



# BUSINESS LINES PERFORMANCE REVIEW

## PROJECT & INFRASTRUCTURE FINANCING (PIF)

### UNLOCKING PROSPERITY

#### Expanding our Regional Footprint

Leveraging our well-established track record in structuring and financing large-scale projects both locally and internationally, NDB strategically focused on expanding its regional presence during the year. Accordingly, we strengthened our overseas presence, successfully pursuing offshore financing opportunities in India, Maldives and Indonesia. These project serve to strengthen our cross-border capabilities and serve as a stepping stone for further expansion in these regions.

#### Strategy in Action



##### Business Focus - Driving transactions volumes through cross-selling

We aggressively pursued cross-selling opportunities by bundling services like cash collections with our core lending products. This strategic bundling approach allowed us to drive transaction volumes, enhance service value, and capture a greater portion of client business, further reinforcing our position as their preferred financial partner.



##### Operational Excellence - Digitising operations for greater efficiencies

We actively promoted the NEOS Corporate platform to our clients as part of our overall digitisation efforts. By onboarding them onto our digital platforms, we enhanced client convenience and significantly streamlined our internal processes.



##### Empowered Stakeholders - Strengthening capabilities

We continue to upskill our PIF team providing ongoing training opportunities in emerging areas such as green investments, climate financing and green bonds among others.

Our customers received up to LKR 35.7 Bn as fresh disbursements during the year, enabling them to progress ahead.

### KEY INITIATIVES IN 2024

#### Independent Rating for Sustainable Bond Framework

Achieving a key milestone in the Bank's sustainable financing journey, NDB's Sustainable Bond Framework obtained an independent assessment and "Good" rating from Sustainable Fitch based on internationally recognised principles and guidelines set by the International Capital Market Association (ICMA).The Sustainable Bond Framework enables NDB to finance or refinance projects under several green and social categories that support Sri Lanka's national goals for environmental protection and social advancement. These include seven green Use of Proceeds (UoP) categories viz renewable energy, green buildings, clean transportation and climate change adaptation, as well as four social categories, including affordable infrastructure and employment generation.

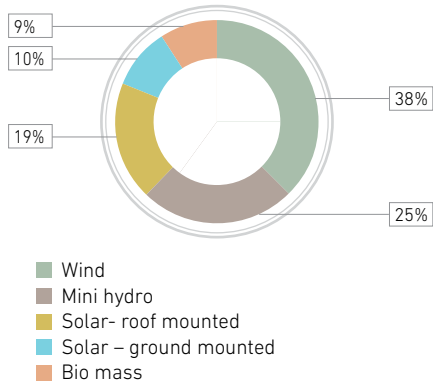
Powering the Energy Sector

Responding to the nation’s need to strengthen the energy sector, NDB was a part of a funding syndicate to finance a 350 MW liquid natural gas (LNG) based Combined Cycle Power Plant ‘Sobhadhanavi’. Once commissioned, the project will be the largest independent power producer (IPP) in the country and the first power plant to operate with LNG, paving the way for the country to transition to greener forms of power generation from conventional thermal power.

Our renewable energy generation financing portfolio is quite diverse with lending to wind, mini-hydro, solar and bio mass energy generation. Refer page 180 in Natural Capital for more details.



Composition of the renewable energy generation financing portfolio



LENDING TO FINANCIAL INSTITUTIONS

We provided funding to several large financial institutions during the year both at home and overseas. Lending to the domestic financial institutions added on to our efforts in strengthening the country’s financial services sector at a time the country’s economy was regaining from the setbacks of the financial crisis. We will continue to focus on this segment, actively pursuing local and offshore opportunities.

WAY FORWARD - PIF



Opportunities

- + Loan syndications in both domestic and regional markets
- + Enhanced financing opportunities in renewable energy, infrastructure development, etc., with resurgence in economic activity
- + Opportunities for infrastructure financing in the Colombo Port City

Key Risks

- Impact of the Banking Act Direction on Large Exposures of Licensed Banks issued in March 2024 limiting borrowing capacity of local clients

Strategic Focus in 2025

Expanding our regional footprint will remain a focus going into 2025 and we will continue to explore big ticket offshore lending opportunities through syndicate arrangements. We will also expand lending to financial institutions across both domestic and international markets while pursuing sell-down opportunities with overseas financial institutions to drive asset growth. In terms of our product offering we will continue to pursue cross sell opportunities by offering bundled financial services for large scale projects while continuing to drive greater digitisation of our services.

BUSINESS LINES PERFORMANCE REVIEW

TREASURY OPERATIONS

The Treasury continued to effectively manage the Bank’s market risks, including interest rate, exchange rate and liquidity risk, by proactively aligning the balance sheet with market conditions. This was achieved through active interest rate monitoring, strategic portfolio diversification, and an ongoing focus on efficient margin management.

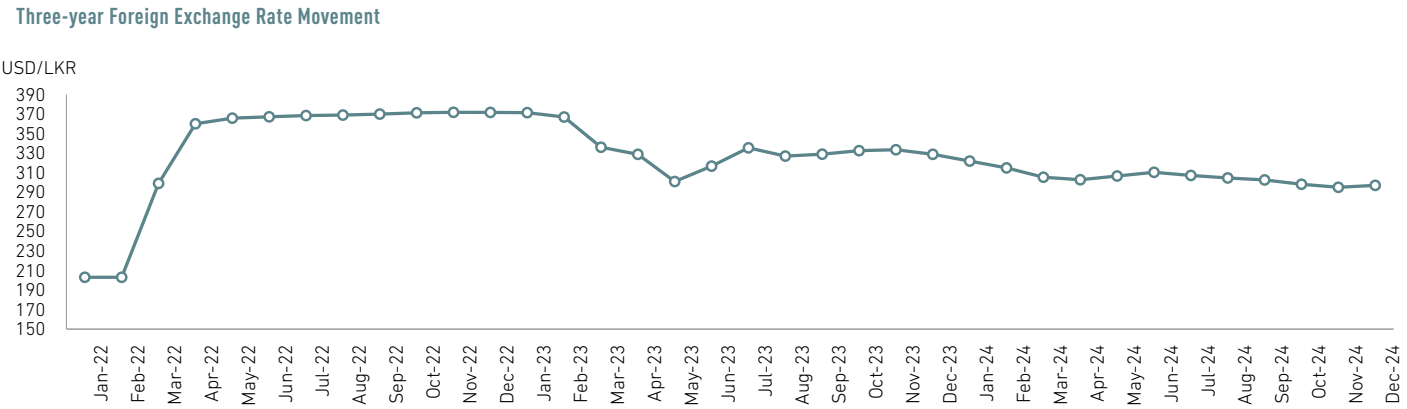


Performance in 2024

Interest Income	Investments	Borrowings
2024 - LKR 32,691 Mn	2024 - LKR 250,130 Mn	2024 - LKR 57,347 Mn
2023 - LKR 45,219 Mn	2023 - LKR 225,990 Mn	2023 - LKR 73,896 Mn

FOREIGN EXCHANGE (FX) DESK

Focused efforts to capture market opportunities in trade/ transaction related business enabled the Unit to generate a FX revenue of LKR 1.04 Bn during the year.



FIXED INCOME (FI) DESK

The FI desk performed well during the year with an interest income contribution of 37% during the year to the Bank’s overall interest income. The FI desk capitalised on declining interest rates, generating significant capital gains from fixed-income securities. Trading activity in government securities also increased during the year due to the relatively higher yields compared to other market interest rates. The Bank’s Balance Sheet mis-matches were also managed effectively to optimise Bank’s net interest margins.





## WAY FORWARD- TREASURY OPERATIONS

### Opportunities

#### + Foreign Exchange

- ⊙ Scope to implement advanced hedging strategies (forwards, swaps derivatives)
- ⊙ Planned strengthening of FX forecasting models using advanced technology
- ⊙ Enhancements to proprietary trading to diversify FX revenues

#### + Fixed Income

- ⊙ Exploration of structured money market products for higher returns while maintaining liquidity
- ⊙ Active participation in secondary market trading activities as a market maker

#### + Debt Management

- ⊙ Exploration of sustainable financing such as green bonds and Sukuk (Shariah- compliant bonds)
- ⊙ Broadening of investor participation by targeting foreign institutional investors.

### Key Risks

- Continued pressure on margins due to increased competition
- Interest rate volatility impacting cost of funds
- Management of funding mismatches of the balance sheet
- Talent retention and acquisition

### Strategic Focus in 2025

Improving economic conditions in the country are expected to fuel higher credit demand in the short to medium term. To support this expected asset expansion, the Treasury will continue to optimise liquidity management, enhance funding strategies, and actively manage asset and liability management risk. Treasury will also continue to explore digitalisation of their operations to drive further efficiencies.