EDITED TRANSCRIPT

WEBINAR WITH INVESTORS AND ANALYSTS

QUARTER ENDED 30 SEPTEMBER 2023

National Development Bank PLC

CSE stock code: NDB.N0000 | Bloomberg: NDB SL | Reuter's: NDB.CM

29 November 2023, 01.30 pm (GMT +0:530)

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Forward Looking Statements

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Panelists

K V Vinoj - Deputy Chief Executive Officer
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Deepal Akuratiyagama - Chief Operating Officer
Suvendrini Muthukumarana - Vice President/ Chief Financial Officer
Niran Mahawatte - Vice President - Treasury
Indika Ranaweera - Vice President - SME, Middle Market & Business Banking
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Investor Presentation

Opening Remarks - CEO - Dimantha Seneviratne

Welcome all of you to our quarterly investor webinar and with me I have my leadership team.

PART I –Operating Environment

Slide 06 – Operating Environment (Inflation & External Sector Performance)

The operating environment of course very volatile, but I think virtually we are improving from where it was last year. Last year was very volatile, but gradually we are settling down. So as you can see, one key element is the inflation. Our inflation has come down from a very high level of about 73% in CPI to now 1%. Of course, at a higher base, but still, there are significant changes. We had a modest recovery in economics activities as denoted by the leading economic data. These are supported by certain import restrictions, but more importantly, the inflation that is the key area that has been targeting and that has seen an improvement with that, the interest rates etc. With regard to the IMF relief package, we are expecting the second tranche. The staff level agreement had been reached and slightly once the board clears on 6 December, we should get that and that would also unlock some of the lines that have been agreed with some of the bilateral lenders. That would also come in, hopefully on the foreign currency in the country. As I mentioned, inflation has significantly reduced, but there can be one of in these in coming months with the VAT rates going up to 18%. In terms of external sector performance, the other areas that you need to share are the steady improvement in the worker remittances side and the tourism income.

Up to October, we had USD 4.9 Bn in terms of worker remittances. Even October, we have crossed USD 500 Bn and even the expectations for November is USD 550 Bn. That is a steady flow that is helping in terms of managing foreign currency inflows. The tourism side also, the earnings up to October have been USD 1.6 Bn and that is growing. That is the feedback that we got from our tourism sector related customers as well. Gross official reserves have reached some healthy level. Officially, it is USD 3.6 Bn. We have seen the exchange rate stable in the last quarter, managing between 325 to 330 level. Of course, this is about roughly appreciation of 11% from the beginning of the 2023.

Slide 07 – Operating Environment (Policy Rates & Market Rates)

In terms of policy rates, there had been a significant reduction during the year and of course, including this month, actually earlier last week the reduction in monetary policy rate by another 100 bps. Overall, we have seen that the policy rates how it has grown from September 2021 during the one-year period. From around 5% by June this year, it beat at 16.5%. So all in all about 10.5% increase in the policy rates. We picked up to 16.5%, but since then significant reduction including the recent trade cut, it has now come down. All in all about 6.5% or 650 bps reduction in the policy rates itself. From that high peak of 16.5%. That is reflected in the market rates in terms of the bills, which has peaked at 29% one year bills, have now come down to 13%. Then the AWPLR, that is where the significant reduction we saw from a high of 28.19% last year. Now it has come down to 13.94%. Previously, it was 20.04% again, significant reduction. It is shown that AWPLR itself had about 15% reduction, which is 1500 bps. That is one thing that banking sector had seen also what the Regulator is also keen to see. Along with the AWPLR, there had been regulatory-driven measures to ensure that overall interest rates are reduced significantly. We have seen roughly about 250 bps reduction in the last two months ending October and further reductions are expected so that the benefit is passed on to the customers. Naturally, this will have some pressure on the NIM or the net interest margins of the bank, but we need to ensure that when the economy is revived, that benefit is passed on so that the credit growth can be basically improved based on those tools. That is the operating environment.

PART II – FINANCIAL PERFORMANCE REVIEW

Slide 09 – Financial Performance Overview

Let me now go into the financial performance of NDB Bank and the Group. Overall, we had gross income growing up by 38% YoY to Rs. 102.9 Bn. Bank PBT we had a significant improvement here overall 1100%. Actually, a tenfold increase in the PBT to across Rs. 9.5 Bn from the last year's nine months. That is very significant PBT and we ended up with Rs. 5.2 Bn, which is 829% growth YoY. Group level PBT also crossed Rs. 10 Bn, which is about 763% growth and profit after tax was Rs. 5.4 Bn. In terms of total assets or balance sheet, of course, we saw balance sheet shrinking by 5%. This is mainly due to the exchange improvement. The appreciation of Sri Lankan rupees. So we close the September balance sheet at Rs. 789 Bn. In terms of loans, again, 13% drop was mainly due to the exchange impact. We closed that point at Rs. 473 Bn.
Deposits again, 7% reduction, this is again driven by the dollar or rupee appreciation, because about 28% of our deposits are in foreign currency overall. So as a result, because of the appreciation, the overall deposits had seen 7% negative growth. Despite the balance sheet being reduced, in the profitability side, I am going to emphasize that is where we have been focusing on the interest margins and the fee-based income. All that has contributed to a significantly higher PBT and also PAT. In terms of NIM nine months, it was 4%. A slight improvement from 3.8% last year. ROE, 9.75%. CIR is, one of the lowest in the industry, which is 30.2%. The impaired Stage 3 ratio at 9.18%. In terms of the Capital Adequacy, tier one is at 11% and the total capital at 14.46%.

Slide 10 - Financial Performance – Income

Going to the detailed financial performance in terms of income, income statement you will see the gross income had 38% growth YoY. Even the interest income 44% growth from Rs. 65 Bn to Rs. 93 Bn. However, the interest expenses, the growth is 61%. Naturally, because of the initial high rates. The one I mentioned earlier, the significant increases in the interest rates along with that, we have increased our deposit interest rates. As a result, the interest expenses had a higher growth than the interest income percentage growth. So we had 61% expenses growth purely due to the interest rate hikes that have been happening. But that is expected to come down with the rates coming down gradually. We see that our reprising rate is very high. I think most of the deposits are short term. So that is one advantage that the bank is having as and when the rates are coming down. The reprising rate is much faster. As a result, the reduction in net interest expenses would be faster than what is expected. The net interest income, we had 10% growth from Rs. 22 Bn to Rs. 24 Bn nine months ended in September. In terms of non-fund based income, there again, we had a significant improvement in the fee and commission income. That is something that we have been consciously driving in a low margin scenario.

The fee based income as one of the key area. That has grown by over a Rs 1 Bn YoY, from Rs. 4.3 Bn to Rs. 5.4 Bn. The other non-fund based income, there is a drop in the exchange fluctuation, from Rs. 4.9 Bn to Rs. 3.7 Bn. The total non-fund based income almost remained as Rs. 9.3 Bn because of the exchange impact. There was no growth, but the area that within the control of the bank, we had good growth in terms of fee based income.

Slide 11 – Financial Performance - Impairment Charges

Moving on to the impairment chart, this is where we had a significant impact compared to last year. That overall 37% reduction in total impairment charges from last year nine months, we had Rs. 22 Bn impairments taken. Now that has come down to Rs. 13.9 Bn. So that is a significant reduction compared last year. Last year, it was mainly driven by the impairments over the assets, especially the ISP investments, SLDB investments, etc. The SLDBs, the bank received that in rupees and there had been a certain reversal of provisions as well there. But more importantly, overall, we have been consciously building up the impairments even for the loan group. But as a quantum there is a significant reduction about Rs 8 Bn from last year nine months to this year nine months. In terms of impairment related ratio, the KPIs on the quality of the book impaired loans ratio from last year, it was a stage ratio was 6.2%, which has now gone up to 9.18%.

Basically, reflecting the industry-wide credit concerns. We believe that the peak has reached so that hopefully things should improve from now onwards. Some of the sectors in the economy are performing. Actually getting back to the normalcy, but still there are sectors, there is a lag effect. Naturally, even a country has gone to almost 10% plus negative growth rate over the last one and a half years. Of course, some industries are picking up, for example, the tourism,

But there are industries which have a lag effect. So the impact of those still would remain and that might get reflected in the impaired loan ratio. But we see, and we hope that the peak has reached and things are improving from now onwards. We also have done things to work on the recovery side or remedial management side to ensure that this acute challenge is managed well. Impairment cover that remains almost the same, 36.57%. and the total impairment cover on the loan book, that has actually improved from 5.8% to 8%. Then the net operating income, we had 112% growth, resulting in 19.7 billion for the nine months.

Slide 12 – Financial Performance – Operating Expenses

In terms of managing operating expenses, that is where the bank has done very well. Despite the high inflation rates that we talked about 65, 70%, I think our overall operating expenses; the growth is only 20% from Rs. 8.4 Bn. So we have increased from Rs. 8.4 Bn to Rs. 10.1 Bn. Personal expenses, of course 17% increase. However, we have managed to keep it at 20% level. Total operating expense increased mainly due to the inflationary driven expenses. The fuel and energy costs. Naturally, there were several price emissions that you are all aware of. So those are the main reasons, why the cost has gone up. In terms of cost income ratio 30.2%, I think compares very well, it appears, one of the best cost income ratio that NDB has recorded, even in this quarter.

Slide 13 – Financial Performance – Taxes and profitability

The operating Profit before Tax, significant increase from Rs. 790 Mn for the nine months ended September last year. That has gone up to Rs. 9.5 Bn. That is why I said, more than 10 times growth. It is a 1,109% growth. Taxes again naturally the subset of that. So Rs. 2.4 Bn taxes. PBT is about Rs. 7 Bn. After income tax expenses the PAT was Rs. 5.2 Bn, compared to finance 61 million that we had in the first nine months. So again, eightfold increase in profit after tax. The total tax charge, substantial increase from Rs. 228 Mn last year, nine months to Rs 4.3 Bn. Overall, the PBT at the group level, almost Rs. 10 Bn compared to Rs. 1.1 Bn last year. Profit for the whole nine months, profit after tax at the group level was Rs. 5.4 Bn. On the below that we are given at the moment in the regulated tax regime. So as you can see, a substantial increase in the tax rates. The FS VAT remains at 18%. But the income tax level from 24% to 30%, and the SSCL, which was introduced at 2.5%. So the total tax last year, was about 42%. Now it has not gone up to 50.5%. Therefore, whatever the bank earn, 50.5% basically is paid out as tax.

Slide 14 – Financial Performance – Balance Sheet

Moving on to the balance sheet. The balance sheet had a negative growth rate of roughly 5% from Rs. 833 Bn in December last year to Rs. 789 Bn. Mainly due to the appreciation of the Sri Lankan rupee against dollars, Because as you can see the below table that the currency wise, we roughly about 23% of our loan book is in dollars, and even 29% of our deposit book is in dollars. So in the balance sheet, our foreign currency (FCY), when I say dollars, it is a foreign currency (FCY) exposure. It is a mix of currencies, but it is a foreign currency (FCY) exposure is high. So when the rupee appreciates naturally the rupee terms the size of the balance sheet has come down. In terms of gross loans, again, it is Rs. 580 Bn versus it is close at Rs. 514 Bn.

Apart from the rupee appreciation, we were also not consciously growing the book, especially in high interest rates. It was very challenging to grow the book. The first half, we have been allowing the normal action of the loan book without making any effort in terms of growing the book. Only certain selected products we were concentrating, but the things are now improving. So that since the economy is also picking up. We expect the growth rate also to be positive next year. So as a result, we have been paying attention now from the second half onwards to consciously grow the asset book. But in the first half, it has been a conscious decode kind of approach that we had given the high interest rate regime.

Also, customers were also not sure about their future arrangement as well. We had a little credit appetite, which was reflected in the banking sector overall. Again, bank sectors, the asset or the loan book growth, there was a big growth in the first half. Only the last three months, we see a MoM increase. We see a similar trend in our loan book from the last month onwards. Deposits, again, about 7% drop. Main reason again is since 29% of our deposits are in foreign currency. The appreciation in the Sri Lankan rupee contributed to the drop in deposits. That is about some summary on the balance sheet.

Slide 15 – Financial Performance – Investor Ratios

These are some of the investor ratios. The share prices improved more than double from December level. December it was Rs. 32/-. Now as of September end, that has closed at Rs. 68.70. Earnings per Share have improved from Rs. 7.65 to Rs. 16.52 more than double. ROE again more than double from 4.75% last year to 9.75%. and this should improve further. Return on assets (ROA) pre-tax level from 0.26% to 1.5% And also the book value of the share from Rs. 167/- to almost Rs. 180/-.

In terms of price earning (P/E)and all, it remains the same. Price to book value (PBV) has improved from roughly 0.2% to times to 0.4%

Slide 16 – Financial Performance – Capitals & Liquidity Position

In terms of capital adequacy, the Bank has performed well. These are all through internal generated capital and conscious balance sheet management. Moving on to more capital efficient assets and in terms of our pricing also, we have used low rack pricing on research adjusted capital base as a measure.

Whatever the exposure that we book, we have been very conscious on capital efficiency management. As a result, you would see the common equity ratio Tier I ratio has improved from 9.34% to 11% by quarter three. At the group level we have 11.54% capital in terms of Tier I. In terms of total capital ratio, more than 100 bps increase in total capital. The minimum requirement is 12.5%. We are at 4.46% and at group level, it is 14.87%. Statutory liquid asset ratios are at very high and they in very healthy level. That has improved from 27% last year, while the minimum requirement is 20%. We are now around 38%. In terms of liquidity, almost all the banks have very high liquid ratios. Liquidity coverage ratio, again 333% and quite high liquidity. In the next table, funding ratio is also at 141.66%, whereas the minimum is 100%.
The NDB is quite liquid here and the graphs depict how their capital equity ratios have moved and how that has improved from the December level from 13.35% to 14.46% and the Tier I from 9.34% to 11.06% . So you will see that the 11.06%, the Tier I level is one of the highest that have been at Tier I level we have been maintaining since 2020. So over a period of three years, one of the highest Tier I capital ratio and thanks to balance sheet management. Also, the internal capital retention that we need.

So over the last three years, we have averaged one of the best Tier I ratios. In terms of LCR, you will see that how the liquid level from 2020 level 157%, or the LCR ratio, total currency, it has gone up to 270%. So again, quite liquid in terms of over a period of three years also. During times of trouble, the liquidity and capital are the key things that banks would concentrate. We have been concentrating on that to ensure that we come out with a very strong balance sheet and a highly liquid situation. You would see those three years, how the capital ratios have improved and also the liquidity ratios.

PART III – Way Forward – Slide 18

So moving on the way forward, responsive and agile. Yes, we went through turbulent time but as a responsive and agile bank, how you meet the future. Some of our key strategic priorities for the next two years that we have internally discussed, and some of them are, managing the NIM (Net Interest Margin) specially in a declining low interest rate environment that is coming. How do we manage our net interest margin? So we have been focusing on that to improve on our margins. Then the fee-based income, again an area that we have seen quite a good result, as you saw a Rs 1 Bn increase YoY.
We would continue to focus on the fee-based income so that that will enhance our revenue mix. Also another key imperative is on the asset quality and continuous focus on ensuring that asset quality improves. Also the impairments on those will be reduced. The stage 3 position is addressed.
So that is where a lot of efforts being made in terms of strengthening the recovery team, in terms of improving our legal capabilities in recovery, wherever needed. That is where, some of the positive developments in the legal framework has also helped. Apart from that, how we incentivize our recovery officers all that have been looked at. So that I think, in terms of future, the concentration on this, approach would ensure that more efforts are made to ensure that our impairments are managed and the recovery side asset quality improves. We also have set up, a remedial management unit, which is proactively looking at potential future stage three accounts early, nurture them and take intensive care of them and ensure that the bank's position and the customer is also looked after well by having some very experienced RMs managing that. So that has also helped us to improve on the asset quality. In terms of loan growth, a good thing going forward, it would be a cautious loan growth, with the risk efficient lending. As I mentioned, based on the low rack, return on research, I guess,

the capital whatever we book, we always ensure that underwriting standards are high, and also, whatever we book is capital efficient.
The other area that we are concentrating is on the cost rationalization, and specially, getting the reaping the dividends on our digital investments. We went for a co-banking upgrade, which is now operating from January onwards this year. There are a lot more that we can get in terms of efficiency through the digital investments that we have made. So, cost rationalization, when I say that, it is basically, how we can get the best optimum results from this digital investment. We have seen quite a good growth there. The digital transactions have gone up about 85%. But there is a lot more we can do. Though, bank's number of transactions over the last five years, more than tripled, we have not increased our account by that much. Actually, that is thanks to the digital investment that we have made, workflow improvements, the investment in the robotic processes and all. All those automations have helped us to be one of the most cost efficient Bank in Sri Lanka. We will continue to drive our digital focus, empowering women, women market focus. That is one of the key areas that we have been focusing. And the ESG related initiatives, those who continue to have a balanced approach in whatever we do, it is all sustainable. In terms of preserving capital, specially on the tier II side, we have already made announcements and so far good positive responses for our Basel III compliant Tier II listed unsecured subordinates debenture issue of Rs 5 Bn. We have made the announcement that book building process is happening. The issue is operating on 5 December 2023. These are the features, the total AER at 15%.

There are two types. One gives annual returns, interest payment annually. So that is AER at 15% and the other one, the type B is again, five-year tenure. Interest rate at 14.22% again, AER is 15%. That would also improve our Tier II total capital ratio once that is finalized.

PART V – Q & A

(Answered by the CEO, unless specifically mentioned)

Q 01: Can you explain the proposed changes to the single borrower limit and how that will impact the smaller banks? What is NDB strategy with the changes?

This is yet to come, but central bank has shared paper with the banks for our views and most likely that would be effective from date of next year. We have a single borrower limit, which was earlier linked to the total capital and went up to about 32% based on the group borrowings or the single borrower limit. Now that is being reduced to the Tier I capital and at 25%. That is a significant reduction in overall banks. Single borrower exposure and where the groups are also defined. There is more conservative kind of approach. Therefore, yes, there will be exposures over the current single borrower limit. Some of the groups might get affected. There is a timeframe of almost three years. That is what has been indicated and been agreed to ensure this is implemented. However, there will be an impact specially for the smaller banks. On the other hand, there may be single borrower exposures of, some of the larger banks still are getting affected. Everybody is getting affected. It does not matter whether you have a smaller bank or a larger bank. But that also creates an opportunity for some of those who are not banking with larger groups. When some banks exposure caps are reached, an opportunity to be part of that by getting into that group, but it is up to a conglomerate or a group to see whether rationalizing the number of banks. I am sure some of them do not want to bank with several banks. So, any corporate would also like to be working with about three or four optimal level of banks. So that is something that one has to manage.

Yes, that would create some impact going forward to the industry. So we have shared our views with the central bank.

Q 02: Comment a bit about how you see the rates behaving in 2024?

Niran Mahawatte: We think that, there is still room for the interest market interest rates to come down, because if you look at the policy rates and with the recent reduction, also in the last policy meeting, I think the market rates have not yet adjusted to that level even to the previous rate cuts. So what we feel is that as CEO mentioned earlier, once the IMF board approval is received on the 6 December, it is very likely that, and also the committed funds from, the ADB and the World Bank, which will actually wipe out the shortfall in the market. So that will also signal the government and the central bank also to be more strict in their market borrowing. The pressure will be somewhat eased off to the market. We feel that the rates will get adjusted down much more, much faster than how we saw it in 2023.

Q3: How has the dollar liquidity been in the recent months?

Niran Mahawatte: Of course, we have seen quite a good liquidity level. I think for that matter, almost all the banks, I believe are highly liquid in terms of dollars. One reason is that, appetite for lending is also low, but more importantly there are some support controls that are in place as well. However, I think dollar liquidity wise, the entire bank sector is quite positive and so are NDB. I think I am going to add anything. I think the market is quite plus in US dollars.
One of the main reasons is the low credit appetite and at the same time I think, even all our correspondent banks and the other respective foreign banks also have extended their bank limits, interbank limits to all the local banks right now. So those limits are also available. So for because of that the market activity also has come to almost to normal, normal levels, but with the pre economic crisis situation the dollar liquidity is fairly strong in the local market right now.

Q4: What is the expectation on NIM, on the interest margin going forward?

I think overall banks, in the market have shown a very high interest rate. NIMs recorded, as I said. There are a few banks, which are at very high levels also. That is to be expected because of the number one is the high yielding assets in the early part of the year and also now it is actually with the high cost of funds also easing off. Many banks have shown some high interest rates, but we expect it to gradually come down. Nevertheless, some of the banks who have recorded relatively lower interest rates might move marginally up. Overall, we feel that in the range of around four to 5% NIMs could be a level which we expect it to be in the market.

Q5: Can you comment a bit about what is happening in relation to the debt optimizations negotiations?

Specially in relation to the potential timelines I wish I have a proper answer for that. I think the negotiations are ongoing. I think the banking sector also has presented our proposal to the government appointed debt structuring agent. There are discussions happening. I think everybody's expectation is good to get this finalized soon, rather than get dragging. The, structuring, proposal last moment, got delayed again. So we do not want that kind of a situation for Sri Lanka. The expectation is to get that sorted soon.

Q6: Has the central bank caught any activity in both the foreign exchange and government securities market? Is there more volatility as a result?

Niran Mahawatte: Considering the foreign exchange market, mainly they are a net buyer because they do the collecting by whenever there is a market surplus. They buy and then build up the reserves. Because I think there has been some sales happened in October. This mainly to manage some of the banks, SLDB positions, specially the state banks and all that. But right now, I think they are in the correct path again by buying dollars.
Even during the last couple of weeks, we saw them in the market. But obviously, they do not sell because they want to safeguard the reserves. But it has not brought in any volatility as such because what happens is that actually if they see a surplus in the market, they come and absorb it. So, that is the right thing to do. Regarding the interest rates, of course, we have not seen any kind of intervention or any kind of buying or selling from their side. It is basically the demand and supply in the market.

Q7: What's the expected impairment percentage for next year?

Again, it is very difficult to provide a direct answer. However, we know where the things are improving and the way that the banks have built up our impairment. Now, impairment is also two types. One is related to the investment portfolio and the other is for lending portfolio. In terms of impairment related to investments, the investment in SLDBs has been taken care of now. WACC has been building provisions on that, but that got reversed also with the assets being replaced with the rupee bonds. So, there is a day one impact again. However, in terms of the sovereign bonds, we have been building up our impairments and all in line with the market. We have been providing quite a substantial amount of money. So, we have a substantial figure on that and all in line with the market. In case the debt optimization happen soon and based on the way that these are treated, there can be impairment reversals as well.
So, it is very difficult to comment without knowing what the optimization that is what the debt structuring program would be. That is why as a conservative bank, in terms of the debt optimization, the entire industry has been building adequate provisions in line with the industry standards and also in line with the consultation with CA Sri Lanka. We have been building so it is a very conservative environment building that has been happening so moment the structuring is announced then that we know what could be the positive or of further impact unlikely for the impact but we would know about that in terms of loan impairments. A bank have been building quite a substantial impairments here and there is a quite a big reserve that in buildup. But once you start already we are started in terms of the recovery and that is where that pool can be used the impairment can be used as a means of negotiating solutions with the customers.
That is where the point I mentioned earlier, in terms of legal framework there have been some landmark case also which recently concluded on how the third party mortgages and all are now can be used for the recovery effort. These are some positive developments so as a result in terms of loan impairments. Since we have seen probably the highest level maybe a little bit of addition but I think the downside in terms of the release of provisions going forward, probably from next year when the economy picks up and once it is related to the right sector where the credit is ignored I think we can see some reductions in their source impairments.

Q8: If there is a possibility of cash dividend payment next year? Or still regulatory restrictions applied?

Suvendrini Muthukumarana: Regulatory restrictions remain and of course we will evaluate and based on industry and based on our profitability we will take the necessary decisions with the relevant board approvals.

Q9: Do you believe economic growth in 2024 will result in trade balance of payment deficit and your view on the exchange rate as at in 2024?

What I feel is that I think this trade gap like it will get narrowed I think it should continue even though they almost all the import restrictions have been taken off but still we have not seen a huge demand from that side but at the same time we have seen a slight decline in the export sector mainly driven from the garments side but other sites are we have seen some growth. Also the worker remittances and the tourism is picking up so with that what we feel is that the balance of payments might even post a surplus but trade and at the same time the trade gap should narrow next over the 2024 which can lead to an exchange rate stable level. We of course sincerely hope that the exchange rate can appreciate a bit because that will really benefit the country. The people also do not expect much of depreciation and probably a very stable level as of the current level should maintain over the year.

Q10: How is credit card spending and personal loan applications in recent months?

Sanjaya Perera: The credit card spending has slightly increased specially during the season. Of course taking advantage of the discounts and expecting consumers expecting the bonuses to come in and get settling we have seen the seasonal increases spikes on and off. In terms of the personal loan applications there is no huge demand from the bank's side. Also, there are more stringent under writing standards with the net tax increases and the net take home pay has come down therefore the bank applications are also coming down due to that restriction.

Q11: What explains the growth in fee and commission income by such a large amount?

K V Vinoj: I will narrow that down to the improving economic activities and that is been one of our focused areas i think that we have seen in the last nine months the improving economic activities is driving the imports. Also in a way if you compare to the last previous year and also NDB always been very strong it is a trade bank which very strong in trade and that is one of our focus areas. So that I would narrow it down to those two reasons for the improving trade and commission.

End of Q&A.

End of edited transcript.