

# Investor Update 1H 2015





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Business Model



# Group Structure



# Corporate Milestones

1979

Formation of the National Development Bank of Sri Lanka (NDBSL)

1995

Setting up of NDB Stockbrokers & NDB Venture Investments

1999

Partners Zurich Insurance in Eagle Insurance which subsequently became AVIVA NDB Insurance

2005

The merger of NDB Bank and National Development Bank

2011

Establishment of Strategic alliance with DBS

2014

Establishment of NDB Zephyr Partners Ltd. (NDBZ); jointly owned by NDB Capital Holdings PLC (60%) and Zephyr Management LP (40%), a New York-based global emerging markets investment firm.

1993

61% of share capital of the NDBSL transferred to private ownership

1997

Establishment of NDB Investment Bank

2001

Acquisition of ABN AMRO Bank Colombo to commence commercial banking operations under the subsidiary, NDB Bank Ltd. (NBL)

2009

Acquisition of the largest private sector wealth management company

Formation of NDB Capital Bangladesh

2012

Formation of NDB Capital Holdings as a fully fledged investment bank

Divestiture of the insurance arm while retaining bancassurance operations

Phase I

Phase II

Phase III

Phase IV

Development Banking Phase

Project Finance dominance  
Diversification with NDB Act

New positioning with four integrated businesses;  
Corporate, Retail Capital markets, Insurance


Building scale in chosen businesses locally and regionally

Performance Summary



# 1H 2015 Snapshot

Assets

277 Bn  16%

Loans

186 Bn  18%

Deposits

170 Bn  22%

Profit for Shareholders

1.44 Bn  29%

Net Interest Income

3.80 Bn  2.4%

Other Income

2.33 Bn  2.9%

Overheads

3.28 Bn  17.9%

Impairment

0.22 Bn  1.1%

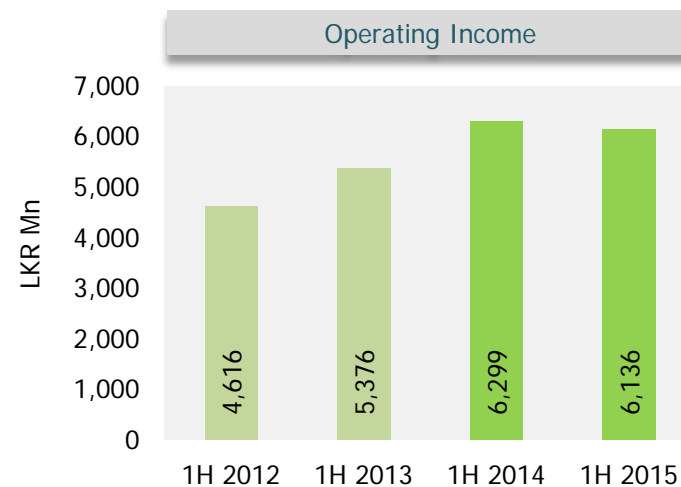
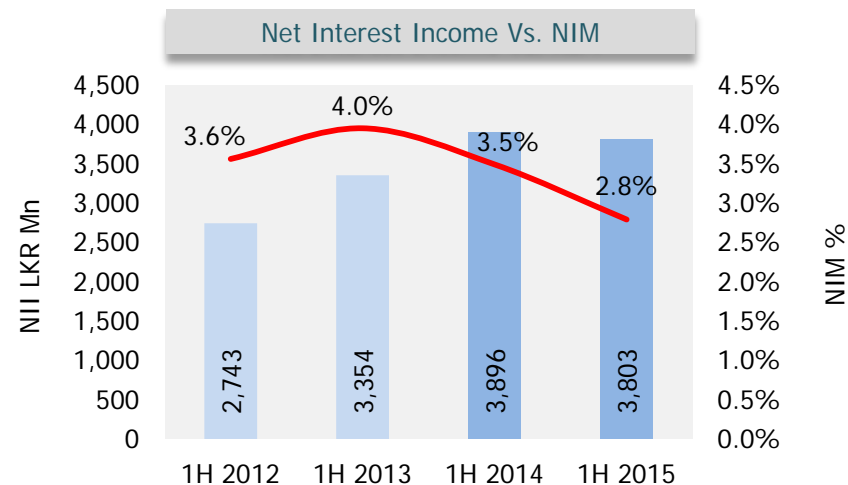
Operating Profit

2.64 Bn  20.0%

*Note: Growth % on YoY basis*

# Income Statement

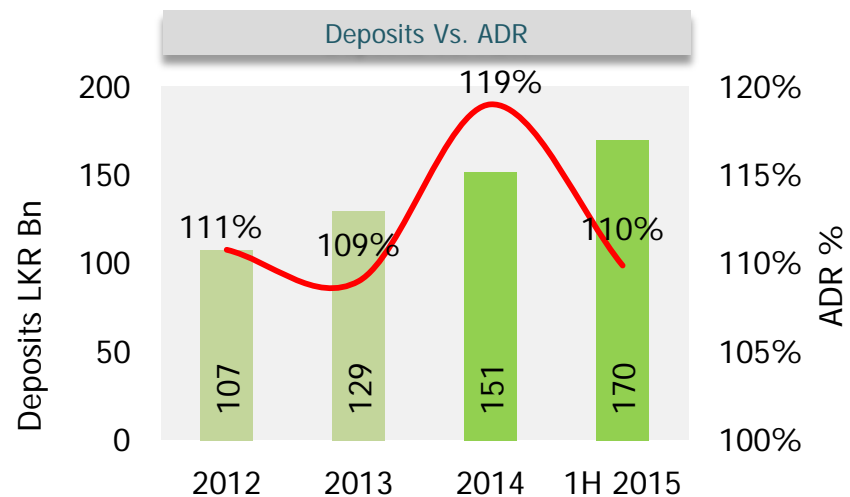
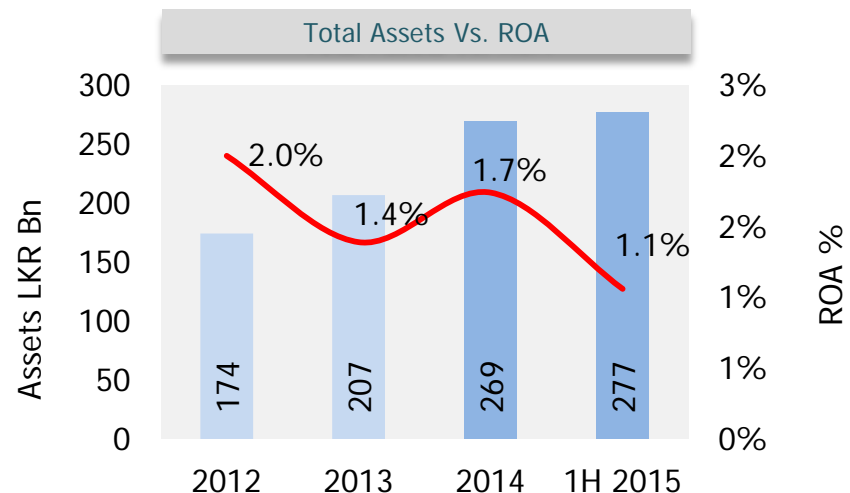
LKR Mn	1H 2015	YoY (%)
Gross Income	12,643	(1.1)
Interest Income	10,310	(0.6)
Interest Expenses	6,507	0.4
Net Interest Income	3,803	(2.4)
Non Interest Income	2,333	(2.9)
Operating Income	6,136	(2.6)
Impairment	218	(1.1)
Net Operating Income	5,919	(2.6)
Operating Expenses	3,280	17.9
PBT	2,638	(20.0)
Tax	1,228	(8.1)
PAS	1,444	(29.0)





# Balance Sheet

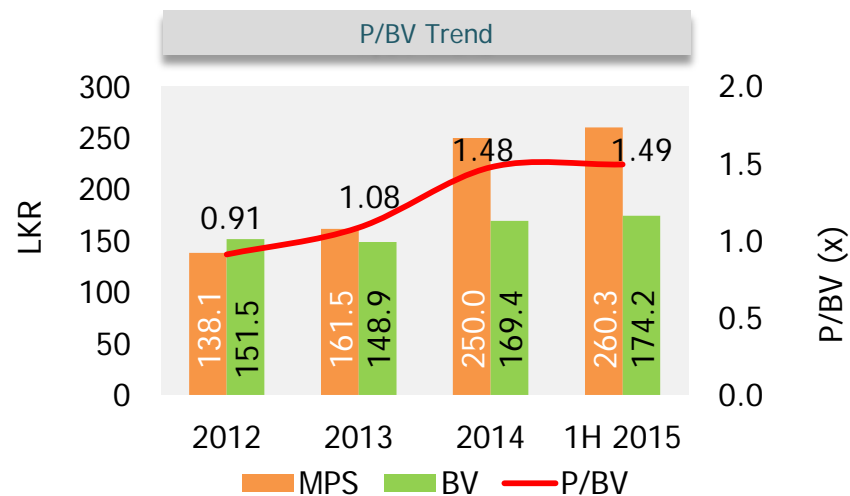
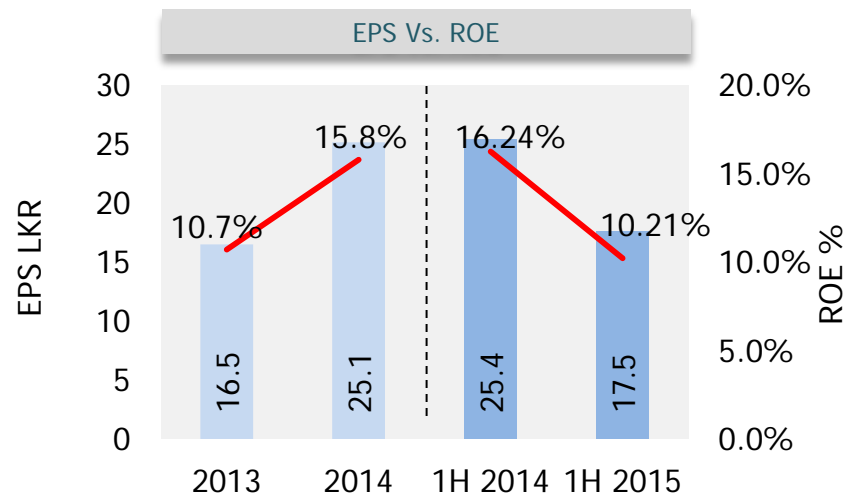
LKR Mn	1H 2015	YoY (%)
Cash & Cash Equivalents	22,604	
Investments	64,615	
Net Loans & Advances	181,274	18.2
Fixed Assets	2,208	
Other Assets	6,140	
<b>Total Assets</b>	<b>276,841</b>	<b>15.7</b>
Deposits	169,721	21.9
Debt Securities & Borrowings	49,370	
Subordinated Term Debts	20,249	
Other Liabilities	7,889	
Equity	29,612	12.1
<b>Total Liabilities</b>	<b>276,841</b>	<b>15.7</b>



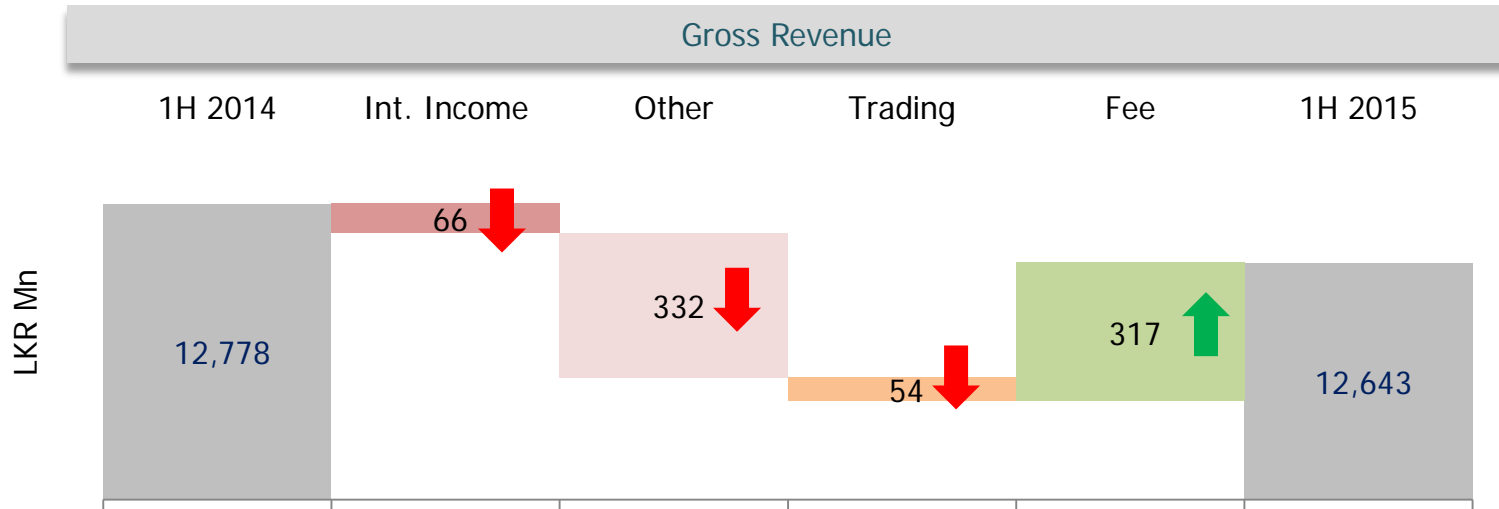
# Key Performance Indicators

	2013	2014	1H 2015
Return on Equity	10.70%	15.78%	10.21%
Return on Assets	1.39%	1.74%	1.06%
Net Interest Margin	3.68%	3.33%	2.79%
NPL Ratio	2.48%	2.51%	2.64%
Total Capital Adequacy	21.04%	17.55%	17.43%

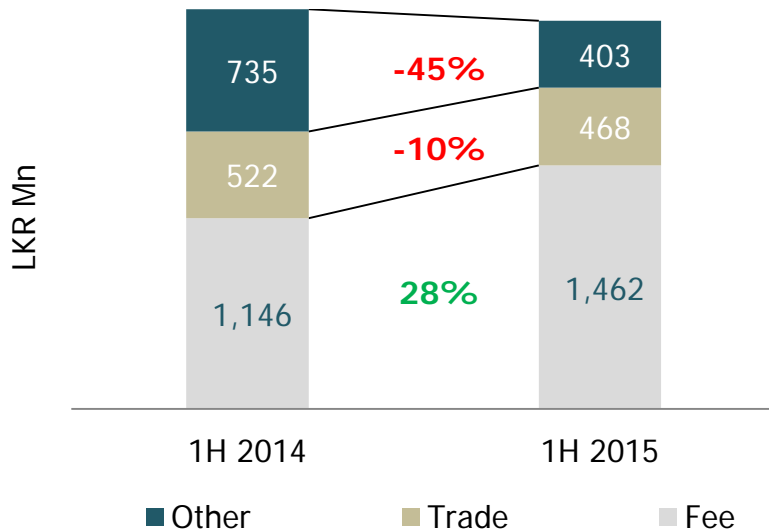
	2013	2014	1H 2015
EPS (LKR)	16.48	25.14	17.54
BVPS (LKR)	148.85	169.35	174.19
P/E (x)	9.74	9.95	14.84
P/BV (x)	1.08	1.48	1.49



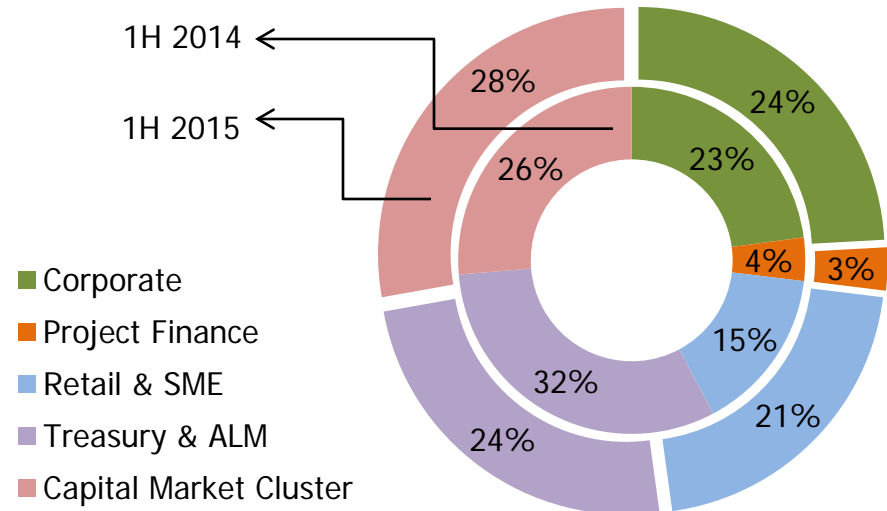
# Revenue Sources



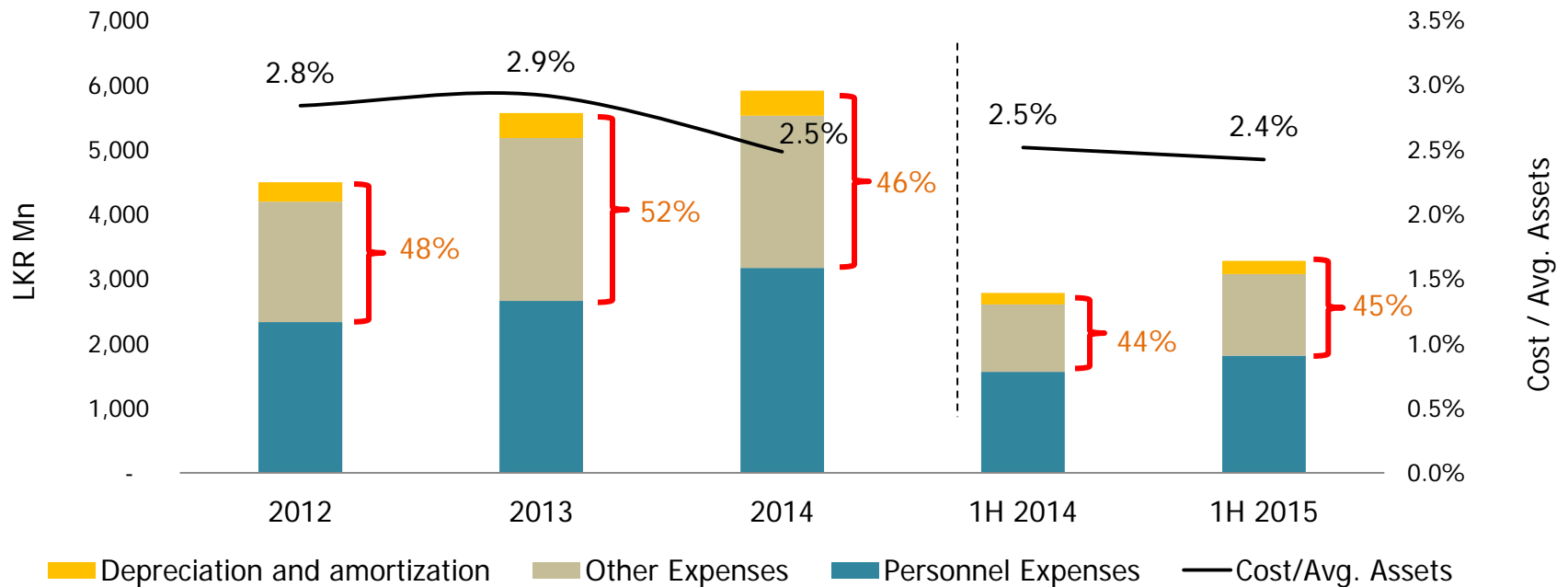
## Non Interest Income - Composition



## Non Interest Income - Segmental Contribution



# Operating Efficiency

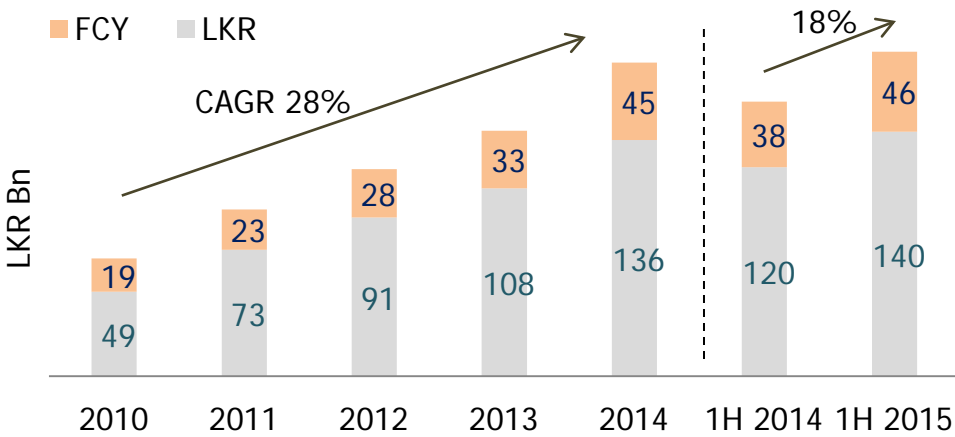


	2012	2013	2014	1H 2014	1H 2015
Cost to Income	50.3%	48.2%	45.6%	44.2%	53.5%

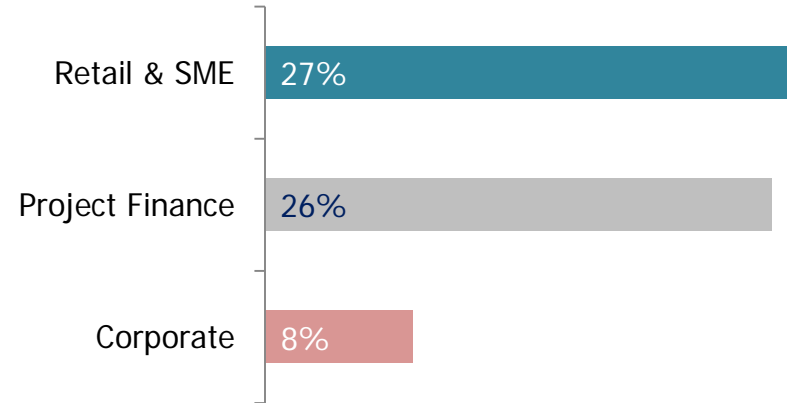
- Administrative expenses represents only 45% of the total cost in 1H 2015 leaving 55% of the expenditure for Human capital.

# Loans & Advances

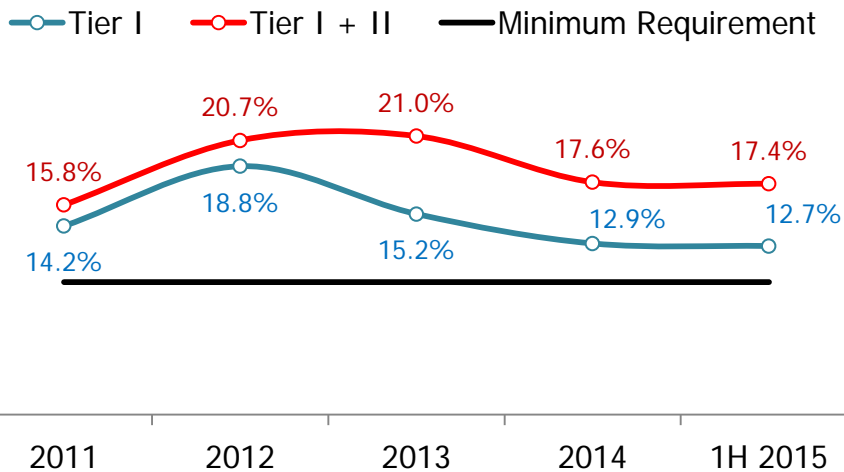
Growth Trend



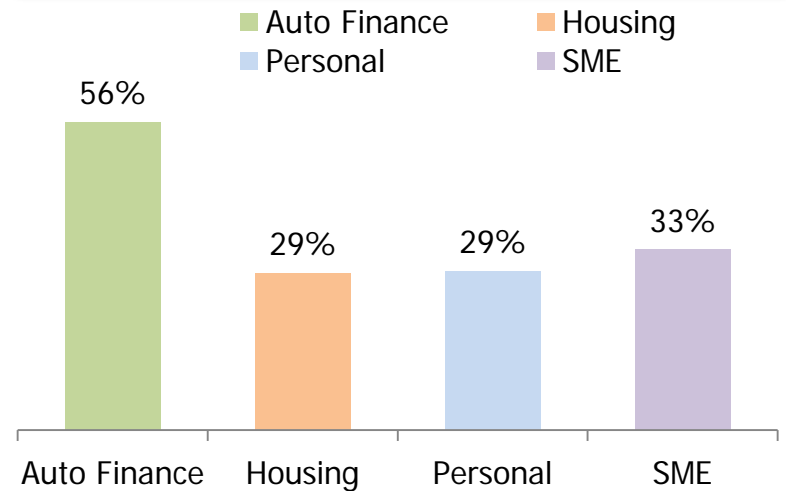
YoY Growth (%) - Segments



Capital Adequacy Trend

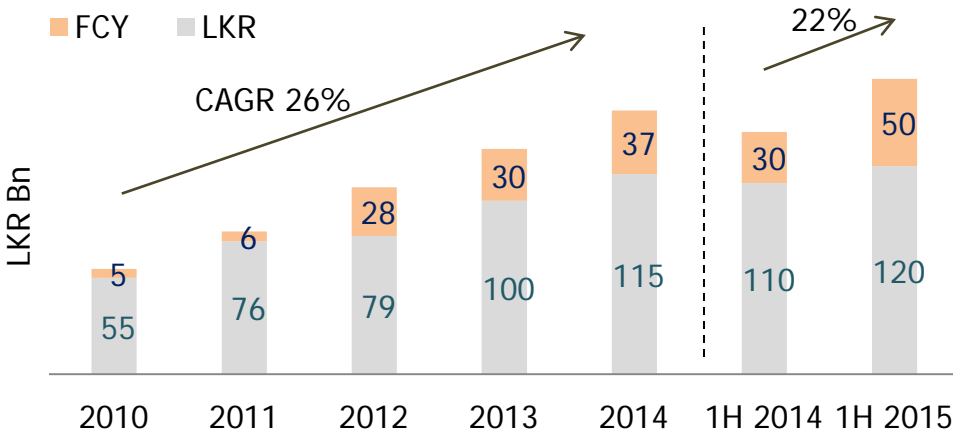


Retail & SME Asset Growth – Key Products

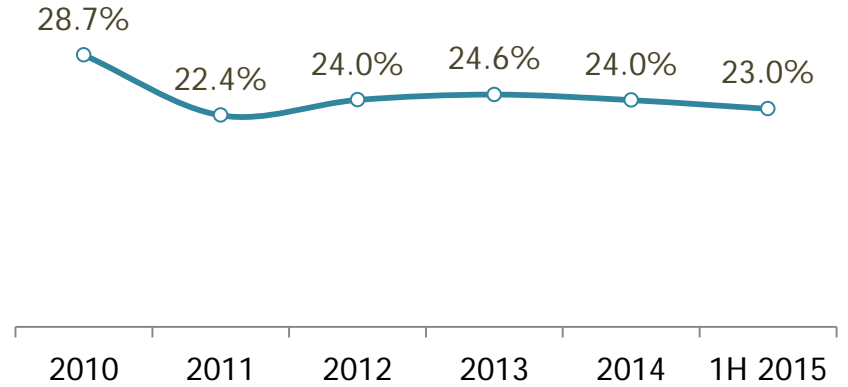


# Customer Deposits

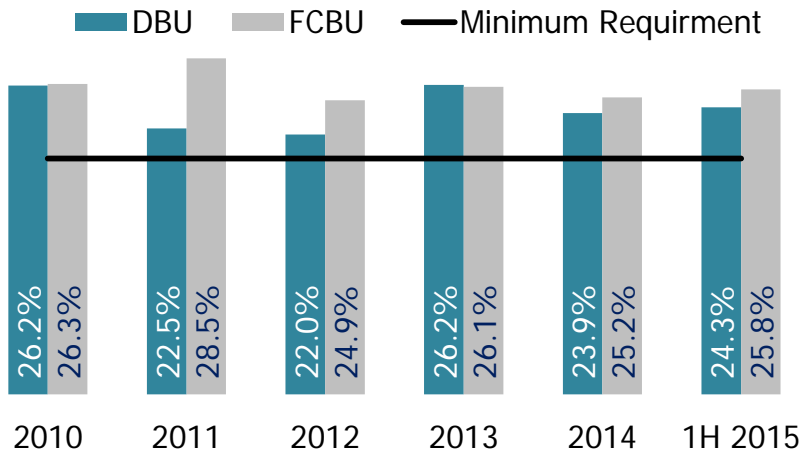
Growth Trend



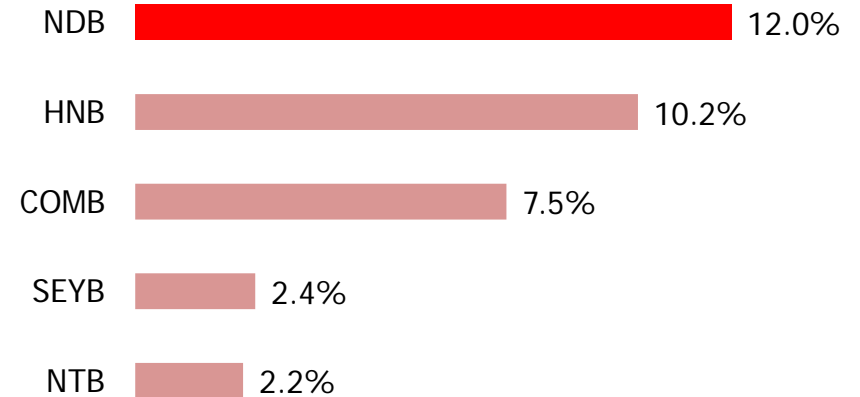
CASA Trend



Liquidity Remains Healthy



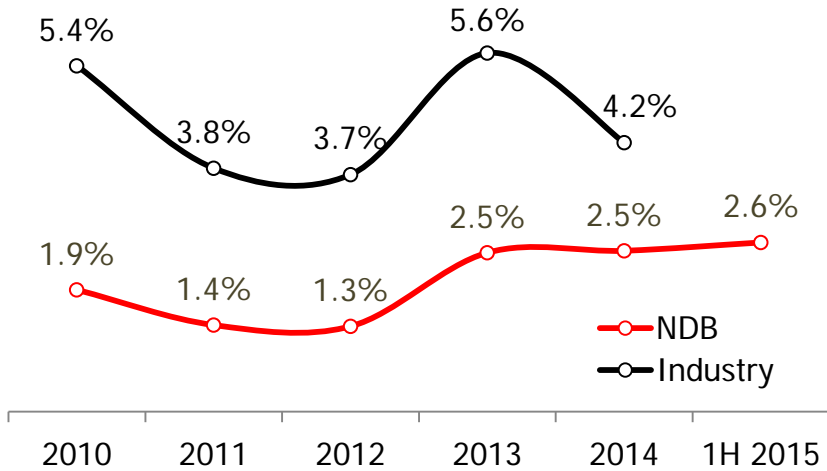
Highest YTD growth in Deposits



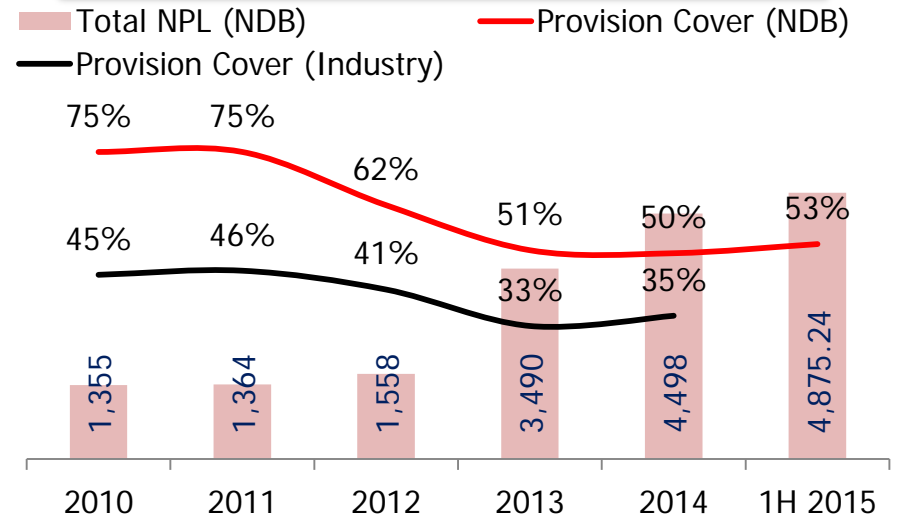
Asset Quality 

# Asset Quality

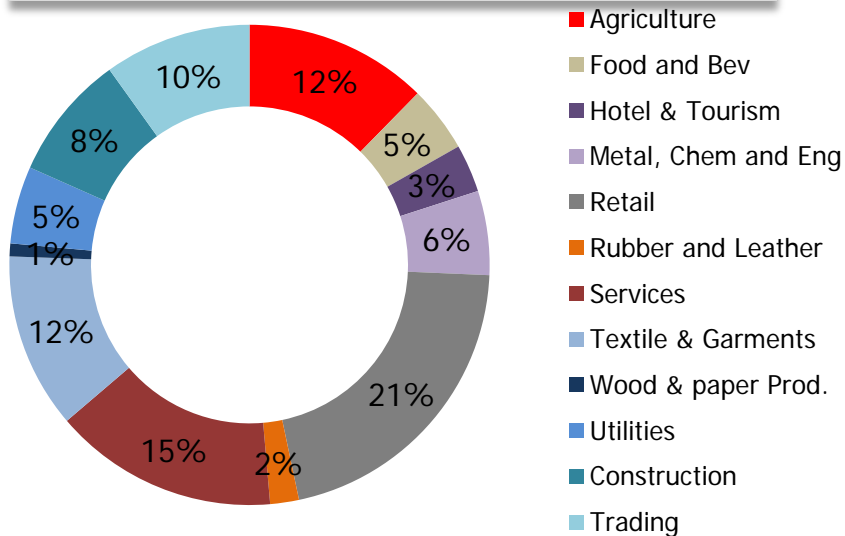
### NPL Trend Vs. Industry



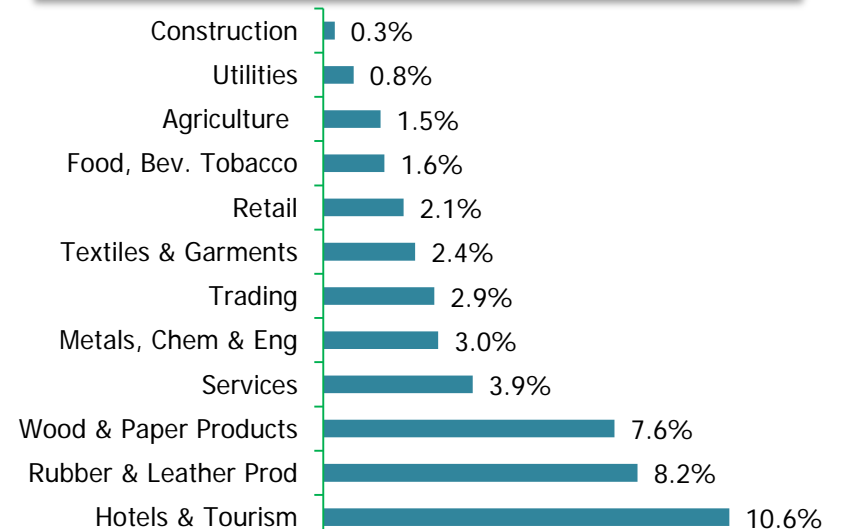
### Provision Cover Trend



### A well Diversified Portfolio



### NPL Ratio – Sector wise





External Recognition



# Global Recognition



Global Finance - World's Best Banks Awards BEST EMERGING MARKETS BANKS IN ASIA PACIFIC 2015- Winner - Sri Lanka



Retail/Wholesale Banking Awards 2015

- Domestic Retail Bank of the Year – Sri Lanka
- Best SME Bank – Sri Lanka
- Cash Management Bank of the year – Sri Lanka
- Project Finance Bank of the year – Sri Lanka



Winner – 7<sup>th</sup> International ALM Competition 2015



Best Investment Bank in Sri Lanka

Best Investment Bank in Bangladesh



CFA Sri Lanka Capital Market Awards 2015 - Best Investor relations - Silver Award

**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

Banker Financial Inclusion Award 2014



Best Investment Bank in Sri Lanka

Most Innovative Investment Bank Sri Lanka

Best Asset-Backed Securitisation Sri Lanka

ACQUISITION INTERNATIONAL  
**FINANCE AWARDS**



Most Trusted Bank in Sri Lanka – 2014

Bank of the Year – 2014



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Q & A Session



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