**PRESS RELEASE**

**NDB CAPITAL HOLDINGS PLC RECORDS 3.5 FOLD BOTTOM LINE GROWTH FOR THE FIRST HALF OF 2013**

NDB Capital Holdings PLC (“NCAP” or “the Company”) concluded a highly successful first half of 2013 with the Company recording Rs. 466 million in revenue compared to Rs. 152 million during the first half of 2012, a 3.1 fold growth. This increased revenue translated to a profit of Rs. 424 million at company level for the first half, over 3.5 fold growth compared to the Rs. 119 million recorded during the corresponding period the prior year. NCAP’s net profitability improved significantly driven by the efficient asset allocation policy adopted by the management. As a result, the net profit margin increased to a very healthy 91% for the period under review, compared to the 78% in the first half of 2012.

A notable movement in NCAP’s balance sheet is the reduction in its asset base from Rs. 11.7 billion to just over Rs. 5.4 billion. This was a direct result of the Company returning Rs. 6.7 billion in profits, realized via the sale of direct and indirect stakes held in Aviva NDB Insurance PLC, to NCAP shareholders by way of a share repurchase and dividend payment.

Following the trend of NCAP, the group revenue too increased by 2.3 times to Rs. 777 million in 2013H1 compared to Rs. 340 million made in the same period last year. 59% of the group revenue for the period came from fund based activities at the Company level whereas the rest of the revenue was from its group companies, NDB Investment Bank Limited, NDB Stockbrokers (Pvt) Limited and NDB Wealth management Limited. The group profitability too increased significantly by over 2.2 fold to Rs. 548 million in the first half of the year compared to Rs. 246 million in 2012H1.

The Chairman, Mr. Ashok Pathirage commenting on the performance said, that “NCAP’s leadership position in the investment banking sphere was reiterated during the first half of the year when NDB Investment Bank (NDBIB) was recognized as the best investment bank in Sri Lanka by the prestigious Euromoney magazine”. He further stated that “this was the second time that NDBIB was bestowed this honour and no other Sri Lankan investment bank has been able to match the level of performance offered by NDBIB.”

Mr. Vajira Kulatilaka, CEO said: “despite the tough conditions which prevailed in the country’s money market and the capital market during the first half of 2013, all our companies have performed reasonably well”. He also mentioned that, “though the majority share of revenue and profits for the first half of the year came from fund based activities of the NCAP group, NDBIB further asserted its leadership position in the country by successfully completing three listed debentures raising Rs. 8.5 billion for the issuers. NDBIB further plans to manage more listed debenture issues during the third quarter of the year for leading Sri Lankan corporates”.

NCAP is a 99.6% owned subsidiary of National Development Bank PLC.

*(Photographs of the Chairman and CEO will appear in the press release)*