**PRESS RELEASE**

**NDB CAPITAL HOLDINGS PLC ACHIEVED THE BEST FINANCIAL YEAR OF ITS HISTORY RECORDINGRS. 932 MILLION PROFIT AT GROUP LEVEL**

NDB Capital Holdings PLC (“NCAP” or “the Company”) recorded the best financial year of its history, outperforming both 2012 and 2006 results adjusted for the capital gains that resulted from the sale of stakes held in Aviva NDB Insurance PLC(in 2012) and Eagle InsuranceCompany Limited (in 2006). The NCAP Group’s consolidated income increased by 85% to Rs. 1,469Million during the year 2013 fromRs. 792 Million in 2012 (adjusted for Aviva capital gain).This translated to a Group bottom line ofRs. 932Million, a year on year increase of 21% (adjusted 2012).

At the Company level, NCAP recorded an impressive revenue growth of 41%, increasing the total revenue to Rs. 784Million in 2013 from Rs. 556 Million (adjusted) in the previous year. Net profits too rose toRs. 681Million from Rs. 488million (adjusted), a rise of 40%. Profitability was mainly fueled by efficient asset allocation towards high yielding investments and tax efficient investment strategies.

The restructuring carried out at NDB Group in creating a pure capital markets play at NCAP, is gradually starting to show results with the improved ROE (adjusted 2012)at both company and Group level. The Group ROE increased to 16.1% for the financial year 2013 from 13.8% in 2012. In the same period, the Company improved its ROE from 10.3% to 12.8%. Looking back at the ROEs prior to the restructuring, the Group has shown a highly impressive turnaround with the consolidated ROE which stood at 7.0% in 2011 increasingto 16.1% by the end of 2013. The growth in Group profitability was supported by the strong performance of the fee based businesses which are carried out through NCAP’s subsidiaries,NDB Investment Bank Limited, NDB Securities (Pvt) Limited and NDB Wealth Management Limited.

The Chairman, Mr. Ashok Pathirage commenting on the performance said, that “Despite the tough conditions which prevailed through most of the year in the country’s equity markets, the NCAP Group managed to record excellent performance. This was a direct result of the Group being well diversified within the capital market sphere and a reflection of the leadership role which our Group companies play in their respective lines of business”.He further commented “We rewarded our shareholders with animpressive Rs. 6,987Million payoutin 2013 consisting of the largest share repurchase in the country amounting to Rs. 5,968Million and Rs. 719 Million dividend.”

Mr. Vajira Kulatilaka, CEO said: “NCAP Group’s flagship company, NDB Investment Bank Limited (NDBIB) won six prestigious International recognitions including “Best Investment Bank in Sri Lanka 2013” by Euromoney, World Finance and International Finance magazines. NDBIB carried out ten listed debenture issues during the period under review raising over Rs. 29.25 Billion which translates to 43.1% of the market share during 2013. NDB Wealth Management Limited, the largest wealth management company inSri Lanka, surpassed Rs. 65 Billion assets under management during the year further consolidating its leadership position in the market”. He further stated that, “NCAP Group plans to launch a Private Equity (PE) fund management company and a PE Fund of USD 50 Million (subject to all regulatory approvals),which would bring valuable FDIs to our country. The concept of Private Equity is new to our market and many businesses can reach their maximum growth potential with the right equity partner getting involved at the right time. We believe that with the formation of the PE Fund, NCAP Group will manage to create substantial value additionto the country’s economy by facilitating the growth of up and coming entrepreneurs in the country”.

NCAP is a subsidiary of National Development Bank PLC.

(Please insert the photographs of CEO and Chairman)