**PRESS RELEASE**

**NDB CAPITAL HOLDINGS PLC RECORDS 6.5 FOLD GROWTH IN PROFITABILITY FOR THE FIRST QUARTER OF 2013**

The first quarter of 2013 was a highly successful period for NDB Capital Holdings PLC (“NCAP” or “the Company”) with NCAP recording Rs. 320 million in revenue compared to Rs. 64 million during the first quarter of 2012, a 5 fold growth. This increased revenue translated to a profit of almost Rs. 297 million at company level for the quarter, over 6.5 fold growth compared to the Rs. 44 million recorded during the corresponding period the prior year. During this quarter, NCAP returned the capital gain of approximately Rs. 6.7 billion it recorded from the sale of direct and indirect stakes held in Aviva NDB Insurance PLC in 2012 to its shareholders by way of a dividend amounting to over Rs. 700 million and a repurchase of company shares amounting to Rs. 5.97 billion. As a result the Company saw a 54% reduction of its assets from Rs. 11.7 billion as at the end of 2012 to LKR 5.4 billion as at the end 2013Q1. It should be noted that the Company managed to record a strong growth in performance even without the corresponding return from these funds.

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 93% for the period under review, compared to the 69% in the first quarter of 2012.

Following the trend of NCAP, the group revenue too increased by 3.5 times to Rs. 434 million in 2013Q1 compared to Rs. 121 million made in the same quarter last year. 74% 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 250% to Rs. 337 million in the quarter under review compared to Rs. 95 million in 2012Q1.

The Chairman, Mr. Ashok Pathirage commenting on the performance said, that “NCAP’s leadership position in the investment banking sphere was reiterated during the past quarter when NDB Investment Bank (NDBIB) was recognized as the best investment bank in Sri Lanka by Global Banking & Finance Review. It further recognized NDBIB for being the most innovative investment bank in Sri Lanka and for carrying out the most innovative asset backed securitization.”

Mr. Vajira Kulatilaka, CEO said: “despite the tough conditions which prevailed in the county’s money market and the capital market during the first quarter of 2013, all our companies have performed well”. He further stated that, “though the mammoth share of revenue and profits for the quarter came from fund based activities of the NCAP group, the absolute revenue and profitability contribution from the fee based activities are expected to increase with the improvement in the capital market conditions due to the tax concessions provided by the government acting as a catalyst for growth”.

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

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