

## **NDB CAPITAL HOLDINGS PLC TO VENTURE INTO PRIVATE EQUITY**

NDB Capital Holdings PLC (“NCAP” or “the Company”), Sri Lanka’s leading full-service investment bank, plans to venture into Private Equity (“PE”) fund management in partnership with Zephyr Management LP (“Zephyr”), a New York based leading emerging market PE fund manager. The two parties entered into an agreement to work together, subject to obtaining all regulatory approvals, to set up a PE management company and eventually launch Sri Lanka’s first dedicated country PE Fund.

Zephyr, founded in 1994, is an asset management company registered with the USA SEC and the UK FCA as a Registered Investment Advisor. Zephyr is a pioneer emerging markets asset manager and has managed 22 investment funds representing approximately \$1.3 billion in capital commitments over a period of 18 years. Zephyr had successfully managed PE funds in Mexico, Africa, South Korea and India.

It has been viewed globally that private equity makes economies more efficient through improving operations of businesses. Some entrepreneurs who would have otherwise resorted to private equity capital, have gone to the Initial Public Offering (IPO) market too early and as a result have not been able to get the maximum possible valuation. Hence, the Sri Lankan businesses stand to gain from the launching of a private equity fund dedicated to serving our economy.

Mr. Tom Barry, the founder/CEO of Zephyr, stated that “We are excited to enter the Sri Lankan market at this point in time as the country’s economy shows great potential for growth. Independence, work ethic and smart people are pre-requisites for successfully managing PE funds and we feel that we have found the right partner with all the relevant qualities. We strongly believe that we would be able to replicate or even surpass the success we have achieved in our ventures in other emerging markets.”

Mr. Vajira Kulatilaka, CEO of NCAP, said that “The concept of private equity is new to our markets and many businesses can reach their maximum growth potential with the right equity partner getting involved at the optimum time. The right PE partner will provide more than just cash to a business. The equity infusion will be followed by valuable guidance and advice in terms of financial restructuring, improving operational efficiencies and governance best practices that will allow the companies to graduate to the next level with sustainable growth. In short, the private equity management company would become a partner of investee businesses”.

The venture into private equity completes the missing link in the product offering portfolio of NDB Group which makes it a truly diversified financial services conglomerate.

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