**PRESS RELEASE**

**NDB CAPITAL HOLDINGS PLC ALMOST DOUBLES ITS PROFITABILITY TO SURPASS RS. 700 MILLION**

NDB Capital Holdings PLC (“NCAP” or “the Company”) recorded a highly successful first 9 months of 2013 with the Group reporting over Rs. 1.05 billion in revenue compared to Rs. 516 million during the first nine months of 2012, a twofold growth. This increased revenue translated to a profit of Rs. 707 million at the Group level for the same period, over 1.9 fold growth compared to the Rs. 369 million recorded during the corresponding period the prior year.

The growth in Group profitability was supported by the strong performance of its fee based businesses which are carried out through its subsidiaries, NDB Investment Bank Limited, NDB Securities (Pvt) Limited and NDB Wealth management Limited. It is notable that NCAPs impressive business performance was in spite of the Company reducing its asset base from Rs. 11.7 billion at the end of 2012 to Rs. 5.5 billion as at the end of September 2013. This was a direct result of the Company returning the Rs. 6.7 billion 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.

During the quarter, NCAP took a giant step towards materializing its 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.

The Chairman, Mr. Ashok Pathirage commenting on the performance said, that “despite the tough conditions which prevailed in the country’s equity markets, the NCAP Group managed to record excellent performance. This was a direct result of the company 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 businesses”. He also mentioned that, “NCAP Group’s new proposed venture into the PE fund management business completes the missing link in the product offering portfolio of NDB Group which makes it a truly diversified financial services conglomerate”.

Mr. Vajira Kulatilaka, CEO said: “NCAP Group’s flagship company, NDB Investment Bank carried out seven listed debenture issues throughout the period under review raising over Rs. 12 billion from the market. NDBIB also has further plans to manage more listed debenture issues during the last quarter of the year for leading Sri Lankan corporates and thereby assert its market leadership position”. He further stated that, “subject to all regulatory approvals, NCAP Group plans to launch a PE fund management company which has the potential to bring valuable FDIs to our country. 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. We believe that with the formation of the PE Fund, NCAP Group together with Zephyr, will manage to create substantial value add for the country’s economy”.

NCAP is a subsidiary of National Development Bank PLC.

*(Please insert the photographs of the Chairman and CEO)*