

Annual REPORT 2024

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CHAIRMAN'S MESSAGE

The year 2024 was one of the progress and strategic momentum for NDB Capital Holdings Limited (NCAP) and its group of companies. As Sri Lanka's macroeconomic environment stabilized following the turbulence of previous years, capital markets began to show signs of sustained recovery. Against this backdrop, the NCAP Group navigated opportunities and challenges with strategic foresight and operational resilience. We are pleased to report that the Group recorded a consolidated revenue of LKR 2.6 billion and a net profit of LKR 588 million, reflecting consistent growth and our commitment to value creation. Throughout 2024, our subsidiaries demonstrated strong sectoral leadership. Their ability to innovate, adapt, and lead in their respective domains played a crucial role in driving the Group's overall success. NDB Wealth Management Limited (NDBWM), the country's largest private sector asset manager, crossed a major milestone by exceeding LKR 340 billion in Assets Under Management (AUM). Serving over 34,700 clients, NDBWM continued to deliver tailored investment solutions backed by sound research, discipline, and a strong compliance framework. This growth reflects the trust and confidence our clients place in us, even amidst a competitive and evolving market environment. NDB Investment Bank (NDBIB) retained its dominant position in Sri Lanka's investment banking space. The company successfully facilitated capital market transactions exceeding LKR 27 billion, across a wide range of sectors. Reinforcing its legacy of excellence, NDBIB was once again recognized by Euromoney Magazine as "Sri Lanka's Best Investment Bank" for the thirteenth consecutive year—an unparalleled achievement in the local financial industry. This recognition validates the team's innovation, execution capabilities, and long-standing client relationships. Despite volatile activity in the Colombo Stock Exchange, NDB Securities (Private) Limited (NDBS) managed to maintain its market share and remain profitable. Meanwhile, our private equity arm, NDB Zephyr Partners Limited (NDBZ), continued to demonstrate its disciplined investment approach by supporting its existing portfolio companies and driving long-term value creation. On the regional front, NDB Capital Limited (NDBCB), our investment banking arm in Bangladesh, concluded multiple rounds of fundraising totaling BDT 215.60 million for large corporate clients despite facing a challenging operating environment in 2024 due to macroeconomic pressures. This performance reaffirmed the company's solid position in Bangladesh's growing capital market and its capability to serve a diverse clientele in the South Asian region. Beyond business performance, our commitment to social responsibility remained strong. The NDB Capital Scholarship Trust Fund continued to support the academic aspirations of undergraduates across Sri Lanka. By the end of 2024, 32 students had received scholarships, including 8 medical students, 8 engineering students, 8 law students, and 8 management students. We believe in the power of education to transform communities and remain committed to making a lasting social impact. As we enter 2025, the NCAP Group is positioned to pursue new opportunities in both domestic and regional markets. Our strategy remains rooted in disciplined growth, innovation, and the pursuit of excellence across all our operations. I take this opportunity to thank our Board of Directors, executive leadership, and all employees for their unwavering commitment. I also extend my sincere gratitude to our clients, shareholders, and stakeholders for their continued trust and partnership. Together, we look forward to building on our successes and creating enduring value in the years ahead.



Bernard Sinniah

Chairman

02 June, 2025

CEO'S MESSAGE

To the Shareholders of NDB Capital Holdings Limited (NCAP),

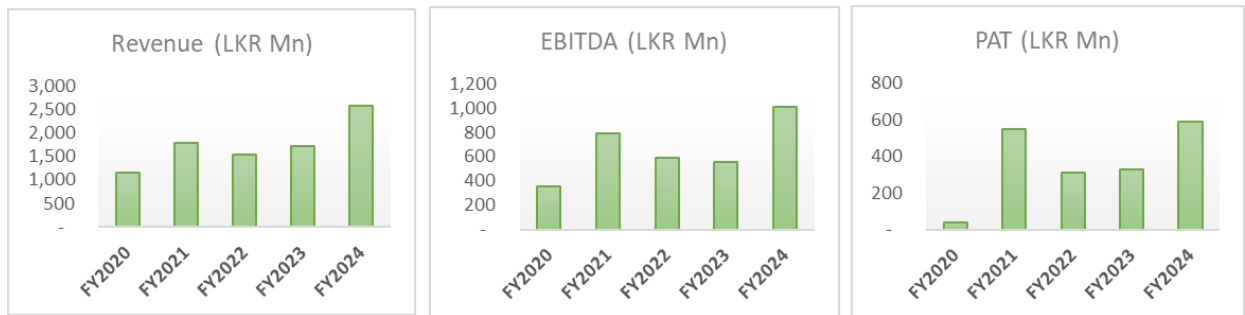
We are honored to have earned your confidence in leading Sri Lanka's pioneering investment banking group. Our group offers diverse services, spanning across investment banking, asset management, securities trading and private equity solutions through our subsidiaries in both Sri Lanka and Bangladesh. Throughout the year 2024, we achieved notable advancements in these domains, improving both revenue and profitability despite the volatile economy. The committed efforts of our team members across all our group entities played a vital role in achieving these outcomes.

In 2024, the Sri Lankan economy continued on its path to recovery, building on the stabilization measures initiated in the preceding year. The first half of the year saw a measured recovery, and investor sentiment remained cautious as many investors adopted a conservative approach ahead of the national elections, creating a subdued environment for capital markets. However, with the conclusion of the Presidential and Parliamentary elections in the latter part of 2024, the political uncertainty eased, improving investor sentiment and outlook. Inflation declined sharply during the year, with headline inflation turning negative by November. Lower interest rates and a reduction in the country's risk premium followed by the successful completion of external debt restructuring and a sovereign rating upgrade, stimulated corporate activity in the country. Against this macroeconomic backdrop, NDB Capital Group leveraged its diversified business portfolio to maintain resilience and achieve strong results. The Colombo Stock Exchange ended the year on a high note, with both major indices reaching historic peaks. All Share Price Index provided a 49.66% return whilst the S&P SL20 performed with 58.46% return. This resulted in the Group posting improved revenue and profitability compared to last year. Strategic initiatives were implemented across the Group to strengthen IT infrastructure, aiming to deliver more efficient services to clients. Recognizing the challenges around talent retention, which is a growing concern across Sri Lankan businesses, the Group also introduced several measures to attract and retain skilled professionals.

A. Group Performance

Our commitment to operational efficiency and cost optimization allowed us to navigate the volatile economic landscape. The Group recorded a revenue of LKR 2.6 billion and a profit after tax of LKR 588 million surpassing last year's performance, ultimately generating favorable returns for its shareholders.

B. Operational Review



NDB Wealth Management (NDBW) is dominating fund management landscape in Sri Lanka, setting its status as the largest private sector fund manager. The company's total Assets Under Management (AUM) surpassed LKR 340 billion, while serving a client base of c. 35,000. Throughout the year, NDBW attracted more than 31% of new accounts established in the unit trust industry, securing above 40% of the total unit trust market share by year-end.

The fee-based investment banking arm of the group, NDB Investment Bank (NDBIB), encountered challenged revenue and profitability due to market volatility and increased competition. Nevertheless, NDBIB concluded the year with facilitations and raisings exceeding LKR 27 billion while completing several strategic transactions. The continuous recognition as the "Best Investment Bank in Sri Lanka" by Euromoney Magazine for an unprecedented 13th consecutive year, marked one of its longest winning streaks. It is worth noting that NDBIB is the first and only investment bank in the country to receive this prestigious Award from Euromoney.

NDB Securities (NDBS), the stock brokering arm of NCAP group maintained its market share and remained profitable despite the volatility in the market. NDBS achieved a revenue growth of over 50% in 2024 compared to the previous year mainly due to the daily average market turnover increasing from 1.7 Bn in 2023 to 2.2 Bn in 2024. Throughout the year, NDBS remained focused on growing its client base through proactive engagement initiatives. In line with its commitment to enhancing client experience and strengthening decision-making capabilities, NDBS also invested further in upgrading its internal systems and client-facing digital platforms.

NDB Zephyr Partners Limited (Mauritius), the private equity management arm of the Group, is actively exploring opportunities for further divestments. During the year, NDB Zephyr remained closely engaged with its three existing portfolio companies, supporting their growth by facilitating entry into international markets, promoting strategic diversification, improving access to working capital, and driving cost optimization initiatives.

NDB Capital Limited, the Group's Bangladesh-based investment banking arm, faced a challenging operating environment in 2024, as macroeconomic pressures and political instability weighed on market activity. The pace of deal execution was hampered by reduced liquidity in banks and growing uncertainties in interest rate environment and capital markets towards the end of year 2024. While a full return to pre-crisis momentum may still take time, opportunities for Bangladesh's investment banking and capital markets may arise with continued economic stabilization and gradual reform progress.

C. Creating Value

The financial results surpassed those of the prior year, highlighting our achievements across multiple facets of our operations. We remain committed to investing in innovation, technology, and nurturing talent, thereby strengthening our grounds for sustained growth over the long term. Embracing new prospects and executing strategic choices, we have set the stage for future prosperity.

Throughout the year, our Company remained committed to investing in the development of its employees, adopting digital platforms for employee engagement and training initiatives. In 2024, the organization improved its intellectual capital base by making strategic appointments, hoping to reinforce its reputation as a knowledge-driven organization.

NCAPs' emphasis on leveraging technology continued in 2024, as the Group made significant investments in various digital platforms to overcome technological limitations and extend its capabilities. Throughout the year, productive dialogue was initiated with stakeholders to explore additional system enhancements aiming to further improve its digital presence and user experience.

D. Future Outlook

Sri Lanka's economic recovery in 2024 was a significant achievement, but challenges remain. Continued reforms and policy stability are crucial to ensure sustainable long-term growth and address the remaining social and economic challenges to foster investor confidence and inclusive growth. Within this environment, NDB Capital Group will focus on growth strategies, maintaining a strong presence in both debt and equity markets while actively managing risks associated with global economic uncertainty and local fiscal pressures. We anticipate continued opportunities in capital market advisory, fund management, and selective private equity transactions as corporate activity revives. Our unwavering dedication, coupled with strategic initiatives, will position us for long-term success and enable us to generate sustainable value for our esteemed shareholders.



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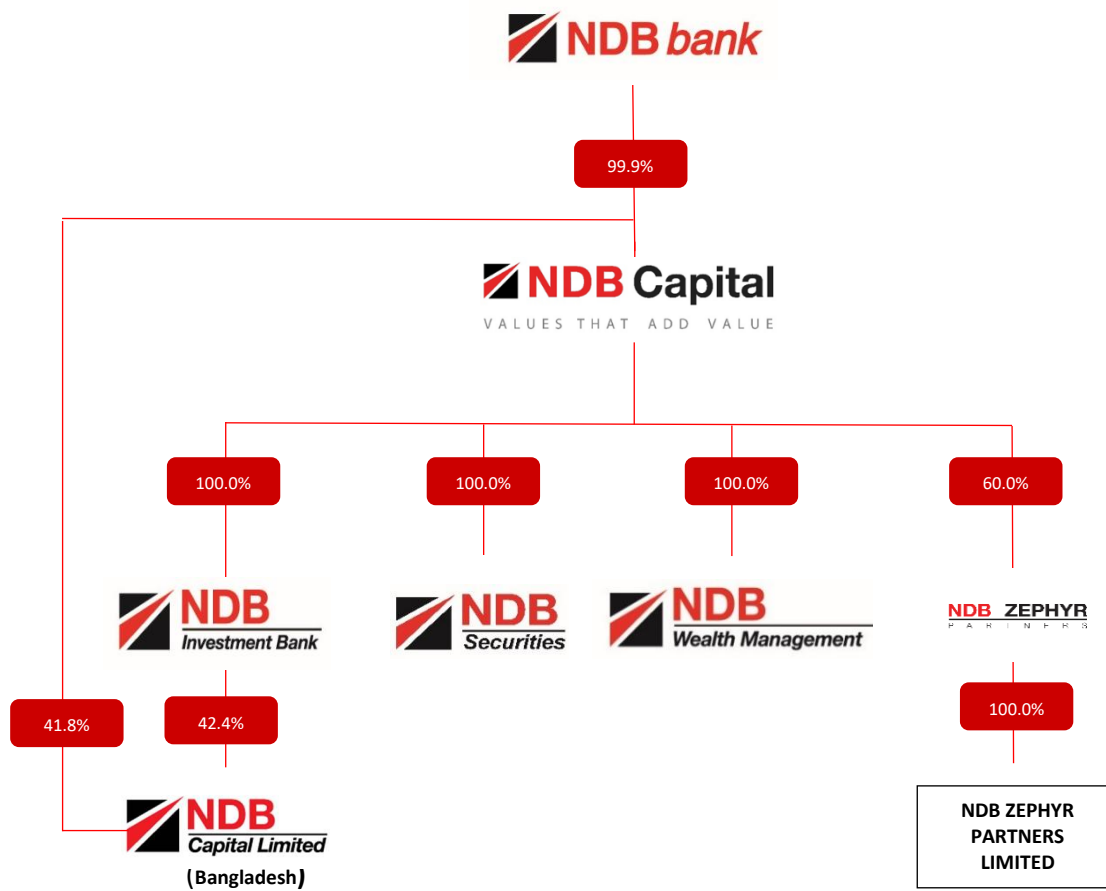
Senaka Kakiriwaragodage

Chief Executive Officer

02 June, 2025

GROUP STRUCTURE

NCAP Group provides a full range of investment banking services, comprising both fund and fee-based activities. The four subsidiaries focus on the fee-based services in investment banking, wealth management, stock broking, and private equity management; whilst the fund-based activities such as private equity investments, listed equity and fixed income investments directly come under the purview of the Company. NDB Capital Bangladesh, an associate company of NCAP and a subsidiary of NDB Bank, conducts investment banking operations in Bangladesh.



PRODUCT AND SERVICE OFFERINGS OF THE GROUP

NDB Capital Holdings Limited (NCAP)

NCAP is the investment arm of the capital market group and makes mid to long-term investments in listed equities, debt instruments, structured products, and fixed income securities.

NDB Investment Bank Limited (NDBIB)

(i) Initial Public Offerings (IPOs)

NDBIB is involved in advising, structuring, and managing IPOs along with placements and distributions.

(ii) Secondary Equity Raising

Offering advisory services and solutions for secondary public offerings, rights issues, private placements, and issuance of long-term capital instruments.

(iii) Mergers and Acquisitions

Delivering advisory services to initiate/ facilitate mergers and acquisitions for both sell side and buy side and arranging acquisition financing.

(iv) Securitization/Structured Debt

Facilitating businesses to raise capital through the strength of their future cash flows.

(v) Commercial Paper

Address working capital financial requirements with maturities up to twelve months.

(vi) Debentures

Managing end-to-end processes of debenture issues, both listed and unlisted along with support on obtaining credit rating.

(vii) Loan Syndications

Structuring and advising on project viability and arranging financing via syndication of local and foreign funding institutions.

(viii) Shariah-compliant products

Structuring and placement of Shariah-compliant instruments with underlying structures such as Sukuk, Wakala, Murabaha and Tjaraha for local institutions.

(ix) Debt Restructuring advisory

Advising the distressed clients of financial institutions in reducing their borrowing exposure, restructuring their existing facilities, and assisting and guiding these clients in possible turnaround initiatives, including but not limited to, equity infusions, mergers and acquisitions, and sale of assets.

(x) Corporate Advisory

Extending advice to restructure entities with the intention of optimizing firm value via diagnostic studies, carrying out valuations of business entities, advising clients on regulatory requirements for varied transactions NDBIB intends to strengthen its placement capability by leveraging on its existing local and foreign investor network and further solidify relationships via collaboration engagements where necessary, for the successful implementation of its product offerings.

NDB Wealth Management Limited (NDBWM)

(i) Discretionary Portfolio Management

Providing advisory and consultancy services, structuring, and managing portfolio of investments and portfolio administration activities including maintaining client records and providing reports

(i) Private Wealth Management

Extending a relationship-based service to structure and manage diversified investment portfolios combined with privilege wealth management services through the ultimate parent, NDB for high-net worth individuals.

(ii) Mutual Funds

Advising and creating individualized plans to meet diverse savings and investment needs with selection of eight risk rated funds especially targeting the retail sector such as money market funds, income funds, balanced funds and equity funds.

NDB Securities (Private) Limited (NDBS)

(i) Listed Equity

Facilitating and providing advisory services for equity trading on the Colombo Stock Exchange (CSE). State-of-the-art online trading platform in place for speedy and convenient trading activities

(ii) Listed Debt

Facilitating and providing advisory services for trading in listed debentures on the Colombo Stock Exchange (CSE)

(iii) Margin Trading

Providing a platform to engage in margin trading, with credit facilities being arranged through the ultimate parent Company, NDB, and other financial institutions

(iv) Equity Research

Quality equity research covering macroeconomic trends, industry, and Company level research. Market updates are released on a daily and weekly basis

(v) Advisory Services to Clients

Advising clients on investments to suit their risk-return profile to meet their financial goals.

NDB Zephyr Partners Limited (Mauritius) (NDBZ)**Private Equity**

Equity investments in small and medium scale companies in Sri Lanka with high growth potential along with value addition in terms of strategy, markets, technology, finance, and management.

NDB Capital Limited (Bangladesh) (NDBCB)**(i) Fixed Income Instruments**

Offering a broad array of fundraising solutions through Redeemable Bonds, Subordinated Bonds, Convertible Bonds, Zero-Coupon Bonds, and Sukuks to meet clients' long-term financing needs

(ii) Preference Shares

Managing the entire process of issuance of preference shares including transaction structuring, fund arrangement, and performing agency roles

(iii) Local/Foreign Currency Syndications

Managing the entire process of arranging funds through syndication both in local and foreign currency mostly for project financing from the debt market which includes local & offshore banks, NBFIs, Development Financial Institutions, etc.

(iv) Commercial Paper

Arranging short-term working capital and fundraising through the issuance of Commercial Paper for large corporates

(v) IPO/RPO

Providing all advisory services relating to IPO, QIO, rights issues, underwriting, equity raising through private placement and distribution

(vi) Mergers & Acquisitions

Providing corporate advisory services for mergers and acquisitions, acting on behalf of either sell-side or buy-side clients. This includes deal structuring, acquisition financing, joint ventures, private equity, etc.

(vii) Private Equity

Providing advisory services to assist clients in arranging equity through private placements

(viii) Financial/Balance Sheet Restructuring

Offering a full range of advisory services, including loan and balance sheet restructuring for corporates

(ix) Equity Valuations

Providing valuation services for companies evaluating venture capital, strategic investors, local/foreign partners, etc

(x) Corporate Advisory

Delivering advisory support for restructuring group entities to enhance firm value and guiding clients on regulatory compliance related to transactions

(xi) Portfolio Management Services

Offering investment solutions to both individual and institutional clients and managing wealth on their behalf, by structuring specific investment portfolios to cater to the exact requirements of clients based on their risk appetite

MANAGEMENT DISCUSSION AND ANALYSIS

Year 2024 in Retrospect

Real Sector: Sri Lanka's economy returned to growth in 2024, expanding by 5.0% and exceeding IMF projections. Following consecutive contractions in 2022 and 2023, this recovery was supported by structural reforms, improved fiscal management, and the completion of debt restructuring efforts, which helped restore investor confidence. The momentum was particularly evident in the final quarter, with Q4 GDP rising by 5.4%, a significant turnaround from the 12.4% contraction recorded in Q4 2022.

In nominal terms, GDP increased to USD 99 billion from USD 84 billion in the previous year, lifting per capita income to USD 4,516. Improved foreign exchange liquidity—driven by a stable exchange rate, a resurgence in tourism, and higher worker remittances—underpinned this performance. Inflationary pressures continued to ease, aided by lower global commodity prices, import tariff reductions, and currency stability. By April 2025, consumer price inflation had turned negative at -2.0%.

Fiscal Sector: Fiscal performance improved materially in 2024. The primary fiscal surplus reached 2.2% of GDP, compared to 0.6% in 2023. Government revenue grew by 32.2% year-on-year, supported by stronger collections across income tax, VAT, and excise duties. The revenue-to-GDP ratio rose to 13.5%, while overall expenditure growth remained contained, with increases primarily in interest payments and social welfare. Capital expenditure also increased, but the overall budget deficit narrowed to 6.8% of GDP, from 8.3% in the prior year, reflecting a more disciplined fiscal stance.

Monetary Sector: The Central Bank of Sri Lanka (CBSL) shifted to a more accommodative monetary policy posture in 2024, responding to easing inflation and a strengthening currency. Over the year, policy rates were reduced by a cumulative 775 basis points. In November, the CBSL replaced its dual interest rate regime with a single Overnight Policy Rate (OPR) set at 8.0%, aiming to improve policy clarity and transmission. This monetary easing supported a 10.7% year-on-year increase in private sector credit, contributing to the overall economic rebound.

External Sector: Sri Lanka recorded a current account surplus of USD 1.21 billion in 2024, the second consecutive year in surplus. This came despite a widening trade deficit, as stronger imports offset modest export gains. The surplus was powered by a post-COVID surge in tourist arrivals and a four-year high in worker remittances. Official reserves hit USD 6.1 billion by year-end, including a long-standing USD 1.4 billion swap line from China. The completion of both domestic and external debt restructuring facilitated upgrades in sovereign credit ratings and enabled a further disbursement of USD 334 million under the IMF programme, bringing total IMF support to USD 1.34 billion out of the approved USD 2.9 billion.

Equity Markets: The Colombo Stock Exchange delivered a strong performance in 2024, with the All Share Price Index (ASPI) increasing by 49.7% in local currency terms and 63.9% in USD terms. Investor interest was concentrated in the banking sector, which accounted for 30% of total turnover. The tourism sector also benefited from increased arrivals, with 2.1 million visitors generating USD 3.17 billion in receipts. Foreign investor participation increased marginally to 9.9%, though net foreign flows

remained negative. A slight decline in the number of trades pointed to more measured investor activity amid the broader rally.

Way Forward

Sri Lanka's economic trajectory in 2024 marked a shift from stabilization to recovery. With debt restructuring concluded, inflation under control, and policy credibility improving, the macroeconomic environment has strengthened. The introduction of the OPR has modernized the monetary policy framework, while a stronger rupee and a current account surplus provide external support.

However, sustaining the gains of 2024 will require continued reform momentum. Risks remain from global economic developments, domestic policy shifts, and potential erosion of institutional discipline. Priorities for the period ahead include deepening structural reforms, liberalising key sectors, and promoting investment. Continued monetary easing and potential relaxation of import restrictions could offer further support to growth. Nonetheless, effective execution and sustained policy consistency will be critical to bridging the gap between economic potential and outcomes.

PERFORMANCE OF GROUP COMPANIES

NDB Capital Holdings Limited, formerly known as Capital Development and Investment Company PLC (CDIC), was formed in 1983 as a venture capital Company. CDIC was subsequently listed on the Main Board of the Colombo Stock Exchange in 1996. Following a restructuring within the NDB Group in mid-2012, CDIC was transformed into a full-service investment bank and rebranded as NDB Capital Holdings PLC (NCAP). Subsequently, the company was de-listed in 2015 after the introduction of minimum public float rules and renamed NDB Capital Holdings Limited. NCAP and its subsidiaries (collectively referred to as the Investment Banking Cluster or NCAP Group) are uniquely positioned towards assisting the growth and development of Sri Lankan capital market. NCAP Group is involved in both fee-based operations as well as fund-based operations. While the fee-based operations of the Company are carried out through its subsidiaries, NDB Investment Bank Limited (NDBIB), NDB Wealth Management Limited (NDBWM), NDB Securities (Private) Limited (NDBS), NDB Zephyr Partners Limited (NDBZ) and NDB Capital Limited, Bangladesh (NDBCB), NCAP takes the direct participation in fund-based operations including but not limited to investments in listed equities, private equity, and fixed income securities.

NDB Capital Holdings Limited

NCAP Group is working towards realizing its vision of becoming the trusted financial partner for businesses and individuals in Asian and African frontier Markets. By working very closely with the Private Wealth Center branch of National Development Bank PLC, The NCAP Group has successfully provided comprehensive financial and investment solutions to diverse clientele, spanning from high end corporations and high net worth individuals to retail customers. NCAP reaffirms its dedication to responsible investing in Sri Lanka's capital market, aiming to enhance the value of its investments. Additionally, NCAP Group's fee-based operations will prioritize sustaining their leading positions in investment banking, asset management, stock brokering, and private equity management within the

country. Despite the presence of moderate economic uncertainties and challenges within the economy, the NCAP Group achieved notable performance in 2024, demonstrating its adeptness in navigating through challenging circumstances. The NCAP Group concluded the year 2024 with a net operating income of LKR 2.6 Bn and a net profit of LKR 588 Mn.

NDB Investment Bank Limited

NDB Investment Bank Limited (NDBIB) is the investment banking arm of the NDB Group offering fee-based services ranging from debt and equity raising to corporate advisory services. Over the years, NDBIB has spearheaded the capital markets of Sri Lanka for both debt and equity transactions with innovative and diverse financial solutions/ instruments. NDBIB secured the award for “Sri Lanka’s Best Investment Bank” at the Awards for Excellence by Euromoney Magazine for the Thirteenth consecutive year in 2024. This is one of the longest winning streaks for Euromoney Awards in addition to being the first and only investment bank in the Country to be recognized by the Euromoney Magazine.

2024 witnessed the gradual normalisation of economic conditions and the resolution of political uncertainty with the conclusion of the Presidential and Parliamentary elections in the Second Half of 2024. However, for the most part of the year, investor sentiment remained dampened as they were adopting a ‘wait and see’ approach in the lead up to the elections, making it a challenging year for capital markets.

However, NDBIB was instrumental in the facilitation and raising of over c. LKR 27.0 bn via both its equity and debt verticals, despite challenging market conditions.

- Acted as Sell-side Advisors to; (1) Singapore Telecommunications Limited, NDB Capital Holdings Limited and Ceylon Guardian Investment Trust PLC for the divestiture of Lankacom Services (Private) Limited, (2) shareholders of a Private Hospital, and (3) Sri Lanka Telecom PLC for the divestiture of Talentfort (Private) Limited.
- Managed the Rights Issues of UB Finance PLC, Citrus Leisure PLC, Hikkaduwa Beach Resort PLC and Waskaduwa Beach Resort PLC.
- Carried out valuations for multiple local and regional players operating in the fashion and clothing, tech, healthcare, NBFi and power generation sectors, among other sectors.
- Advisory assignments for a global Development Financial Institution on the Agri and Start-up sectors.
- Managed Basel III Compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with non-viability conversion options for NDB Bank PLC (totaling LKR 10 Bn) and Hatton National Bank PLC (LKR 12 Bn).
- Managed the Debenture issue for Abans PLC (LKR 300 Mn)

NDB Securities (Private) Limited

NDB Securities (Pvt) Ltd (NDBS) is a licensed stockbroker registered with the Colombo Stock Exchange (CSE) and is one of the leading players in the industry. NDBS provides a variety of investment advisory-related services on listed debt and equity securities, channeling local and foreign individuals towards investment opportunities in the CSE. NDB Securities (Pvt) Limited (NDBS) has a strong institutional and

high-networth individual client base, which deals both in the listed equity and debt space. NDBS's offerings to the capital markets with several related value-added services, including state-of-the-art online trading facilities for prompt trade executions along with comprehensive coverage of research to support trading activities while facilitating margin trading and other financial products through its parent, NDB Bank.

NDBS has served as the leading stockbroker in some of the most significant IPO and debenture listings in the CSE. They have introduced several high-net-worth individuals and institutional investors, both local and foreign to the market. The research and advisory department of NDBS keeps up with the latest trends in financial markets to meet client information requirements. The research reports were disseminated to the public via various platforms, including print and electronic media. NDBS boasts highly experienced advisory staff, an efficient and secure IT platform, the highest compliance standards, and a quality research arm. NDBS investment advisory team is equipped to offer its clients a diverse range of financial products, surpassing its conventional offerings of listed equity and debt products, with a customer-centric approach.

2024 has been a challenging year for NDBS due to the volatile conditions that prevailed in the equity market. Average daily market turnover had increased from LKR 1.7 Bn in 2023 to LKR 2.2 Bn during 2024. Despite the market challenges that prevailed, NDBS was able to achieve profitability during the year while capturing ~ 4.9% market share in 2024.

NDB Wealth Management Limited

NDB Wealth Management Limited (NDBWM), is the largest private sector asset management company in the country, serves as the wealth management arm of the NDB Group. NDBWM has adeptly overseen the assets of a diverse clientele, spanning individuals, enterprises, and institutions, securing its prominent status in Sri Lanka's Wealth Management industry. NDBWM, with its history of over 30 years in the industry, has always been at the forefront of identifying and advising clients on the best savings or investment solutions while taking the risk appetite of the clients in to consideration. Emphasizing client risk tolerance, NDBWM consistently pioneers in identifying optimal savings and investment avenues, with a recent highlight being the restructuring and relaunch of the NDB Wealth Money Fund to enhance client returns. Reinforcing its client-centric approach over three decades, NDBWM has continued to innovate and evolve strategic restructuring of funds, aimed at enhancing returns and delivering greater value to its investors.

By the end of 2024, NDBWM had a client base of over 34,700 and Funds Under Management crossing LKR 346 Bn. During the year 2024, NDBWM acquired over 31% of new accounts opened in the unit trust industry in Sri Lanka. Over 6,700 new accounts were also opened by clients in 2024. The company achieved a record high revenue of LKR 1.5 Bn, 83% increase compared to the year 2023 and the Return on Shareholder's Equity (ROE) exceeded 88%.

NDBWM continued to offer three distinct services to its clients: Discretionary Portfolio Management focused large institutions such as insurance companies, provident funds and other corporates. Private wealth management team focused on catering to high-net-worth individuals while the retail team focused on the various financial and wealth planning needs of the broader retail segment.

NDB Zephyr Partners Limited (Mauritius) (NDBZ)

NDB Zephyr Partners Limited (NDBZ) is the Fund Manager of Emerald Sri Lanka Fund I, which engages in private equity investments in small and medium-sized companies in Sri Lanka that are seeking capital for growth. NDB Zephyr is a joint venture company between NDB Capital Holdings Limited (NCAP) (60%) and Zephyr Management, LP (Zephyr) (40%), a New York-based global emerging markets investment firm.

Emerald Sri Lanka Fund I (Emerald Fund) is a Sri Lanka-dedicated Private Equity Fund. The investors of the Emerald Fund include reputed institutions such as IFC, a member of the World Bank Group, DEG-German Development Finance Corporation, FMO-the Netherlands Development Finance Company along with NCAP.

The Emerald Investment team benefits from the expertise of Zephyr's deal evaluation, portfolio management, investment process and exit management capabilities. The Emerald Investment team supports its portfolio companies through an array of services, including strategic planning and management, effective financial management, corporate governance and efficiency improvements in addition to providing equity capital to support growth aspirations. The team also helps its portfolio companies in accessing international markets and optimizing their capital structure through its network.

Emerald Fund currently holds three active investments: Arimac Lanka (Pvt) Ltd (Arimac), Idea Group Ltd (IGL), and Cleanline Linen Management (Pvt) Ltd (CLM). Arimac provides digital solutions specializing in enterprise web and mobile development, artificial intelligence, immersive technologies, and game development. IGL is a manufacturer and distributor of building products, including PVC roofs, ceilings, wall panels and other architectural accessories in Sri Lanka. CLM is a centralized laundry service provider to star-class hotels and corporates in Sri Lanka. CLM also caters to retail clients through its retail operations.

NDB Capital Limited (Bangladesh) (NDBCB)

NDB Capital Limited (Bangladesh) (NDBCB) is one of the leading investment banks in Bangladesh, operating as a full-fledged Merchant Bank licensed by the Bangladesh Securities and Exchange Commission. Since commencing its investment banking activities in 2009, NDBCB has built a diversified portfolio of financial services, including IPO management, M&A advisory, portfolio management, fundraising through Commercial Papers, Bonds, and Preference Shares, as well as arranging project financing and working capital solutions for its clients.

Positioned uniquely within Bangladesh's capital market landscape, NDBCB leverages its deep transaction expertise and strong industry network. The firm also collaborates closely with the Sri Lankan teams at NDBIB and NCAP to generate synergies and explore cross-border opportunities.

HUMAN RESOURCE MANAGEMENT

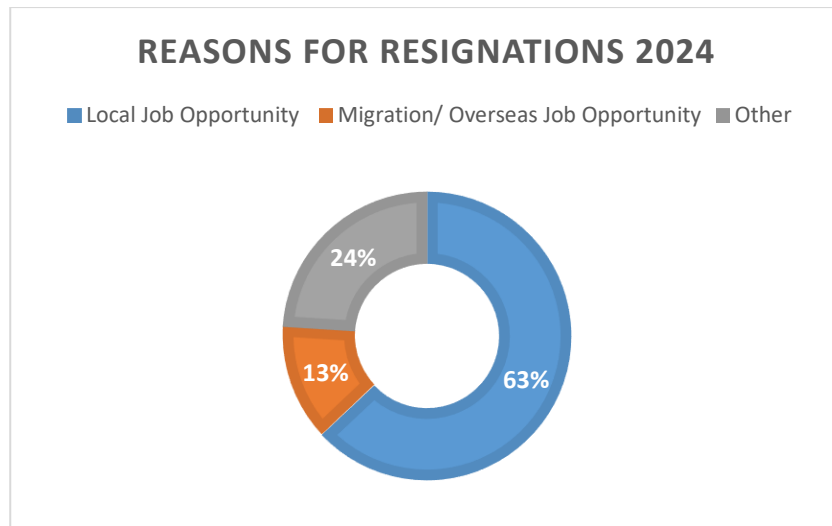
Our People and Our Culture

The year 2024 continued to present evolving challenges for the NDB Capital Cluster, shaped by the residual impacts of the recent economic and political crisis. Although signs of stabilization began to emerge, high competition in the job market, increased cost of living, and sustained tax burdens continued to place pressure on employee retention and engagement.

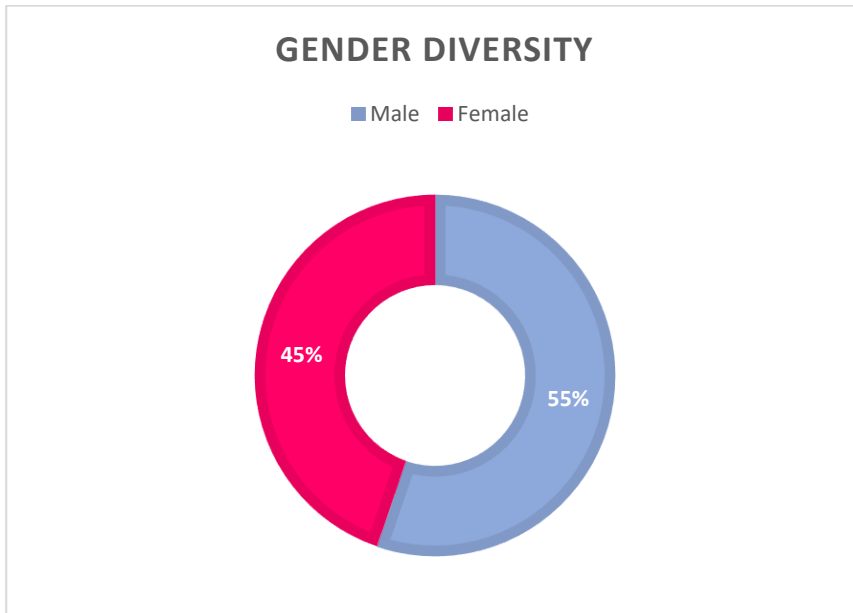
In response, our HR strategies remained sharply focused on retaining key talent and attracting top tier professionals. Initiatives such as targeted retention bonuses, special relief allowances, and opportunities for cross functional exposure were further enhanced to strengthen our employee value proposition.

Employee development remained a strategic priority. Building on the foundation laid in previous years, we expanded group coaching initiatives across various management levels and delivered targeted training programs aligned with identified skill gaps. These efforts are aimed not only to enhance capability but also to foster a more resilient, future-ready workforce

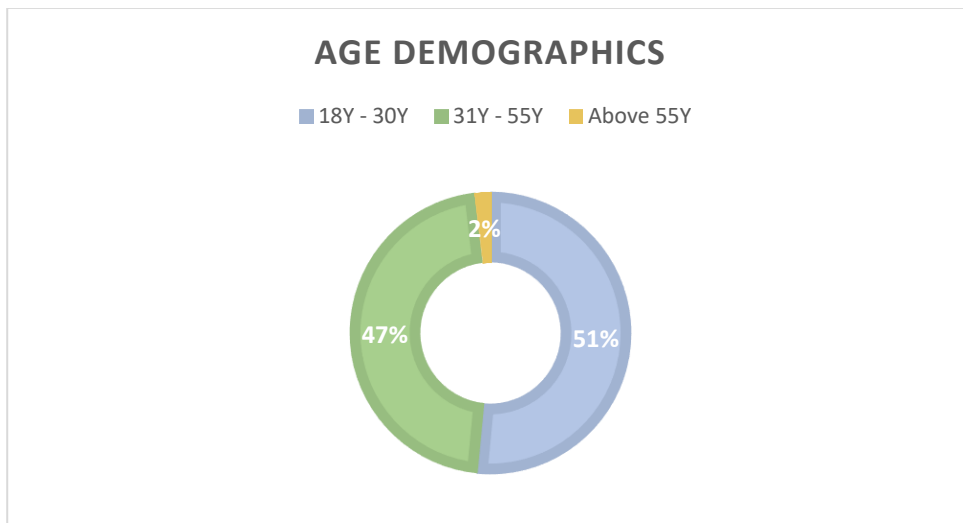
Overall employee attrition increased from 17% in 2023 to 21% in 2024. The primary reason for resignations in 2024 is the availability of more attractive local job opportunities, due to high competition in the job market.



Our key employee statistics elaborates our gender and age diversity. We have 45% gender diversity across the group and 35 of our leadership positions are held by women.



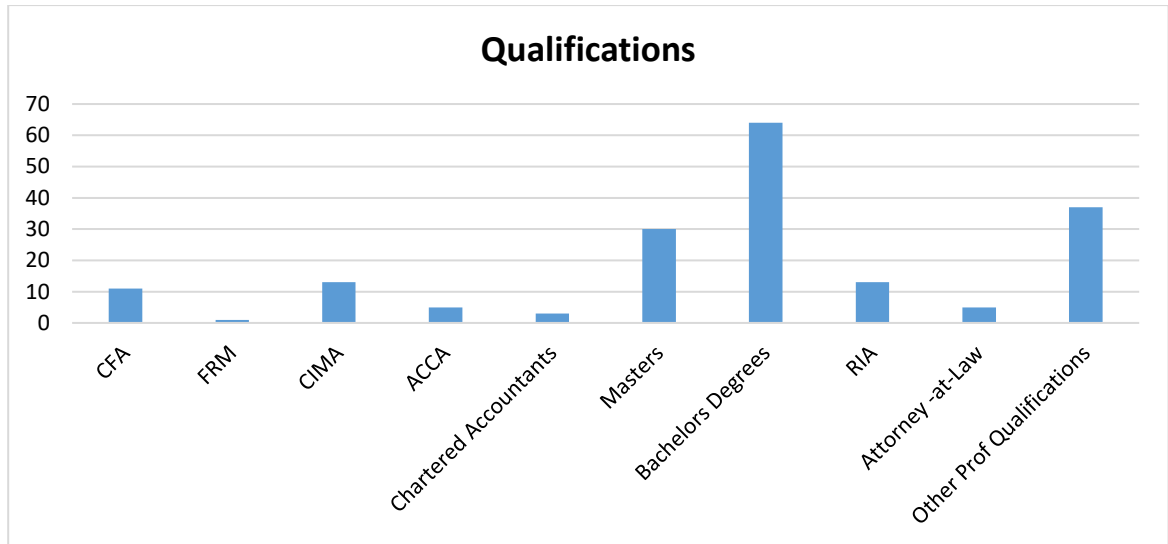
Our recruitment efforts also focuses on Age diversity to have the right balance of employees serving our diverse client populations.



In 2024, our workforce continues to reflect a balanced distribution of experience and youthful energy. The largest segment (51%) comprises employees aged 18 to 30 years, followed by 47% in the 31 to 55 years bracket and 2% above 55 years. This composition indicates a strong foundation of emerging talent complemented by seasoned professionals.

Despite the challenges faced by the group this year, our knowledge base has remained robust, driven by one of the highest concentrations of technical expertise within the group. The blend of youthful agility and deep industry knowledge continues to be a key strength.

We remain committed to investing in our human capital, fostering growth and upskilling our teams. This approach not only reinforces our competitive edge but also ensures long term sustainability and innovation across our operations



CORPORATE SOCIAL RESPONSIBILITY

The philanthropic chapter of NDB Capital Group, “NDB Capital Scholarship Trust Fund” marked a decade of supporting higher education of deserving students in 2024. The objective of the Trust is to award scholarships annually to deserving students from 3 government universities.

NDB Capital Group is based in a knowledge driven industry. Human Capital is the core competency of our Group. Therefore, we place immense value in education, upskilling and professional development. Extending the same value to the society, this program is aimed at supporting the financial needs of deserving students, not only considering their financial background, but with equal focus given to their academic excellence, leadership qualities and extra-curricular activities.

The students are selected from a rigorous, transparent process. The evaluations are done on their financial background, academic performance, sports, and leadership activities and also considering their contribution to the society through CSR and volunteer work. Selected students are offered not only financial support monthly until they complete their academic education, but they are also offered training on soft skills.

NCAP has provided scholarships to 78 students over the last decade. The distribution of the scholarships over the different disciplines are shown below.

Faculty	No of Scholarships
Medical	23
Engineering	21
Law	16
Management	18
Total	78

NDB Capital Holdings has invested close to 34.0 Mn in trust over the last decade and will continue the investments until the Fund becomes self-sufficient to support the scholarship recipients. As of 2024, the Trust has provided scholarships of nearly 22.0 Mn to promising and deserving students to complete higher education.

Under the CSR program, focus is also given to develop soft skills, leadership and to provide career guidance for these undergraduates. The Trust has conducted training programs on leadership, public speaking, etiquette, and personality development.



Scholarship awarding ceremony 2024

COMPLIANCE AND RISK MANAGEMENT

Overview

The year under review focused on procuring systems and consultancy services on process development to enhance the NCAP Group Compliance programme. The NCAP Group paid heightened attention to the implementation of the Anti-Money Laundering regulations of the Financial Intelligence Unit of the Central Bank of Sri Lanka. The distress in the macro economic environment also influenced the shaping of the compliance and risk programmes of the Group Companies. The Group Companies continued to face challenges due to strained economic conditions. Each line of business at NACP Group is responsible for managing its compliance risk. The business model of the Group is built on integrity, transparency and accountability and supported by its values, Code of Conduct, Compliance manuals and governance policies. NCAP Group remains committed to managing its compliance risk to ensure that the conduct of the business of the Group and its employees are consistently carried out ethically and with integrity.

Companies regulated by the SEC, the compliance programme is primarily shaped by the applicable laws, regulations and rules of the SEC. NDB Investment Bank Limited is licensed as a Market Intermediary under the category of a Corporate Finance Advisor. NDB Securities (Private) Limited is licensed as a Stockbroker and NDB Wealth Management Limited is dual licensed as an Investment Manager and a Managing Company by the SEC. NDB Capital Limited Bangladesh is licensed as a Merchant Bank and is regulated by the Bangladesh Securities and Exchange Commission. NDB Zephyr Partners Limited in Mauritius is supervised by the Mauritius regulatory authorities including Mauritius Financial Services Commission.

The compliance function is centrally managed by the Head of Compliance of NCAP with independent compliance officers attached to each of the regulated entities of the NCAP group. Head of Compliance functioned as the Compliance Officer for NDB Capital Holdings Limited and NDBZ during the year under review. The responsibilities of the Group Compliance functions include independently assessing compliance risk, monitoring and reporting on compliance requirements to the Board Audit Risk and Compliance Committee (BARCC) and the Board through Head of Compliance. Overseeing the regulatory interactions of the Group and assessing potential impact of new regulatory developments is another responsibility of the NCAP Group compliance role. The internal compliance officers of the Group who are part of the Group Compliance function support the Group's strategy by providing independent oversight and control over compliance with internal governance processes and regulatory compliance relating to their respective companies.

The year under review consolidated the alignment of the SEC Act requirements and the ensuing rules for the regulated entities of the NCAP Group of companies. All the trust deeds and the Key Investor Information Documents of the unit trusts which were updated and aligned with the Collective Investment Schemes Code of the SEC were submitted to the SEC for their approval upon the approval of the trustee during the year under review. Several policies including the Risk policies of the NCAP Group were reviewed and updated during the year under review.

The NCAP Group commissioned an external consultant to carry out a gap analysis with the Personal Data Protection Act No.09 of 2022. The BARCC and the Senior Management of the NCAP Group were apprised of the requirements under the PDPA. The NCAP Group carried out an evaluation of IT security to assess the level of protection available to preserve the confidentiality of digital data.

The Board of Directors through the BARCC oversees the development and execution of the compliance strategy. The BARCC was routinely updated on how the business objectives and NCAP policies are aligned to the broader principles of NDB Group. NCAP Group, where required, also submits reports to the Integrated Risk Management Committee through the NDB Bank Group Risk Management Unit and the Related Party Transaction Review Committee of NDB Bank on certain governance perspectives.

NCAP compliance programme also concentrates on developing its human resources through training and capacity building. During the year under review, training and awareness sessions were conducted for relevant staff of the regulated entities of the NCAP Group in carrying out a programme on suspicious Transaction monitoring.

Compliance Status 2024

NCAP along with its subsidiaries reports every quarter to the BARCC on the status of compliance of each company. Any issues faced by any company is taken up and resolutions discussed at the BARCC. NCAP along with its subsidiary companies were not subject to any fines for legal and regulatory non-compliance during the year under review.

RISK MANAGEMENT

The Risk Management process is integrated into business decision-making processes and covers a broad spectrum of risk areas such as investment risk, market risk, operational risk, reputational risk, Information systems security risk and compliance risk with controls and governance standards established for each area. Risk is an inherent component of the capital markets and investment banking sector and risk management through risk mitigation strategies is an important aspect of business growth.

During the year under review some of the risk reporting formats were reviewed and updated. The Risk control self-assessment format which is completed annually was reviewed and updated. The risk policies of all the NCAP Group Companies were updated and revised. The primary responsibility of risk ownership and management, which includes the functions of identifying, managing, mitigating and reporting risk lies with the First Line of Defense which is the respective Company. The Company is also responsible for compliance with all policies and procedures. The Chief Executive Officer, Compliance Officer, designated Risk Officers would provide leadership to the risk management function that falls on the First line of Defense. NCAP group being a subsidiary of the NDB Bank, the Risk Department of the bank known as the Group Risk Management Unit performs an oversight role of risk. The Group Risk Management Unit serves as the second line of defense and both external and internal audit serve as the third line of defense. The officers responsible for risk management within the NCAP Group will

review implementation and compliance with the Risk policy and procedures. The designated officers would submit Key Risk Assessment reports monthly to the Group Risk Management Unit.

The risk reporting of the NCAP group is escalated to the BARCC to assist the Board in overseeing/assessing of the group companies' risk management framework. Additionally, the risk incidence of the NCAP group is also closely monitored by the Integrated Risk Management Committee [IRMC]) of NDB Bank through the Group Risk Management Unit.

The NCAP Group companies report quarterly to the BARCC on risk management assessments and reviews the internal control processes and evaluates the adequacy and effectiveness of the risk management and internal control system. The Committee also seeks the observations of the Internal Audit and Independent External Auditors of the NCAP Group.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

The Directors of NDB Capital Holdings Limited have pleasure in presenting to the Shareholders their Report together with the Audited Financial Statements for the year ended 31st December 2024.

ACTIVITIES OF THE COMPANY

The principal activities of the Company and its subsidiaries are fee-based and fund-based investment banking. The fund-based investment banking activities include private equity investments, proprietary trading and investments in listed equities, fixed income securities, hybrid securities and unit trusts. Fee based activities include, corporate advisory, debt and equity raising and structuring, M&A, wealth management and private equity management which are carried out through the subsidiaries of the Company.

FINANCIAL RESULTS AND CAPITAL

The total income for the year ended 31st December 2024 of the Company was Rs. 541 Mn and Rs. 2,569 Mn for the Group. The Group income has increased by 49%.

The increased income at the Group level resulted in a Profit before Tax of Rs. 960 Mn compared to the Rs. 514 Mn recorded during the prior year. Group Profit after Tax for the year increased by Rs. 259 Mn. The Company recorded a profit after Tax of Rs. 251 Mn for the year ended December 31, 2024. The Company reported a retained profit of Rs. 2,167 Mn and the Group retained profits of Rs. 3,435 Mn as at December 31, 2024.

Profits and Appropriations

FOR THE YEAR ENDED December 31 Rs Mn	GROUP		COMPANY	
	2023	2024	2023	2024
Net profit/loss) after charging all expenses	329	588	134	251
Add: Accumulated profit brought forward	2,516	2,826	1,780	1,914
Appropriations				
Final Dividend paid (Gross)	-	-	-	-
Other Comprehensive Income	(14)	9	-	(5)
Non-Controlling Interest	(5)	(6)	-	-
Accumulated profit carried forward	2,826	3,417	1,914	2,160

STATED CAPITAL

The Stated Capital of the Company as at 31st December 2024 was Rs. 328,570,037 comprising 32,904,933 ordinary shares.

DIRECTORS DURING THE YEAR AND AS AT DATE

The Board of Directors of the Company as at 31st December 2024 and as at date are as follows;

Asoka Kariyawasam Pathirage – **Chairman** (ceased w.e.f. 31.12.2024)

Kelum Chaminda Edirisinghe - **CEO, NDB** (appointed w.e.f. 14.02.2024)

Sanjith Senaka Kakiriwaragodage - **CEO of the Company**

Kanagaratnam Velautham Vinoj – **DCEO, NDB** (appointed w.e.f. 04.01.2024 and ceased w.e.f. 31.03.2025)

Arjun Rishya Fernando

Drayton Sarath Palitha Wikramanayake

Ananda Wijetilaka Atukorala (ceased w.e.f. 31.12.2024)

Bernard Sujanthan Sinniah – **Chairman** (appointed w.e.f. 01.01.2025)

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

There was no change in the shareholding structure during the period of January 2024 to December 2024.

DIVIDENDS

As at date no dividend has been recommended by the Board of Directors to be paid out of the brought forward profits of the year ended 31st December 2024.

INTERESTS REGISTER

As per the Companies Act No. 7 of 2007 the Company maintains the Directors' Interest Register. All Directors have made declarations as provided for in Section 192(2) of the Companies Act aforesaid.

Set out below are the Directors of the Company who were also Directors of the following companies of the group during 01-01-2024 to 31-12-2024;

COMPANY	NAME OF DIRECTOR	POSITION	RELATIONSHIP
NDB Wealth Management Limited	D S P Wikramanayake	Director/ Chairman	The Company holds 1,160,246 shares out of the issued 1,160,247 shares in the Stated Capital of the Company.
	B S Sinniah	Director	
	K V Vinoj	Director (ceased w.e.f.31.03.2025)	
	K C Edirisinghe	Director (ceased w.e.f.31.03.2025)	
NDB Investment Bank Limited	S S Kakiriwaragodage	Director/CEO, NCAP	The Company holds 1,308,883 shares out of the issued 1,308,885 shares in the Stated Capital of the Company.
	D S P Wikramanayake	Director/Chairman	
	B S Sinniah	Director	
	K V Vinoj	Director (ceased w.e.f.31.03.2025)	
	K C Edirisinghe	Director	
	S S Kakiriwaragodage	Director/CEO, NCAP	

NDB Securities (Private) Limited	A R Fernando W A Atukorala B S Sinniah K V Vinoj K C Edirisinghe S S Kakiriwaragodage	Director /Chairman Director (ceased w.e.f. 31.12.2024) Director Director (ceased w.e.f.31.03.2025) Director (ceased w.e.f.31.03.2025) Director/CEO, NCAP	The Company holds 2,999,999 shares out of the issued 3,000,000 shares in the Stated Capital of the Company.
NDB Zephyr Partners Limited	A R Fernando A W Atukorala K C Edirisinghe	Director Director (ceased w.e.f. 15.10.2024) Director (ceased w.e.f.31.03.2025)	A subsidiary company which has 60% ownership to NDB Capital Holdings Limited.
NDB Zephyr Partners Lanka (Private) Limited	D S P Wikramanayake K V Vinoj B S Sinniah	Director / Chairman Director (ceased w.e.f.31.03.2025) Director	A wholly owned subsidiary of NDB Zephyr Partners Limited in which the Company holds 60%.
NDB Capital Limited	D S P Wikramanayake B S Sinniah K C Edirisinghe	Director / Chairman Director Director (ceased w.e.f.31.03.2025)	An associate of the fully owned subsidiary (NDB Investment Bank Limited).
National Development Bank PLC (NDB)	B S Sinniah K C Edirisinghe	Director Director	Parent Company of NDB Capital Holdings Limited.

a) Directors' Dealings with the shares of the Company

- i) Disclosures in respect of shares held as at 31st December 2024;
None of the Directors of the Company hold shares in the Company.
- ii) Disclosures in respect of shares of the Company which have been acquired during the year.
None of the Directors of the Company have acquired shares of the Company during the year under review.
- iii) Disclosures in respect of shares which have been disposed during the year:
None of the Directors of the Company have disposed shares of the Company during the year under review.

b) Use of Company Information by the Directors

Subject matter information	Date of authorization by the Board	Authorization granted at a Board meeting / by circular resolution
None	None	None

The aggregate remuneration paid to the non-executive directors of the Company (other than the directors who are involved/employed by the NDB group) for the year 2024 was Rs. 11,508,601.44/-

DONATIONS

Rs. 4,500,000 was paid as donations made by the Company during the financial year 2024

POST BALANCE SHEET EVENTS

The Company has disclosed, under Note No.29, all events occurring subsequent to the Balance Sheet date that could have a material impact on the Company and would require adjustment or disclosure in financial statements.

CHANGE IN ACCOUNTING POLICIES

There are no changes in the accounting policies of the Company and the Group during the year 2024.


AUDITORS

The present auditors Messrs. Ernst & Young have conveyed their willingness to continue in the office and a resolution to re-appoint them as auditors and authorizing the Directors to fix their remuneration will be proposed at the Annual General Meeting. The fees paid to the Auditors during the year was Rs. 1,470,929.00/- for audit work and Nil for non-audit work.

The auditors have no relationship with (other than that of Auditor), or interest in the Company.

In keeping with Section 168 (k) of the Companies Act No. 7 of 2007, the Board of Directors hereby acknowledges the contents of the Annual Report.

Accordingly, the Annual General Meeting has been scheduled to be held on 26th June 2025 and respective Notice of Meeting and Form of Proxy will be posted to all the Shareholders of the Company. As done in prior years, all shareholders have been given the opportunity to receive the Annual Report of NDB Capital Holdings Limited – 2024 by accessing a QR code shared and / or by accessing a soft copy available on the Company's website providing all shareholders Notice within the timelines stipulated in law.



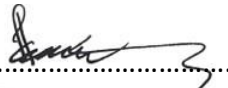
Bernard Sinniah
Chairman



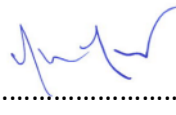
Sarath Wikramanayake
Director




Senaka Kakiriwaragodage
Director / CEO



Kelum Edirisinghe
Director / CEO, NDB



Arjun Fernando
Director



Corporate Services (Private) Limited
Company Secretary

02 June, 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

This statement sets out the responsibility of the Directors in relation to the Financial Statements of NDB Capital Holdings Limited (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group). The Directors are required by relevant statutory provisions to prepare and table at a General Meeting of the Company, such Financial Statements as may be necessary, which give a true and fair view of the state of affairs of the Company and the Group.

It is also the responsibility of the Directors to ensure that the Company maintains proper accounting records and to take reasonable steps as far as practical to ensure the accuracy and reliability of accounting records and to prepare Financial Statements using appropriate Accounting Policies applied consistently and supported by reasonable and prudent judgment and estimates in compliance with the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007. Changes in the Accounting policies where applicable and the rationale for the changes have been disclosed in the 'Notes to the Financial Statements'.

Accordingly, the Directors confirm that the Financial Statements of the Company and the Group give a true and fair view of:

- (a) the financial position of the Company and the Group as at the Reporting date; and
- (b) the financial performance of the Company and the Group for the financial year ended on the Reporting date.

The Financial Statements of the Company and the Group have been certified by the Chief Manager-Finance - National Development Bank PLC, the officer responsible for their preparation, as required by the Companies Act. In addition, the Financial Statements of the Company and the Group have been signed by two Directors on page 41 as required by the Companies Act and other regulatory requirements. The Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Company's transactions are maintained and that the Company's financial position, with reasonable accuracy, at any point of time is determined by the Company, enabling preparation of the Financial Statements, in accordance with the Act to facilitate proper audit of the Financial Statements.

The Financial Statements for the year 2024, prepared and presented in this Annual Report have been prepared based on new Sri Lanka Accounting Standards (SLFRS) which came to effect from 1 January 2012 are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Directors have been responsible for taking reasonable measures and care to safeguard the assets of the Company and the NCAP Group and to prevent and detect frauds and other irregularities. The Directors have instituted an effective and comprehensive system of internal controls and an effective system of monitoring its effectiveness, internal audit being one of them. The Directors' Statement on

Internal Control over Financial Reporting is given on page 31 of this Annual Report. The Board has been provided additional assurance on the reliability of the Financial Statements through a process of independent and objective review performed by the Audit Committee. Please refer to the Audit Committee Report on page 33 of this Report.

Messrs Ernst & Young, Chartered Accountants, who were appointed in terms of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, have been made available with all records of the Company including the Financial Statements by the Board of Directors and provided every opportunity to undertake the inspections they considered appropriate all of which they have examined and have expressed their opinion which appears as reported by them on page 39 of this Report.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report. The Directors confirm that in preparing the Financial Statements exhibited on page 41 including, appropriate Accounting Policies selected and applied based on the new financial reporting framework on a consistent basis, while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected.

The Board of Directors wishes to confirm that, as required by the Section 56 (2) of the Companies Act No. 07 of 2007, it has authorized (and approved) distribution of the dividends paid upon being satisfied that the Company would satisfy the solvency test after such distributions are made in accordance with the Section 57 of the Companies Act No.07 of 2007 and have obtained in respect of dividends paid, necessary certificates of solvency from the External Auditors.

The Board of Directors also wishes to confirm that, as required by the Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy there of is sent to every shareholder of the Company. The Directors also wish to confirm that all shareholders have been treated equitably in accordance with the original terms of issue.

The Company has also complied with the prudential requirements, regulations, laws and internal controls and there were no material non-compliances.

Compliance Report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and the Group, and all other known statutory dues as were due and payable by the Company and the Group as at the Reporting date have been paid or, where relevant, provided for. The Directors further confirm that after considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the 'Code on Corporate Governance' issued jointly by the CA Sri Lanka and the SEC, the Directors have a reasonable expectation that the Company and the NCAP Group possesses adequate resources to continue in operation for the foreseeable future. For this reason, we continue to adopt the Going Concern basis in preparing the

Financial Statements. The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board,



.....
Corporate Services (Private) Limited

Company Secretary

02 June 2025

DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING RESPONSIBILITY

The Board of Directors ("Board") is responsible for the adequacy and effectiveness of the internal control mechanism in place at NDB Capital Holdings Ltd. ("the Company")

In considering such adequacy and effectiveness, the Board recognises that the business requires reward to be balanced with risk on a managed basis and as such the internal control systems are primarily designed with a view to highlighting any deviations from the limits and indicators which comprise the risk appetite of the company. In this light, the system of internal controls can only provide reasonable, but not absolute assurance, against material misstatement of financial information and records or against financial losses or fraud.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Company and this process includes enhancing the system of internal controls over financial reporting as and when there are changes to the business environment or regulatory guidelines. The Board has assessed internal control over financial reporting taking into account the principles for the assessment of internal control systems as given in that guidance.

The Board is of the view that the system of internal controls over financial reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced and, in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

KEY FEATURES OF THE PROCESS ADOPTED IN APPLYING AND REVIEWING THE DESIGN AND EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM OVER FINANCIAL REPORTING

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls with respect to financial reporting include the following:

- Board Audit, Risk & Compliance Committee (BARCC) is established by the Board to assist the Board in ensuring the effectiveness of Company's daily operations and that the Company's operations are in accordance with the corporate objectives and strategies as well as the policies and business directions that have been approved.
- The Internal Audit Department of the National Development Bank PLC checks for compliance with policies and procedures and the effectiveness of the internal control systems during their audits. The Internal Audit Department uses a top down risk based auditing approach enhancing the Risk Based Auditing Process. The audits are carried out at determined intensities based on the risk assessments. Board Audit, Risk and Compliance Committee reviews the findings of the internal audits completed and their evaluation of the company's internal control system. The Committee also reviews the scope and adequacy of the coverage of the approved audit plan

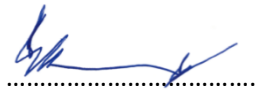
and had detailed discussion on any audit issues raised, reviewing the action plans to address these areas and the implementation status.

- The Board Audit, Risk & Compliance Committee of the Company reviews internal control issues identified by the External Audit, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management, compliance and internal control systems. The minutes of the Board Audit, Risk and Compliance Committee meetings are forwarded to the Board of the Company and the Board Audit Committee (BAC) and the Integrated Risk management Committee (IRMC) of the National Development Bank PLC on a periodic basis. Further details of the activities undertaken by the Audit, Risk & Compliance Committee of the Company are set out in the Audit, Risk & Compliance Committee Report on pages 33 to 36.
- The Board took necessary steps to further improve the models used for Impairment computations under the Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”. The required processes and controls have been designed to be in line with SLFRS - 9. The Board will continuously strengthen the processes and controls around management information systems and reports required for validation and compliance in line with SLFRS 9.

CONFIRMATION

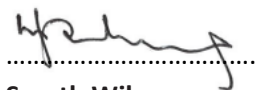
Based on the above processes, the Board confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards.

By order of the Board



Bernard Sinniah

Chairman



Sarath Wikramanayake

Chairman

Audit, Risk & Compliance Committee



Senaka Kakiriwaragodage

Chief Executive Officer

02 June, 2025

REPORT OF BOARD AUDIT, RISK AND COMPLIANCE COMMITTEE

The Board Audit, Risk and Compliance Committee of NDB Capital Holdings Ltd (“the Company”) comprised of Three (3) Non-Executive Directors as at the end of the year 2024.

The Chairman of the Committee, Mr. Sarath Wikramanayake is a Non-Executive Director and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, while the other members of the Committee are also from a specialist financial/banking background.

The Structure and Composition of the Board Audit, Risk and Compliance Committee for the year 2024 is set out in the table below.

Name of the Director	Membership Status
Mr. Sarath Wikramanayake	Chairman
Mr. Arjun Fernando	Member
Mr. Bernard Sinniah	Member

The Vice President – Internal Audit of NDB functioned as the Secretary to the Committee.

CHARTER OF THE COMMITTEE

The Charter of the Board Audit, Risk and Compliance Committee (BARCC) clearly defines the Terms of Reference of the Committee. The Charter is periodically reviewed and revised with the concurrence of the Board of Directors. This process ensures that the new developments and concerns are adequately addressed. The Charter was reviewed and approved by the Board of Directors in the second quarter of 2024.

The Board Audit, Risk and Compliance Committee is responsible to the Board of Directors in its general oversight of financial reporting, internal control, risk management and compliance. The Committee reports to the Board of Directors on its activities regularly. This Report focuses on the activities of the Committee for the year under review.

The composition requirements, roles and functions of the Committee are set out in the “Code of Best Practice on Corporate Governance” issued jointly by the Institute of Chartered Accountants of Sri Lanka (CASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

COMMITTEE MEETINGS

The Committee held four (4) meetings during the year. Minutes of such meetings, which include adequate details of the matters discussed are reported regularly to the Board of Directors. In addition, the minutes of the meetings were also tabled at the Board Audit Committee (BAC) and the Integrated Risk Management Committee (IRMC) of the parent company, National Development Bank PLC (NDB).

On the invitation of the Committee, the company's External Auditors, Messrs. Ernst & Young attended all meetings during the year.

In addition, the Chief Executive Officer and the Head of Compliance of the Company and the Chief Executive Officer, the Vice President – Internal Audit, the Vice President – Risk Management, the Vice President – Finance and the Compliance Officer of NDB have attended the meetings as permanent invitees. The Chief Executive Officers of the respective subsidiary companies and the Head of HR were also invited to participate in the meetings as and when their matters are discussed.

SUMMARY OF ACTIVITIES IN 2024

Financial Reporting

The Committee assists the Board to discharge their responsibility in the preparation of Financial Statements that evidence a true and fair view on financial position and financial performance in accordance with the Company's accounting records and as per the stipulated requirements of the Sri Lanka Accounting Standards. The Committee reviews:

- The adequacy and effectiveness of the Internal Control Systems and Procedures to provide reasonable assurance that all transactions are accurately and completely recorded in the books of account.
- The effectiveness of the Financial Reporting Systems in place to ensure reliability of the information provided to the stakeholders.
- The Company's financial statements and accounting policies and practices and reasonableness of the underlying assumptions for estimates and judgments made in preparing the Financial Statements.
- The Tax Assessments outstanding and action initiated for resolution through regular updates submitted by SVP.
- The processes by which compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) and other regulatory provisions relating to financial reporting and disclosures are ensured.
- The Annual Report and Accounts and the Quarterly Financial Statements prior to submission to the Board.

Having assessed the prevailing System of Internal Controls and Procedures, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the company is well monitored and accurately reported.

Compliance with the Revised Sri Lanka Accounting Standards (LKAS/SLFRS)

During the year the Committee placed additional focus on the assessment of adequacy of provision for Expected Credit Loss (ECL) recognised in the financial statements based on the internal models, management overlay computed based on stress testing, the exposures to risk elevated sectors.

Risks and Internal Controls

During the year, the Committee reviewed the effectiveness of the Internal Control Systems of the Company and its subsidiaries, and the quarterly confirmations provided by the respective CEOs on the internal control environment of their respective companies.

Internal Audit

Committee reviewed the independence, objectivity and performance of the internal audit function and the adequacy of resources. The audit plan for the Company and its subsidiaries covering the operations of those Companies, Information Security and Financial Reporting process was reviewed by the Committee and the findings of the internal audits completed and their evaluation of respective company's Internal Control Systems were reviewed and discussed by the Committee.

The Committee also reviewed updates on audit activities and the adequacy of coverage of the approved audit plan, the results of any unsatisfactory audits, the action plan to address these areas and the implementation status. Audit findings presented in the reports are prioritized based on the level of risk.

Internal Audit Charter and Manual

The internal audit function is governed by the Internal Audit Charter which defines the mission, authority, responsibility, independence, reporting, commitment and access in order to assist Internal Audit (NDB) to discharge its function independently.

External Audit

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest.

The Committee reviewed the Audited Financial Statements with the External Auditor, who is responsible for expressing an opinion on its conformity with the Sri Lanka Accounting Standards.

The Audit Committee met the External Auditors during the year, without the presence of CEO and the Corporate Management, to ensure that the Auditors had the independence to discuss any concerns and express their opinions on any matter and also for the Committee to have the assurance that the Management provided all information and explanations requested by the Auditors.

Risk Management

The Committee reviewed the Risk Management Policies, Processes and Risk Appetite of the Company and its subsidiaries. The Committee also reviewed the Risk Assessment reports prepared by the Company and its subsidiaries including the mitigants to the top risks of the companies on a quarterly basis.

Regulatory Compliance

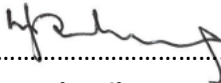
The Committee oversees group wide compliance risk management framework, and ensures that the Company maintains compliance with its ethical standards, policies, procedures, and with laws and regulations. It also serves to assist the Board in fulfilling its oversight responsibilities through review of the existing compliance management practices and controls and provides an objectives review of the effectiveness and efficiency of the Company's overall compliance risk management.

Good Governance and Whistle Blowing

The Company's Whistle Blowing Policy is intended to serve as a channel of corporate fraud risk management. The policy will educate and encourage any team member who has a legitimate concern on an existing or potential "wrong doing", done by any person within the Company, to come forward voluntarily, and bring such concern to the notice of an independent designated authority. All appropriate procedures were in place to conduct independent investigations into incidents reported through whistle-blowing. The Whistle blowing Policy guarantees the maintenance of strict confidentiality of the identity of the whistle- blowers.

EVALUATION OF THE COMMITTEE

Members of the Board Audit, Risk & Compliance Committee carried out a formal self-evaluation/appraisal on the effectiveness of the Committee. Report with the results of the Self-Assessment was submitted and discussed among the members of the Committee and it was concluded that the Committee had carried out its responsibilities in a satisfactory manner.



Sarath Wikramanayake

Chairman

02 June, 2025

BOARD OF DIRECTORS - PROFILES

Mr. Bernard Sinniah

Chairman

Mr. Sinniah is a Non-Executive Director on the Board of Directors of National Development Bank PLC, NDB Capital Holdings Limited and its subsidiaries: NDB Investment Bank Limited, NDB Wealth Management Limited, NDB Securities (Private) Limited NDB Zephyr Partners Lanka (Private) Limited and NDB Capital Limited (Bangladesh).

He was the former Managing Director of Citi and Global Head of FX Corporate Sales and e-FX Solutions. He retired in 2018 after 38 years having started his career at Citi Colombo, then moved to Citi, Australia and finished his career based out of London. Currently, he is a minority investor in various technology startup ventures in Sri Lanka and London.

During his career at Citi, Bernard has run numerous global, regional, and country businesses. He has built successful teams across the globe which focused on helping Fortune 500 Companies to identify and manage their FX risks to hedge against currency movements. His teams were instrumental in developing cutting edge electronic solutions to streamline Citi's clients' Risk Management processes. He was known to build highly energetic teams and develop individuals to achieve ambitious targets.

Bernard lives in Walton on Thames, United Kingdom with his wife and children. He is an Australian citizen and a permanent resident of United Kingdom. He holds a Masters in Applied Finance from Maquarie University, New South Wales, Australia.

Mr. Sarath Wikramanayake

Mr. Wikramanayake is a Chartered Accountant. He has worked previously with the Bank of Butterfield, a Bermuda-based international bank for 19 years, where he reached the position of Executive Vice-President. Since returning to Sri Lanka, he has been the Chief Executive Officer of Union Assurance Ltd. and the President of the Insurance Association of Sri Lanka in 2002. He is currently a Director of AIA Insurance Lanka PLC and Union Bank of Colombo PLC.

Mr. Wikramanayake was formerly a Director of the National Development Bank PLC from June 2010 to June 2019 and is currently a Director of several companies of the NCAP Group. He is the Chairman of NDB Investment Bank Limited, NDB Wealth Management Limited and NDB Zephyr Partners Lanka (Private) Limited. He is also the Chairman of NDB Capital Limited (Bangladesh) and serves on several board sub-committees of the NCAP Group, including serving as Chairman of the NCAP Board Audit Risk and Compliance Committee.

Mr. Senaka Kakiriwaragodage

Mr. Senaka Kakiriwaragodage is the Chief Executive Officer of NDB Capital Holdings Limited (NCAP). Prior to joining NCAP, Mr. Kakiriwaragodage was the Joint Managing Director of NDB Zephyr Partners Lanka (Private) Limited. He was also an Engineer at Virtusa (Pvt.) Ltd at the earlier stages of his career.

Mr. Kakiriwaragodage holds a B.Sc. First Class Degree in Computer Science and Engineering from the University of Moratuwa and a MBA from the University of Manchester, UK. He is also a fellow member of the Chartered Institute of Management Accountants, UK, a Chartered Global Management Accountant (CGMA) and a CFA Charterholder. He is a board member of CFA Sri Lanka Society and has served as a member of CIMA Sri Lanka Board.

Mr. Kakiriwaragodage is also a Director of the subsidiaries of the NCAP Group and serves as Director in several portfolio companies managed by Emerald Sri Lanka Fund 1 Limited, a private equity fund dedicated for Sri Lanka.

Mr. Arjun Fernando

Mr. Arjun Rishya Fernando was appointed to the Board of NDB Capital Holdings Limited on 15th October 2017. He currently serves as a Director on the Boards of Central Finance PLC, Nations Trust Bank PLC and Durdans Medical Surgical Hospitals (Private) Limited. He also serves as the Chairman of NDB Securities (Private) Limited and serves as Director of NDB Zephyr Partners Ltd for and on behalf of the NCAP Group of Companies whilst serving on sub committees formulated for the NCAP Group as well.

Mr. Fernando has functioned as the CEO / Director of DFCC Bank from 2013 to 2017 and was on the boards of several of DFCC Bank's Subsidiaries, Joint Ventures and Associates. Prior to joining DFCC Bank, Mr. Fernando has had a long and illustrious career at HSBC Sri Lanka and overseas. He holds an MSc (Management) from Clemson University, South Carolina, USA and a BSc (Engineering) from Southern Illinois University, Illinois, USA and is an Associate of the Chartered Institute of Bankers (ACIB), UK.

Mr. Kelum Edirisinghe (appointed w.e.f. 14.02.2024)

Mr. Kelum Edirisinghe is the Director / Chief Executive Officer of the National Development Bank PLC (NDB). He joined the Bank after having completed 30 years with HSBC Sri Lanka and Maldives, where he held several key senior management positions, the last being the Chief Risk Officer of HSBC Sri Lanka and Maldives, where he also served as the Chair of the Risk Committee. His banking experience at HSBC covers a variety of leadership roles in Enterprise-wide Risk Management, Commercial Banking, Fund Management, Debt Restructuring, Financial Analysis and Branch Banking.

Mr. Edirisinghe holds a BSc from the University of Manchester in association with The Chartered Institute of Bankers and a Master of Business Administration (MBA) from Edith Cowan University, Australia. He also holds a Diploma in Financial Management from the Association of Chartered Certified Accountants and a certification on Treasury and Foreign Exchange Operations from Central Bank of Sri Lanka.

In addition to holding Board Director positions in NDB Group companies, Mr. Edirisinghe is also a member of the Faculty Advisory Committee of the Centre for Banking Studies of the Central Bank of Sri Lanka.

INDEPENDENT AUDITORS' REPORT



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Chartered Accountants
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VB/DP

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NDB CAPITAL HOLDINGS LIMITED

Report on the Audit of The Financial Statements

Opinion

We have audited the financial statements of NDB Capital Holdings Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the *Code of Ethics for Professional Accountants* issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of both Company and Group.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. (Contd...2/)

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACA, D L B Karunathilaka ACA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

02 June 2025
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 December	Note	Group			Company		
		2024	2023	Change	2024	2023	Change
		LKR '000	LKR '000	%	LKR '000	LKR '000	%
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	12	53,854	47,891	12	6,179	6,667	(7)
Right of Use Assets	13	65,993	114,454	(42)	7,143	12,493	(43)
Investment in Subsidiaries	14	-	-	-	508,887	508,887	-
Deferred Tax Assets	15	61,423	69,697	(12)	-	-	-
Intangible Assets	16	42,917	13,336	222	-	96	(100)
Investment in Associate Companies	17	55,688	130,912	(57)	-	-	-
Financial Assets measured at fair value through other comprehensive income	18	462,681	763,877	(39)	361,261	545,051	(34)
Total Non Current Assets		742,556	1,140,167	(35)	883,470	1,073,194	(18)
Current Assets							
Financial Instruments measured at							
Amortized Cost - Debt and other	19	116,041	76,140	100	116,041	76,140	100
Trade and Other Receivables	20	1,092,037	899,178	21	37,703	32,611	16
Financial Assets recognized through profit or loss - measured at fair value	21	2,984,741	1,958,026	52	1,667,397	1,474,511	13
Income Tax Receivable		-	6,620	100	-	-	-
Cash and Cash Equivalents	22	1,022,944	406,844	151	357,202	156,944	128
Total Current Assets		5,215,764	3,346,808	56	2,178,343	1,740,206	25
Total Assets		5,958,320	4,486,976	33	3,061,813	2,813,400	9
EQUITY AND LIABILITIES							
Equity Attributable to Equity Holders of the Parent							
Stated Capital	23	328,570	328,570	-	328,570	328,570	-
Reserves		271,602	266,562	2	282,463	282,058	0
Retained Earnings		3,434,971	2,849,478	21	2,167,402	1,921,572	13
		4,035,143	3,444,610	17	2,778,435	2,532,200	10
Non-Controlling Interest		25,517	44,357	(42)	-	-	-
Total Equity		4,060,660	3,488,967	16	2,778,435	2,532,200	10
Non-Current Liabilities							
Retirement Benefit Obligations	24	136,369	132,033	3	16,951	8,188	107
Deferred Tax Liability	15.2	81,067	95,510	(15)	81,067	95,510	(15)
Lease Liability		62,307	146,706	(58)	7,974	3,716	115
Total Non-Current Liabilities		279,742	374,249	(25)	105,992	107,414	(1)
Current Liabilities							
Other Payables	26	1,263,915	414,860	205	58,705	86,216	(32)
Lease Liability	25	71,534	54,859	30	7,077	18,951	(63)
Bank Overdrafts	22.1	17,488	13,437	30	4,638	1,224	279
Income Tax Payable		264,981	140,605	88	106,967	67,396	59
Total Current Liabilities		1,617,918	623,761	159	177,386	173,787	2
Total Liabilities		1,897,660	998,009	90	283,378	281,200	1
Total Equity and Liabilities		5,958,320	4,486,976	33	3,061,813	2,813,400	9

We certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.



Sudeepa Kumari
Chief Manager- Finance
National Development Bank PLC

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by,



Bernard Sinniah
Chairman



Senaka Kakiriwaragodage
Director / Group CEO

The Accounting Policies and Notes to the Financial Statements on pages 46 through 76 form an integral part of the Financial Statements.

02 June, 2024
Colombo

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December	Note	Group			Company		
		2024 LKR '000	2023 LKR '000	Change %	2024 LKR '000	2023 LKR '000	Change %
Income							
Interest Income	3	319,280	472,444	(32)	126,891	180,067	(30)
Dividend Income	4	33,168	10,369	220	50,763	28,022	81
Equity Income	5	256,517	32,548	688	256,517	32,548	688
Fee Based Income		1,804,308	1,070,990	68	-	-	-
Other Income	6	156,082	136,882	14	107,028	119,694	(11)
Total Operating Income		2,569,354	1,723,233	49	541,199	360,330	50
Less : Operating Expenses							
Personnel Expenses	7	(806,002)	(670,662)	(20)	(118,575)	(91,411)	(30)
Administrative & Other Operating Expenses	8	(727,668)	(527,893)	(38)	(80,413)	(51,434)	(56)
Total Operating Expenses		(1,533,670)	(1,198,555)	(28)	(198,989)	(142,846)	(39)
Share of associate companies' profits/(losses)		(75,224)	(10,343)	(627)	-	-	-
Profit / (Loss) Before Tax		960,460	514,335	87	342,210	217,484	57
Income tax (expenses) / Reversals	9	(372,703)	(185,721)	(101)	(91,553)	(83,699)	(9)
Profit / (Loss) for the Year		587,757	328,614	79	250,658	133,786	87
Attributable to:							
Equity Holders of the Parent		593,866	333,538	78	250,658	133,786	87
Non - Controlling Interest		(6,109)	(4,924)	(24)	-	-	-
		587,757	328,614	79	250,658	133,786	87
Earnings / (Loss) Per Share (LKR)	10	18.05	10.14	78	7.62	4.07	87
Dividends Per Share (LKR)	11	-	-	-	-	-	-

The Accounting Policies and Notes to the Financial Statements on pages 46 through 76 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

	Group			Company		
	2024	2023	Change	2024	2023	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Profit / (Loss) for the Year	587,757	328,614	79	250,658	133,786	87
Other Comprehensive Income / (Expenses)						
Items that will be reclassified to statement of profit or loss						
Fair value adjustment in Financial Asset at Fair Value Through Other Comprehensive Income	5,214	540	865	579	1,556	(63)
Deferred Tax effect relating to Components of OCI	2,781	(467)	696	(174)	(467)	63
Exchange differences on translation of foreign operations	(1,503)	(6,156)	76	-	-	-
Item that will not be reclassified to profit or loss						
Actuarial Gains / (Losses) on Defined Benefit Plans	(9,824)	(24,156)	59	(6,897)	(1,236)	(458)
Deferred tax impact on Actuarial Gain / (Loss)	2,954	7,246	(59)	2,069	371	458
Total Other Comprehensive Income / (Expenses) Net of taxes	(378)	(30,239)	98.75	(4,424)	224	(2,076)
Total Comprehensive Income / (Expense) for the Year	587,379	298,375	97	246,234	134,010	84
Attributable to:						
Equity Holders of the Parent	594,489	307,403	93	246,234	134,010	84
Non - Controlling Interest	(7,111)	(9,028)	21	-	-	-
	587,379	298,375	97	246,234	134,010	84

The Accounting Policies and Notes to the Financial Statements on pages 46 through 76 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to the Parent						Non-Controlling Interest	Total
	Stated Capital	General Reserves	Fair value through Other comprehensive Income Reserve	Retained Earnings	Total			
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		
For the year ended 31 December								
Balance as at 01 January 2023	328,570	289,725	(23,237)	2,539,006	3,134,065	65,153	3,199,218	
Net profit for the year	-	-	-	333,538	333,538	(4,924)	328,614	
Fair value adjustment in Debt Instrument at Fair Value Through OCI	-	-	540	-	540	-	540	
Dividends declared by NCI	-	-	-	-	-	(11,768)	(11,768)	
Actuarial Gain / (Loss) on Defined Benefit Plans	-	-	-	(24,156)	(24,156)	-	(24,156)	
Tax Expenses relating to Components of OCI	-	-	(467)	7,246	6,780	-	6,780	
Exchange Differences on Translation of Foreign Operations	-	-	-	(6,156)	(6,156)	(4,104)	(10,261)	
Balance as at 31 December 2023	328,570	289,725	(23,163)	2,849,478	3,444,610	44,357	3,488,967	
Balance as at 01 January 2024	328,570	289,725	(23,163)	2,849,478	3,444,610	44,357	3,488,967	
Net profit for the year	-	-	-	593,866	593,866	(6,109)	587,757	
Dividends declared by NCI	-	-	-	-	-	(11,730)	(11,730)	
Fair value adjustment in Debt Instrument at Fair Value Through OCI	-	-	5,214	-	5,214	-	5,214	
Actuarial Gain / (Loss) on Defined Benefit Plans	-	-	-	(9,824)	(9,824)	-	(9,824)	
Tax Expenses relating to Components of OCI	-	-	(173)	2,954	2,781	-	2,781	
Exchange Differences on Translation of Foreign Operations	-	-	-	(1,503)	(1,503)	(1,002)	(2,505)	
Balance as at 31 December 2024	328,570	289,725	(18,123)	3,434,971	4,035,143	25,517	4,060,660	

Company					
For the year ended 31 December	Stated Capital	General Reserves	Fair value through Other comprehensive Income Reserve	Retained Earnings	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
	Balance as at 01 January 2023	328,570	289,725	(8,756)	1,788,651
Net profit for the Year	-	-	-	133,786	133,786
Fair value adjustment in Debt Instrument at Fair Value Through OCI	-	-	1,556	-	1,556
Actuarial Gain / (Loss) on Defined Benefit Plans	-	-	-	(1,236)	(1,236)
Tax Expenses relating to Components of OCI	-	-	(467)	371	(96)
Balance as at 31 December 2023	328,570	289,725	(7,667)	1,921,572	2,532,200
Balance as at 01 January 2024	328,570	289,725	(7,667)	1,921,572	2,532,200
Net profit for the Year	-	-	-	250,658	250,658
Fair value adjustment in Debt Instrument at Fair Value Through OCI	-	-	579	-	579
Actuarial Gain / (Loss) on Defined Benefit Plans	-	-	-	(6,897)	(6,897)
Tax Expenses relating to Components of OCI	-	-	(174)	2,069	1,895
Balance as at 31 December 2024	328,570	289,725	(7,262)	2,167,402	2,778,435

The Accounting Policies and Notes to the Financial Statements on pages 46 through 76 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOW

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Year ended 31 December				
Cash Flows From / (Used in) Operating Activities				
Profit/ (Loss) Before Tax	960,460	514,335	342,210	217,484
Adjustments for				
Depreciation / Amortization	29,543	24,287	2,238	1,879
Income from Investments	(473,523)	(589,624)	(225,917)	(239,639)
Profit from Sale of Equity Investments	(16,235)	(4,783)	(16,235)	(4,783)
(Profit)/Loss on Sales of Property, Plant and Equipment	(11)	(40)	-	-
Provision for Defined Benefit Plans	28,989	25,946	2,969	2,217
Right of Use Asset Depreciation	36,003	38,152	3,917	4,164
Interest Expense on Lease Liability	20,947	29,664	2,318	3,929
Fair Value adjustment of Equity Instruments	(242,194)	(59,735)	(234,868)	(51,735)
Provision / (reversal) for impairment allowance	(6,851)	18,021	(5,414)	23,970
Equity Income from strategic Investments	-	-	(17,595)	(17,652)
Share of associate companies' profits/(losses)	75,224	10,179	-	-
Operating Profit/(Loss) before Working Capital Changes	412,351	6,402	(146,378)	(60,166)
Rent/Lease Paid During the Year	(75,604)	(77,038)	(8,501)	(8,501)
(Increase)/ Decrease in Trade and Other Receivables	(226,837)	(2,827)	(5,091)	13,247
Increase/ (Decrease) in Trade and Other Payables	866,622	(47,514)	(27,511)	43,070
Cash Flows Generated from Operations	976,533	(120,977)	(187,481)	(12,350)
Defined Benefit Plan Costs Paid	(34,477)	(12,722)	(1,103)	-
Income Tax and surcharge tax Paid	(250,738)	(231,994)	(64,151)	(108,291)
Net Cash From/(Used in) Operating Activities	691,317	(365,694)	(252,735)	(120,641)
Cash Flows from / (Used in) Investing Activities				
Net Proceeds from Sale/(Purchase) of Financial Investments	(279,244)	(967,371)	247,684	(193,040)
Acquisition of Property, Plant and Equipment	(29,319)	(262,151)	(1,652)	(1,474)
Acquisition of Intangible Assets	(35,769)	(9,041)	-	-
Proceeds from Sale of Property, Plant and Equipment	194	1,941	-	-
Net Proceeds from Other Investments	17,766	737,380	16,236	4,784
Interest Received	225,665	326,334	136,742	219,074
Dividend Received	33,168	28,022	50,568	28,022
Net Cash Flows from Investing Activities	(67,538)	(144,887)	449,579	57,365
Cash Flows from / (Used in) Financing Activities				
Dividends Paid to non controlling interests	(11,730)	-	-	-
Net Cash Flows (Used in) Financing Activities	(11,730)	-	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	612,050	(510,581)	196,844	(63,276)
Cash and Cash Equivalents at the beginning of the Year	393,407	903,988	155,720	218,996
Cash and Cash Equivalents at the end of the Year *	1,005,456	393,407	352,564	155,720
*CASH AND CASH EQUIVALENTS				
Favorable Cash & Cash Equivalents Balance				
Short Term Deposits	372,765	158,137	154,244	154,244
Cash and Bank Balances	650,179	248,707	202,958	2,700
	1,022,944	406,844	357,202	156,944
Unfavorable Cash & Cash Equivalent Balances				
Bank Overdraft	(17,488)	(13,437)	(4,638)	(1,224)
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	1,005,456	393,407	352,564	155,720

The Accounting Policies and Notes to the Financial Statements on pages 46 through 76 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1.0 Corporate Information

NDB Capital Holdings Ltd (“NCAP” or “the Company”) is a company which offers full-service investment banking services comprising of fee-based activities such as debt and equity raising, corporate advisory, mergers & acquisitions, stock broking, wealth management and fund-based activities such as investment in listed equity securities, private equity, fixed income securities and underwriting. The fee-based activities are carried out via subsidiaries of NCAP whereas fund-based activities are performed directly under the Company.

The principal activities of the Company consist of fund-based investment banking activities and holding of capital market related businesses of the NDB Group.

The principal activities of the subsidiaries and the associate companies are summarized below;

Entity	Country of Incorporation	Principal Activities	Holding	Holding
			% 2024	% 2023
NDB Investment Bank Ltd	Sri Lanka	Investment banking	100%	100%
NDB Wealth Management Ltd	Sri Lanka	Wealth management	100%	100%
NDB Securities (Pvt) Ltd	Sri Lanka	Investment advisory and Securities trading	100%	100%
NDB Zephyr Partners Ltd	Mauritius	Management of private equity funds	60%	60%
NDB Zephyr Partners Lanka (Pvt) Ltd	Sri Lanka	Management of private equity funds	60%	60%
NDB Capital Limited	Bangladesh	Investment banking	42.41%	42.41%

National Development Bank PLC is the ultimate parent of the Group. NCAP is a limited liability company incorporated and domiciled in Sri Lanka. Its registered office is at No.40, Nawam Mawatha, Colombo 2, Sri Lanka.

The Financial Statements of NDB Capital Holdings Ltd for the year ended 31 December 2024 was authorized for issue in accordance with a resolution of the Board of Directors on “02 June 2025.”

2.0 Accounting Policies

2.1 Basis of Preparation

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following material items in the statement of Financial Position,

- Other non-current financial investments and financial investments held for trading which are measured at fair value

- Liabilities for defined benefit obligations which are recognized at the present value of the defined benefit obligations less the net totals of plan assets and unrecognized past service cost.

2.1.1 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees and all values are rounded to the nearest thousand rupees, except when otherwise indicated.

2.1.2 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with Accounting policies and notes, (Financial Statements), i.e. Consolidated Financial Statements of NCAP Group as at 31 December 2023 and for the year then ended, have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKASs) issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No. 07 of 2007.

2.1.3 Materiality & Aggregation

In compliance with Sri Lanka Accounting Standards - LKAS 01 on Presentation of Financial Statements, each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial.

Financial assets and financial liabilities are offset, and the net amount reported in the Consolidated Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the Accounting Policies of the Company.

2.1.4 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries for the year ended 31 December 2024. The Financial Statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full in preparing the Consolidated Financial Statements.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by Company.

Non-controlling interests are presented separately in the Statement of Comprehensive Income and within equity in the Statement of Financial Position but separate from Parent shareholders' equity.

2.1.5 Comparative Information

Comparative information is reclassified whenever necessary to conform with the current year's classification in order to provide better presentation.

2.2 Significant accounting judgments, estimates and assumptions

In the process of applying group's accounting policies, management is required to make judgments, which may have significant effects on the amounts recognized in the Financial Statements. Further, management is also required to consider key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of the Financial position date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates.

The key significant accounting judgments, estimates and assumptions involving uncertainty are discussed below, whereas the respective carrying amounts of such assets and liabilities are as given in related Notes.

Going Concern

The Board of Directors of the Company has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which such items can be deducted in the future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Defined Benefit Plans

The cost of the defined benefit plans is determined using an actuarial valuation. The actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the Company.

Useful Life time of Property, Plant and Equipment

The group reviews the residual values, useful lives and methods of depreciation of property, Plant and equipment at each reporting date. Judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

Commitments and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

2.3 Summary of Significant accounting policies

SLFRS 9 Financial Instruments

2.3.1 Initial recognition of Financial Assets and Financial Liabilities

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2.3.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:
The financial asset is held within a business model with the objective to hold financial assets in order to

Collect contractual cash flows.

And

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Debt instrument at Fair Value through OCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

And

- The contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains or losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and ECL and reversals are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

2.3.3 Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss which includes trade receivables and debentures.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.3.4 Financial Liabilities

Financial Liabilities are recorded at amortized cost. However, fair value changes of liabilities designated under the fair value option are generally presented as follows.

The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of change in the fair value is presented in profit or loss.

Derecognition of financial liabilities

The Group remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

2.3.5 Impairment of Non-Financial Assets Other than Goodwill

Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.3.6 Business combinations and goodwill

Business combinations are accounted for using the purchase method of accounting. This involves recognising identifiable assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition (negative goodwill) is recognised directly in the income statement in the year of acquisition.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units or groups of units.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

Carrying amount of the goodwill arising on acquisition of subsidiaries is presented as an intangible asset and the goodwill on an acquisition of an equity accounted investment in investment in associates is included in the carrying value of the investment.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortised goodwill is recognised in the Statement of Comprehensive Income.

2.3.7 Investment in Associate

An associate is an entity in which the Group has significant influence, but not control, over the variable returns through its power over the investee. An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. The Group's investments in its associate companies are accounted for by using the equity method. Under the equity method, the investment in the associate is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate. The carrying value of the investment in associates is reviewed for impairment at each reporting period.

The NCAP Group's investments in Associate companies represent NDB Capital Limited (Bangladesh - a 42.41% shareholding)

2.3.8 Property, Plant & Equipment

(a) Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured

(b) Basis of measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the assets and subsequent cost as explained below. The cost of self-constructed assets includes the cost of the materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for its intended use and cost of dismantling and removing the old items and restoring site on which they are located. Purchased software which is integral to the functionality of the related equipment is capitalised as part of computer equipment.

(c) Subsequent cost

There are costs that are recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within that part will flow to the Group and it can be reliably measured.

(d) Depreciation

Depreciation is calculated on a straight-line basis over the useful life of the assets, commencing from when the assets are available for use. The estimated useful lives of the assets are as follows.

Computer Equipment	5 Yrs
Motor vehicles	4 Yrs
Office equipment and furniture	5 Yrs
Lease hold Improvements	10 Yrs

Depreciation is provided proportionately for the completed number of months the asset is in use, if it is purchased or sold during the financial year.

(e) De-recognition

An item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognized.

2.3.9 Right of Use Asset

- **Basis of Recognition**

The Group applies Sri Lanka Accounting Standard SLFRS 16 “Leases” in accounting for all lease hold rights except for short term leases, which are held for use in the provision of services.

- **Basis of Measurement**

The Group recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-use assets are measured at cost less any accumulated amortisation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on a straight line basis over the term of the lease.

- **Lease Liability**

At the commencement date of the lease, the Group recognises lease liabilities, measured at present value of lease payments to be made over the lease term. The Group applied modified retrospective approach in accordance with SLFRS 16 when accounting for right-of-use assets and operating lease liabilities. The interest expense on the lease liabilities and the depreciation expense on the rightofuse assets are recognised separately in the Statement of Profit or Loss in line with the requirements of SLFRS 16-Leases. Further the lease liabilities will remeasured upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). Effective 01st January 2025, the Group remeasured the lease liability due to a change in expected future lease payments. This change arose as the lessor agreed to maintain the existing monthly rental without any increase.

2.3.10 Intangible assets

Intangible assets include the value of computer software and software under development. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortised using the straight-line method to write down the cost over its estimated useful economic lives as given below.

Computer software	5 Yrs
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Intangible assets are derecognized on disposal or when no future economic benefits are expected. Any gain or loss arising on de recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognized.

2.3.11 Taxes

(a) Current Tax

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(b) Deferred tax

Deferred tax is provided on temporary differences at the date of the Statement of Financial Position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences except -

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except -

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each Statement of Financial Position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the Statement of Financial Position.

2.3.12 Employee benefits

Gratuity

The costs of retirement gratuities are determined by a qualified actuary using projected unit credit method. This item is stated under other liabilities in the Statement of Financial Position. Actuarial gains and losses are recognized as income or expense in Statement of Comprehensive Income during the financial year in which they arise.

Employees' Provident fund and Employees' trust fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in accordance with the respective statutes and regulations. Company and Group Companies contribute 12% and 3% to Central Bank of Sri Lanka for eligible employees for Employees' Provident Fund contributions and Employees' Trust Fund contributions respectively.

2.3.13 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.14 Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company.

2.3.15 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(a) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as fair value through OCI and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. However, for a reclassified financial asset for

which the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(b) Dividend income

Dividend income from shares is recognized when the Company's right to receive the payment is established.

(c) Income from fee - based activities

Fees for underwriting, advisory work, loan syndication, management of funds and all other fees and commissions are recognised on an accrual basis.

(d) Expenditure Recognition

Operating expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.3.16 Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash balances, short-term funds. The cash flow has been prepared by using "The Indirect Method", whereby gross cash receipts and gross cash payments of operating activities, investing and financing activities have been recognized.

2.3.17 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

For management purposes, the Group has identified four operating segments based on products and services, as follows:

- Investments
- Capital Market
- Fund Management
- Private Equity Management

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Consolidated Financial Statements. Income taxes are managed on a group basis and are not allocated to operating segments.

2.3.18 Standards issued not yet effective

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- SLFRS 17- Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025. The Bank/Group expects that the implementation of this standard may not have a material impact on the financial statements of the group. SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short- duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17. As of 31 December 2024, the Group does not have any material impact from the SLFRS 17 - Insurance Contracts.

- Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting

periods beginning on or after 1st January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1st January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

	Group		Company	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
3. NET INTEREST INCOME				
Interest Income from Debentures	23,726	19,422	23,726	19,422
Interest on Bank Deposits	97,540	105,144	34,396	26,077
Interest from Government Securities	102,886	210,071	67,457	133,220
Other Interest Income	95,128	137,808	1,313	1,348
	319,280	472,444	126,891	180,067
4. DIVIDEND INCOME				
Dividend Income from Securities				
- Quoted Investments	21,693	10,369	21,693	10,369
- Non-Quoted Investments	11,475	-	11,475	-
Dividend Income from Subsidiaries/Associates				
- Non-Quoted Investments	-	-	17,595	17,652
	33,168	10,369	50,763	28,022
5. EQUITY INCOME				
Realized Equity Capital Gains / (Losses)	16,235	4,783	16,235	4,783
Un Realized Equity Capital Gains / (Losses)	273,228	90,495	273,228	90,495
Fair Value Change of Emerald Fund net of management fee	(32,946)	(62,730)	(32,946)	(62,730)
	256,517	32,548	256,517	32,548
6. OTHER INCOME				
Income from Unit Trusts	132,551	106,810	48,264	49,202
Gain on disposal of government securities	17,469	50,984	17,469	50,984
Foreign Exchange Gain / (Loss)	(1,160)	(22,958)	(1,160)	(22,958)
Other Income	7,222	2,046	42,455	42,465
	156,082	136,882	107,028	119,694
7. PERSONNEL EXPENSES				
Salary & Bonus	650,542	540,472	101,014	77,608
Contribution to Defined Contribution Plans - EPF / ETF	61,379	54,501	7,907	6,951
Contribution to Defined Benefit Liability - Gratuity	28,989	25,946	2,969	2,217
Others	65,093	49,742	6,686	4,636
	806,002	670,662	118,575	91,411
8. ADMINISTRATIVE EXPENSES & OTHER OPERATING EXPENSES				
Directors Emoluments	15,109	11,047	11,509	9,427
Auditors Remuneration	4,401	3,931	1,409	1,258
Portfolio Management Fees	193,655	86,406	6,149	8,305
Professional & Consultancy Fees	67,246	64,353	31,617	1,300
Depreciation/ Amortization of PPE and Intangible Asset	29,543	24,287	2,238	1,879
Right of Use Asset Depreciation	36,003	38,152	3,917	4,164
Office Administration and Establishment Expenses	381,711	299,717	23,574	25,102
	727,668	527,893	80,413	51,434

9. TAXATION

The components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
Current tax expenses				
Taxation based on the profit for the year	271,732	167,964	17,558	49,397
Under/(over) provision in respect of previous years	105,895	46,078	86,076	46,115
Total current tax expense	377,627	214,042	103,634	95,512
Deferred income tax				
Relating to origination and reversal of temporary differences	(4,920)	(28,320)	(12,081)	(11,814)
Total income tax charged to the Statement of Profit or Loss	372,703	185,722	91,553	83,699

a. Numerical reconciliation of tax expense to the product of accounting profit multiplied by applicable tax rate

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
Profit Before Tax	960,460	542,673	342,210	217,485
Income tax expenses for the year (accounting profit @ applicable tax rate)	355,217	180,573	102,663	65,246
Tax Effect On				
Disallowable expenses	31,755	21,712	2,312	(26)
Tax deductible expenses	(44,256)	(45,414)	(2,754)	(2,275)
Exempt income	(75,904)	(2,074)	(96,745)	(25,362)
Tax Losses	-	(15,154)	-	-
Total Income Tax for the year	266,811	139,643	5,477	37,583
Under/(Over) provision of current taxes in respect of prior years	105,895	46,078	86,076	46,115
Total income tax charged/(Reversal) to the Statement of Profit or loss	372,703	185,722	91,553	83,699

10. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year as required by the Sri Lanka Accounting Standard No.33 on Earnings Per Share.

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
Amount used as the Numerator				
Profit attributed to Ordinary Shareholders (LKR '000)	593,866	333,538	250,658	133,786
Amount used as the Denominator				
Weighted Average Number of Ordinary Shares for EPS calculation	32,904	32,904	32,904	32,904
Weighted Average Basic Earnings Per share (LKR)	18.05	10.14	7.62	4.07

11. DIVIDENDS PER SHARE

Interim and Final dividends are recognized and accrued when the dividend are recommended and declared by the Board of Directors in accordance with the companies Act No. 07 of 2007. No dividend has been declared during the year 2024.(2023 - NIL)

12 PROPERTY, PLANT & EQUIPMENT

12.1 Group

12.1.1 Gross Carrying Amounts

	Balance as at 01.01.2024 LKR.'000	Additions during the year LKR.'000	Disposals during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost				
Computer Equipment	95,763	13,222	-	108,985
Office Equipment and Furniture	155,185	16,097	(468)	170,814
Motor Vehicles	1,539	-	-	1,539
Lease hold Improvement	21,228	-	-	21,228
Total Value of Depreciable Assets	273,715	29,319	(468)	302,566

12.1.2 Depreciation

	Balance as at 01.01.2024 LKR.'000	Charge for the Year LKR.'000	On disposals LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost				
Computer Equipment	81,838	10,922	-	92,760
Office Equipment and Furniture	128,598	10,298	(468)	138,429
Motor Vehicles	1,476	124	-	1,600
Lease hold Improvement	13,912	2,011	-	15,923
Total Depreciation	225,824	23,355	(468)	248,712

12.1.3 Net Book Value

Computer Equipment				16,225
Office Equipment and Furniture				32,386
Motor Vehicles				(61)
Lease hold Improvement				5,305
Net book value as at 31 December 2024				53,854
Net book value as at 31 December 2023				47,891

12.1.4 During the financial year, the Group has acquired Property, Plant & Equipment amounting to LKR 29 Mn (2023 - LKR 12 Mn).

12.1.5 The cost of fully depreciated Property, Plant & Equipment for the year ended 31 December 2024 amounted to LKR 283 Mn (2023 - LKR 268 Mn)

12.2 Company

12.2.1 Gross Carrying Amounts

	Balance as at 01.01.2024 LKR.'000	Additions during the year LKR.'000	Disposals during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost				
Computer Equipment	4,275	1,317	-	5,592
Office Equipment and Furniture	14,868	335	-	15,203
Lease Hold Improvement	13,402	-	-	13,402
Total Value of Depreciable Assets	32,545	1,652	-	34,197

12.2.2 Depreciation

	Balance as at 01.01.2024 LKR.'000	Charge for the Year LKR.'000	On disposals LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost				
Computer Equipment	2,602	638	-	3,240
Office Equipment and Furniture	14,452	274	-	14,726
Lease Hold Improvement	8,824	1,228	-	10,052
Total Depreciation	25,878	2,142	-	28,018

12.2.3 Net Book Value

Computer Equipment				2,352
Office Equipment and Furniture				477
Lease Hold Improvement				3,350
Net book value as at 31 December 2024				6,179
Net book value as at 31 December 2023				6,967

12.2.4 During the financial year, the Company has acquired Property, Plant and Equipment amounting to LKR 1.7 Mn (2023 - LKR 1.5 Mn)

12.2.5 The cost of fully depreciated Property, Plant & Equipment for the year ended 31 December 2024 amounted to LKR 17 Mn (2023- LKR 16 Mn)

13 RIGHT OF USE ASSET

13.1 Group

13.1.1 Gross Carrying Amounts

	Balance as at 01.01.2024 LKR.'000	Additions during the year LKR.'000	Disposals during the year LKR.'000	Lease Modification during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost					
Buildings	305,206			(12,458)	292,748
Total Value of Depreciable Assets	305,206	-	-	(12,458)	292,748

13.1.2 Depreciation

	Balance as at 01.01.2024 LKR.'000	Charge for the Year LKR.'000	On disposals LKR.'000	Lease Modification during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost					
Buildings	190,752	36,003		-	226,755
Total Depreciation	190,752	36,003	-	-	226,755

13.1.3 Net book value as at 31 December 2024

Net book value as at 31 December 2023

65,993

114,454

13.2 Company

13.2.1 Gross Carrying Amounts

	Balance as at 01.01.2024 LKR.'000	Additions during the year LKR.'000	Disposals during the year LKR.'000	Lease Modification during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost					
Buildings	33,314	-	-	(1,433)	31,881
Total Value of Depreciable Assets	33,314	-	-	(1,433)	31,881

13.2.2 Depreciation

	Balance as at 01.01.2024 LKR.'000	Charge for the Year LKR.'000	On disposals LKR.'000	Lease Modification during the year LKR.'000	Balance as at 31.12.2024 LKR.'000
At Cost					
Buildings	20,821	3,917		-	24,738
Total Depreciation	20,821	3,917	-	-	24,738

13.2.3 Net book value as at 31 December 2024

Net book value as at 31 December 2023

7,143

12,493

14 INVESTMENT IN SUBSIDIARIES

	2024		2023	
	Percentage Holding (%)	Cost LKR' 000	Percentage Holding (%)	Cost LKR' 000
NDB Wealth Management Ltd	100	95,712	100	95,712
NDB Investment Bank Ltd	100	98,346	100	98,346
NDB Securities (Pvt) Ltd	100	292,060	100	292,060
NDB Zephyr Partners Limited	60	22,769	60	22,769
		508,887		508,887

15 DEFERRED TAX

15.1 MOVEMENT OF DEFERRED TAX ASSET

	2024 LKR' 000	2023 LKR' 000
Group		
Balance as at the beginning of the Year	69,696	45,881
Provision/(Release) made during the Year - Charged to Profit or Loss	(7,161)	16,504
Provision/(Release) made during the Year - Charged to OCI	(1,112)	7,312
Balance as at the end of the Year	61,423	69,697

15.2 DEFERRED TAX LIABILITY

	2024 LKR' 000	2023 LKR' 000
Group		
Balance as at the beginning of the Year	95,510	107,229
(Provision)/Release made during the Year - Charged to Profit or Loss	(12,081)	(11,815)
(Provision)/Release made during the Year - Charged to OCI	(2,362)	96
Balance as at the end of the Year	81,067	95,510

Company

Balance as at the beginning of the Year	95,510	107,229
Provision/(Release) made during the Year - Charged to Profit or Loss	(12,081)	(11,815)
Provision/(Release) made during the Year - Charged to OCI	(2,362)	96
Balance as at the end of the Year	81,067	95,510

15.3 RECONCILIATION OF NET DEFERRED TAX (ASSET)/LIABILITY

Deferred tax assets and liabilities related to the following	Statement of Financial Position	
	2024 LKR' 000	2023 LKR' 000
Group		
Deferred Tax Liability		
Capital Allowance for Tax Purposes	8,628	6,842
Gain / (loss) on Financial Asset	85,780	-
Fair value adjustment in Debt Instrument at Fair Value Through OCI	174	-
	94,582	6,842
Deferred Tax Assets		
Defined Benefit Plans	40,505	16,499
Gain on Financial Asset	14,078	36,960
Lease Liability	20,355	23,080
	74,938	76,539
Net Deferred Tax (Asset) / Liability	19,644	(69,697)
	Statement of Financial Position	
	2024 LKR' 000	2023 LKR' 000
Company		
Deferred Tax Liability		
Capital Allowance for Tax Purposes	2,571	2,858
Gain / (loss) on Financial Asset	85,780	97,694
Fair value adjustment in Debt Instrument at Fair Value Through OCI	174	466
	88,525	101,018
Deferred Tax Assets		
Gain / (loss) on Financial Assets	-	-
Defined Benefit Plans	5,085	2,456
Lease Liability	2,372	3,052
	7,457	5,508
Net Deferred Tax (Asset) / Liability	81,067	95,510

Unutilized Tax Losses – NDB Investment Bank Limited

For the Year of Assessment (YoA) 2023/24, NDB Investment Bank Limited reported unutilized tax losses amounting to Rs. 118,957,896.00. These losses have not yet been applied to offset taxable income for the financial year 2024. Furthermore, the corresponding deferred tax asset of Rs. 35,687,368.80 has not been recognized in the financial statements. However, based on the anticipated business profits for the YoA 2024/25, NDBIB may consider re-recognizing the deferred tax asset related to the unutilized tax losses from YoA 2023/24.

16 INTANGIBLE ASSETS

Group

	2024 LKR' 000	2023 LKR' 000
Cost/Carrying value		
At the beginning of the Year	132,059	123,017
Additions during the Year	35,769	9,042
At the end of the Year	167,828	132,059
Accumulated Amortization		
At the beginning of the Year	118,723	115,128
Amortization during the Year	6,188	3,596
At the end of the Year	124,911	118,723
Net Carrying Value	42,917	13,336

Company

	2024 LKR' 000	2023 LKR' 000
Cost/Carrying value		
At the beginning of the Year	904	904
At the end of the Year	904	904
Accumulated amortization		
At the beginning of the Year	808	703
Amortization during the Year	96	105
At the end of the Year	904	808
Net Carrying Value	-	96

17. INVESTMENT IN ASSOCIATE COMPANIES

NDB Investment Bank Limited which is a fully owned subsidiary of NDB Capital Holdings Limited invested In Ordinary shares of NDB Capital Limited, an Investment banking company based in Bangladesh for the shareholding of 42.41% during the year ended 31 December 2018. Accordingly the Investment is classified as an Investment in Associates in the statement of Financial Position.

During the assessment of impairment of investment in Associate companies, it was noted that the net asset position of NDB Capital Bangladesh Limited as at 31st December 2024 has been decreased. Hence the company has made an impairment provision amounting to LKR 47.8 Mn during the year.

	Group	
	2024 LKR' 000	2023 LKR' 000
Investment in NDB Capital Limited	130,912	141,255
Cumulative Share of Associate Company's Profit/(Loss)	(27,356)	(10,343)
Impairment for Associate	(47,868)	-
Total	55,688	130,912

18. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2024 LKR '000	2023 LKR.'000	2024 LKR '000	2023 LKR '000
Investment in Debentures	158,491	93,811	158,491	93,811
Investment in Treasury Bills	97,340	298,664	48,351	131,107
Investment in Treasury Bonds	206,849	371,401	154,419	320,132
	462,681	763,877	361,261	545,051

19. DEBT INSTRUMENTS AT AMORTIZED COST

	Group		Company	
	2024 LKR '000	2023 LKR.'000	2024 LKR '000	2023 LKR '000
Investments in REPO	116,041	76,140	116,041	76,140
	116,041	76,140	116,041	76,140

20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR.'000	LKR '000	LKR '000
Trade & Other Receivables	1,092,037	899,178	37,703	32,611

21 FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE.

	Group		Company	
	2024	2023	2024	2023
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Non Quoted Securities (21.1)	86,200	136,200	86,200	136,200
Quoted Ordinary Shares	738,447	390,013	738,447	390,013
Investment in Private Equity Fund (21.2)	390,796	691,439	390,796	691,439
Investment in Unit Trust	1,769,298	740,374	451,954	256,859
Total	2,984,741	1,958,026	1,667,397	1,474,511

21.1 FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE- NON QUOTED ORDINARY SHARES

Group/Company

	No. of Shares		Carrying Value	
	2024	2023	2024	2023
			LKR' 000	LKR' 000
Pawan Danavi (Pvt) Ltd	954,000	954,000	86,200	86,200
Lanka Communication Services (Pvt) Ltd	-	2,856,490	-	50,000
Gross Carrying Value of Equity Securities			86,200	136,200
Net Carrying Value of Equity Securities			86,200	136,200

21.2 Investment in Private Equity Fund - Preference Shares

Group/Company

	2024	2023
	LKR' 000	LKR' 000
Emerald Sri Lanka Fund Ltd as at beginning of the year	691,439	730,200
Net Capital infused /(Divested) during the year	(262,283)	-
Fair Value Adjustment	(38,359)	(38,760)
Emerald Sri Lanka Fund Ltd as at end of the year	390,796	691,439

22 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
Cash at Bank	650,179	248,707	40	40
Short - Term Deposits	372,765	158,137	357,162	156,904
	1,022,944	406,844	357,202	156,944

22.1 CASH AND CASH EQUIVALENTS

Total Cash and Bank Balances	1,022,944	406,844	357,202	156,944
Bank Overdrafts	(17,488)	(13,437)	(4,638)	(1,224)
Cash and Cash Equivalents	1,005,456	393,407	352,564	155,720

23 STATED CAPITAL

	2024	2023
	Number	Number
Ordinary Shares (Number)		
Fully Paid Ordinary Shares as of 1 January	32,904,933	32,904,933
Fully Paid Ordinary Shares as of 31 December	32,904,933	32,904,933

	2024	2023
	LKR '000	LKR '000
Ordinary Shares (Amount)		
Fully Paid Ordinary Shares	328,570	328,570
	328,570	328,570

24 RETIREMENT BENEFIT OBLIGATIONS

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
At the beginning of the Year	132,033	94,943	8,188	4,735
Recognized on Income Statement	28,989	25,946	2,969	2,217
Recognized on OCI	9,824	24,155	6,897	1,236
	170,846	145,044	18,054	8,188
Payments / Payables during the Year	(34,477)	(13,011)	(1,103)	-
At the end of the Year	136,369	132,033	16,951	8,188

24.1 Contribution made for Retirement Gratuity

	Group		Company	
	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000
Current service cost	11,908	11,329	1,904	852
Interest cost	17,081	14,617	1,064	1,364
Amount recognised in the Statement of Profit or Loss	28,989	25,946	2,969	2,217
Liability experience loss/(gain)	10,687	5,550	6,992	(254)
Liability loss/(gain) due to changes in; Financial assumptions	(863)	14,181	(95)	1,224
Demographic assumptions		4,425		267
Amount recognised in the Other Comprehensive Income	9,824	24,156	6,897	1,236

24.2 Assumptions Used for the Gratuity Plan

The actuarial valuations of the retirement gratuity were carried out by a Professional Actuary Messers, Actuarial and Management Consultants (Pvt) Ltd as at 31st December 2024 and 31st December 2023 respectively.

The valuation method used by the actuary to value the liability is the Projected Unit Credit method as recommended by LKAS 19 - Employee Benefits.

Assumptions Used for the Gratuity Plan

	Group		Company	
	2024	2023	2024	2023
Discount Rate	11.00%	13.00%	11.00%	13.00%
Salary Increment Rate	10%	8%-12%	10%	10%
Mortality	UP 1984	UP 1984	UP 1984	UP 1984
Retirement Age	60 Years	60 Years	60 Years	60 Years

24.3 Sensitivity of assumptions used in Actuarial Valuation

Increase/ (Decrease) in Discount Rate	Increase/ (Decrease) in Salary Increment Rate	Group 2024		Group 2023	
		Sensitivity Effect on the total Comprehensive Income Increase/ (Decrease) of the Year	Sensitivity Effect on Provision for Retirement Gratuity Increase/ (Decrease) in Liability	Sensitivity Effect on the total Comprehensive Income Increase/(Decrease) of the Year	Sensitivity Effect on Provision for Retirement Gratuity Increase/ (Decrease) in Liability
		LKR '000	LKR '000	LKR '000	LKR '000
1		8,746	(8,746)	8,746	(8,746)
(-1)		(9,932)	9,932	(9,932)	9,932
	1	(10,359)	10,359	(10,359)	10,359
	(-1)	9,270	(9,270)	9,270	(9,270)

Increase/ (Decrease) in Discount Rate	Increase/ (Decrease) in Salary Increment Rate	Company 2024		Company 2023	
		Sensitivity Effect on the total Comprehensive Income Increase/(Decrease) of the Year	Sensitivity Effect on Provision for Retirement Gratuity Increase/(Decrease) in Liability	Sensitivity Effect on the total Comprehensive Income Increase/(Decrease) of the Year	Sensitivity Effect on Provision for Retirement Gratuity Increase/(Decrease) in Liability
		LKR '000	LKR '000	LKR '000	LKR '000
1		1,445	(1,445)	739	(739)
(-1)		(1,649)	1,649	(851)	851
	1	(1,686)	1,686	(869)	869
	(-1)	1,501	(1,501)	766	(766)

24.4 The expected benefit payout from the defined benefit fund in future years

	Group		Company	
	2024	2023	2024	2023
Within next 12 months	10,067	25,125	1,004	416
Between 2 and 5 years	45,474	37,305	4,349	2,137
Beyond 5 years	80,828	69,603	11,598	5,635

25 LEASE LIABILITY

The carrying amounts of lease liability and the movement during the year:

	Group		Company	
	2024	2023	2024	2023
As at 01 January 2024	201,566	249,790	22,667	28,089
Accretion of interest	20,720	28,456	2,700	4,155
Lease Modification	(12,459)	-	(1,432)	-
Payments	(75,987)	(76,680)	(8,884)	(9,577)
As at 31 December 2024	133,840	201,566	15,051	22,667

The present value of the operating lease commitments as at 01 January 2020 has been calculated using weighted average incremental borrowing rate of 12%. A lease modification to the future lease rentals has been made with effect from January 2025 and adjustments were done from August 2024 as agreed with the Lessor.

	Group		Company	
	2024	2023	2024	2023
Leases Less than 01 year	94,505	94,505	10,627	10,627
Leases More than 01 year	132,307	207,911	14,878	23,379
	226,812	302,416	25,505	34,006

The present value of the operating lease commitments as at 31 December 2024 has been calculated using weighted average incremental borrowing rate of 12%.

Increase/ (Decrease) in Discount Rate	Group 2024		Group 2023	
	Sensitivity Effect on the profit/loss Increase/(Decrease) for the year	Sensitivity Effect on the profit/loss Increase/(Decrease) in lease liability	Sensitivity Effect on the profit/loss Increase/(Decrease) for the year	Sensitivity Effect on the profit/loss Increase/(Decrease) in lease liability
	LKR '000	LKR '000	LKR '000	LKR '000
1	1.38	(1.32)	1.70	(2.70)
(-1)	(1.42)	1.34	(1.76)	2.76

Increase/ (Decrease) in Discount Rate	Company 2024		Company 2023	
	Sensitivity Effect on the profit/loss Increase/(Decrease) for the year	Sensitivity Effect on the profit/loss Increase/(Decrease) in lease liability	Sensitivity Effect on the profit/loss Increase/(Decrease) for the year	Sensitivity Effect on the profit/loss Increase/(Decrease) in lease liability
	LKR '000	LKR '000	LKR '000	LKR '000
1	0.16	(0.15)	0.19	(0.30)
(-1)	(0.16)	0.15	(0.20)	0.31

Contractual maturities of undiscounted cash flows of Lease Liability

Group Lease Liability	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
	2024	-	18,901	75,604	132,307	-
2023	-	18,901	75,604	207,911	-	302,415

Company Lease Liability	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
	2024	-	2,125	8,501	14,878	-
2023	-	2,125	8,501	23,379	-	34,006

26 OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Sundry Creditors Including Accrued Expenses	1,263,911	414,860	58,708	86,216
	1,263,911	414,860	58,708	86,216

27 COMMITMENTS AND CONTINGENCIES

(i) The Company has an Overdraft facility for LKR 300 Mn with National Development Bank PLC for the purpose of investing in securities and meeting short term Funding requirement.

(ii) The VAT on financial services assessments received by NDB Capital Holdings Limited for the years 2012 and 2013 amounting to LKR 183.8 Mn, which were determined by the Commissioner General of Inland Revenue and the Tax Appeals Commission as payable. The stated cases against the determination of the Tax Appeals Commission will be forwarded to the Court of Appeal for their opinion. Further the assessment on VAT on financial services for the year 2018 received by the Company amounting to LKR 79.5 Mn is pending for determination by the Commissioner General of Inland Revenue.

The Company is of the view that the above assessments will not have any material adverse impact on the Financial Statements.

(iii) NDBIB has received an assessment from the Inland Revenue Department (IRD) in relation to corporate income tax for the Year of Assessment 2019/20. The matter is currently at the Tax Appeal Commission stage. The assessed amount at the time the case was raised is approximately LKR 19.1 Mn, inclusive of interest and penalties.

(iv) NDB Capital Holdings Ltd has committed to invest up to USD 9.6 Mn in Emerald Sri Lanka Fund 1 Limited over the 10 year period beginning December 2014. The Fund's term has been extended by one year up to 31 December 2025, pursuant to a recommendation by the Investment Manager (NDB Zephyr Partners Limited) and subject to the approval of the Advisory Committee.

The entity has so far invested USD 7.4 Mn and has a further commitment of USD 2.2 Mn to invest upon any capital call by the Fund.

Other than the aforementioned items, there are no significant commitments and contingencies as at the date of Statement of Financial Position.

28 FAIR VALUE OF FINANCIAL INVESTMENTS**Financial Investments Recorded at Fair Value**

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques.

These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments.

Financial assets recognized through profit or loss - measured at fair value

Financial Assets recognized through profit or loss measured at fair value consist of quoted equity securities, on quoted securities, private equity investment and investments in unit trusts. Quoted equity securities are valued using market price published by Colombo stock exchange

Investments in unit trusts are valued at market rates published by the respective unit trusts.

Private equity investment is valued using internal valuation techniques.

Financial Assets measured at fair value through other comprehensive income

Financial Assets measured at fair value through other comprehensive income solely consists of investments in quoted debentures and Government Securities.

28.1 Determination of Fair Value and Fair Value Hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

28.1 Determination of Fair Value and Fair Value Hierarchy (Contd.....)

Group

31 December 2024

	Level 1	Level 2	Level 3	Total
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Financial Assets				
Financial assets recognized through profit or loss - measured at fair value				
Quoted Ordinary Shares	738,447	-	-	738,447
Investment in Unit Trusts	1,769,298	-	-	1,769,298
Non Quoted Securities	-	-	86,200	86,200
Private Equity Fund	-	-	390,796	390,796
Financial Assets measured at fair value through other comprehensive income				
Quoted Debentures	-	158,491	-	158,491
Government Securities	-	304,189	-	304,189
Total Financial Assets	2,507,744	462,681	476,996	3,447,422

31 December 2023

	Level 1	Level 2	Level 3	Total
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Financial Assets				
Financial assets recognized through profit or loss - measured at fair value				
Quoted Ordinary Shares	390,013	-	-	390,013
Investment in Unit Trusts	740,374	-	-	740,374
Non quoted Securities	-	-	136,200	136,200
Private equity Fund	-	-	691,439	691,439
Financial Assets measured at fair value through other comprehensive income				
Quoted Debentures	-	93,811	-	93,811
Government Securities	-	670,066	-	670,066
Total Financial Assets	1,130,386	763,877	827,639	2,721,903

Company

31 December 2024

	Level 1	Level 2	Level 3	Total
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Financial Assets				
Financial assets recognized through profit or loss - measured at fair value				
Quoted Ordinary Shares	738,447	-	-	738,447
Investment in Unit Trusts	451,954	-	-	451,954
Non quoted Securities	-	-	86,200	86,200
Private equity Fund	-	-	390,796	390,796
Financial Assets measured at fair value through other comprehensive income				
Quoted Debentures	-	158,491	-	158,491
Government Securities	-	202,770	-	202,770
Total Financial Assets	1,190,401	361,261	476,996	2,028,659

31 December 2023

	Level 1	Level 2	Level 3	Total
	LKR' 000	LKR' 000	LKR' 000	LKR' 000
Financial Assets				
Financial Investments Held For Trading				
Quoted Ordinary Shares	390,013	-	-	390,013
Investment in Unit Trusts	256,859	-	-	256,859
Non quoted Securities	-	-	136,200	136,200
Private equity Fund	-	-	691,439	691,439
Financial Assets measured at fair value through other comprehensive income				
Quoted debentures	-	93,811	-	93,811
Government Securities	-	451,239	-	451,239
Total Financial Assets	646,871	545,051	827,639	2,019,562

Non quoted securities and Private equity fund has been valued base on the Net Assets Value of the investee.

29 EVENTS OCCURRING AFTER THE REPORTING DATE

The Share base Option Scheme will be implemented to NCAP group from 2025 considering the group performance in the Financial Year 2024

30 RELATED PARTY DISCLOSURES

Company

TRANSACTIONS WITH THE RELATED ENTITIES

Related Party	Relationship	Nature of Transactions	2024	2023
			LKR '000	LKR '000
National Development Bank PLC	Ultimate Parent	Cash Balance 31 December	21,648	35,137
		Interest Income from Short-term investments	426	4,559
		Fee for Accounting and related Services	991	966
NDB Wealth Management Ltd	Subsidiary	Unit Trust	451,954	256,859
		Portfolio Administration Fees	5,714	8,306
		Management fees	10,661	10,661
NDB Securities (Pvt) Ltd	Subsidiary	Brokerage Fee	-	4,093
		Reimbursement of Rent Expenses	-	(8,775)
		Management fees	10,661	10,661
NDB Investment Bank Limited	Subsidiary	Management fees	11,233	11,233
NDB Zephyr Partners Limited	Subsidiary	Dividend Received	17,595	17,652
		Resource Fee	9,600	9,600

31 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY AND ITS PARENT COMPANY

Related parties include Key Management Personnel defined as persons having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiaries.

Key Management Personnel include the members of the Board of Directors of the Company and its parent and the key employees who meet the criteria mentioned above.

a) Key Management Personnel Compensation

	2024	2023
	LKR '000	LKR '000
Short Term Employee Benefits	156,574	182,049
Post Employment Benefits	37,220	-
Total Compensation paid to Key Management Personnel	193,794	182,049
Business Transactions of Key Management Personnel		
Investments made by Key Management Personnel in Unit Trusts of NDBWM	96,995	21,393

The amounts disclosed above are the amounts recognized as an expense during the reporting period relating to Key Management Personnel. In addition to the remuneration, the company provides non cash benefits such as vehicle, insurance for Key Management Personnel in line with the approved benefit plan of the company.

32 SEGMENTAL INFORMATION - GROUP

NDB Capital Holdings Ltd is a full service investment bank. The principal activities of the Company and its subsidiaries are fee-based and fund-based investment banking. The fund-based investment banking activities include private equity, proprietary trading, underwriting, and investments in listed equities, fixed income securities, hybrid securities and unit trusts. Fee-based activities of the Company are carried out through its Subsidiaries.

NDB Investment Bank Limited offers fee based investment banking services. The product range includes debt and equity structuring and placement, corporate advisory services and facilitation of mergers and acquisitions.

NDB Wealth Management Limited offers comprehensive wealth management solutions in the form of discretionary portfolio management, private wealth management and mutual funds.

NDB Securities (Pvt) Limited a licensed stockbroker, is a full member of the Colombo Stock Exchange which provides a variety of investment research and advisory services and online trading facilities. Further, the firm provides margin loan facilities through National Development Bank PLC.

NDB Zephyr Partners Ltd manages private equity funds and extends advisory services on strategic planning, market access, access to technology, finance restructuring and developing the management team to investee companies in the small and medium enterprise sector.

	Investments		Fund Management		Capital Market		Private Equity Management		Total	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Income	603,636	469,831	1,560,450	846,743	355,245	333,602	50,023	73,057	2,569,354	1,723,233
Segment Results										
Profit from Operating Activities	196,775	121,203	742,549	291,342	76,046	86,833	20,315	25,299	1,035,684	524,678
Share of Associate Company's Profit / (Loss)	(75,224)	(10,343)	-	-	-	-	-	-	(75,224)	(10,343)
Income Tax Expense	(107,174)	(68,157)	(229,116)	(86,752)	(31,180)	(31,604)	(5,233)	792	(372,703)	(185,721)
Net Profit / (Loss)	14,377	42,703	513,433	204,590	44,866	55,229	15,082	26,091	587,758	328,614
Segment Assets										
Segment Assets	4,618,379	2,786,162	1,251,658	586,432	1,803	974,514	86,480	139,869	5,958,320	4,486,977
Segment Liabilities										
Segment Liabilities	1,472,703	392,976	404,390	258,743	(1,102)	318,335	21,666	27,954	1,897,657	998,009

33 Contractual maturities of undiscounted cash flows of financial assets and liabilities

Group

2024	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	1,022,944	-	-	-	-	1,022,944
Financial assets recognised through profit or loss - measured at fair value	2,507,744	-	-	476,996	-	2,984,741
Financial assets at amortised cost - debt and other instruments	-	-	116,041	-	-	116,041
Financial assets measured at fair value through other comprehensive income	-	-	100,000	158,491	204,555	463,046
Trade & other receivables	51,006	965,926	41,371	33,732	9	1,092,044
Total undiscounted financial assets	3,581,695	965,926	257,412	669,220	204,564	5,678,817
Financial Liabilities						
Bank Overdraft	14,042	3,446	-	-	-	17,488
Other financial liabilities	1,528,896	-	-	-	-	1,528,896
Total undiscounted financial liabilities	1,542,938	3,446	-	-	-	1,546,384

2023	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	406,844	-	-	-	-	406,844
Financial assets recognised through profit or loss - measured at fair value	1,130,386	-	-	827,639	-	1,958,026
Financial assets at amortised cost - debt and other instruments	-	-	76,140	-	-	76,140
Financial assets measured at fair value through other comprehensive income	-	-	303,582	93,811	371,401	768,794
Trade & other receivables	120,122	660,634	65,415	44,036	8,971	899,178
Total undiscounted financial assets	1,657,352	660,634	445,137	965,487	380,372	4,108,982
Financial Liabilities						
Bank Overdraft	3,659	9,778	-	-	-	13,437
Other financial liabilities	555,465	-	-	-	-	555,465
Total undiscounted financial liabilities	559,124	9,778	-	-	-	568,902

Company

2024	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	357,202	-	-	-	-	357,202
Financial assets recognised through profit or loss - measured at fair value	1,190,401	-	-	476,996	-	1,667,397
Financial assets at amortised cost - debt and other instruments	-	-	116,041	-	-	116,041
Financial assets measured at fair value through other comprehensive income	-	-	50,000	158,491	154,419	362,910
Trade & other receivables	37,703	-	-	-	-	37,703
Total undiscounted financial assets	1,585,305	-	166,041	635,488	154,419	2,541,253
Financial Liabilities						
Bank Overdraft	4,638	-	-	-	-	4,638
Other financial liabilities	165,671	-	-	-	-	165,671
Total undiscounted financial liabilities	170,309	-	-	-	-	170,309

2023	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	Over 5 Years	Total
Financial Assets						
Cash and cash equivalents	156,944	-	-	-	-	156,944
Financial assets recognised through profit or loss - measured at fair value	646,871	-	-	827,639	-	1,474,511
Financial assets at amortised cost - debt and other instruments	-	-	76,140	-	-	76,140
Financial assets measured at fair value through other comprehensive income	-	-	136,026	93,811	320,132	549,970
Trade & other receivables	32,611	-	-	-	-	32,611
Total undiscounted financial assets	836,427	-	212,166	921,451	320,132	2,290,176
Financial Liabilities						
Bank Overdraft	1,224	-	-	-	-	1,224
Other financial liabilities	153,612	-	-	-	-	153,612
Total undiscounted financial liabilities	154,836	-	-	-	-	154,836

34 RISK MANAGEMENT

Overview

NCAP Group is well aware of the need to have an effective risk management system and processes given the diversity of its operations in the capital markets. The Group is involved in diverse fund-based and fee-based business activities such as investing, investment banking, stock broking and wealth management. The investment portfolio of NCAP mainly consists of listed equity securities, private equity, fixed income securities and unit trusts.

Risk Management Structure

The Company has exposure to the following risks from its use of financial instruments:

- **Market Risk**
- **Credit Risk**
- **Liquidity Risk**

An overview of market risk, credit risk and liquidity risk as given below;

- **Market Risk** - The risk of any of investments performing badly due to volatility of market prices. Applicable to quoted equity investments and fixed income investments classified as "Fair Value Through Profit and Loss (FVTPL)". Such volatilities are driven by macroeconomic variables such as interest rates, exchange rates, inflation and certain industry specific factors together with systematic risks including credit risk. These volatilities can also be driven by investor sentiment.

i) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates would affect future cash flows or the fair values of financial instruments. The Group policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

ii) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument denominated in foreign currency will fluctuate due to changes in exchange rates other than the functional currency in which they are measured. Board approved limits are in place on currency positions and are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

iii) Equity price risk

Equity price risk is the risk that the fair value of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, decreases as a result of changes in the level of equity indices and individual stocks. The following table demonstrates the sensitivity to a reasonably possible change in quoted equity indices, with all other variables held constant of the Bank's and the Group's Statement of Profit or Loss.

- **Credit Risk** – The risk of financial loss if a debtor or counterparty to financial instruments fails to meet its contractual obligations. Credit risk is mainly arising from investments in fixed income securities.

The following table analyses the Investment Portfolio of debt securities by credit rating.

Credit Rating	2024	2023
	% of Debt Securities	% of Debt Securities
AA- and above	-	-
A- to A+	100%	100%
BBB- to BB	-	-

The carrying amount of Financial Assets represents the maximum credit exposure. The Group exposure to the credit risk at the reporting date was;

Category	2024 (Rs. 000')											
	NCAP		NDBIB		NDBZ		NDBW		NDBS		GROUP	
	Maximum Exposure to credit risk	Net Exposure	Maximum Exposure to credit risk	Net Exposure	Maximum Exposure to credit risk	Net Exposure	Maximum Exposure to credit risk	Net Exposure	Maximum Exposure to credit risk	Net Exposure	Maximum Exposure to credit risk	Net Exposure
Trade & Other Receivables	19,677.32	9,451.40	34,104.80	34,104.80	45,600.19	-	204,134.22	204,134.22	733,531.83	-	1,037,048.36	247,690.42
Investment in Unit Trusts	451,954.07	451,954.07	79,881.70	79,881.70	-	-	798,768.79	798,768.79	-	-	1,330,604.56	1,330,604.56
Investment in Treasury Bonds	154,418.68	154,418.68	-	-	-	-	52,430.19	52,430.19	-	-	206,848.87	206,848.87
Investment in Treasury Bills	48,350.88	48,350.88	-	-	-	-	48,989.50	48,989.50	-	-	97,340.38	97,340.38
Investment in Debentures	158,491.50	158,491.50	-	-	-	-	-	-	-	-	158,491.50	158,491.50
Investment in Repos	116,041.23	116,041.23	-	-	-	-	-	-	-	-	116,041.23	116,041.23
Investment in Fixed Deposits	335,495.19	335,495.19	-	-	-	-	9,147.38	9,147.38	-	-	344,642.58	344,642.58
Cash & Cash Equivalents	21,706.61	21,706.61	42,446.91	42,446.91	-	-	304.37	304.37	561,832.47	561,832.47	626,290.35	626,290.35
	1,306,135.48	1,295,909.56	156,433.41	156,433.41	45,600.19	-	1,113,774.45	1,113,774.45	1,295,364.29	561,832.47	3,917,307.82	3,127,948.89

Analysis of Risk Concentration

NDB Capital Holdings Limited Group's concentration of risks are managed through the Industry Sectors and Asset Classes

Following table shows the risk concentration by Industry Sectors for the components of the Statement of the Financial Position

Sector	Exposure (LKR)
Banks	751,770,785.58
Capital Goods	140,462,161.10
Consumer Durables & Apparel	44,501,905.20
Diversified Financials	195,773,520.55
Food Beverage & Tobacco	74,232,213.00
Materials	45,083,292.40
Private Equity	390,796,462.09
Treasury Bills	213,381,613.95
Treasury Bonds	206,848,874.35
Unit Trust	1,769,297,524.13
Utilities	86,203,118.80
Cash and Cash Equivalents	668,055,682.16
Grand Total	4,586,407,153.32

· **Liquidity Risk** - The risk of not maintaining adequate liquid funds to meet payment obligations as and when they become due. This risk is low given the debt free balance sheet of NCAP. (Please refer to the Note No 33 - Contractual maturities of undiscounted cash flows of financial assets and liabilities above)

Risk Mitigation

As a risk management strategy, all investments are subject to an asset allocation policy which provides for adequate level of diversification. The diversification is monitored and managed within each asset class as well. The asset allocation policy is regularly reviewed by the Audit, Risk & Compliance Committee, investment committee and the Board of Directors.

The investments are managed by a team of competent investment professionals who have specialized in specific areas. The specific investments that involve private equity and project financing are subject to a comprehensive investment appraisal and due diligence process. Further, such investments go through a tiered approval process with final approval being granted by the Investment Committee and the NCAP Board. The status of investments and the process are also reviewed regularly by the Investment Committee and the NCAP Board.

Operational Risk

Process Risk - Flaws in NCAP procedures with regard to payments, making investments and other business activities

System Failures - Risk of failure of IT systems which will affect the general workflow

Compliance Risk - Risk of not adhering to compliance procedures

Fraud Risk - Risk of any fraudulent activities

Reputational Risk - Risk of NCAP's reputation being negatively affected due to its business activities or staff member actions

Business Continuity Risk - Risk of being unable to continue business activities as a result of loss of data, failure of systems or any natural disaster striking place of work.

Legal Risk - Risk of entering into agreements which have legal flaws which may be detrimental to NCAP's operations, Risk of non-renewal of service/ maintenance contracts

Information Technology and Information Security Risk - Risk of possible confidentiality, availability and integrity threats to information systems/IT infrastructure used by NCAP

NOTICE OF MEETING

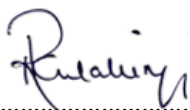
Notice is hereby given that the 41st Annual General Meeting of NDB Capital Holdings Limited (the Company) will be held by audio / audio-visual means ("virtual AGM") from the Board Room of NDB Capital Holdings Limited, Bauddhaloka Mawatha, Colombo 04, on 26th of June 2025 at 1.00pm for the following purposes:

1. To receive and consider the annual report of the board of directors together with the financial statements of the Company for the year ended 31st December 2024 and the report of the auditors thereon.
2. To re-elect as a Director, Mr. Arjun Rishya Fernando who retires in terms of Article 30 of the articles of association
3. To re-appoint as a Director, Mr. Drayton Sarath Palitha Wikramanayake who vacates the office in terms of Section 211 of the Companies Act No. 07 of 2007 by passing the following resolution;

"IT IS HEREBY RESOLVED that Mr. Drayton Sarath Palitha Wikramanayake, who is 70 years of age is hereby elected a Director in terms of Section 211 of the Companies Act No. 07 of 2007 and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr. Drayton Sarath Palitha Wikramanayake."

4. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company as set out in section 154 of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.
5. To authorize the Board of Directors to determine donations for the financial year ending 31st December 2025 under the Companies Donations Act, No. 26 of 1951.

By order of the Board



Corporate Services (Private) Limited

Company Secretary

Colombo

02 June 2025

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy holder to attend and vote in his/her stead.
2. A proxy holder need not be a shareholder of the Company.
3. Voting shall be by any one of the following methods as determined by the Chairman of the meeting unless a poll is demanded;
 - ✓ voting by voice
 - ✓ voting by show of hands through the eBallot system (every member who is present in person or is represented by a proxy or attorney or an authorized representative shall have one (01) vote).
4. A declaration by the Chairman of the meeting that a resolution is carried by the requisite majority or lost is conclusive evidence of that fact.
5. At a meeting of shareholders, a poll may be demanded on a particular question as provided for in the Companies Act No. 07 of 2007. If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present and voting. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
6. The Form of Proxy is sent herewith. The completed Form of Proxy must be emailed to the Company Secretary (mahesha.ranmini@corporateservices.lk) or deposited at the Registered Office of the Company, addressed to the Company Secretary, at No. 40 Nawam Mawatha, Colombo 02 not later than 48 hours prior to the time appointed for the holding of the meeting in accordance with Article 23 (4) of the Articles of Association of the Company.
7. **All shareholders proposing to participate at the meeting are requested to share via email to the Company Secretary (mahesha.ranmini@corporateservices.lk) the following details on or before 12 noon on 19th June 2025 in order that required arrangements can be made for the virtual AGM;**

Full Name**NIC****Residential Address****Telephone / Mobile phone number and****Email address****Please note that the above information is mandatorily required to be emailed to the Company Secretary.**

8. Once the aforesaid required details are obtained the Company will get in touch with you within 24 hours of the meeting, providing to you the details to *login to the meeting on the said date.
9. In the event a Proxy is being appointed, please complete the Form of Proxy and the Company will be in touch with the Proxy holder via email, within 24 hours of the meeting, in order to provide details to *login to the meeting on the said date. For this purpose please ensure that the Form of Proxy is completely filled.
10. Any queries and matters to be recorded at the meeting could be shared with the Company Secretary in writing on or before 19th June 2025 via email to (mahesha.ranmini@corporateservices.lk) or via post to reach the Company Secretary (at No. 40, Nawam Mawatha, Colombo 02) on or before 19th June 2025 in order that responses could be made to all queries and concerns in the best interest of Shareholders and recorded as appropriate.

For further queries on the arrangements made by the Company you may contact one of the following persons who will be happy to assist you.

Name	Contact No.
Mahesha Ranmini	0114605166
Gihan Weligamage	0112300385

Any additional arrangements made by the Company, apart from the details set out above, will be communicated via the website of the Company. We request all shareholders to check the Company Website accordingly.

*Login details are authorised only for the use by individual shareholders / Proxy holders and authorised representatives in the case of corporate / institutional shareholders. The Company will not be responsible or liable for the misuse of login details and access granted to the meeting.

FORM OF PROXY

NDB Capital Holdings Limited

I/We

.....
 (NIC/s) of

.....
 being a shareholder/shareholders of the above named company hereby appoint
 holder of NIC No
 of..... or failing him/her

- | | |
|--|----------------------------|
| Mr. Bernard Sinniah (Chairman) | of Colombo, or failing him |
| Mr. Sarath Wikramanayake | of Colombo, or failing him |
| Mr. Arjun Fernando | of Colombo, or failing him |
| Mr. Kelum Edirisinghe | of Colombo, or failing him |
| Mr. Senaka Kakiriwaragodage (CEO/Director) | of Colombo, or failing him |

as my /our proxy to represent, vote and/or speak for me/us and on my/our behalf at the 41st Annual General Meeting of NDB Capital Holdings Limited to be held on 26th June 2025 and at any adjournment thereof and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorise my/our Proxy to vote on my/our behalf in accordance with the preferences indicated below:

	For	Against
1. To receive and consider the annual report of the board of directors together with the financial statements of the Company for the year ended 31st December 2024 and the report of the auditors thereon.		
2. to re-elect as a Director, Mr. Arjun Rishya Fernando who retires in terms of Article 30 of the articles of association.		
3. to re-appoint as a Director, Mr. Drayton Sarath Palitha Wikramanayake who vacates the office in terms of Section 211 of the Companies Act No. 07 of 2007 by passing the following special resolution: "IT IS HEREBY RESOLVED that Mr. Drayton Sarath Palitha Wikramanayake, who is 70 years of age is hereby elected a Director in terms of Section 211 of the Companies Act No. 07 of 2007 and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr. Drayton Sarath Palitha Wikramanayake."		
4. To re-appoint Messrs. Ernst & Young, Chartered Accountants, as Auditors of the Company as set out in section 154 of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.		
5. To authorize the Board of Directors to determine donations for the financial year ending 31st December 2025 under the Companies Donations Act, No. 26 of 1951		

As witness I /We have set my / our hand/s hereunto this.....day of Two Thousand and Twenty Five (2025).

.....

Signature of the Shareholder / Shareholders

Telephone / Mobile no. of Shareholder

Email address of Shareholder

Telephone / Mobile no of Proxyholder

Email address of Proxyholder

Please note that the above information is mandatorily required.

INSTRUCTIONS FOR COMPLETION OF THE FORM OF PROXY

1. In order to appoint a proxy holder, this form duly completed must be emailed to the Company Secretary (mahesha.ranmini@corporateservices.lk) or deposited at the Registered Office of NDB Capital Holdings Limited (NCAP), addressed to the Company Secretary, at No 40, Nawam Mawatha, Colombo 02 not less than 48 hours before the time fixed for the meeting.
2. In perfecting the Form of Proxy, please ensure that all details are legible, including the full name and registered address of the member appointing the proxy.
3. The proxy holder appointed need not to be a Shareholder of NDB Capital Holdings Limited.
4. In the case of a Corporate Shareholder, the proxy must be executed under its common seal (if applicable) or by its authorized signatory or as prescribed by the Articles of Association of the Corporate Shareholder.
5. The first joint holder shall have the power to sign the proxy without the concurrence of the other joint holder/s.
6. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney, if executed prior to 25th October 2022, should be duly registered at the Registrar General's office (RGO) and if executed after 25th October 2022, should be duly executed and attested in terms of the Power of Attorney (Amendment) Act No 28 of 2022 and registered at the RGO. A certified copy thereof duly certified by the Registrar General, should also accompany the completed Form of Proxy.

FOR FURTHER DETAILS PLEASE CAREFULLY READ THE NOTES TO THE NOTICE OF MEETING ENCLOSED HEREWITH.

CORPORATE INFORMATION

Name

NDB Capital Holdings Limited

(The Company was registered under the Companies Act No. 17 of 1982 and subsequently re-registered under the Companies Act No 07 of 2007 on 26th December 2007. The Company name was changed from NDB Capital Holdings PLC to NDB Capital Holdings Limited with effect from 2nd March 2015 subsequent to the Company de-listing from the official list of the Colombo Stock Exchange).

Legal Status

Public Limited Liability Company

Incorporation

12th October 1983

Registered No

PQ 110 PB

Stated Capital

Rs. 328,570,037

Board of Directors as at the latest information available

Mr. Bernard Sinniah (Chairman)

Mr. Sarath Wikramanayake

Mr. Arjun Fernando

Mr. Kelum Edirisinghe

Mr. Senaka Kakiriwaragodage

Company Secretary

Corporate Services (Private) Limited

Registered Office

40, Nawam Mawatha, Colombo 02

Contact Details

NDB Capital Holdings Limited.

Level 1,

NDB Capital Building,

No. 135, Bauddhaloka Mawatha,

Colombo 04.

Tel: +94 11 2300385/ Fax: +94 11 2300393

Auditors

Messrs. Ernst & Young (Chartered Accountants)

Rotunda Towers, No 109, Galle Road, Colombo 03

Bankers

National Development Bank PLC
No. 40, Nawam Mawatha, Colombo 2

Subsidiary/Associate companies as per latest information available

NDB Investment Bank Limited

Directors

Mr. Sarath Wikramanayake (Chairman)
Mr. Bernard Sinniah
Mr. Senaka Kakiriwaragodage
Mr. Kelum Edirisinghe
Mr. Jehan Peruma

Contact Details

Level 1,
NDB Capital Building,
No. 135, Bauddhaloka Mawatha,
Colombo 4.
Tel: +94 11 2300385/ Fax: +94 11 2300393

NDB Wealth Management Limited

Directors

Mr. Sarath Wikramanayake (Chairman)
Mr. Bernard Sinniah
Ms. Surekha Alles
Mr. Senaka Kakiriwaragodage

Contact Details

Level G,
NDB Capital Building,
No. 135, Bauddhaloka Mawatha,
Colombo 4.
Tel: +94 11 2303232/ Fax: +94 11 2303237

NDB Securities (Private) Limited

Directors

Mr. Arjun Fernando (Chairman)
Mr. Bernard Sinniah
Mr. Indrajit Wickramasinghe
Mr. Senaka Kakiriwaragodage

Contact Details

Level 2,
NDB Capital Building,
No. 135, Bauddhaloka Mawatha,
Colombo 4.
Tel: +94 11 2131000/ Fax: +94 11 2314181

NDB Zephyr Partners Limited – Mauritius

Directors

Mr. Dilshaad Rajabalee
Mr. Thomas Barry
Mr. Mukul Gulati
Mr. Arjun Rishya Fernando
Mr. Sandiren Ramsamy (appointed w.e.f. 06.03.2025)

Contact Details

6th Floor,
Two Tribeca,
Tribeca Central,
Trianon 72261,
Mauritius
Tel: +230 467 3000/ Fax: +230 467 4000

NDB Zephyr Partners Lanka (Pvt) Limited

Directors

Mr. Sarath Wikramanayake (Chairman)
Mr. Thomas Barry
Mr. Mukul Gulati
Mr. Bernard Sinniah

Contact Details

Level 1,
NDB Capital Building,
No. 135, Bauddhaloka Mawatha,
Colombo 4.
Tel: +94 11 2300385/ Fax: +94 11 2300393

NDB Capital Limited – Bangladesh

Directors

Mr. Sarath Wikramanayake (Chairman)
Mr. Mohammed Al Maruf Khan
Mrs. Zakia Chowdhury

Mr. Hafiz Firoz Choudhury
Mr. C.M. Alam
Mr. Bernard Sujanthan Sinniah
Mr. Maroof Mazumder

Contact Details

NDB Capital Limited
Uday Tower, 6th Floor (South-West Side),
57 & 57/A,
Gulshan Avenue, Circle-1,
Dhaka 1212,
Bangladesh.
Tel: +880 2 222288626, 222288979
Fax: +880 2 222288906
Web: www.ndbcapital.com