



NDB Capital

VALUES THAT ADD VALUE

ANNUAL REPORT **2023**



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CHAIRMAN'S MESSAGE

In year 2023, Capital markets in Sri Lanka continued to experience multitude of challenges emanating from the economic crisis from the preceding year. The year started with very high interest rates but post domestic debt restructuring in June 2023, interest rates started receding and capital market activity started to improve. Overall, Capital markets witnessed a mixed performance in the year 2023. Despite those challenges which prevailed in the market, NDB Capital Holdings Limited ("NCAP" or "the Company") and its subsidiaries (collectively referred to as the "NCAP Group" or "the Group") remained resilient, demonstrating their ability to continue and succeed during this period. NCAP Group was able to cross a consolidated revenue of LKR 1.7 Bn during the year 2023 and achieve a net profitability of LKR 329 Mn. Amidst the gradual recovery of the economy and market, NCAP Group Companies were able to secure leadership positions in their respective business verticals during the year. In 2023, NDB Wealth Management Limited ("NDBWM"), the largest private sector asset manager in Sri Lanka, crossed Assets Under Management (AUM) of LKR 304.0 Bn by end 2023 with a diverse base of over 29,000 clients. AUM and clientele increased multi-fold during the financial year which is a testimony to the trust placed by our clients on our operations. NDB Investment Bank (NDBIB) encountered a volatile year, parallel to the gradual recovery of the economy and capital markets from the recent economic crisis. However, the company managed to execute several transactions and concluded the year with a facilitation and raising of c. LKR 20 Bn via capital market transactions. NDB Investment Bank (NDBIB) clinched the title of " Sri Lanka`s Best Investment Bank " at the prestigious Awards for Excellence hosted by Euromoney Magazine, marking the twelfth consecutive year of their recognition in 2023. NDB Securities (Private) Limited ("NDBS") was able to maintain its market share and remain profitable during 2023 despite very low trading volumes on the Colombo Stock Exchange (CSE) mainly due to high interest rates prevailed over major part of the year. Our private equity arm, NDB Zephyr Partners Limited ("NDBZ") successfully concluded an exit during the year, a notable milestone for the Company. NDB Capital Limited ("NDBCapBD"), the Group's Bangladesh-based investment banking arm, successfully concluded multiple rounds of fundraising for prominent corporations in the country amounting to BDT 5.3 Bn during the year. Currently, the firm is focused on capitalizing on its strengths to optimize the opportunities within the market. As a socially responsible corporate entity in Sri Lanka, the NCAP Group remained committed to investing in the NDB Capital Scholarship Trust Fund. This initiative is dedicated to supporting deserving undergraduate students in local universities. By the end of 2023, the Trust has assisted 78 students across various disciplines. This includes 23 medical students, 21 engineering students, 16 law students, and 18 management students. I would like to take this opportunity to express my sincere appreciation to the Board of Directors, Chief Executive Officer, Senior Management, and their respective teams across the Group for their dedication and assistance in navigating through challenging times. To our clients, shareholders, and all other stakeholders, thank you for the continued support and trust extended during the year.

I look forward with great enthusiasm towards what awaits us in the future.



A K Pathirage

Chairman

28th May 2024

CEO'S MESSAGE

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

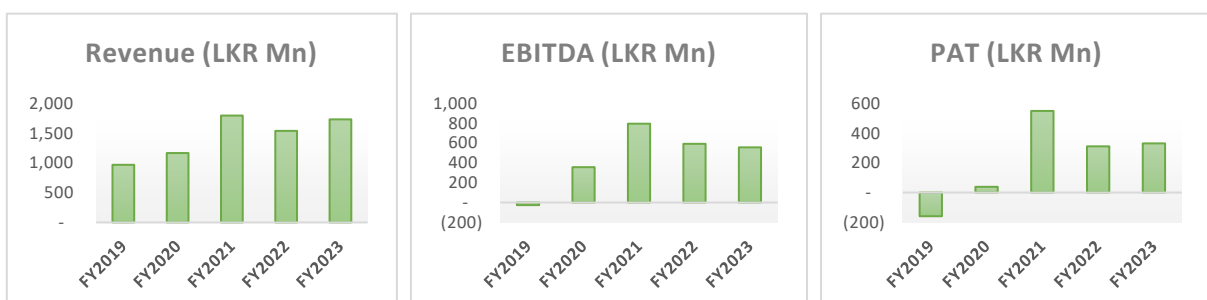
We are honored to have earned your confidence in leading Sri Lanka's pioneering investment banking group. Our group offers diverse services, spanning across investment banking, asset management, securities trading and private equity solutions through our subsidiaries in both Sri Lanka and Bangladesh. Throughout the year 2023, we achieved notable advancements in these domains, improving both revenue and profitability despite the numerous challenges facing the country. The committed efforts of our team members across all our group entities played a vital role in achieving these outcomes.

In 2023, the Sri Lankan economy and capital markets underwent a period of transition, as the effects of economic crisis receded. Significant shifts in market sentiments characterized the year, with economic headwinds in the first half exacerbated by interest rates peaking at near 30% levels, blocking corporate investments and limiting debt and equity issuances. Despite market volatility posing challenges for stock broking and investment banking businesses, NDB Capital still demonstrated resilience and success, which is attributable to its diversified portfolio of operations and proactive risk management measures. Investing in Government securities at the correct time resulted in high interest income for the group. The government securing IMF assistance coupled with Domestic Debt Optimization (DDO) announcement and monetary policy easing, partially relieved the strains in the Government securities market supporting positive investor sentiments thereby driving down the interest rates during the second half. Consequently, the latter part of the year saw heightened enthusiasm in the share market, prompting a shift in the management focus towards equity allocation within investment funds to leverage these conditions. This resulted in the Group posting improved revenue and profitability compared to last year despite the volatile business environment. In addition, steps have been taken across the group to improve IT infrastructure to deliver services to our customers in a more efficient manner and also various steps have been implemented to retain the talent within the Group, which has emerged as a major challenge for Sri Lankan businesses at present.

A. Group Performance

Our commitment to operational efficiency and cost optimization allowed us to navigate the volatile economic landscape. This resulted in a Group revenue of LKR 1.7 billion and a profit after tax of LKR 329 million. Despite the uncertainties in the macroeconomic environment, the group showcased resilience and surpassed 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 300 billion, while serving a client base exceeding 29,000. Throughout the year, NDBWM attracted more than 35% of new accounts established in the unit trust industry, securing above 50% 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 of LKR 20 billion while completing several strategic transactions. The continuous recognition as the "Best Investment Bank in Sri Lanka" by Euromoney Magazine for an unprecedented 12th 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. The company was acknowledged by the Asiamoney Awards, where it was honored as the "Best Corporate and Investment Bank" for the seventh consecutive year.

NDB Securities (NDBS), the stock brokering arm of NCAP group, had experienced a challenging year with the volatilities in equity markets. The daily average market turnover had declined from 2.9 Bn in 2022 to 1.7 Bn in 2023. To achieve favorable performance, NDBS focused more on research and technology, following a proactive approach to staying at the forefront of the industry. The research team at NDBS remained continuously engaged with the latest financial market developments, diligently identifying trends, to provide unparalleled value to their clients. To enhance its decision-making capabilities and provide greater convenience to clients, NDBS made additional technological investments in both internal and external applications.

NDB Zephyr Partners Limited (Mauritius), our private equity management arm, is presently pursuing potential opportunities for additional divestments. During the year the Private Equity Fund exited from one of its portfolio companies in the agri products exports sector. NDBZ intends to maintain its momentum of successful divestments in the coming year of 2024.

NDB Capital Limited, the Group's Bangladesh-based investment banking arm, was able to raise funds amounting to BDT 5.3 Billion in 2023 including a BDT 2 Billion Zero Coupon Bond issue, Syndicated Fund Arrangement of USD 30 Million and BDT 1.3 Billion. However, 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 2023.

C. Creating Value

The financial results surpassed those of the prior year, highlighting our achievements across multiple facets of our operations. We remained 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 2023, 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 2023, 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

Despite the challenges faced in recent years, the country has laid the groundwork for a promising future by implementing crucial reforms. We believe this will create a lot of opportunities for investment banks. We stand ready to navigate the challenges and seize the opportunities presented by the recovering economy. Our vision extends beyond domestic operations, as we aspire to provide global solutions tailored to the diverse needs of our clients, positioning ourselves as a trusted partner on the international stage. 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.



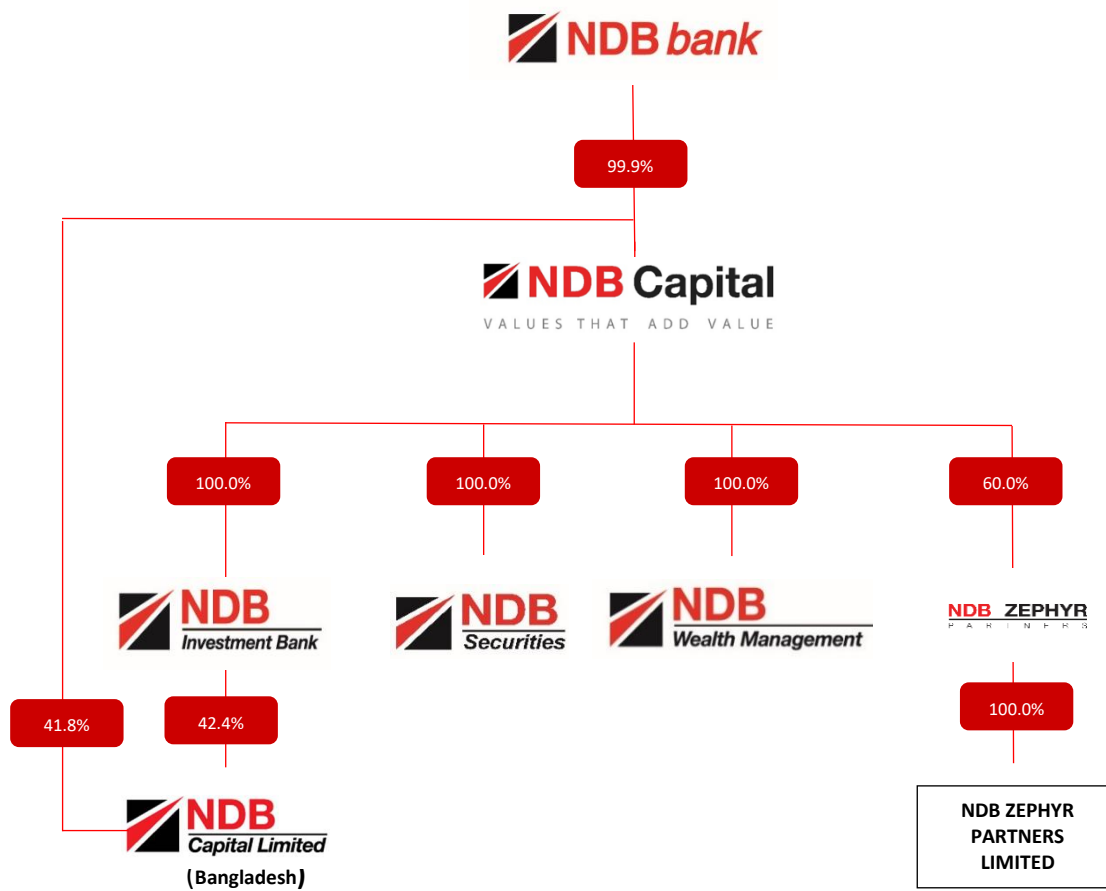
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Senaka Kakiriwaragodage

Chief Executive Officer

28th May 2024

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) (NDBCapBD)**(i) Fixed Income Instruments**

Provides a wide range of fund-raising options through Redeemable Bonds, Subordinated Bonds, Convertible Bonds Zero-Coupon Bonds and Sukuks to support clients' long term funding requirements.

(ii) Preference Shares

Managing the entire process of issuance of preference shares including structuring the transaction, arrangement of funds and agency functions.

(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

Arrangement of short-term working capital and fund raisings through issuance of Commercial Paper for large corporates

(v) IPO/RPO

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

(vi) Mergers & Acquisitions

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

(vii) Private Equity

Extending the advisory services to assist the clients in arrangement of equity through private placement.

(viii) Financial/Balance Sheet Restructuring

All types of advisory work including valuation, loan and balance sheet restructuring for the corporates

(ix) Equity Valuations

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

(x) Corporate Advisory

Extending advisory services to restructure group entities to optimize firm value, advising clients on regulatory requirements for transactions, etc.

(xi) Portfolio Management Services

Providing 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 2023 in Retrospect

Real Sector: The year passed was one characterized by a near U shaped recovery amidst a hard reforms process. We had a nadir of a year in 2022. A gaping hole in fiscal balances, near zero foreign reserves and a default on our debts shut Sri Lanka's door firmly to capital markets. This led the country to go for an IMF bailout, our 17th since independence, and enter a complex debt restructuring process.

The fourth quarter's well above consensus GDP growth made sure that 2023's GDP decline was a mere 2.3% which was commendable coming off the worst decline in history of 8.7% in 2022. The year finished strongly with the 4Q23 GDP growing by 4.5% marking a significant recovery from the -12.4% economic decline we saw in 4Q22. In terms of USD, the overall size of the economy expanded to USD 84.4 billion in 2023, compared to USD 76.8 billion in 2022. The per capita GDP also increased to USD 3,830 in 2023 from USD 3,464 in the previous year. The foreign currency liquidity improved in the domestic forex markets supported by markedly higher remittances and tourism inflows. The gradual lifting of import restrictions, resumption of supply chains, and unobstructed access to power supported the recovery of economic activity during the latter part of the year.

Inflation, which reached a gravity-defying level in 2022 normalized during the year 2023 with the tight monetary policy stance taking full effect, stabilizing exchange rates, demand moderation, and easing of supply-side pressure. As we write this, the March 2024 consumer price inflation print read 2.5% and the inflation is expected to moderate in the mid-single-digit range.

Fiscal Sector: We had to adjust quickly to the reforms process and front load the pain well before the Extended Fund Facility (EFF) was entered. Sharp increases in VAT, PAYE, spikes in energy bills and fuel took a toll on consumption on already suffering wallet sizes. This was done with aiming a primary surplus of 2.3% of GDP by 2025, reducing the debt to GDP to 95% by 2032, and ensuring the gross financing needs stay below 13% in the medium term.

The generally growth- stunting prescription policies are often counterproductive as they curtail gdp growth and also worsen the debt ratios. This is also seen in social measures like the doubling of poverty levels from 13.1% in 2021 to 25% in 2022.

We saw fiscal revenue increase by 54% YoY to LKR 3.06 trillion in 2023. The revenue to GDP also increased from 8.2% in 2022 to 11.0% in 2023. Higher revenue collection increased across all categories mainly from income taxes, Value Added Tax (VAT), and Excise taxes on petroleum. The government's expenditure and net lending rose by 19.8% YoY in 2023 due to high domestic interest payments and social services expenses. However, the Capital expenditure and net lending fell by 31.1% YoY in 2023. As a result, the overall fiscal deficit fell to LKR 2,282.3 billion (-7.2% YoY), while the fiscal deficit to GDP fell to 8.3% in 2023 from 10.2% in 2022 with the rise in nominal GDP. Sri Lanka recorded a primary surplus in 2023 of 0.6% for the first time in 5 years surpassing IMF's target of a primary deficit of 0.7% of GDP.

Monetary Sector: The central bank started to actively loosen monetary reins in June 2023 on account of moderating inflation. Following that, an expansionary cycle began as providing a crutch to private credit growth. By 2023 year-end, the central bank has cut policy interest rates by 650 bps. In addition, the regulator also put caps on different lending products of banking institutions to make sure the reduction of interest rates passes through to the end consumer without a significant lag. The yields on government securities eased alongside policy rates, due to reduced risk premia associated with domestic debt restructuring finalizing. Policy rates were further reduced by 50 bps in March 2024 to give the economy more breathing space while also managing inflation at target levels.

External Sector: The external accounts showed strong signs of recovery due to an increase in gross official reserves, a strengthening in the exchange rate, and higher multilateral inflows. The IMF EFF supported the fund flow mainly with three disbursements by March 2024, which is USD 1.0 billion. The situation with the external account improved largely on many fronts, including, a drop in the trade deficit (due to a higher fall in imports compared to the fall in exports), an increase in tourism receipts, remittance income, and portfolio inflows to the government securities market. Gross official reserves rose to USD 4.4 billion by end-2023 (which included a USD 1.4 billion swap facility from the People's Bank of China). The central bank absorbed USD 1.9 billion from the domestic forex market in 2023.

Equity Markets: The Sri Lankan equity market recovered during the year 2023 from the losses experienced in 2022 as the ASPI index gained 25.5% during the year. The market returns were driven by successful domestic debt restructuring, the progress made in the IMF Extended Fund Facility, the downward movement of interest rates and inflation, and other macro variables normalizing. The tourism sector saw a significant improvement with the increasing number of tourist arrivals, although the arrivals were yet to reach the pre-pandemic levels. Increased investor interest in banking and real estate counters were seen during the year, which turned out to be the top gainers. Foreign investors continued to be net buyers during the year (a net foreign inflow of LKR 4 Bn in 2023 vs. LKR 31 Bn in 2022), and the foreign participation marginally improved to 10% in 2023, from 8% in 2022. However, the total number of trades shrank during the year, dropping to 3.7 Mn trades from 6.1 Mn trades in 2022.

Way Forward

2023 holds great promise and the potential for numerous achievements. Recent developments, including securing the IMF deal in March 2023, reforms in the state-owned enterprise sector, the implementation of a new monetary law act, the introduction of new anti-corruption laws, and fiscal consolidation measures, are just a few examples. At the time of writing, the government is on the verge of announcing the expected debt relief and the debt perimeter for domestic debt restructuring. According to the IMF's indicative scenario, treasury bills will not undergo restructuring, and only the central bank's balance sheet will be restructured. A selected pool of treasury bonds will be re-profiled, all while ensuring the stability of the financial system. Interest rates have already begun to moderate, accompanied by the disinflationary trend. Once the domestic debt exchange is successfully completed, we anticipate that interest rates will stabilize at a reasonable level. Additionally, there has been a

significant improvement in domestic foreign exchange liquidity, resulting in a 16% year-to-date appreciation of the USD/LKR. Foreign inflows into the government securities market have also resumed after a hiatus of several years. While credit to the private sector has experienced negative growth since June 2022, the anticipated decline in interest rates and the removal of import restrictions are expected to stimulate economic activities and boost the demand for credit in the near future.

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'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 2023, demonstrating its adeptness in navigating through challenging circumstances. The NCAP Group concluded the year 2023 with a net operating income of LKR 1.7 Bn and a net profit of LKR 329 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 Twelfth consecutive year in 2023. 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.

The Sri Lankan economy and capital markets faced another challenging year in 2023, however displaying positive signs of recovery, as it attempted to navigate cautiously through the post-economic crisis era. NDBIB was instrumental in the facilitation and raising of c. LKR 20.0 bn (c. USD 61.3 mn) via both its equity and debt verticals, despite challenging market conditions. NDBIB facilitated LKR 5.4 bn (USD 17.0 mn) worth of transactions in equity markets through a range of instruments including Initial Public Offerings, Rights Issues and De-Listings. NDBIB also raised LKR 14.2 bn (USD 44.3 mn) in the debt capital markets for its corporate clients including a USD 14.0 mn transaction in Africa.

- Acted as the exclusive sell-side Advisor to the Private Equity fund managed its sister company - Emerald Sri Lanka Fund 1 Limited, for the divestiture of its stake of 40% in Consolidated Business Systems.
- Acted as the Exclusive Manager to UB Finance PLC and as Joint Manager to Cargills Bank PLC for their respective Initial Public Offerings
- Managed the Rights Issues of Pegasus Hotels of Ceylon PLC and Giritale Hotels
- Acted as the Exclusive Financial Advisor to Hela Apparel Holdings PLC (Hela) in arranging the raise of USD 14.0 mn via Norfund
- Acted as the Manager and Placement Agent to the Basel III Compliant-Tier 2, Listed Rated Unsecured Subordinated Redeemable Debenture issue for NDB Bank
- Acted as the Arranger and Financial Advisor to Ninewells Hospital (Private) Limited in facilitating a term loan

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-net worth 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.

2023 has been a challenging year for NDBS due to the volatile conditions that prevailed in the equity market. Average daily market turnover had reduced from LKR 2.97 Bn in 2022 to LKR 1.70 Bn during 2023. Despite the market challenges that prevailed, NDBS was able to achieve good level of profitability during the year while capturing ~ 3.8% market share in 2023.

NDB Wealth Management Limited

NDB Wealth Management Limited (NDBWM), is the largest private sector asset management company in the country, acting 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 into 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.

By the end of 2023, NDBWM had a client base of over 29,000 and Funds Under Management crossing LKR 304 Bn. During the year 2023, NDBWM acquired over 35% of new accounts opened in the unit trust industry in Sri Lanka. Over 9,300 new accounts were also opened by clients in 2023.

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 was focused on the various financial and wealth planning needs of the retail masses.

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 exited one of its investments, Consolidated Business Systems Limited (CBS) in December 2023. CBS is a leading exporter of coconut-based products such as virgin coconut oil, coconut milk, creamed coconut, coconut flour, coconut water, etc., and also exports other product categories including tea, processed foods, frozen foods, etc. Accordingly, Emerald Fund currently has three active investments namely Arimac Lanka (Pvt) Limited (Arimac), Idea Group Limited (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) (NDBCapBD)

NDB Capital Limited (Bangladesh) (NDBCapBD) is one of the leading investment banks in Bangladesh and is licensed as full-fledged Merchant Bank by the Bangladesh Securities and Exchange Commission. Having started its investment banking operations in 2009, NDBCapBD currently offers a diversified financial service portfolio including IPOs, M&As, Portfolio Management, Fund raising via Commercial Papers, Bonds and Preference Shares, and arranging Project Financing/Working Capital for its clients.

NDBCapBD is uniquely positioned in the Bangladesh capital market to benefit from the extensive knowledge regarding various transactions as well as a well-established network in the industry. The Company is working closely with the Sri Lankan team at NDBIB and NCAP to create synergies and collaborate on potential cross-border transactions.

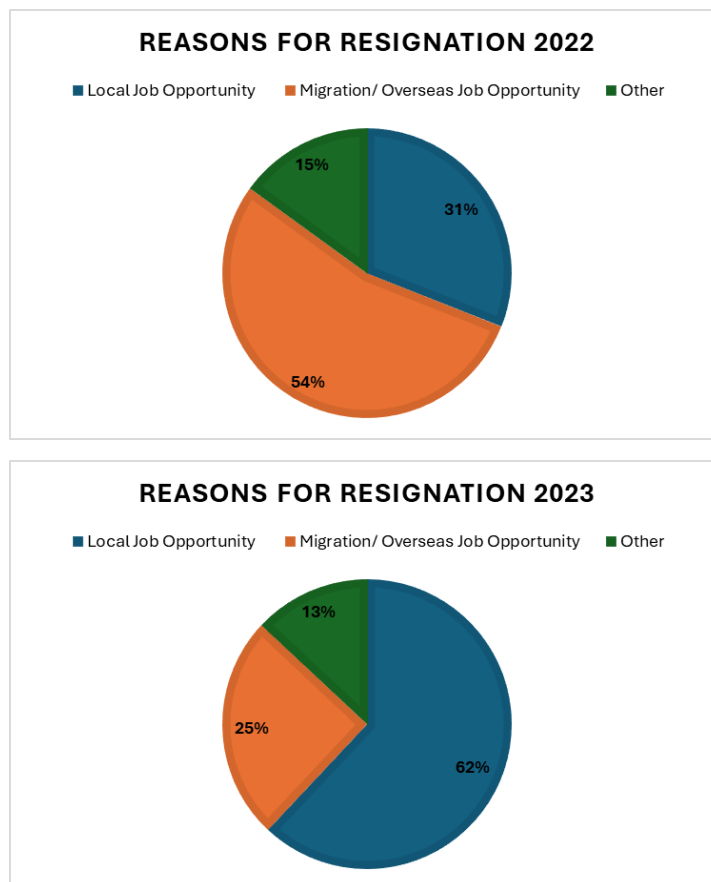
HUMAN RESOURCE MANAGEMENT

Our People and Our Culture

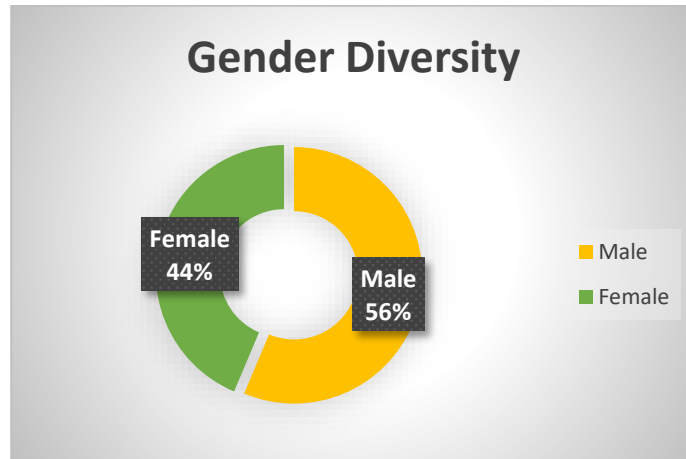
Recovering from an economic and political crisis, 2023 posted new challenges to NDB Capital Cluster. Increased job opportunities in the local market, income tax hike and the cost of living made employee retention and motivation a huge challenge.

All our HR policies and procedures were focused on retention of key talent and also attracting the best in the market. Special relief allowances, retention bonus schemes and cross functional exposure are some of these initiatives. Employee development was another key focus in 2023. Group coaching programs were conducted for different layers of management and focused training program based on the skill gaps were carried out throughout the year.

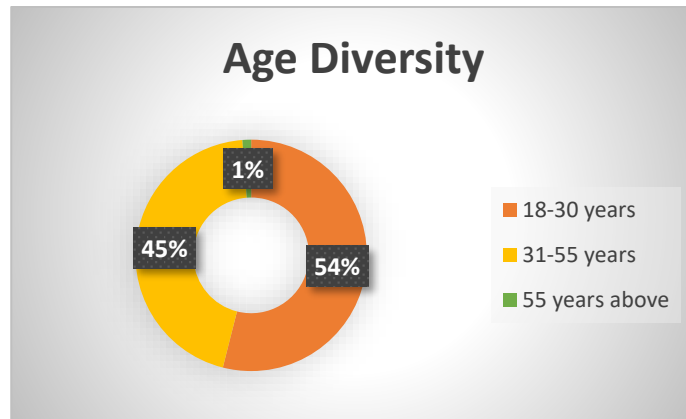
Overall employee attrition improved from 22% in 2022 to 17% in 2023. The key reason for resignations moved from migration in 2022 to local job opportunities in 2023.



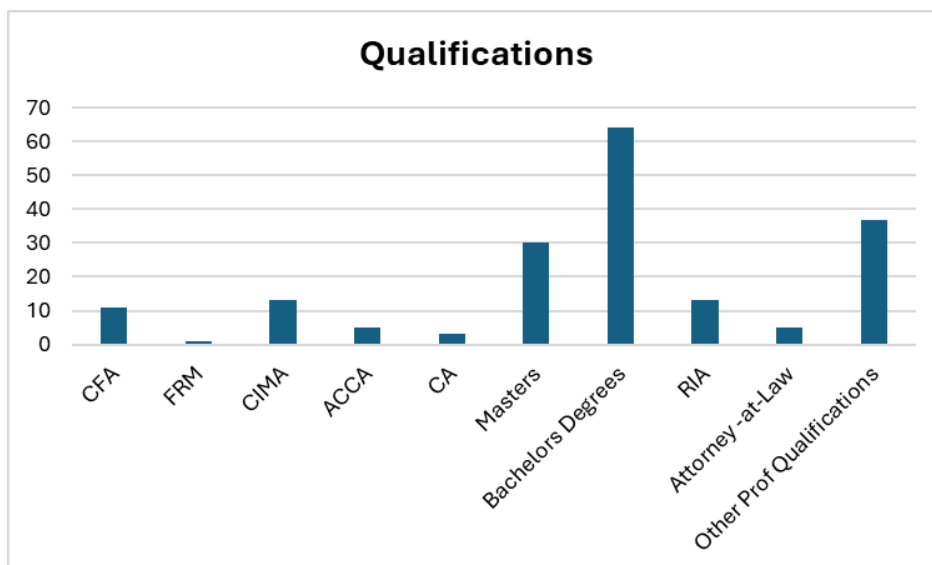
Our key employee statistics elaborates our gender and age diversity. We have 44% gender diversity across the group and 35 of our leadership positions are held by women.



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



Our knowledge base remained stronger despite the challenges the group faced. We have one of the highest concentrations of technical expertise within the group. We will continue to invest in our human capital, which provides us the competitive edge over our rivals.



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 2023. 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 the trust over the last decade and will continue the investments until the Fund becomes self-sufficient to support the scholarship recipients. As of 2023, 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 Compliance programme at the NCAP Group completed alignment with the new rules of the Securities and Exchange Commission of Sri Lanka (SEC) during the year under review and submitted for approval of the regulator and delegated authorities as required. The NCAP Group also 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 and governance policies. NCAP Group remains committed to manage its compliance risk to ensure that the conduct of business of the Group and its employees are consistently carried out ethically and with integrity.

The 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 were updated and aligned with the Collective Investment Schemes Code of the SEC and submitted for the approval of the trustees during the year under review. The NCAP Group Code of Conduct and the Compliance Charter were reviewed during the year and updated incorporating issues and concerns raised by the SEC on social media conduct.

The NCAP Group also focused on developing a plan for the implementation of data protection under the Personal Data Protection Act No. 9 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 suspicious transaction monitoring.

Compliance Status 2023

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. Risk reporting lines and processes were revised and streamlined. 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 and the internal audit performs an oversight role and audit functions respectively. The Group Risk Management Unit serves as the second line of defense and the Group Audit Department 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.

With the introduction of new initiatives launched by CSE in implementing a Stock borrowing and lending platform, the associated risk was identified, and due measures were adopted to mitigate the ensuing risks. The risk reporting formats were also updated to incorporate the newly identified risks.

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 2023.

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 2023 of the Company was Rs. 360 Mn and Rs. 1,723 Mn for the Group. The Group income has increased by 13%.

The decreased income at the Group level resulted in a Profit before Tax of Rs. 514 Mn compared to the Rs. 519 Mn recorded during the prior year. Group Profit after Tax for the year increased by Rs. 20 Mn. The Company recorded a profit (after tax) of Rs. 134 Mn for the year ended December 31, 2023. The Company reported a retained profit of Rs. 1,922 Mn and the Group retained profits of Rs. 2,849 Mn as at December 31, 2023.

Profits and Appropriations

| FOR THE YEAR ENDED December 31 Rs Mn | GROUP | | COMPANY | |
|---|-------|-------|---------|-------|
| | 2022 | 2023 | 2022 | 2023 |
| Net profit/(loss) after charging all expenses | 309 | 329 | 377 | 134 |
| Add: Accumulated profit brought forward | 2,492 | 2,516 | 1,652 | 1,780 |
| | | | | |
| Appropriations | | | | |
| Final Dividend paid (Gross) | | | | |
| (Y/E 31-12.2022- Final) | (250) | | (250) | |
| | | | | |
| Other Comprehensive Income | (37) | (14) | 1 | 0 |
| Non-Controlling Interest | 2 | (5) | - | - |
| Accumulated profit carried forward | 2,516 | 2,826 | 1,780 | 1,914 |

STATED CAPITAL

The Stated Capital of the Company as at 31st December 2023 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 2023 and as at date are as follows;

Asoka Kariyawasam Pathirage – **Chairman**

Panagoda Liyanage Dimantha Neomal Seneviratne – **CEO, NDB** (resigned w.e.f. 31st January 2024)

Kelum Chaminda Edirisinghe - **CEO, NDB** (appointed w.e.f. 14th February 2024)

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

Kanagaratnam Velautham Vinoj – **DCEO, NDB** (appointed w.e.f. 4th January 2024)

Arjun Rishya Fernando

Drayton Sarath Palitha Wikramanayake

Ananda Wijetilaka Atukorala

Bernard Sujanthan Sinniah

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

There was no change in the shareholding structure during the period of January 2023 to December 2023.

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 2023.

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 01-01-2023 to 31-12-2023;

| COMPANY | NAME OF DIRECTOR | POSITION | RELATIONSHIP |
|-------------------------------|-------------------------|--|---|
| NDB Wealth Management Limited | D S P Wikramanayake | Director | The Company holds 1,160,246 shares out of the issued 1,160,247 shares in the Stated Capital of the Company. |
| | P L D N Seneviratne | Director/CEO, NDB (resigned w.e.f. 31.01.2024) | |
| | B S Sinniah | Director | |
| 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 | |
| | P L D N Seneviratne | Director/CEO, NDB (resigned w.e.f. 31.01.2024) | |
| | B S Sinniah | Director | |
| | S S Kakiriwaragodage | Director/CEO, NCAP | |

| | | | |
|---|---|--|---|
| NDB Securities (Private) Limited | A R Fernando P L D N Seneviratne W A Atukorala B S Sinniah S S Kakiriwaragodage | Director /Chairman Director/CEO, NDB (resigned w.e.f. 31.01.2024) Director Director 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 P L D N Seneviratne | Director Director Director/CEO, NDB (resigned w.e.f. 22.12.2023) | A subsidiary company which has 60% ownership to NDB Capital Holdings Limited. |
| NDB Zephyr Partners Lanka (Private) Limited | D S P Wikramanayake P L D N Seneviratne B S Sinniah | Director / Chairman Director/CEO, NDB (resigned w.e.f. 31.01.2024) Director | A wholly owned subsidiary of NDB Zephyr Partners Limited in which the Company holds 60%. |
| NDB Capital Limited | D S P Wikramanayake P L D N Seneviratne D G Perera B S Sinniah | Director / Chairman Director/CEO, NDB (resigned w.e.f. 31.01.2024) Director Director | An associate of the fully owned subsidiary (NDB Investment Bank Limited). |
| National Development Bank PLC (NDB) | P L D N Seneviratne B S Sinniah | Director/CEO, NDB (resigned w.e.f. 31.01.2024) 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 2023;
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 2023 was Rs. 9,379,032.26/-

c) Indemnity provided to Directors and/or officers of National Development Bank PLC (NDB) and its subsidiary Companies

A Directors' & Officers' Liability Policy (D & O) has been effected by NDB covering past and present Directors and Officers of NDB and its subsidiaries. The terms and conditions of the D & O policy is disclosed in the Policy document Number DOL/16154.

Limit of Liability - LKR 1,000,000,000/-

The premium - LKR 3,076,627.23- (Inclusive of all taxes)

Coverage - Worldwide including USA/Canada

The Company does not have a separate Directors' & Officers' Liability Policy.

DONATIONS

Rs. 4,500,000 was paid as donations made by the Company during the financial year 2023

POST BALANCE SHEET EVENTS

There have been no events subsequent to the Balance Sheet date that would have any material effect on the Company, which would require adjustment or disclosure in the financial statement.

CHANGE IN ACCOUNTING POLICIES

There are no changes in the accounting policies of the Company and the Group during year 2023.

AUDITORS

The present auditors Messrs. Ernst & Young have conveyed their willingness to continue in 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. 1,244,300.00/- 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 2024 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 – 2023 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.



.....
Ashok Pathirage
Chairman



.....
Sarath Wikramanayake
Director



.....
Senaka Kakiriwaragodage
Director / CEO



.....
Kelum Edirisinghe
Director / CEO, NDB



.....
Ananda Atukorala
Director



.....
Arjun Fernando
Director



.....
Bernard Sinniah
Director
(overseas)



.....
K. V. Vinoj
Directors



.....
Devrangingee Weerasinghe
Company Secretary

28th May 2024

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 Vice President - 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 and the Company Secretary of the Company on page 43 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 2023, 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 41 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 43 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,



.....
Devrangingee Weerasinghe

Company Secretary

28th May 2024

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 business environment or regulatory guidelines. The Board has assessed the internal control over financial reporting taking into account the principles for the assessment of internal control system 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

.....
A.K.Pathirage

Chairman

.....
Sarath Wikramanayake

Chairman Audit, Risk & Compliance Committee

.....
Senaka Kakiriwaragodage

Chief Executive Officer

28th May 2024

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 2023.

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 2023 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 functions 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 2022.

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 2023

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, to address the potential implications of the COVID-19.

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

Internal Audit of NDB performs the Internal Audit Function of the Company and its subsidiaries. During the year, the 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.

APPRECIATION

The Committee wishes to convey its gratitude to former member Mr. Ananda Atukorala for his valuable contribution.

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

28th May 2024

BOARD OF DIRECTORS - PROFILES

Mr. Ashok Pathirage

Chairman

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage manages and gives strategic direction to the Group which has a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation and reliability in Sri Lanka's private healthcare services.

Softlogic Holdings PLC, Softlogic Capital PLC, Softlogic Life Insurance PLC, Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Odel PLC where he serves as Chairman/Managing Director are listed companies in the Colombo Stock Exchange. He is the Chairman of NDB Capital Holdings Ltd. He also served as the Deputy Chairman of National Development Bank PLC until completion of his full tenure in terms of the regulatory guidelines. Mr. Pathirage serves as the Chairman of Sri Lankan Airlines Limited an airline where the Government of Sri Lanka is the principle shareholder. He is also the Chairman of Sri Lankan Catering Limited.

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. Ananda Atukorala

Mr. Atukorala is currently the Chairman-National Agency for Public Private Partnership and an Independent Non-Executive Director on the Boards of – Sri Lankan Airlines Ltd, Sri Lankan Catering Ltd, The Hill Club Company Ltd, NDB Zephyr Partners Ltd, Mauritius, NDB Securities (Pvt) Ltd, United Motors Lanka PLC, Unimo Enterprises Ltd, Colombo City Holdings PLC, Arni Holdings & Investments (Pvt) Ltd and Unawatuna Boutique Resort (Pvt) Ltd.

He was formerly the Independent Non-Executive Chairman of National Development Bank PLC and DHPL Holding (Private) Limited. He was also an Independent Non-Executive Director of DFCC Bank PLC, DFCC Vardhana Bank Ltd, Union Bank PLC, UB Finance Company Ltd, Orient Finance PLC and TVS Lanka Ltd.

Mr. Atukorala possesses extensive experience in banking extending over 40 years, having been with the ANZ Grindlays Banking Group in Sri Lanka, London, UK & overseas territories and having served as Deputy General Manager of ANZ Grindlays Bank; Sri Lanka, Country Manager- Sri Lanka of Mashreq Bank PSC, he was also a former advisor to the Ministry of Policy Development & Implementation. He has also served as a Member of the Technology Initiative for the Private Sector - an USAID sponsored

project with the Ministry of Industrial Development, a Member of the Commercial Banking Sector of the Presidential Commission on Finance and Banking and as Committee Member of the Banker's Club of Sri Lanka. Mr. Atukorala was a former Director of the Sri Lanka Banks Association (Guarantee) Ltd and the Credit Information Bureau of Sri Lanka (CRIB). He holds a BSc (Univ. of Leeds, UK), MTT (North Carolina State Univ., USA) and a MBA.

Mr. Bernard Sinniah

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. 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.

Mr. K. V. Vinoj (appointed w.e.f. 04.01.2024)

Mr. Vinoj brings a wealth of knowledge and experience as a banking professional, spanning over 31 years of experience in the industry. He joined NDB Bank PLC in 2005, as a Corporate Banking Relationship Manager and held progressive management positions in cross functional roles and is a versatile Banker having experience in multiple business lines. He was promoted to Assistant Vice President (AVP) Corporate Banking in 2008. He then moved laterally as AVP – Correspondent & Institutional Banking in 2013, thereafter as AVP Branch Network Management in 2017 and was subsequently promoted in the same Department as Vice President Branch Network Management & Product Development in 2019. In 2020, he again moved laterally as the Vice President – Wholesale Banking. In the early stages of his career, Vinoj worked for Seylan Bank PLC and Nations Trust Bank PLC in Branch Banking, Credit and Corporate Banking respectively.

Mr. Vinoj is a Certified Management Accountant (CMA Australia), an Associate Member of the Chartered Institute of Securities & Investment (UK), holds a Master of Business Administration in Financial Economics (University of Colombo) and a Master of Business Administration (University of Southern Queensland Australia), Post Graduate Diploma in Business Administration, Accounting, Auditing and Financial Analysis (Cranfield University School/CA SL), Diploma in HRM (IPMSL) and a Diploma in Credit Management (IBSL).

INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

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ey.com

PNS/TNH

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

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 2023, 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 give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 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. 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.

(Contd...2/)

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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, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajjewanani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

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

A member firm of Ernst & Young Global Limited



As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism 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.

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 and the Group.

28 May 2024
Colombo

STATEMENT OF FINANCIAL POSITION

| As at 31 December | Note | Group | | | Company | | |
|---|------|------------------|------------------|-------------|------------------|------------------|-------------|
| | | 2023 LKR '000 | 2022 LKR '000 | Change % | 2023 LKR '000 | 2022 LKR '000 | Change % |
| ASSETS | | | | | | | |
| Non-Current Assets | | | | | | | |
| Property, Plant and Equipment | 12 | 47,891 | 56,598 | (15) | 6,667 | 6,967 | (4) |
| Right of Use Assets | 13 | 114,454 | 152,605 | (25) | 12,493 | 16,657 | (25) |
| Investment in Subsidiaries | 14 | - | - | - | 508,887 | 508,887 | - |
| Deferred Tax Assets | 15 | 69,697 | 45,881 | 52 | - | - | - |
| Intangible Assets | 16 | 13,336 | 7,890 | 69 | 96 | 201 | (52) |
| Investment in Associate Companies | 17 | 130,912 | 141,255 | (7) | - | - | - |
| Financial Assets measured at fair value through other comprehensive income | 18 | 763,877 | 765,372 | (0) | 545,051 | 665,948 | (18) |
| Total Non Current Assets | | 1,140,167 | 1,169,603 | (3) | 1,073,194 | 1,198,661 | (10) |
| Current Assets | | | | | | | |
| Financial Instruments measured at Amortized Cost - Debt and other instruments | 19 | 76,140 | - | 100 | 76,140 | - | 100 |
| Trade and Other Receivables | 20 | 899,178 | 835,715 | 8 | 32,611 | 45,859 | (29) |
| Financial Assets recognized through profit or loss - measured at fair value | 21 | 1,958,026 | 1,339,838 | 46 | 1,474,511 | 1,198,419 | 23 |
| Income Tax Receivable | | 6,620 | - | 100 | - | - | - |
| Cash and Cash Equivalents | 22 | 406,844 | 914,126 | (55) | 156,944 | 219,356 | (28) |
| Total Current Assets | | 3,346,808 | 3,089,679 | 8 | 1,740,206 | 1,463,634 | 19 |
| Total Assets | | 4,486,976 | 4,259,282 | 5 | 2,813,400 | 2,662,295 | 6 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity Attributable to Equity Holders of the Parent | | | | | | | |
| Stated Capital | 23 | 328,570 | 328,570 | - | 328,570 | 328,570 | - |
| Reserves | | 266,562 | 266,488 | 0 | 282,058 | 280,969 | 0 |
| Retained Earnings | | 2,849,478 | 2,539,006 | 12 | 1,921,572 | 1,788,651 | 7 |
| | | 3,444,610 | 3,134,065 | 10 | 2,532,200 | 2,398,190 | 6 |
| Non-Controlling Interest | | 44,357 | 65,153 | (32) | - | - | - |
| Total Equity | | 3,488,967 | 3,199,218 | 9 | 2,532,200 | 2,398,190 | 6 |
| Non-Current Liabilities | | | | | | | |
| Retirement Benefit Obligations | 24 | 132,033 | 94,943 | 39 | 8,188 | 4,735 | 73 |
| Deferred Tax Liability | 15.2 | 95,510 | 107,229 | (11) | 95,510 | 107,229 | (11) |
| Lease Liability | | 146,706 | 217,628 | (33) | 3,716 | 3,716 | - |
| Total Non-Current Liabilities | | 374,249 | 419,800 | (11) | 107,414 | 115,680 | (7) |
| Current Liabilities | | | | | | | |
| Other Payables | 25 | 414,860 | 460,615 | (10) | 86,216 | 43,146 | 100 |
| Lease Liability | | 54,859 | 32,161 | 71 | 18,951 | 24,373 | (22) |
| Bank Overdrafts | 22.1 | 13,437 | 10,138 | 33 | 1,224 | 360 | 240 |
| Income Tax Payable | | 140,605 | 137,351 | 2 | 67,396 | 80,546 | (16) |
| Total Current Liabilities | | 623,761 | 640,265 | (3) | 173,787 | 148,425 | 17 |
| Total Liabilities | | 998,009 | 1,060,064 | (6) | 281,200 | 264,105 | 6 |
| Total Equity and Liabilities | | 4,486,976 | 4,259,282 | 5 | 2,813,400 | 2,662,295 | 6 |

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



Hasitha Athapattu
Vice President - Finance
National Development Bank PLC

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



Ashok Pathirage
Chairman



Senaka Kekiriwaragodage
Director / CEO



Devrangee Weerasinghe
Company Secretary

The Accounting Policies and Notes to the Financial Statements on pages 48 through 74 form an integral part of the Financial Statements.

STATEMENT OF PROFIT OR LOSS

| <i>For the year ended 31 December</i> | Note | Group | | | Company | | |
|--|------|--------------------|------------------|-------------|------------------|------------------|-------------|
| | | 2023 | 2022 | Change | 2023 | 2022 | Change |
| | | LKR '000 | LKR '000 | % | LKR '000 | LKR '000 | % |
| Income | | | | | | | |
| Interest Income | 3 | 472,444 | 344,058 | 37 | 180,067 | 112,311 | 60 |
| Dividend Income | 4 | 10,369 | 18,324 | (43) | 28,022 | 290,377 | (90) |
| Equity Income | 5 | 32,548 | (3,032) | 1,173 | 32,548 | (3,032) | 1,173 |
| Fee Based Income | | 1,070,990 | 887,557 | 21 | - | - | - |
| Other Income | 6 | 136,882 | 283,835 | (52) | 119,694 | 238,660 | (50) |
| Total Operating Income | | 1,723,233 | 1,530,741 | 13 | 360,330 | 638,316 | (44) |
| Less : Operating Expenses | | | | | | | |
| Personnel Expenses | 7 | (670,662) | (508,290) | (32) | (91,411) | (82,613) | (11) |
| Administrative & Other Operating Expenses | 8 | (527,893) | (479,771) | (10) | (51,434) | (43,175) | (19) |
| Total Operating Expenses | | (1,198,555) | (988,061) | (21) | (142,846) | (125,789) | (14) |
| Share of associate companies' profits/(losses) | | (10,343) | (23,643) | 56 | - | - | - |
| Profit / (Loss) Before Tax | | 514,335 | 519,037 | (1) | 217,484 | 512,527 | (58) |
| Income tax (expenses) / Reversals | 9 | (185,721) | (210,089) | 12 | (83,699) | (135,087) | 38 |
| Profit / (Loss) for the Year | | 328,614 | 308,948 | 6 | 133,786 | 377,441 | (65) |
| Attributable to: | | | | | | | |
| Equity Holders of the Parent | | 333,538 | 307,082 | 9 | 133,786 | 377,441 | (65) |
| Non - Controlling Interest | | (4,924) | 1,866 | (364) | - | - | - |
| | | 328,614 | 308,948 | 6 | 133,786 | 377,441 | (65) |
| Earnings / (Loss) Per Share (LKR) | 10 | 10.14 | 9.33 | 9 | 4.07 | 11.47 | (65) |
| Dividends Per Share (LKR) | 11 | - | - | - | - | 7.60 | (100) |

The Accounting Policies and Notes to the Financial Statements on pages 48 through 74 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

| | Group | | | Company | | |
|---|-----------------|----------|--------|----------------|----------|---------|
| | 2023 | 2022 | Change | 2023 | 2022 | Change |
| | LKR '000 | LKR '000 | % | LKR '000 | LKR '000 | % |
| Profit / (Loss) for the Year | 328,614 | 308,948 | 6 | 133,786 | 377,441 | (65) |
| 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 | 540 | 491 | 10 | 1,556 | 491 | 217 |
| Deferred Tax effect relating to Components of OCI | (467) | 2,978 | (116) | (467) | - | (100) |
| Exchange differences on translation of foreign operations | (6,156) | 67,911 | (109) | - | - | - |
| Item that will not be reclassified to profit or loss | | | | | | |
| Actuarial Gains / (Losses) on Defined Benefit Plans | (24,156) | (9,925) | (143) | (1,236) | (20) | (6,167) |
| Deferred tax impact on Actuarial Gain / (Loss) | - | - | - | 371 | 5 | - |
| Total Other Comprehensive Income / (Expenses) Net of taxes | (30,239) | 61,456 | (149) | 224 | 476 | (53) |
| Total Comprehensive Income / (Expense) for the Year | 298,375 | 370,403 | (19) | 134,010 | 377,917 | (65) |
| Attributable to: | | | | | | |
| Equity Holders of the Parent | 307,403 | 341,211 | (10) | 134,010 | 377,917 | (65) |
| Non - Controlling Interest | (9,028) | 29,192 | (131) | - | - | - |
| | 298,375 | 370,403 | (19) | 134,010 | 377,917 | (65) |

The Accounting Policies and Notes to the Financial Statements on pages 48 through 74 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 | | |
| <i>For the year ended 31 December</i> | | | | | | | | |
| Balance as at 01 January 2022 | 328,570 | 289,725 | (26,706) | 2,518,617 | 3,110,206 | 50,641 | 3,160,847 | |
| Net profit for the year | - | - | - | 307,082 | 307,082 | 1,866 | 308,948 | |
| Dividends Paid | - | - | - | (250,077) | (250,077) | - | (250,077) | |
| Fair value adjustment in Debt Instrument at Fair Value Through OCI | - | - | 491 | - | 491 | - | 491 | |
| Dividends declared by NCI | - | - | - | - | - | (14,680) | (14,680) | |
| Payment of surcharge tax | - | - | - | (67,275) | (67,275) | - | (67,275) | |
| Actuarial Gain / (Loss) on Defined Benefit Plans | - | - | - | (9,925) | (9,925) | - | (9,925) | |
| Tax Expenses relating to Components of OCI | - | - | 2,978 | - | 2,978 | - | 2,978 | |
| Exchange Differences on Translation of Foreign Operations | - | - | - | 40,585 | 40,585 | 27,326 | 67,911 | |
| Balance as at 31 December 2022 | 328,570 | 289,725 | (23,237) | 2,539,006 | 3,134,065 | 65,153 | 3,199,218 | |
| 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 | |
| Dividends declared by NCI | - | - | - | - | - | (11,768) | (11,768) | |
| Fair value adjustment in Debt Instrument at Fair Value Through OCI | - | - | 540 | - | 540 | - | 540 | |
| 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 | |

| Company | Stated Capital | General Reserves | Fair value through Other comprehensive Income Reserve | Retained Earnings | Total |
|--|----------------|------------------|---|-------------------|------------------|
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| <i>For the year ended 31 December</i> | | | | | |
| Balance as at 01 January 2022 | 328,570 | 289,725 | (9,247) | 1,661,302 | 2,270,350 |
| Net profit for the Year | - | - | - | 377,441 | 377,441 |
| Dividends | - | - | - | (250,077) | (250,077) |
| Fair value adjustment in Debt Instrument at Fair Value Through OCI | - | - | 491 | - | 491 |
| Actuarial Gain / (Loss) on Defined Benefit Plans | - | - | - | (20) | (20) |
| Tax Expenses relating to Components of OCI | - | - | - | 5 | 5 |
| Balance as at 31 December 2022 | 328,570 | 289,725 | (8,756) | 1,788,651 | 2,398,190 |
| Balance as at 01 January 2023 | 328,570 | 289,725 | (8,756) | 1,788,651 | 2,398,190 |
| 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 |

The Accounting Policies and Notes to the Financial Statements on pages 48 through 74 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOW

| | Group | | Company | |
|--|------------------|------------------|------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| Year ended 31 December | | | | |
| Cash Flows From / (Used in) Operating Activities | | | | |
| Profit/ (Loss) Before Tax | 514,335 | 519,037 | 217,484 | 512,527 |
| Adjustments for | | | | |
| Depreciation / Amortization | 24,287 | 31,624 | 1,879 | 2,984 |
| Income from Investments | (589,624) | (209,325) | (239,639) | (142,287) |
| Profit from Sale of Equity Investments | (4,783) | 8,614 | (4,783) | 8,614 |
| (Profit)/Loss on Sales of Property, Plant and Equipment | (40) | 3,631 | - | - |
| Provision for Defined Benefit Plans | 25,946 | 19,132 | 2,217 | 1,532 |
| Right of Use Asset Depreciation | 38,152 | 38,171 | 4,164 | 4,164 |
| Interest Expense on Lease Liability | 29,664 | 42,429 | 3,929 | 3,616 |
| Net increase of WHT Receivable | - | 3,189 | - | - |
| Fair Value adjustment of Equity Instruments | (59,735) | (66,732) | (51,735) | (34,126) |
| Provision / (reversal) for impairment allowance | 18,021 | 1,745 | 23,970 | 28,544 |
| Equity Income from strategic Investments | - | - | (17,652) | (272,053) |
| Share of associate companies' profits/(losses) | 10,179 | 23,808 | - | - |
| Operating Profit/(Loss) before Working Capital Changes | 6,402 | 415,323 | (60,166) | 113,516 |
| Rent/Lease Paid During the Year | (77,038) | (65,200) | (8,501) | (7,332) |
| (Increase)/ Decrease in Trade and Other Receivables | (2,827) | 927,235 | 13,247 | 9,188 |
| Increase/ (Decrease) in Trade and Other Payables | (47,514) | (821,696) | 43,070 | (25,322) |
| Cash Flows Generated from Operations | (120,977) | 455,662 | (12,350) | 90,050 |
| Defined Benefit Plan Costs Paid | (12,722) | (20,887) | - | (623) |
| Income Tax and surcharge tax Paid | (231,994) | (225,620) | (108,291) | (44,772) |
| Net Cash From/(Used in) Operating Activities | (365,694) | 209,155 | (120,641) | 44,654 |
| Cash Flows from / (Used in) Investing Activities | | | | |
| Net Proceeds from Sale/(Purchase) of Financial Investments | (967,371) | (630,578) | (193,040) | (153,553) |
| Acquisition of Property, Plant and Equipment | (262,151) | (8,728) | (1,474) | - |
| Acquisition of Intangible Assets | (9,041) | (1,914) | - | - |
| Proceeds from Sale of Property, Plant and Equipment | 1,941 | 74 | - | - |
| Net Proceeds from Other Investments | 737,380 | 780,360 | 4,784 | (8,613) |
| Interest Received | 326,334 | 138,266 | 219,074 | 126,249 |
| Dividend Received | 28,022 | 290,377 | 28,022 | 290,377 |
| Net Cash Flows from Investing Activities | (144,887) | 567,857 | 57,365 | 254,460 |
| Cash Flows from / (Used in) Financing Activities | | | | |
| Dividends Paid to shareholders of the company | - | (250,077) | - | (250,077) |
| Net Cash Flows (Used in) Financing Activities | - | (250,077) | - | (250,077) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (510,581) | 526,934 | (63,276) | 49,037 |
| Cash and Cash Equivalents at the beginning of the Year | 903,988 | 377,053 | 218,996 | 169,959 |
| Cash and Cash Equivalents at the end of the Year * | 393,407 | 903,988 | 155,720 | 218,996 |
| *CASH AND CASH EQUIVALENTS | | | | |
| Favorable Cash & Cash Equivalents Balance | | | | |
| Short Term Deposits | 158,137 | 341,649 | 154,244 | 154,244 |
| Cash and Bank Balances | 248,707 | 572,478 | 2,700 | 65,112 |
| | 406,844 | 914,126 | 156,944 | 219,356 |
| Unfavorable Cash & Cash Equivalent Balances | | | | |
| Bank Overdraft | (13,437) | (10,138) | (1,224) | (360) |
| Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement | 393,407 | 903,988 | 155,720 | 218,996 |

The Accounting Policies and Notes to the Financial Statements on pages 48 through 74 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 |
|---|--------------------------|--|-----------|-----------|
| | | | % 2023 | % 2022 |
| 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 (Private) 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 2023 was authorized for issue in accordance with a resolution of the Board of Directors on “28th May 2024.”

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 2023. 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.

2.2 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 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.

2.3.8 Right of Use Asset

At the commencement date of a lease, the Group recognise a liability to make future lease payments (i.e., the lease liabilities) and an asset representing the right to use of the underlying asset during the lease term (i.e., the right-of-use asset), the interest expense on the lease liabilities and the depreciation expense on the right-of-use asset are recognized separately in line with the requirements of SLFRS 16- Leases.

Further the lease liabilities will be 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). The Group will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

In order to recognise the impact on the transition, the Group has adopted the modified retrospective approach in line with paragraph C 5, C7 of Appendix C, "Effective date and transition", of SLFRS 16 Leases. The transitional impact on the adoption of SLFRS 16 is incorporated to Equity as at 01 January 2018 in the presentation of financial statements. The Group uses the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

Group amortized it's Right to Use Assets over the lease period of the respective asset

Significant accounting estimates and assumptions

In estimating the borrowing cost of lease liabilities, the Bank uses the interest rate applicable to loans given for Housing purposes, based on a similar tenor, collateral and economic environment.

2.3.9 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 |
|-------------------|-------|

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.

2.3.10 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.

2.3.11 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.

2.3.12 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.

2.3.13 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.

2.3.14 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.

2.3.15 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.

2.3.16 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.

2.3.17 Standards issued not yet effective

The New and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are as disclosed below.

- SLFRS 17- Insurance Contracts
- Definition of Accounting Estimates - Amendments to LKAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12
- Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2

The Company is currently assessing the impact the amendments will have on current practice.

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| 3. NET INTEREST INCOME | | | | |
| Interest Income from Debentures | 19,422 | 18,332 | 19,422 | 18,332 |
| Interest on Bank Deposits | 105,144 | 114,068 | 26,077 | 41,747 |
| Interest from Government Securities | 210,071 | 60,962 | 133,220 | 50,964 |
| Other Interest Income | 137,808 | 150,695 | 1,348 | 1,269 |
| | 472,444 | 344,058 | 180,067 | 112,311 |
| 4. DIVIDEND INCOME | | | | |
| Dividend Income from Securities | | | | |
| - Quoted Investments | 10,369 | 18,324 | 10,369 | 18,324 |
| - Non-Quoted Investments | - | - | - | - |
| Dividend Income from Subsidiaries/Associates | | | | |
| - Non-Quoted Investments | - | - | 17,652 | 272,053 |
| | 10,369 | 18,324 | 28,022 | 290,377 |
| 5. EQUITY INCOME | | | | |
| Realized Equity Capital Gains / (Losses) | 4,783 | (8,614) | 4,783 | (8,614) |
| Un Realized Equity Capital Gains / (Losses) | 90,495 | (104,836) | 90,495 | (104,836) |
| Fair Value Change of Emerald Fund net of management fee | (62,730) | 110,418 | (62,730) | 110,418 |
| | 32,548 | (3,032) | 32,548 | (3,032) |
| 6. OTHER INCOME | | | | |
| Income from Unit Trusts | 106,810 | 69,096 | 49,202 | 11,651 |
| Gain on disposal of government securities | 50,984 | - | 50,984 | - |
| Foreign Exchange Gain /(Loss) | (22,958) | 185,147 | (22,958) | 185,147 |
| Other Income | 2,046 | 29,591 | 42,465 | 41,861 |
| | 136,882 | 283,835 | 119,694 | 238,660 |
| 7. PERSONNEL EXPENSES | | | | |
| Salary & Bonus | 540,472 | 389,936 | 77,608 | 72,185 |
| Contribution to Defined Contribution Plans - EPF / ETF | 54,501 | 45,956 | 6,951 | 6,700 |
| Contribution to Defined Benefit Liability - Gratuity | 25,946 | 19,132 | 2,217 | 1,740 |
| Others | 49,742 | 53,265 | 4,636 | 1,989 |
| | 670,662 | 508,290 | 91,411 | 82,613 |
| 8. ADMINISTRATIVE EXPENSES & OTHER OPERATING EXPENSES | | | | |
| Directors Emoluments | 11,047 | 10,754 | 9,427 | 9,314 |
| Auditors Remuneration | 6,261 | 6,181 | 1,387 | 1,300 |
| Portfolio Management Fees | 86,406 | 33,653 | 8,305 | 406 |
| Professional & Consultancy Fees | 64,353 | 40,872 | 1,300 | 2,867 |
| Depreciation/ Amortization of PPE and Intangible Asset | 24,287 | 31,624 | 1,879 | 2,984 |
| Right of Use Asset Depreciation | 38,152 | 38,171 | 4,164 | 4,164 |
| Office Administration and Establishment Expenses | 297,387 | 318,518 | 24,973 | 22,140 |
| | 527,893 | 479,771 | 51,434 | 43,175 |

9. TAXATION

The components of income tax expense for the years ended 31 December 2023 and 2022 are:

| | Group | | Company | |
|--|----------------|----------------|---------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| Current tax expenses | | | | |
| Income Tax Expenses | 218,804 | 136,929 | 95,348 | 50,234 |
| Adjustment in Respect of Current Income Tax of Prior Years | (4,766) | (348) | 164 | (1,790) |
| | 214,038 | 136,581 | 95,512 | 48,444 |
| Deferred income tax | | | | |
| Effect of Change in Tax Rates | - | 2,743 | - | 5,148 |
| Deferred taxation Charge / (Reversal) | (28,318) | 70,765 | (11,814) | 81,495 |
| Total Tax charged/ (Reversed) to the Income Statement | 185,721 | 210,089 | 83,699 | 135,087 |

a. Reconciliation of the total Tax Expenses

| | Group | | Company | |
|--|-----------|-----------|----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| Profit Before Tax | 514,335 | 519,037 | 217,484 | 512,527 |
| Exempt Profit | (84,539) | (524,939) | (84,539) | (503,509) |
| Non Deductible Expenses | 156,463 | 161,979 | 40,552 | 41,957 |
| Deductible Expenses | (101,535) | (59,360) | (8,841) | (7,153) |
| Taxable Losses | (2,017) | - | - | - |
| Taxable Income / (Losses) | 482,707 | 96,716 | 164,656 | 43,822 |
| Income Tax on Taxable Income | 218,804 | 99,656 | 95,348 | 12,960 |
| Dividend tax | - | 37,274 | - | 37,274 |
| Adjustment in respect of Current Income Tax of Prior Years | (4,766) | (348) | 164 | (1,790) |
| Charge/(Reversal) of Deferred Tax | (28,318) | 73,507 | (11,814) | 86,643 |
| | 185,721 | 210,089 | 83,699 | 135,087 |

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 | |
|--|--------------|-------------|-------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | LKR '000 | LKR '000 | LKR '000 | LKR '000 |
| Amount used as the Numerator | | | | |
| Profit attributed to Ordinary Shareholders (LKR '000) | 333,538 | 307,082 | 133,786 | 377,441 |
| 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) | 10.14 | 9.33 | 4.07 | 11.47 |

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

| | Company | |
|----------------------------------|----------|-------------|
| | 2023 | 2022 |
| Interim dividend per share- Cash | - | - |
| Final dividend per share- Cash | - | 7.60 |
| Dividend per share | - | 7.60 |

12 PROPERTY, PLANT & EQUIPMENT

12.1 Group

12.1.1 Gross Carrying Amounts

| | Balance as at 01.01.2023 LKR.'000 | Additions during the year LKR.'000 | Disposals during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|--|--|---|---|--|
| At Cost | | | | |
| Computer Equipment | 86,478 | 9,644 | (359) | 95,763 |
| Office Equipment and Furniture | 160,770 | 2,315 | (7,900) | 155,185 |
| Motor Vehicles | 1,539 | - | - | 1,539 |
| Lease hold Improvement | 21,228 | - | - | 21,228 |
| Total Value of Depreciable Assets | 270,016 | 11,959 | (8,259) | 273,715 |

12.1.2 Depreciation

| | Balance as at 01.01.2023 LKR '000 | Charge for the Year LKR '000 | On disposals LKR '000 | Balance as at 31.12.2023 LKR '000 |
|--------------------------------|--|---------------------------------------|--------------------------|--|
| At Cost | | | | |
| Computer Equipment | 72,940 | 9,281 | (383) | 81,838 |
| Office Equipment and Furniture | 127,336 | 9,162 | (7,900) | 128,598 |
| Motor Vehicles | 1,354 | 124 | (2) | 1,476 |
| Lease hold Improvement | 11,788 | 2,124 | - | 13,912 |
| Total Depreciation | 213,418 | 20,691 | (8,285) | 225,824 |

12.1.3 Net Book Value

| | |
|--|---------------|
| Computer Equipment | 13,925 |
| Office Equipment and Furniture | 26,587 |
| Motor Vehicles | 63 |
| Lease hold Improvement | 7,317 |
| Net book value as at 31 December 2023 | 47,891 |
| Net book value as at 31 December 2022 | 56,598 |

12.1.4 During the financial year, the Group has acquired Property, Plant & Equipment amounting to LKR 12,076,000 (2022 - LKR 9,538,000).

12.1.5 The cost of fully depreciated Property, Plant & Equipment for the year ended 31 December 2023 amounted to LKR 268,500,000 (2022 - LKR 239,006,018)

12.2 Company

12.2.1 Gross Carrying Amounts

| | Balance as at 01.01.2023 LKR.'000 | Additions during the year LKR.'000 | Disposals during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|--|--|---|---|--|
| At Cost | | | | |
| Computer Equipment | 3,574 | 1,060 | (359) | 4,275 |
| Office Equipment and Furniture | 14,455 | 413 | - | 14,868 |
| Lease Hold Improvement | 13,402 | - | - | 13,402 |
| Total Value of Depreciable Assets | 31,431 | 1,473 | (359) | 32,545 |

12.2.2 Depreciation

| | Balance as at 01.01.2023 LKR.'000 | Charge for the Year LKR.'000 | On disposals LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|--------------------------------|--|---------------------------------------|--------------------------|--|
| At Cost | | | | |
| Computer Equipment | 2,556 | 405 | (359) | 2,602 |
| Office Equipment and Furniture | 14,424 | 28 | - | 14,452 |
| Lease Hold Improvement | 7,483 | 1,341 | - | 8,824 |
| Total Depreciation | 24,463 | 1,774 | (359) | 25,878 |

12.2.3 Net Book Value

| | |
|--|--------------|
| Computer Equipment | 1,673 |
| Office Equipment and Furniture | 416 |
| Lease Hold Improvement | 4,578 |
| Net book value as at 31 December 2023 | 6,667 |
| Net book value as at 31 December 2022 | 6,967 |

12.2.4 During the financial year, the Company has acquired Property, Plant and Equipment amounting to LKR 1,473,000 (2022 - LKR 439,000)

12.2.5 The cost of fully depreciated Property, Plant & Equipment for the year ended 31 December 2023 amounted to LKR 15,910,797 (2022- LKR 15,889,665)

13 RIGHT OF USE ASSET**13.1 Group****13.1.1 Gross Carrying Amounts**

| | Balance as at 01.01.2023 LKR.'000 | Additions during the year LKR.'000 | Disposals during the year LKR.'000 | Adjustments during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|--|--|---|---|---|--|
| At Cost | | | | | |
| Buildings | 305,546 | | | - | 305,546 |
| Total Value of Depreciable Assets | 305,546 | - | - | - | 305,546 |

13.1.2 Depreciation

| | Balance as at 01.01.2023 LKR.'000 | Charge for the Year LKR.'000 | On disposals LKR.'000 | Adjustments during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|---------------------------|--|---------------------------------------|--------------------------|---|--|
| At Cost | | | | | |
| Buildings | 152,941 | 38,152 | | - | 191,092 |
| Total Depreciation | 152,941 | 38,152 | - | - | 191,092 |

13.1.3 Net book value as at 31 December 2023

Net book value as at 31 December 2022

114,454

152,605

13.2 Company**13.2.1 Gross Carrying Amounts**

| | Balance as at 01.01.2023 LKR.'000 | Additions during the year LKR.'000 | Disposals during the year LKR.'000 | Adjustments during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|--|--|---|---|---|--|
| At Cost | | | | | |
| Buildings | 33,314 | - | - | - | 33,314 |
| Total Value of Depreciable Assets | 33,314 | - | - | - | 33,314 |

13.2.2 Depreciation

| | Balance as at 01.01.2023 LKR.'000 | Charge for the Year LKR.'000 | On disposals LKR.'000 | Adjustments during the year LKR.'000 | Balance as at 31.12.2023 LKR.'000 |
|---------------------------|--|---------------------------------------|--------------------------|---|--|
| At Cost | | | | | |
| Buildings | 16,657 | 4,164 | | - | 20,821 |
| Total Depreciation | 16,657 | 4,164 | - | - | 20,821 |

13.2.3 Net book value as at 31 December 2023

Net book value as at 31 December 2022

12,493

16,657

14 INVESTMENT IN SUBSIDIARIES

| | 2023 | | 2022 | |
|-----------------------------|------------------------|----------------|------------------------|----------------|
| | 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

| | 2023 | 2022 |
|--|---------------|---------------|
| | LKR' 000 | LKR' 000 |
| Group | | |
| Balance as at the beginning of the Year | 45,881 | 29,773 |
| Provision/(Release) made during the Year - Charged to Profit or Loss | 16,504 | 13,136 |
| Provision/(Release) made during the Year - Charged to OCI | 7,312 | 2,972 |
| Balance as at the end of the Year | 69,697 | 45,881 |
| Company | | |
| Balance as at the beginning of the Year | - | - |
| Provision/(Release) made during the Year - Charged to Profit or Loss | - | - |
| Provision/(Release) made during the Year - Charged to OCI | - | - |
| Balance as at the end of the Year | - | - |

15.2 DEFERRED TAX LIABILITY

| | 2023 | 2022 |
|--|---------------|----------------|
| | LKR' 000 | LKR' 000 |
| Group | | |
| Balance as at the beginning of the Year | 107,229 | 20,592 |
| (Provision)/Release made during the Year - Charged to Profit or Loss | (11,815) | 86,643 |
| (Provision)/Release made during the Year - Charged to OCI | 96 | (6) |
| Balance as at the end of the Year | 95,510 | 107,229 |
| Company | | |
| Balance as at the beginning of the Year | 107,229 | 20,592 |
| Provision/(Release) made during the Year - Charged to Profit or Loss | (11,815) | 86,643 |
| Provision/(Release) made during the Year - Charged to OCI | 96 | (6) |
| Balance as at the end of the Year | 95,510 | 107,229 |

15.3 RECONCILIATION OF NET DEFERRED TAX (ASSET)/LIABILITY

| | Statement of Financial Position | |
|---|---------------------------------|-----------------|
| | 2023 | 2022 |
| | LKR' 000 | LKR' 000 |
| Deferred tax assets and liabilities related to the following | | |
| Group | | |
| <i>Deferred Tax Liability</i> | | |
| Capital Allowance for Tax Purposes | 6,842 | 9,242 |
| Gain / (loss) on Financial Asset | - | - |
| OCI | - | - |
| | 6,842 | 9,242 |
| <i>Deferred Tax Assets</i> | | |
| Defined Benefit Plans | 16,499 | 2,693 |
| Gain on Financial Asset | 36,960 | 26,704 |
| Lease Liability | 23,080 | 25,726 |
| | 76,539 | 55,123 |
| Net Deferred Tax (Asset) / Liability | (69,697) | (45,881) |
| Company | | |
| <i>Deferred Tax Liability</i> | | |
| Capital Allowance for Tax Purposes | 2,858 | 2,756 |
| Gain / (loss) on Financial Asset | 97,694 | 109,322 |
| OCI | 466 | - |
| | 101,018 | 112,079 |
| <i>Deferred Tax Assets</i> | | |
| Gain / (loss) on Financial Assets | - | - |
| Defined Benefit Plans | 2,456 | 1,420 |
| Lease Liability | 3,052 | 3,429 |
| | 5,508 | 4,850 |
| Net Deferred Tax (Asset) / Liability | 95,510 | 107,229 |

16 INTANGIBLE ASSETS**Group**

| | 2023 LKR' 000 | 2022 LKR' 000 |
|---------------------------------|------------------|------------------|
| Cost/Carrying value | | |
| At the beginning of the Year | 123,017 | 121,103 |
| Additions during the Year | 9,042 | 1,914 |
| Disposal during the Year | - | - |
| At the end of the Year | 132,059 | 123,017 |
| Accumulated Amortization | | |
| At the beginning of the Year | 115,128 | 110,414 |
| Amortization during the Year | 3,596 | 4,714 |
| Amortization for Disposal | - | - |
| At the end of the Year | 118,723 | 115,128 |
| Net Carrying Value | 13,336 | 7,890 |

Company

| | 2023 LKR' 000 | 2022 LKR' 000 |
|---------------------------------|------------------|------------------|
| Cost/Carrying value | | |
| At the beginning of the Year | 904 | 904 |
| Additions during the Year | - | - |
| At the end of the Year | 904 | 904 |
| Accumulated amortization | | |
| At the beginning of the Year | 703 | 598 |
| Amortization during the Year | 105 | 105 |
| At the end of the Year | 808 | 703 |
| Net Carrying Value | 96 | 201 |

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.

| | Group | |
|---|------------------|------------------|
| | 2023 LKR' 000 | 2022 LKR' 000 |
| Investment in NDB Capital Limited | 141,255 | 164,899 |
| Cumulative Share of Associate Company's Profit/(Loss) | (10,343) | (23,643) |
| Total | 130,912 | 141,255 |

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

| | Group | | Company | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2023 LKR' 000 | 2022 LKR.'000 | 2023 LKR' 000 | 2022 LKR' 000 |
| Investment in Debentures | 93,811 | 62,682 | 93,811 | 62,682 |
| Investment in Treasury Bills | 298,664 | 702,690 | 131,107 | 603,265 |
| Investment in Treasury Bonds | 371,401 | - | 320,132 | - |
| | 763,877 | 765,372 | 545,051 | 665,947 |

19. DEBT INSTRUMENTS AT AMORTIZED COST

| | Group | | Company | |
|---------------------|------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR.'000 | 2023 LKR '000 | 2022 LKR '000 |
| Investments in REPO | 76,140 | - | 76,140 | - |
| | 76,140 | - | 76,140 | - |

20 TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR.'000 | 2023 LKR '000 | 2022 LKR '000 |
| Trade & Other Receivables | 899,178 | 835,715 | 32,611 | 45,858 |

**21 FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE UNDER SLFRS 9
FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2023 LKR' 000 | 2022 LKR' 000 | 2023 LKR' 000 | 2022 LKR' 000 |
| Non Quoted Securities (21.1) | 136,200 | 126,200 | 136,200 | 126,200 |
| Quoted ordinary Shares | 390,013 | 161,436 | 390,013 | 161,436 |
| Investment in Private Equity Fund (21.2) | 691,439 | 730,200 | 691,439 | 730,200 |
| Investment in Unit Trust | 740,374 | 322,003 | 256,859 | 180,583 |
| Total | 1,958,026 | 1,339,838 | 1,474,511 | 1,198,419 |

**21.1 FINANCIAL ASSETS RECOGNIZED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE- NON QUOTED ORDINARY SHAF
Group/Company**

| | No. of Shares 2023 | No. of Shares 2022 | Carrying Value 2023 LKR' 000 | Carrying Value 2022 LKR' 000 |
|--|------------------------|-----------------------|---------------------------------------|---------------------------------------|
| | Pawan Danavi (Pvt) Ltd | 954,000 | 954,000 | 86,200 |
| Lanka Communication Services (Pvt) Ltd | 2,856,490 | 2,856,490 | 50,000 | 40,000 |
| Gross Carrying Value of Equity Securities | | | 136,200 | 126,200 |
| Net Carrying Value of Equity Securities | | | 136,200 | 126,200 |

21.2 Investment in Private Equity Fund - Preference Shares

| Group/Company | 2023 LKR' 000 | 2022 LKR' 000 |
|--|------------------|------------------|
| Emerald Sri Lanka Fund Ltd as at beginning of the year | 730,200 | 839,740 |
| Net Capital infused /(Divested) during the year | - | (248,503) |
| Fair Value Adjustment | (38,760) | 138,962 |
| Emerald Sri Lanka Fund Ltd as at end of the year | 691,439 | 730,200 |

22 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR.'000 | 2023 LKR '000 | 2022 LKR '000 |
| Cash at Bank | 248,707 | 572,478 | 40 | 20 |
| Short - Term Deposits | 158,137 | 341,649 | 156,904 | 219,336 |
| | 406,844 | 914,126 | 156,944 | 219,356 |

22.1 CASH AND CASH EQUIVALENTS

| | | | | |
|------------------------------|----------------|----------|----------------|---------|
| Total Cash and Bank Balances | 406,844 | 914,126 | 156,944 | 219,356 |
| Bank Overdrafts | (13,437) | (10,138) | (1,224) | (360) |
| Cash and Cash Equivalents | 393,407 | 903,988 | 155,720 | 218,996 |

23 STATED CAPITAL

| | 2023 Number | 2022 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 |

| | 2023 LKR '000 | 2022 LKR '000 |
|---------------------------------|------------------|------------------|
| Ordinary Shares (Amount) | | |
| Fully Paid Ordinary Shares | 328,570 | 328,570 |
| | 328,570 | 328,570 |

24 RETIREMENT BENEFIT OBLIGATIONS

| | Group | | Company | |
|-------------------------------------|------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 |
| At the beginning of the Year | 94,943 | 86,772 | 4,735 | 3,598 |
| Recognized on Income Statement | 25,946 | 19,132 | 2,217 | 1,740 |
| Recognized on OCI | 24,155 | 9,925 | 1,236 | 20 |
| | 145,044 | 115,829 | 8,188 | 5,358 |
| Payments / Payables during the Year | (13,011) | (20,886) | - | (623) |
| At the end of the Year | 132,033 | 94,943 | 8,188 | 4,735 |

24.1 Contribution made for Retirement Gratuity

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 |
| Current service cost | 11,329 | 8,774 | 852 | 1,306 |
| Interest cost | 14,617 | 10,358 | 1,364 | 434 |
| Amount recognised in the Statement of Profit or Loss | 25,946 | 19,132 | 2,217 | 1,740 |
| Liability experience loss/(gain) | 5,550 | | (254) | |
| Liability loss/(gain) due to changes in: | | | | |
| Financial assumptions | 14,181 | 9,925 | 1,224 | 20 |
| Demographic assumptions | 4,425 | - | 267 | - |
| Amount recognised in the Other Comprehensive Income | 24,156 | 9,925 | 1,236 | 20 |

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 2023 and 31st December 2022 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 | |
|-----------------------|----------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Discount Rate | 13.00% | 18.00% | 13.00% | 18.00% |
| Salary Increment Rate | 8%-12% | 15% | 10% | 15% |
| 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 2023 | | Group 2022 | |
|---|--|--|--|---|--|
| | | 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) | 7,337 | (7,337) |
| (-1) | | (9,932) | 9,932 | (8,407) | 8,407 |
| | 1 | (10,359) | 10,359 | (8,867) | 8,867 |
| | (-1) | 9,270 | (9,270) | 7,839 | (7,839) |

| Increase/ (Decrease) in Discount Rate | Increase/ (Decrease) in Salary Increment Rate | Company 2023 | | Company 2022 | |
|---|--|---|--|---|--|
| | | 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 | | 739 | (739) | 475 | (475) |
| (-1) | | (851) | 851 | (554) | 554 |
| | 1 | (869) | 869 | (568) | 568 |
| | (-1) | 766 | (766) | 494 | (494) |

25 OTHER PAYABLES

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2023 LKR' 000 | 2022 LKR' 000 | 2023 LKR' 000 | 2022 LKR' 000 |
| Sundry Creditors Including Accrued Expenses | 414,860 | 460,615 | 86,220 | 43,146 |
| | 414,860 | 460,615 | 86,220 | 43,146 |

26 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 assessments on VAT on financial services for the year 2018 and 2020 received by the Company amounting to LKR 79.5 and LKR 24.5 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) 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 entity has so far invested USD 7.2 Mn and has a further commitment of USD 2.4 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.

27 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.

27.1 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:

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

Group

| <i>31 December 2023</i> | | | | |
|--|------------------|----------------|----------------|------------------|
| | 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 | | | | |
| Equity Securities | 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 |

| <i>31 December 2022</i> | | | | |
|--|----------------|----------------|----------------|------------------|
| | 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 | | | | |
| Equity Securities | 161,436 | - | - | 161,436 |
| Investment in Unit Trusts | 322,003 | - | - | 322,003 |
| Non quoted Securities | - | - | 126,200 | 126,200 |
| Private equity Fund | - | - | 730,200 | 730,200 |
| Financial Assets measured at fair value through other comprehensive income | | | | |
| Quoted Debentures | - | 765,372 | - | 765,372 |
| Total Financial Assets | 483,438 | 765,372 | 856,400 | 2,105,210 |

Company

| <i>31 December 2023</i> | | | | |
|--|----------------|----------------|----------------|------------------|
| | 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 | | | | |
| Equity Securities | 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 |
| | 646,871 | 545,051 | 827,639 | 2,019,562 |

| <i>31 December 2022</i> | | | | |
|---|----------------|----------------|----------------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | LKR' 000 | LKR' 000 | LKR' 000 | LKR' 000 |
| Financial Assets | | | | |
| Financial Investments Held For Trading | | | | |
| Equity Securities | 161,436 | - | - | 161,436 |
| Investment in Unit Trusts | 180,583 | - | - | 180,583 |
| Non quoted Securities | - | - | 126,200 | 126,200 |
| Private equity Fund | - | - | 730,200 | 730,200 |
| Financial Assets measured at fair value through other comprehensive income | | | | |
| Quoted debentures | - | 665,947 | - | 665,947 |
| | 342,019 | 665,947 | 856,400 | 1,864,366 |

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

28 EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the financial statements except below;

The Board of Directors of NCAP at its meeting held on April 5, 2024 approved the implementation of an Employee Share Option Scheme for its senior staff members, subject to receiving requisite shareholder approval.

29 RELATED PARTY DISCLOSURES

Company

| TRANSACTIONS WITH THE RELATED ENTITIES | | | | |
|--|-----------------|---|------------------|------------------|
| Related Party | Relationship | Nature of Transactions | 2023 LKR '000 | 2022 LKR '000 |
| National Development Bank PLC | Ultimate Parent | Dividend Paid | - | (250,077) |
| | | Cash Balance 31 December | 35,137 | 218,892 |
| | | Interest Income from Short-term investment: | 4,559 | 41,747 |
| | | Fee for Accounting and related Services | 966 | 684 |
| NDB Wealth Management Ltd | Subsidiary | Dividend Received | - | 250,033 |
| | | Portfolio Administration Fees | 8,306 | 360 |
| | | Management fees | 10,661 | 10,153 |
| NDB Securities (Pvt) Ltd | Subsidiary | Brokerage Fee | 4,093 | 4,093 |
| | | Reimbursement of Rent Expenses | (8,775) | (8,775) |
| | | Management fees | 10,661 | 10,153 |
| NDB Investment Bank Limited | Subsidiary | Management fees | 11,233 | 10,698 |
| NDB Zephyr Partners Limited | Subsidiary | Dividend Received | 17,652 | - |
| | | Resource Fee | 9,600 | 9,600 |

The Company has a Overdraft facility for LKR 300 Mn with National Development Bank PLC.

30 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

| | 2023 LKR '000 | 2022 LKR '000 |
|--|------------------|------------------|
| Short Term Employee Benefits | 171,590 | 175,849 |
| Post Employment Benefits | - | - |
| Total Compensation paid to Key Management Personnel | 171,590 | 175,849 |

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.

31 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 | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|------------------|------------------|------------------|
| | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 | 2023 LKR '000 | 2022 LKR '000 |
| Income | 469,831 | 571,195 | 846,743 | 455,337 | 333,602 | 415,319 | 73,057 | 88,890 | 1,723,233 | 1,530,742 |
| Segment Results | | | | | | | | | | |
| Profit from Operating Activities | 121,203 | 230,082 | 291,342 | 74,750 | 86,833 | 187,174 | 25,299 | 46,478 | 524,678 | 538,484 |
| Share of Associate Company's Profit / (Loss) | (10,343) | (23,643) | - | - | - | - | - | - | (10,343) | (23,643) |
| Income Tax Expense | (68,157) | (142,894) | (86,752) | (17,284) | (31,604) | (48,460) | 792 | (1,209) | (185,721) | (209,846) |
| Net Profit / (Loss) | 42,703 | 63,545 | 204,590 | 57,466 | 55,229 | 138,715 | 26,091 | 45,269 | 328,614 | 304,994 |
| Segment Assets | | | | | | | | | | |
| Segment Assets | 2,786,162 | 2,717,292 | 586,432 | 301,721 | 974,514 | 1,078,942 | 139,869 | 161,326 | 4,486,977 | 4,259,282 |
| Segment Liabilities | | | | | | | | | | |
| Segment Liabilities | 392,976 | 414,140 | 258,743 | 178,357 | 318,335 | 471,520 | 27,954 | - | 998,009 | 1,064,018 |

32 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.
- **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 | 2023 | 2022 |
|---------------|----------------------|----------------------|
| | % of Debt Securities | % of Debt Securities |
| AA- and above | - | - |
| A- to A+ | 100% | 100% |
| BBB- to BB | - | - |

- **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.

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.

NOTICE OF MEETING

Notice is hereby given that the 40th 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 2024 at 3.00pm for the following purposes:

1. To lay before the Shareholders for consideration, the Annual Report for the year ended 31st December 2023.
2. To re-elect in terms of Article 30 of the Articles of Association Mr. Bernard Sinniah who retires in terms of the said Article 30.
3. To re-elect in terms of Article 30 of the Articles of Association Mr. Senaka Kakiriwaragodage who retires in terms of the said Article 30.
4. To re-elect Mr. Kelum Edirisinghe in terms of Article 29 (6) of the Articles of Association.
5. To re-elect Mr. K V Vinoj in terms of Article 29 (6) of the Articles of Association.
6. To re-appoint Mr. Ananda Atukorala in terms of Section 211 of the Companies Act No. 07 of 2007 by passing the following resolution;

“Resolved that Mr. Ananda Atukorala, who is 75 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. Ananda Atukorala”

7. 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.
8. To authorize the Board of Directors to determine donations for the financial year 2024 under the Companies Donations Act No. 26 of 1951.

By order of the Board



Devrangee Weerasinghe

Company Secretary

Colombo

28th May 2024

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 (devrangee.weerasinghe@ndbbank.com) 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 (devrangee.weerasinghe@ndbbank.com) the following details on or before 12 noon on 19th June 2024 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 2024 via email to devrangee.weerasinghe@ndbbank.com or via post to reach the Company Secretary (at No. 40, Nawam Mawatha, Colombo 02) on or before 19th June 2024 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. |
|-----------------------|------------------------|
| Devrangee Weerasinghe | 01124488448 Ex35010 |
| 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. Ashok Pathirage (Chairman) | of Colombo, or failing him |
| Mr. Sarath Wikramanayake | of Colombo, or failing him |
| Mr. Arjun Fernando | of Colombo, or failing him |
| Mr. Ananda Atukorala | of Colombo, or failing him |
| Mr. Kelum Edirisinghe | of Colombo, or failing him |
| Mr. Bernard Sinniah | of Colombo, or failing him |
| Mr. K V Vinoj | of Colombo, or failing him |
| Mr. Senaka Kakiriwaragodage (CEO/Director) | of Colombo, |

as my /our proxy to represent, vote and/or speak for me/us and on my/our behalf at the 40th Annual General Meeting of NDB Capital Holdings Limited to be held on 26th June 2024 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 re-elect in terms of Article 30 of the Articles of Association Mr. Bernard Sinniah who retires in terms of the said Article 30. | | |
| 2. To re-elect in terms of Article 30 of the Articles of Association Mr. Senaka Kakiriwaragodage who retires in terms of the said Article 30. | | |
| 3. To re-elect Mr. Kelum Edirisinghe in terms of Article 29 (6) of the Articles of Association. | | |
| 4. To re-elect Mr. K V Vinoj in terms of Article 29 (6) of the Articles of Association. | | |
| 5. To re-appoint Mr. Ananda Atukorala in terms of Section 211 of the Companies Act No. 07 of 2007 by passing the following resolution; "Resolved that Mr. Ananda Atukorala, who is 75 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. Ananda Atukorala" | | |
| 6. 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. | | |

7. To authorize the Board of Directors to determine donations for the financial year 2024 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-Four (2024).

.....

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 (devrangee.weerasinghe@ndbbank.com) 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. Ashok Pathirage (Chairman)

Mr. Sarath Wikramanayake

Mr. Ananda Atukorala

Mr. Arjun Fernando

Mr. Bernard Sinniah

Mr. Kelum Edirisinghe (Appointed w.e.f. 14th February 2024)

Mr. K V Vinoj (Appointed w.e.f. 04th January 2024)

Mr. Senaka Kakiriwaragodage

Company Secretary

Ms. Devrangee Weerasinghe

Registered Office

40, Nawam Mawatha, Colombo 02

Contact Details

NDB Capital Holdings Limited.

Level 1,

NDB Capital Building,

No. 135, Baudhaloka 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. K Vinoj
Mr. Kelum Edirisinghe (Appointed w.e.f. 14th March 2024)
Mr. Darshan Perera
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 (Appointed w.e.f. 12th January 2024)
Mr. Senaka Kakiriwaragodage
Mr. K V Vinoj (Appointed w.e.f. 8th February 2024)
Mr. Kelum Edirisinghe (Appointed w.e.f. 14th March 2024)

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. Ananda Atukorala
Mr. Bernard Sinniah
Mr. K V Vinoj (Appointed w.e.f. 8th February 2024)
Mr. Senaka Kakiriwaragodage
Mr. Kelum Edirisinghe (Appointed w.e.f. 14th March 2024)

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. Ananda Wijetilaka Atukorala
Ms. Wendy Ramakrishnan

Contact Details

Sanne Mauritius
Sanne House, Bank Street
Twenty Eight, Cybercity
Ebene 72201,
Republic of Mauritius
Tel: +230 467 3000/ Fax: +230 467 4000

NDB Zephyr Partners Lanka (Pvt) Limited

Directors

Mr. Sarath Wikramanayake
Mr. Thomas Barry
Mr. Mukul Gulati
Mr. K V Vinoj (Appointed w.e.f. 29th February 2024)
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
Mr. Mohammed Al Maruf Khan
Mrs. Zakia Chowdhury
Mr. Hafiz Firoz Choudhury
Mr. C.M. Alam
Mr. Bernard Sujanthan Sinniah
Mr. Darshan Perera
Mr. Maroof Mazumder (Appointed w.e.f. 20th February 2024)
Mr. Kazi Farhan (Resigned w.e.f. 07th January 2024)

Contact Details

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