

NDB Inv. Bank strikes first ever credit card receivables securitisation deal

NDB Investment Bank (NDBIB) successfully structured the first ever credit card receivables securitisation transaction in the Sri Lankan capital market on behalf of Richard Pieris Distributors Limited (RPD), endorsing its presence as the most innovative investment bank in the country.

The transaction involved securitising future credit card receivables of the selected Arpico Super Market outlets to raise more than Rs. 1.0 billion over a 5 year period. Vajira Kulatilaka, CEO of the Investment Banking Cluster of NDB Group said "NDBIB, as in the past has been able to introduce another innovative product to the capital market through the securitisation of Credit Card Receivables for RPD."

Commenting on the transaction CEO of NDB Investment Bank Darshan Perera said: "A lot of effort has been put in by the teams at NDBIB and RPD to make this transaction a reality and this product would be one of many products that would be introduced to the capital market in the near future."

Richard Pieris Distributors Limited (RPD) operates the Arpico Super Market chain and the funds were raised to finance its retail expansions.

The popularity of supermarkets among modern day customers has been increasing in recent times due to the availability of a wide range of products, including groceries and general merchandise under one roof at an affordable price.

NDB Investment Bank Limited (NDBIB), the premier investment bank in the country, acted as the structuring and placement agent to the transaction.

The funds were raised through several investors including a consortium of Banks and Unit Trusts. National Development Bank Plc acted as the Escrow Agent. NDBIB, also the market leader in the securitisation industry and is responsible for structuring the largest securitisation transactions in the country, such as lease and hire purchase receivables, utility bill receivables and tea receivables.

RPD is a fully owned subsidiary of Richard Pieris and Company Plc (RPC) and operates the well known Arpico chain of Supercentres, Super Stores, and Showrooms island wide. RPD has been in the retailing industry for more than 3 decades and in the super market industry for nearly a decade. The first Supercentre of the Company was opened at Battaramulla in April 2001 and the Company has grown into 11 large format retail outlets and 26 island wide showrooms. Environment friendly Wattala outlet is the newest addition to Arpico chain of Supercentres which is equipped with 50,000 square feet, 150 parking slots and selling over 40,000 range of products.

Arpico Supercentres, which are the only large format retail stores in the country, provide high quality items under one roof falling into the main categories of grocery, fresh fruits, vegetables, pharmaceuticals, wine and spirits, household items, furniture and many other products to satisfy all home needs. These stores also provide a host of value added services such as in-store banking facilities and food courts.

Source: <http://www.ft.lk/2011/01/21/ndb-inv-bank-strikes-first-ever-credit-card-receivables-securitisation-deal/>