

NDB, DBS Bank form investment banking alliance

By Channa Fernandopulle

NDB Group yesterday signed a Memorandum of Understanding (MoU) with Singapore's DBS Bank, to form a strategic alliance in Investment Banking.

Through this MoU, NDB Group and DBS Bank would work on Equity and Fixed Income Issuances, Syndications, Project Financing and Mergers & Acquisitions.

Speaking at the event, Eric Ang, Managing Director and Head Capital Markets Group DBS, said, "Over the years, DBS has built up significant capital market expertise and established a broad investor base in Singapore, and elsewhere in the region. With our impressive track record in Singapore and our growing Asian franchise, increasingly, DBS has been facilitating more cross-border deals in the equity, debt, M&A and syndications space. This collaboration with NDB will further create opportunities for DBS to offer seamless regional connectivity to customers, and to intermediate the increasing investment flows within Asia."

DBS has previously been involved in Sri Lanka during the 1990s. "It was NDB who approached us and asked whether it's time to strike an alliance.

Contd. on Page 6

If we had been asked three years ago our answer might have been different as we would not have been able to add much value to Sri Lanka," Eric Ang noted.

CEO of NDB Bank, Russell De Mel said that irrespective of the form, the future fund raising requirements may not be able to be handled within Sri Lanka. "Therefore, our clients will have to resort to International and regional markets to fill the gaps. This is why this type of partnership is important to the country," De Mel pointed out.

According to De Mel, NDB is currently focused primarily on telecom, infrastructure, power and the tourism sectors.

"If the government had waited for the private sector to initiate development after the war, there would have been a lot of hurdles. With the government deciding to start major infrastructure projects throughout the country, it became a lot easier to bring investors into the country as we had something tangible to show them. In that sense I do see the work that we are starting as a form of continuation of the work the government started towards developing the country."

In terms of plans for the near future as a result of this partnership, De Mel said that NDB's investment bank is getting involved with IPOs which have been mandated to.

“Some investors are interested mostly in getting a quick return. We feel that it is our responsibility to put things right in that sense. We are uniquely positioned to manage these IPOs and make sure that prices don’t crash.”

Hemaka Amarasuriya, Chairman of NDB Bank said, “With the expected high growth economic scenario, the size of transactions will increase exponentially during the next few years. We expect NDB Investment Bank to lead the way through alliances such as these to meet the need.”

According to CEO of NDB Investment Banking Cluster, Vajira Kulatilaka, Sri Lanka needs capital for infrastructure development, setting up of large scale projects and for expansions.

“This MoU will enable us to tap the distribution capabilities of DBS Bank while meeting the capital requirements of our clients. The MOU would also open up new avenues for Sri Lankans to access technology and global markets through partnerships and Mergers & Acquisitions,” Kulatilaka added.

Source: <http://print.dailymirror.lk/business/127-local/56919-ndb-dbs-bank-form-investment-banking-alliance-.html>