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NDB Investment Bank structures largest securitisation worth Rs. 1.4 b for People's Leasing

People's Leasing Company Limited (PLC) successfully raised Rs. 1.4 billion through the issuance of a Hire Purchase and Lease Receivables Securitisation, the largest securitisation in the industry to date in Sri Lanka.

From left – Avanthi Dissanayake (NDBIB), Prasad Ubeysekera (PLC), Udesh Gunawardane (PLC), Sanjeewa Bandaranayake (PLC – DGM), D. P. Kumarage (PLC – CEO), Vajira Kulatilaka (CEO – NDB Investment Banking Cluster), Tyrone Hannan (Deutsche Bank AG – Head, Global Transaction Banking); Darshan Perera (NDBIB – CEO), Ravi Goonetilleke (Deutsche Bank AG – Head, Operations), Dilan Jesudason (Deutsche Bank AG), Eshani Thenuwara (NDBIB) and Kaushini Laksumanage (NDBIB – COO)

NDB Investment Bank Limited (NDBIB), the premier investment bank in the country, acted as the structuring and placement agent to the issue with Deutsche Bank AG, Colombo Branch acting as the Trustee. The funds were raised through several investors including a consortium of Banks and few Provident Funds.

NDBIB, the market leader in the securitisation market was also responsible for structuring the previous largest securitisation in the country, that too on behalf of PLC. NDBIB, instrumental in introducing innovative financial products to the Sri Lankan Capital Market is in the process of completing a range of novel products which will be introduced to the market in the near future.

PLC is a fully owned subsidiary of People's Bank, one of the largest state owned banks in the country. PLC commenced commercial operations in 1996 and has since grown to become the leading Leasing Company, dominating approximately 20% of the country's leasing industry.

The range of services offered by PLC includes Finance Leasing, Operating Hire Purchases, Hire Purchases, Asset Financing and Term Loans. The Company has five subsidiaries, People's Leasing Finance Plc, People's Leasing Property Development Ltd., People's Leasing Fleet Management, People's Insurance Limited and People's Micro Finance Limited.

PLC boasts a wide branch network of 24 branches across the country, and funds raised through this securitisation will be utilised to further expand their branch network and the lending portfolio. Expansion strategies will mainly target the emerging provinces specially Northern and Eastern, in order to uplift the SMEs operating in those areas.

The Company is in the process of completing their new Head Office Building in Borella, which is a BOI project over Rs. 1.5 billion. PLC is looking to position itself internationally with plans being made to expand to both Bangladesh and Vietnam via joint ventures.

The outlook for PLC, now a fully fledged financial services provider, is one of dynamic growth with the combination of the improving macroeconomic conditions in the country and the aggressive growth strategy adopted by the Company.

The Company reported a profit before tax exceeding Rs. 2.1 billion with shareholder's funds increasing to Rs. 6.2 billion in the past financial year while maintaining its NPL below 3% and credit rating of A-(lka) with a "Stable outlook" from Fitch Ratings Lanka Limited.

Source: <http://www.ft.lk/2010/10/29/ndb-investment-bank-structures-largest-securitisation-worth-rs-1-4-b-for-people%E2%80%99s-leasing/>