

NDBIB cheers 2018 with Rs. 60 b capital raisings

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NDB Investment Bank (NDBIB) extended its leadership once again across all capital market products recording an impressive Rs. 60 Bn in capital raisings for the year 2018. This is a healthy increase of over 10% compared to the figure of Rs. 55 Bn recorded in 2017 and was achieved amidst significant volatility, particularly in equity capital markets. NDBIB's stellar performance included approximately Rs. 50 Bn in debt raisings, Rs. 7 Bn in equity and hybrid products and over Rs. 2.5 Bn in mergers and acquisitions. These achievements were recorded whilst reaffirming its undisputed position as the "Best Investment Bank in Sri Lanka" awarded by the prestigious Euromoney Magazine for the seventh consecutive year.

NDBIB's unique regional footprint in Bangladesh and Maldives continued to deliver solid results in addition to the market leading investment banking operations in Sri Lanka. NDBIB operates in Bangladesh via its fully owned subsidiary, NDB Capital Limited, a pioneer in Bangladesh capital markets in its own right. NDBIB, together with NDB Capital, organized "Ayubowan Bangladesh" - Sri Lanka's first ever investor forum aimed at facilitating corporates to venture into Bangladesh. The event was attended by the Chairman of the Bangladeshi Investment Development Authority and attracted strong interest from the corporate sector.

Vajira Kulatilaka, CEO of NDB's Investment Banking Cluster, stated "Our presence as a leading investment bank in the South Asian region is now paying dividends. We see sizable transactions originating in Bangladesh and Maldives while we continue to innovate in Sri Lanka catering to our clients' needs to differentiate and create opportunities in the market."

NDBIB continued its eagerness to innovate during 2018 and introduced several new capital market structures and products in 2018. A case in point is the structuring of the first ever non-convertible perpetual debenture qualified as Additional Tier 1 (AT1) capital under the BASEL III regime to meet

the regulatory capital requirements of HDFC, a licensed specialized bank. AT1 instruments are used extensively in developed markets to enhance the efficiency of capital utilization and was a novel addition to the Sri Lankan capital market. Further, NDBIB executed its first ever fully offshore dollar term loan facility as a joint arranger raising US\$ 100 Mn for National Savings Bank.

NDBIB CEO, Darshan Perera, commenting on the superior performance in 2018 stated "Our success over the years has been driven by the quality of the teams we have put together and the deep rooted expertise we have built across all major segments of capital market activity. The role we play as investment bankers to the financial services industry is one such example, where we have been dominant over the years in debt raising via debentures, securitizations and structured loans, equity raising via IPOs and hybrid issuances, and numerous M&A transactions."

NDBIB's active involvement in the Non-Bank Financial Institutions sector was yet again witnessed via the closure of two M&A transactions during 2018. The first was the acquisition and revival of the distressed finance company, City Finance Corporation by a consortium of investors valued at Rs. 1.3 Bn. This transaction had a significant impact on the livelihoods of over 2,400 depositors, consisting primarily of retirees, who were offered a settlement plan to recover their investments. This could also set the benchmark as a case study for the revival of other distressed finance companies in Sri Lanka. NDBIB also executed a transaction where a strategic investor was identified to invest LKR 1.4 Bn and capitalize People's Merchant Finance PLC to meet the minimum regulatory capital requirements.

The Debt Capital Markets team charged ahead during 2018 raising over Rs. 50 Bn with a mix of listed and unlisted debentures, structured debt products, asset backed securitizations, term loans both rupee and dollar denominated, Islamic financial instruments and commercial papers.

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The Corporate Advisory division continued to add value to clients by actively executing a diverse spread of advisory mandates which included many balance sheet and group restructuring assignments both in the listed and unlisted sphere; financial feasibility studies and valuation assignments.

NDBIB also added to its long list of awards and accolades by winning several awards such as 'Best Corporate and Investment Bank, Sri Lanka 2018' by Asiamoney, 'Best Investment Bank in Sri Lanka 2018' by Finance Asia and 'Most Trusted Investment Banking Brand, Sri Lanka 2018' by Global Brands Magazine to establish its unchallenged position as the market leader for investment banking in Sri Lanka.

NDBIB looks to 2019 with confidence having built a strong pipeline of transactions across the region to counter the volatilities that may arise in Sri Lanka. The team of NDBIB strongly believes that 2019, despite all political and economic challenges will be a year where more innovations are introduced to capital markets while executing a healthy pipeline of M&A, debt and equity mandates both locally and regionally to set the bar even higher for the investment banking industry in Sri Lanka.

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