

Publication: Daily News

Date: 22nd September 2011

NDB, DBS Group Singapore in strategic alliance

Indunil HEWAGE

NDB Group marked a new era in the investment banking in Sri Lanka by signing an MoU with Singapore's DBS Bank in a bid to form a strategic alliance. The newly formed strategic alliance will strengthen the NDB Investment Bank and NDB Bank Group and DBS Group will work on equity and fixed income issuances, syndications and project financing, mergers and acquisitions.

DBS Bank in Singapore which is a leading financial group in Asia and the largest bank in Singapore with over 200 branches in 15 markets will be extending its support to facilitate cross border transactions in Sri Lanka and Asia through this partnership.

DBS Group Managing Director and Capital Markets Head Eric Ang said that global economic gravity has moved to Asia and one can find a lot of equity in this market.

As far as Sri Lanka is concerned, with the expected high growth in the country's economy, local and international investors will aggressively look at investing here in various areas particularly in project financing.



DBS Group Managing Director and Capital Markets Head Eric Ang and NDB Bank Chairman Hemaka Amarasinghe exchanging the MoU. Picture by Saliya Rupasinghe

Through this new venture DBS would propel investment opportunities here by supporting growth aspirations of Sri Lankan companies. DBS is committed to offer seamless regional connectivity to customers and to intermediate investment flows in Asia.

NDB Bank CEO Russell De Mel said Sri Lanka is poised to reap peace dividends and the investment driven economy will be led by the private sector in Sri Lanka.

To sustain a 8 to 10 percent growth rate in GDP in the coming years, the present 28 percent investment rate in GDP need to lift up to 34 percent in GDP in the coming years. At the moment government's contribution towards investment in GDP is 6 percent and this means bulk of investments should come from the private sector.

Sri Lanka will have to invest additional US \$ 3 billion annually to retain this required growth in the coming years.

This new alliance will definitely help to eliminate the difficulties to handle future fund raising requirements in Sri Lanka without which clients will have to resort to international markets and regional markets in particular to fill the gaps.

NDB Investment Bank CEO Vajira Kulatilaka said the ongoing development initiatives specially infrastructure development projects and setting up of large scale projects will need capital and this partnership will help us to tap the distribution capabilities of DBS bank while meeting the capital requirement of NDB customers.

Source: <http://www.dailynews.lk/2011/09/22/bus01.asp>