

DFCC'S Rights Issue Concluded



Lakshman Silva, CEO, DFCC.

DFCC Bank concluded its Rights Issue with subscriptions reaching over 43 percent of the total 7.6 billion rupees on offer.

The capital so raised will enable DFCC to meet regulatory and funding requirements going forward and provide the Bank a stronger base on which to achieve its medium term goals.

Commenting on the issue, Lakshman Silva, CEO, DFCC said, "I am grateful to shareholders who subscribed for their rights and non-shareholders who also subscribed to the issue. DFCC's Rights Issue concluded Understandably, the depressed equity market and other considerations may have had a bearing on the investment decisions of some shareholders. I am however, pleased that a majority of the shareholders viewed the Rights Issue as an ideal opportunity to maintain / increase their holding in DFCC at a cost well below its intrinsic value."

He added that this augmentation of the Bank's equity capital base will provide the impetus for stronger growth, whereby shareholders will benefit not only by the enhanced value created, but also by a recovery in the equity market.

"Although there was a shortfall in the level of subscriptions for this issue, the resultant equity boost ensures that DFCC's capital base will continue to be comfortably above regulatory requirements for the medium term growth envisaged by the Bank. Moreover, it would enable DFCC to consider other non-organic growth options that will enhance shareholder value".