

NDB Rights Issue Fully Allocated



*Dimantha Seneviratne,
Director/Group CEO, NDB.*



Eshana De Silva, Chairman, NDB Bank.

National Development Bank concluded a Rights issue to raise eight billion rupees in Tier I capital saw keen demand from the investors for over 61 million Rights changing hands before the last rights acceptance date.

The figures provided by SSP Corporate Services, registrar to the issue also shows additional rights applications from existing shareholders totaling 763 million rupees. Prior to the Rights issue, to accommodate interest shown by Norfund (a Norwegian Development Finance Institution, which is a leading Development Finance Institution in the global sphere), the shareholders approved the allocation of un subscribed rights or via a private placement of up to 9.99 percent of total shares in issue post the rights issue and private placement to Norfund. With the current shareholders snapping up 83 percent of the rights shares on offer, left only 5.29 percent to be offered to Nor fund by way of unsubscribed rights, falling well short of the 9.99 percent requested by them. Accordingly, according to the agreements with Nor fund and Shareholder approval in place, the Board of Directors has decided to offer private placement shares to Norfund at 82.50 rupees per share, such that the Norfund holding reaches 9.99 percent shares in the Bank post the Rights Issue and Private Placement. In total, the Bank is expected to add 9.5 billion rupees in Tier I capital.

Eshana De Silva, Chairman, NDB Bank, said this successful Rights Issue shows investors' confidence in the prospects of the country's economy and the role NDB will play. "We also look forward to welcoming Norfund as a shareholder."

Dimantha Seneviratne, Director and Group Chief Executive Officer, NDB Bank, said that the successful Rights Issue and the expected Private Placement are important mile stones for the Bank. “This is a resounding vote of confidence on the bank’s performance by the shareholders and international investors. The Bank is now well placed to implement its growth plans at speed. I want to thank our longstand- ing shareholders who con- tinue to have faith in the management and the bank’s potential. I note some new shareholders who have taken a significant stake in the Bank, while welcoming them; I appreciate their confidence in the Bank and assure them that they have made a good decision. I also look forward to welcoming Norfund to the Bank, and the value, they will bring to the Bank.”