

CDC invests \$28 million in Ratnakar Bank

The investment will support Ratnakar Bank's expansion into new regions of India



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Mumbai: **CDC Group Plc**, the UK's development finance institution, on Wednesday said it has invested \$28 million in **Ratnakar Bank Ltd** for an equity stake of 4.8%.

The investment will support Ratnakar Bank's expansion into new regions of India. This is CDC's first direct equity investment into a bank in India.

Founded in 1943, **Ratnakar Bank** was traditionally concentrated in Maharashtra, Karnataka and Goa. In 2010, a new management team was brought in to pursue an expansion strategy focusing on financial inclusion, agri-business financing and lending to small enterprises, as well as increasing the bank's geographical footprint. Today the bank has a total business size of over \$3.5 billion and offers services to more than 500,000 customers.

CDC's investment will provide stable support and capital to the bank

as it continues to implement this strategy and expand into states such as Rajasthan, Madhya Pradesh and West Bengal where the penetration of financial services is low.

Over the next five years, the bank plans to increase its client base among financially excluded groups to 1.3 million accounts.

The potential impact of Ratnakar Bank's growth is significant, **Holger Rothenbusch**, CDC's managing director, debt and financial institutions, said in a statement.