

# Business Standard

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## Ratnakar Bank will absorb most RBS staff on equal terms: Madan Menon

**Interview with Co-head of markets & international banking (Asia Pacific), RBS**

**Neelari Barman | Mumbai August 27, 2013** Last Updated at 00:49 IST

Royal Bank of Scotland (RBS) has agreed to sell its credit card business, mortgage portfolio and business banking operations in India to Kolhapur-based Ratnakar Bank. **Madan Menon**, co-head (markets & international banking), Asia-Pacific, RBS, in an interview with *Neelasri Barman*, shares the foreign lender's plans in India. Edited excerpts:

**RBS is selling a part of its India business to Ratnakar Bank. Do you plan to exit India at some point?**

In India, RBS has signed an agreement to sell its credit card business, mortgage portfolio and banking business for smaller companies to Ratnakar Bank, subject to approval of the Competition Commission of India. This is in line with our plans for retail and commercial banking we had announced in November 2012. The deal comprises about 1,20,000 retail customers; Ratnakar Bank also plans to absorb the employees of RBS associated with these businesses. There is no impact on RBS' wholesale banking, markets and international banking or its private banking businesses in India. RBS would continue to offer financing, risk management, wholesale and investment banking, cash, payments, trade finance and a comprehensive range of wealth management solutions to clients. In India, RBS is also a major business services hub for the RBS Group.

**Will Ratnakar Bank absorb all RBS employees associated with the businesses sold?**

One of the most relevant parameters on which Ratnakar Bank was chosen was they would absorb most of the employees on no less favourable terms than at RBS. We are also fully committed to support the impacted customers and would write to inform them on the next steps.

**By when do you expect to secure the necessary approvals?**

The reshaping of our retail business is part of RBS' three-year-old plan to exit its retail and commercial banking businesses that do not form part of its regional growth strategy. It is well on track and is expected to be completed by December 2013. At this point, we do not see any roadblocks. By the end of 2013, we will maintain retail banking presence in 10 locations across the country — Bangalore, Chennai, Delhi, Gurgaon, Hyderabad, Kolkata, Mumbai, Noida, Pune and Vadodara.

**Are you selling your businesses at deep discounts?**

It is a fair transaction. Both banks have excellent synergies and our objectives such as the future of the business, its execution and the quality of the counterparty were met.

**You failed to sell some your India businesses to Malaysia's CIMB Group Holdings. What happened**

**to those businesses?**

On January 12 2012, we had announced the strategic priority for our wholesale bank was to focus on our core strengths in fixed income, currencies, asset-backed products, credit and debt capital markets, risk management solutions and transaction services. As part of the plan, on April 2 2012, RBS had announced it was selling some of its cash equities, equity capital markets and mergers and acquisitions businesses in Asia-Pacific to CIMB Group. However, despite our best efforts, we will not be able to complete the proposed divestment in India to CIMB.

**Which segments would RBS focus on to drive growth in India?**

Our focus continues to be on delivering value to our chosen clients, with the relevant product propositions we offer across the RBS Group. RBS has the advantage of having a vast network, across 38 countries. There are only five-six global banks that have this capability and reach. As mentioned earlier, India remains a fundamentally core market for us and we are focused on our markets, international banking and private banking businesses here. Additionally, technology is playing a big part in our business offerings. Using the latest technology offerings, we are delivering innovative products to our clients. This enables us to deliver our unique proposition and products such as the 'remote cheque scanning' solution using the 'cheque truncation system' that provides instant credit on cheques to clients anywhere in the country. We continue to grow our client base by helping Indian companies expand abroad and enabling global companies coming to India.