

# RBL Bank to raise Rs 1,100-cr fresh equity via IPO

**Two existing shareholders - Beacon and Gpe - will divest 9.5 million and 3.5 million equity shares, respectively**

BS Reporter | Mumbai

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Private sector lender RBL Bank (formerly Ratnakar Bank) on Tuesday filed its draft red herring prospectus (DRHP) with market regulator Securities and Exchange Board of India (Sebi) to raise Rs 1,100 crore by issue of fresh shares through an initial public offering (IPO).

Apart from the fresh equity, two existing shareholders of the bank — [Beacon](#) India Private Equity Fund and [Gpe](#) (India) will also divest 9.5 million and 3.5 million equity shares, respectively in the IPO.

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The bank is also looking at private placement of up to 25 million equity shares for cash consideration aggregating up to Rs 500 crore. In case the pre-IPO placement is completed, the size of the IPO will come down accordingly.

The RBL Bank issue is being managed by Kotak Mahindra Capital, Axis Capital, Citigroup, Morgan Stanley, HDFC Bank, ICICI Securities, IDFC Securities, IIFL Holdings and SBI Capital Markets.

Both RBL and Catholic Syrian Bank have been advised by the Reserve Bank of India over the past few years to gear up for an IPO. The P J Nayak committee report on governance issues of banks, which came out last year, had said the two lenders must list by December 2014.

At the end of 2014, RBL's capital adequacy ratio stood at 13.13 per cent. In FY15, the net profit for the year inched up by 124 per cent to Rs 207 crore. The rise in net profit was without accounting for the one-off charge in FY14 paid for acquisition of business banking, credit cards and mortgages business from Royal Bank of Scotland in India; with that in account, the increase in net profit for FY15 was 56 per cent

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In the same period, net interest income also increased by 63 per cent to Rs 557 crore whereas non-

interest income grew by 55 per cent to Rs 403 crore.

Earlier, the management had said the money raised by the IPO will be used to fuel the next phase of growth for the bank. In the past five years, the bank has grown through a rebranding exercise and has also expanded its network aggressively. From 50 banks at the end of 2010, now the lender has 183 branches.