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IDBI Bank to raise Rs 1,500 cr by selling stake to LIC

By PTI | Updated: Feb 20, 2016, 07:42 PM IST

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New Delhi: State-owned **IDBI Bank** today said it plans to raise up to Rs 1,500 crore by selling stake to Life Insurance Corporation (LIC) by preferential issuance of shares to the insurer.

The board has approved the proposal for preferential issue of capital to Life Insurance Corporation of India, aggregating up to Rs 1,500 crore (inclusive of premium amount) subject to Government of India's approval, **IDBI Bank** said in a statement.

LIC and various other schemes currently hold 7.25 per cent stake in IDBI Bank.

Last week, the bank also got board approval for raising up to USD 500 million through tier I bonds.

The board has approved issuance of Basel III compliant Additional Tier 1 (AT 1) bonds in offshore markets up to USD 500 million to enhance tier 1 capital of the bank, the bank had said.

AT-1 bonds, which qualify as core or equity capital, are one of the means of raising capital by public sector banks that require Rs 1.80 lakh crore by March 2019 to meet global norms on capital adequacy (Basel III).

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