

Dena Bank likely to tap insurance firms for capital

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Its board had approved raising up to Rs. 360 crore



Kolkata, February 13:

Mumbai-headquartered Dena Bank is exploring options to raise capital and is in talks with some insurance companies in this regard.

According to Ashwani Kumar, Chairman and Managing Director, Dena Bank, the lender is also weighing “alternative means” of raising capital. But such alternatives would depend on market conditions, he said.

“We are in talks with insurance companies (for capital). But I cannot give out more information as the matter is price-sensitive,” he told reporters during an interactive session organised by the Merchants’ Chamber of Commerce and Industry here on Monday.

In a notification to the bourses in January, Dena Bank had said its board of directors had approved raising capital by up to Rs. 360 crore.

The board had approved raising the amount through issue of equity shares via follow-on public offer, rights issue, qualified institutional placement, preferential allotment, or Employee Stock Purchase “at an appropriate time”.

Effects of demonetisation

Kumar pointed out that the worst “was over” for the lender and things were looking up post-demonetisation.

“The worst phase is over (for us) and things, post-demonetisation, are improving,” he said, adding that the bank’s credit growth had been hit because of the note ban.

Dena Bank shares closed at Rs. 38.05, down 4.04 per cent, on the BSE on Monday.

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