

Karnataka Bank approves allotment of equity share capital of ₹ 600 crores under Qualified Institutional Placement (QIP)

The Committee of Directors of the Bank, in its meeting held today, has approved the allotment of shares pursuant to the Qualified Institutional Placement (QIP), at a price of ₹ 227.00 per equity share (including premium of ₹ 217.00 per share), amounting to an aggregate of up to ₹ 600 crores (Rupees six hundred crores only). The QIP for ₹ 600 crores opened on March 21, 2024, and closed on March 27, 2024.

The response to the QIP underlines the support from the investor community for the Bank. This capital raise comprising the QIP of ₹ 600 crores, along with the preferential issues of ₹ 800 crores in October 2023 allotment of which was approved by the Committee of Directors on October 26, 2023, and ₹ 100 crores in February 2024 allotment of which was approved by the Committee of Directors on February 28, 2024, marks the completion of the planned capital raise program of ₹ 1,500 crores announced in September 2023.

The Bank's financial parameters are strong, and the proceeds of the Issues will be utilized to meet the needs of the growing business of the Bank.

Mr. Srikrishnan H., MD & CEO of Karnataka Bank, stated, "We welcome our new Institutional Investors and thank them for their trust and confidence in our journey. This milestone completes the Capital raising program for FY'23-24 as committed and has achieved significant broad-basing of the Institutional holding in the Bank."

Mr. Sekhar Rao, Executive Director of Karnataka Bank, stated, "With this successful allotment under QIP, we have enhanced our financial strength and at the same time onboarded reputed institutional investors to our CapTable. The capital raise serves the dual objective of growth and stability, aligned with our strategic objectives."

NovaaOne Capital Private Limited acted as the sole advisor to the entire capital raise of ₹ 1,500 crores.

Ambit Private Limited and Avendus Capital Private Limited acted as the Book Running Lead Managers for the QIP.