

Bandhan Promoter eyes Insurance Foray



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insurer even as it has bid for Reliance Capital's 51% stake in Reliance Nippon Life Insurance, reports **Atmadip Ray**. ▶▶ 10

Bandhan Promoter in Talks for Insurance Foray

Plans to acquire controlling stake in a life insurer; also submits bid for 51% in Reliance Nippon Life

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Kolkata: Bandhan Financial Holdings, the promoter of Bandhan Bank, has widened its search for acquiring a controlling stake in a life insurance company even as it has bid for the 51% Reliance Capital's equity shares in Reliance Nippon Life Insurance.

The holding company is in talks with two more insurance firms, showing urgency for its proposed foray into insurance. It has signed non-disclosure agreements with these firms, people familiar with

the matter told ET. The holding company would use a part of the ₹10,600 crore it received by selling a 21% stake in the bank in August.

Among India's two dozen life insurance firms, DHFL Pramerica, Future Generali India Life Insurance and Reliance Nippon's promoters' stake sale plans are already in the public domain.

The bank's managing director Chandra Shekhar Ghosh did not comment on the subject.

People tracking the sector said it would be common sense for Bandhan to explore the acquisition route rather than setting up an insu-

rance company on its own.

Banking regulation will not allow Bandhan Bank to get into insurance or mutual fund businesses and therefore the group has decided to use its holding structure. According to licensing agreements with Reserve Bank of India, Bandhan Bank can only distribute third-party products.

Last month, RBI's internal working group on private bank ownership proposed to allow banks, which are currently under the non-operative financial holding company (NOFHC) structure, exit from such an arrangement if they do not have other group

entities in their fold. Bandhan Financial Holdings has no other entity under its fold other than Bandhan Bank at this juncture.

Ghosh had told ET that the group wants to continue with the holding company structure as it would be open to foray into insurance and would leverage the bank's elaborate branch network, especially in the rural and semi-urban areas for it.

At present, the bank distributes insurance products of Bajaj Allianz Life and HDFC Life, health insurance of HDFC Ergo, general insurance of Bajaj Allianz General Insurance and New India Assurance.