

Bandhan Financial Services to start bank on August 23

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MUMBAI: Microfinance company, Bandhan Financial Services Ltd, on Wednesday, said that it got the final nod from the Reserve Bank of India (RBI) to set up a universal bank.

The bank is planned for launch in Kolkata – the city where Bandhan is headquartered – on August 23. Bandhan had received the RBI's in-principle licence in April 2014.

"We have adequate capital and solid risk management system in place and we will serve everyone with utmost honesty and the highest ethics," said Chandra Shekhar Ghosh, Director of Bandhan Financial Services Ltd., while addressing a press conference here.

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Finance Corporation, Singapore's sovereign wealth fund GIC, and the state-run Small Industries Development Bank of India (SIDBI).

Following the equity infusion, its net worth has gone up to Rs.2,700 crore, well above the RBI's stipulation of a minimum capital base of Rs.500 crore for new banks.

"At present, we will like to establish ourselves as the best bank," said Mr. Ghosh, adding, "We will like to lend mainly to small and medium enterprises, in addition to

those we are already lending.....I would not like to go to corporate lending."

TBandhan has appointed 850 experienced banking professionals at senior and middle-level positions to run its operations, in addition to the 17,000 employees that the microfinance entity already has on its payroll.

"Our plan is to open around 500-600 branches across India with a special focus on the east and north-eastern parts of the country. We will be a bank for all, but our primary objective will be to serve the un-banked," said Mr. Ghosh.

Mr. Ghosh also said that the new Bank would start operations in 27 States with around 500 to 600 bank branches and 10 million customers at its launch. Further all the existing microfinance businesses of the NBFC and the clients would be transferred to the new bank.