



Bandhan bets on branch banking

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New Delhi, Feb. 17: Micro-credit maven turned banker Chandra Shekhar Ghosh whose Bandhan Bank has built up an impressive loan book of Rs 20,000 crore in just 18 months said he believes in growing organically by setting up more branches and targeting small businesses for credit growth.

He says mobile banking and apps are good initiatives but considers “the physical feel of bank branch” as more important to drive growth.

“We have managed to grow at a surprising rate both in terms of deposit mobilisation which stands at Rs 19,800 crore and credit growth and that is mainly because we have done physical business through our 803 bank branches and 2,427 micro-credit offices which act as company-owned banking correspondents... I believe that is the way ahead,” Ghosh said.

The founder and managing director of Calcutta-based Bandhan Bank prefers the intimacy of branch banking to the remote efficiency of digital banking. “... for my customer the physical feel of a bank branch is important ... which is why my micro-credit offices are functioning as door step banking service deliverers and this is a model which my customers find positive.”

The stress on physical connect is at variance with trends being followed by other banks and the government itself



Our lessons from the micro-finance business is that you can have 100 % payback if you give the right kind of loans to the right people

Chandra Shekhar Ghosh

who are increasingly encouraging clients to deal with banks electronically.

After turning his micro-credit outfit Bandhan into a success story, 57-year-old Ghosh, who did his schooling from Tripura, got an RBI licence for Bandhan Bank in 2015. Ghosh brought in economist Ashok Lahiri as the bank's chairman and took on the job of CEO and managing director.

The Dhaka University alumnus scoffed at sceptics who said he would take years to reach the Rs 10,000-crore-deposit mark by “nearly touching Rs 20,000 crore after just 18 months”.

“Nearly 91 per cent of my loans are micro loans of less than Rs 1 lakh, while 9 per cent are to small and medium businesses ... for our growth we are not targeting the big guys, I believe there is a huge space between them and the micro loans we are used to which we can fill up,” Ghosh said.