



# We would like to focus on MSME sector, says Bandhan Bank CEO

**BANKING ON NEW SEGMENTS**  
Bandhan Bank will focus on the MSME and affordable housing segments, says MD & CEO Chandra Shekhar Ghosh **p5**

**SURABHI**  
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With its amalgamation with Gruh Finance now completed, Bandhan Bank is looking to grow its business in the affordable housing segment. In an interview with *BusinessLine*, Bandhan Bank's Managing Director and CEO Chandra Shekhar Ghosh said the bank will focus on the MSME and affordable housing segments, and stressed that there continues to be adequate credit demand in smaller towns and rural areas. He also said the bank is working to comply with the Reserve Bank of India's norms to lower the promoter holding to 40 per cent. Excerpts:

**The bank performed well in the third quarter. How do you plan to build on it?**  
We are happy with the way the bank has been working across quarters. We have a strong team, which has been driving customer service. Customers

have also recognised the bank as a universal bank. If the team is working well and the customer is responding well, then result is not a challenge.

**How do you see the loan book growing? Will the focus remain on microfinance?**

Our microfinance base is very strong, and so the loan book will grow automatically. We don't need to push growth in that. We now have a new vertical of housing, and we are focusing on that - to build a team and extend services in our bank branch centres. Of the 1,009 branches, this vertical has started in only 106 branches. We will build on this in the future.

Also, the average housing loan ticket size in Gruh for affordable housing was between ₹9.5 lakh and ₹10 lakh. It has not grown much in the last three years. As a bank, we would



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**CHANDRA SHEKHAR GHOSH**  
CEO, Bandhan Bank



like to grow the average loan size by another ₹2 lakh based on customer demand. We would also like to focus on the MSME sector. In the first five years of the bank, we focussed on customers and liabilities, which is very good now.

**Has the merger process with Gruh been completed?**

We had just one-and-a-half months' time in the last quarter to start setting up the merged entity and vision. Now it is coming up. The results will show in the next quarter.

**Do you think there is adequate credit demand,**

**given the concerns over the economy?**

India is a large country. People are not affected all over the country. Most private sector banks have concentrated their portfolios in Tier I and II cities. But Tier III and smaller cities are not so much affected in terms of liability or asset.

Bandhan is focussing on these towns as we have 70 per cent branches in rural areas. Our focus is to provide credit and MSME to rural people who are largely in the self-employed category.

**Is there any challenge in repayments?**

Not really. When people use their money in business they want to repay the loan so that they can grow more. So, they try not to default. We are also trying to educate the people on this to ensure repayments on time.

**There have been concerns that the microfinance business, especially in eastern States, is overheating?**

Even when I started out 20 years ago, people said there is no good credit culture in the eastern part of India. But in the last 15 years, Bandhan has established that credit culture. If you compare the portfolio quality across the country, the eastern region does not pose a challenge for a lender.

The capacity of the eastern people to repay has been very positive; they have a good credit culture, especially in West Bengal, Assam and Bihar. I do not feel uncomfortable in that area. I also do not see over-lending in terms of credit till now in India.