

Eye on growth: Bandhan Bank to diversify its asset portfolio

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Bandhan Bank is looking to diversify asset portfolio and strengthen its team to embark on the next phase of growth. The bank would also continue to expand its geographic reach and increase its presence in under-banked areas of the country to strengthen its microfinance book.

“As it nears the completion of five years as a universal bank, Bandhan Bank has now set its sights on the future and unveiled a roadmap for future growth through Vision 2025. Key focus areas in the next five years would be diversification of asset portfolio with modern underwriting and collection capabilities and strengthening people capabilities, including by hiring fresh talent, for growth,” the bank said in its latest annual report.

Microcredit accounts for nearly 60 per cent of the bank’s total advances, which stood at



Chandra Shekhar Ghosh, MD and CEO, Bandhan Bank

₹74,331 crore as on June 30. Even while the bank would continue to focus on tapping the potential in the microfinance sector, it would also look to leverage and upgrade its top-bracket micro credit customers by providing them individual loans.

“Your bank has a large customer base, a sharp focus on the retail segment and a wide presence in the semi-urban and rural areas... these facets give it a position of unique advantage for the next spurt of growth. In the next few years, with the expansion of the distribution network, the bank will aim to diversify and continue to increase its loan

book further, and build a dependable and sizeable deposit franchise as well,” Chandra Shekhar Ghosh, Managing Director and Chief Executive Officer, Bandhan Bank, said in his letter to shareholders.

Ghosh had, in an earlier interaction with *BusinessLine*, said that the bank was expecting 15-20 per cent growth in credit off-take in FY-21 backed by a steady pick-up in demand.

The SME segment is expected to contribute in a big way to the growth story with rising demand from the diverse business entities in the country. This apart, commercial banking is also expected to be a major engine of credit growth as penetration of formal credit improves with GST and digitisation of transactions, the annual report said. The bank, which recently acquired Gruh Finance, will also utilise the skills and expertise of the company to penetrate strongly in the affordable housing segment.