

LENDING A HAND

Bandhan Bank to begin operations in August

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MUMBAI: Microfinance group Bandhan on Wednesday said it has received the final approval from the Reserve Bank of India to begin full-fledged banking services and will debut on August 23 with up to 600 branches, focusing mainly on retail and small businesses.

“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 unbanked,” Bandhan CMD

Chandra Shekhar Ghosh said.

The Bandhan Bank will include all the group’s existing micro-finance businesses and clients.

Bandhan 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.

Bandhan recently raised ₹1,020 crore equity from the International Finance Corp, Singapore sovereign wealth fund GIC and Small Industries Development Bank of India (SIDBI). Following the equity infusion, its net worth has gone up to ₹2,700 crore, it said.

RBI stipulates a minimum capital base of ₹500 crore for new banks.

As a registered non-banking finance company, Bandhan Financial Services operates in 22 states through 2,022 branches. It has a loan book of ₹10,000 crore.

The RBI has issued in-principle licences to two entities — Bandhan and infrastructure finance company IDFC.

IDFC is planning to launch full banking operations from October, according to reports.



■ Bandhan CMD
CS Ghosh