

Federal Bank targets loan acquisition

Our Bureau



Ganesh Sankaran, Executive Director of Federal Bank Ashoke Chakrabarty

Kolkata, November 8:

Kochi-based Federal Bank is on the lookout for acquisition of more loans, Executive Director Ganesh Sankaran has said.

The bank has recently acquired a ₹ 1,500-crore mortgage portfolio from AAA-rated housing finance company in the second quarter of the fiscal (July to September period).

“We are hungry for growth and are looking at some more deals this quarter. These will have to compliment our credit requirements,” he said during an interaction.

Asked about the size of the acquisitions, Sankaran said these would be “meaningful numbers”.

Focussing outside Kerala

According to him, the bank is focussing on consolidating its business outside the home State. Nearly 55 per cent of its 1,250-odd branches (nearly 690 branches) are outside the home State. The remaining are in Kerala.

While the bank has been gaining market share outside Kerala, it is not immediately looking to add more branches. It is actually targeting more business per branch from existing ones.

“We are not expanding the branch numbers. We are looking to get more (business) per branch,” Sankaran explained.

A host of initiatives that include digital ones – like the time it came up with ‘selfie banking’ to allow immediate operation of savings accounts through selfies and scanning of Aadhaar documents – as well as having relationship managers have already been introduced.

The focus, Sankaran pointed out, will also be on middle market geographies like Maharashtra, Gujarat, Tamil Nadu, Karnataka, Punjab, Delhi and Kolkata.

While the bank has shied away from core sector lending and is not looking at entering such sectors immediately; it is open to all others including the middle market segment (which include micro, small and medium enterprises).

“Our focus is on all sectors where the rating is good and these include automobiles, consumer space, FMCG, pharma and manufacturing. Our exposure is mostly in the mid-market or in the working capital space,” he maintained.

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