

Bandhan Bank mobilises Rs. 5,000-cr deposits till Dec

Abhishek Law

Focussing on small-ticket rural housing, vehicle loans: MD



Chandra Shekhar Ghosh

Kolkata, January 7:

Kolkata-based Bandhan Bank is making rapid progress in deposit collection and credit operations.

The bank, which started operations in August last year, has already opened 605 branches across 27 states.

According to Chandra Shekhar Ghosh, Founder-MD and CEO of Bandhan Bank, deposits grew to nearly Rs. 5,000 crore in a little over four months of its existence.

The loan book stands at Rs. 11,500 crore and is estimated to reach Rs. 13,000 crore by the end of this fiscal. Around Rs. 500 crore of its loans — that qualify as priority sector lending — has been sold to other banks under IBPC (inter-bank participatory certificates).

Buying assets

An IBPC is a form of securitisation through which a bank buys another's assets for a stipulated period, taking the credit risk of the folio.

"We do not have a target (for the current fiscal). But till December, we have mobilised deposits to the tune of Rs. 5,000 crore. Retail lending operations too have begun," Ghosh told *BusinessLine*.

Retail banking

Determined to stay away from corporate lending and large-ticket retail loans, the bank is focussing on small-ticket rural housing loans and loans for purchasing low-value commercial vehicles, such as e-rickshaws in the suburbs and rural areas.

According to Ghosh, around 60 people have been extended vehicle loans of Rs. 80,000-1 lakh each.

Bandhan is targeting around 1,000 such vehicle loans in the first phase.

Loans are being disbursed from the micro-finance wing of the bank.

Capital base

Bandhan currently has a capital base of Rs. 2,700 crore.

Another round of funding to the tune of Rs. 500 crore is expected "soon" from investors like the Singapore government-backed GIC and the IFC.

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