

● **INTERVIEW: CHANDRA SHEKHAR GHOSH, MD & CEO, BANDHAN BANK**

‘We expect 15-20% Y-o-Y growth in advances’

Bandhan Bank expects collection efficiency in both microfinance and non-microfinance segments to become almost normal by second quarter this fiscal year, says its managing director and CEO Chandra Shekhar Ghosh. In an interview with Mithun Dasgupta, Ghosh says the bank expects around 15-20% year-on-year growth in advances for the current financial year. Excerpts:

Bandhan Bank earlier said subsequent to Unlock 1, collection in micro-banking loan vertical had shown positive traction from June 1, and collection efficiency (in value terms) improved to around 70% as on July 3. What is the situation now?

As of July 15, I can say that the collection efficiency has further improved to more than 73% in microfinance segment. For non-microfinance segment, the collection effi-

ciency has reached nearly 90%.

When do you see that collection efficiency for both microfinance and non-microfinance segments will improve further?

I think altogether it will become almost normal by September this year.

What percentage of the bank's microfinance customers have so far availed EMI deferment facility?

Around 27% of our customers in microfinance segment have not yet started loan repayments so far. And around 15% of non-microfinance customers had opted for the moratorium facility by June. Loan repayments for both micro- and non-micro-customers will normalise by the second quarter of this fiscal year. Our customers are paying their EMIs because they understand that



from their business point of view, it is not very fit to avail the deferment facility. In future, if the Reserve Bank of India (RBI) extends the repayment moratorium for term loans beyond August 31, it would not impact our customer portfolio.

Total advances in the first quarter grew more than 17% year-on-year to ₹74,331 crore. For the current fiscal, what kind of growth in advances are you looking at?

We expect 15-20% yoy growth in advances for the current financial year. In our business, basically growth starts from one month before the Puja (Durga Puja) and Diwali. This time the Puja falls in October, but third quarter will not be normal. Business will be little bit slow this time, and it will depend on a lot of factors this year.

Do you have any plan to expand bank branch network?

Currently, our total banking outlets stands at 4,559. Of that, total bank branches are 1018. I would like to increase bank branches. Brick and mortar branches are very important for our customers.