

# Bandhan profit at Rs 275cr

**A STAFF REPORTER**

**Calcutta, May 16:** Bandhan Bank has posted a net profit of Rs 275.25 crore for the first seven months and eight days of its operation.

The Calcutta-based bank, which declared its results for the financial year ended March, said it had earned a total income of Rs 1,082.71



**Chandra Shekhar Ghosh in Calcutta on Monday.** Picture by Kishor Roy Chowdhury

crore, which included a net interest income of Rs 932.72 crore.

“During the period, gross advances stood at Rs 15,493.97 crore, which includes both microfinance lending and non-microfinance lending comprising two-wheeler and housing loans. Deposits of the bank during this short period were at Rs 12,088.75 crore, which was more than our expectation. Of the total deposit, the current account and savings account (CASA) balance stood at Rs 2,605.59 crore, which is around 21.5 per cent of total deposits,” said Chandra Shekhar Ghosh, managing director and chief executive offi-

cer of Bandhan Bank.

The bank’s gross non-performing assets (NPA) as a percentage of gross advances stood at 0.15 per cent.

Retail loans constitute 99.80 per cent of the lender’s total advances.

Though the low NPA level is in contrast to the industry trend, Bandhan is absent from the corporate and infrastructure lending space, which accounts for the bulk of the NPAs of the banking sector.

Ghosh said the bank was now planning to cautiously foray into corporate lending and would start with loans to small and medium enterprises.

Bandhan’s strong interest earnings can be attributed to the fact that its lending rate in the micro credit portfolio stands at 20.5 per cent, while its average cost of deposits is around 8 per cent.

The bank’s marginal cost of fund-based lending rate stood at 13.26 per cent at the start of April.

“The transformation of the microfinance institution into a universal bank has been smooth. Despite spending on technology, infrastructure and new employees, the bank has posted a decent profit. The growth in deposits, including current and savings, is also very encouraging. The bank has recorded a capital adequacy ratio of 29.01 per cent during this period,” Ghosh said.

At present, Bandhan Bank has 670 branches and 234 ATMs. It has more than 15.32 million accounts, which include a deposit customer base of around 8.4 million.