



## **Performance of Bandhan Bank in India: A Study**

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### **Introduction:**

On August 23, 2015, Bandhan Bank was born with a bouquet of products for customers in all segments. Late Shri Arun Jaitley, Union Minister for Finance, Corporate Affairs and Information & Broadcasting, Government of India, inaugurated the bank in Kolkata — the First bank to be set up in eastern part of India after Independence. In its journey from an NGO to an NBFC and finally a universal bank, the objective has remained reaching out to the unbanked and the under-banked and providing last-mile banking for all, big or small. Driven by the philosophy of ‘Aapka Bhalai. Sabki Bhalai.’, (Your benefit. Everyone’s welfare.) Bandhan Bank’s core purpose has graduated from financial inclusion to inclusive banking.

Previously, Bandhan Bank was Bandhan – one of the largest microfinance companies of India and world’s largest non-deposit-accepting microfinance institution (MFI). The microfinance company was founded by Chandra Shekhar Ghosh, who is also its Chairman and Managing Director. The microfinance company lent money to small-scale business, low income women entrepreneurs and Self Help Groups (SHGs).

Bandhan Bank is driven by a constant desire to serve better. Bandhan Bank started with 501 branches, 50 ATMs and 2,022 Banking Units on day one. Presently, Bandhan Bank has 4,559 banking outlets pan-India serving more than 2.01 crore customers.

The bank has mobilised deposits more than Rs. 60,610 crore and its total advances stand at Rs. 74,331 crore taking the total business to Rs.1,34,941 crore as on June 30, 2020. The bank has a team of 41,563 employees on roll.

### **Objectives of the Study:**

The present research paper focused on the following objectives-

1. To understand the history of Bandhan Bank
2. To know the trends of capital, deposits, advances & profit of Bandhan Bank in India
3. To study the progress of Bandhan Bank & its customers

### **Research Methodology:**

The research paper is an exploratory research technique and the data collection is done mainly from the secondary data. The required data has been extracted from past literature, research articles, newspapers, published sources like reports, magazines, journals and the authenticated websites.

### **Bandhan Bank: Branches Banking Units & Customers:-**

Bandhan Bank is a type of commercial bank. Bandhan Bank offers its world-class banking products and services to urban, semi-urban and rural customers alike through its own branches, banking units. It is a bank for all but the focus remains unchanged to meet the financial needs of people who are overlooked by the formal

banking system and create better education, health care and self-employment opportunities.

The main aim of Bandhan Bank is to serve the needs of untouched and underserved segments of the society providing with access to various banking services and aid the financial requirements of the people and develop welfare opportunities for them in the society.

Table 1

**Year-wise Number of Branches, Banking Units & Customers of Bandhan Bank in India**

Years	Number of Branches	Number of Banking Units	Total Banking Outlets	Number of Customers
2015-16	656	2022	2678	8400000
2016-17	840 (28.05)	2443 (20.82)	3283 (22.59)	10500000 (25.00)
2017-18	936 (11.43)	2764 (13.14)	3700 (12.70)	13000000 (23.81)
2018-19	986 (5.34)	3014 (9.04)	4000 (8.11)	16500000 (26.92)
2019-20	1018 (3.25)	3541 (17.49)	4559 (13.98)	20100000 (21.82)

Note: Bracket figure shows annual growth rate

Source: Annual Report of Bandhan Bank 2015-16 to 2019-20

Table 1 shows that year wise Number of Branches, Banking Units & Customers of Bandhan Bank in India. According to the above mentioned table in the year 2015-16, there were 2678 total banking outlets in India which includes 656 branches and 2022 banking units. In the year 2019-20, the number of total banking outlets increased up to 4559 which includes 1018 branches and 3541 banking units. In case of customers of Bandhan Bank, the number of customers has increased from 0.84 crore as on March 31, 2016 to 2.01 crore as on March 31, 2020.

The study of annual growth rate of total banking units, number of customers was positive nature in the above mentioned years.

**Bandhan Bank in States & Union Territories**

Bandhan Bank Ltd. is an Indian banking and financial services company, headquartered in Kolkata, West Bengal. The Bank has grown its pan-India presence in 34 States and Union Territories. The total banking outlets today stand at 4,559, comprising a network of 1,018 branches, 3,346 banking units and 195 home loan service centres. The following table shows Bank presence across the country.



Table 2  
State-wise Number of Branches, Banking Units & Home Loan Centres in India

States and Union Territories	Number of Branches	Number of Banking Units	Number of Home Loan Centres	Total Banking Outlets	% to Total Banking Outlets
Andra Pradesh	04	27	0	31	0.68
Arunachal Pradesh	01	0	0	01	0.02
Assam	76	351	0	427	9.37
Bihar	86	448	01	535	11.74
Chhattisgarh	22	80	11	113	2.48
Goa	02	04	0	06	0.13
Gujarat	37	84	47	168	3.69
Haryana	15	34	00	49	1.07
Himachal Pradesh	02	01	00	3	0.07
Jammu and Kashmir	01	00	00	01	0.02
Jharkhand	25	92	01	118	2.59
Karnataka	23	65	17	105	2.30
Kerala	09	0	0	9	0.20
Madhya Pradesh	39	185	33	257	5.64
Maharashtra	54	155	51	260	5.70
Manipur	02	06	0	08	0.18
Meghalaya	01	07	0	08	0.18
Mizoram	02	05	0	07	0.15
Nagaland	02	08	0	10	0.22
Orissa	36	146	0	182	3.99
Punjab	14	24	0	38	0.83
Rajasthan	20	132	14	166	3.64
Sikkim	01	06	0	07	0.15
Tamil Nadu	18	50	12	80	1.75
Telangana	09	36	0	45	0.99
Tripura	27	89	0	116	2.54
Uttaranchal	12	25	0	37	0.81
Uttar Pradesh	67	333	05	405	8.88
West Bengal	384	928	02	1314	28.82
Andaman and Nicobar Islands	01	0	0	01	0.02
Chandigarh	02	0	0	02	0.04
Dadar and Nagar Haveli	01	01	01	03	0.07



Daman and Diu	0	0	0	0	0.00
Delhi	22	20	0	42	0.92
Lakshadweep	00	0	0	00	0.00
Pondicherry	01	04	0	05	0.11
<b>Total</b>	<b>1018</b>	<b>3346</b>	<b>195</b>	<b>4559</b>	<b>100.00</b>

Source: Annual Report of Bandhan Bank 2015-16 to 2019-20

The table 2 shows State-wise Number of Branches, Banking Units & Home Loan Centres in India. There were total 4559 banking outlets in India, out of them the highest banking outlets were belong to the West Bengal i.e. 1314 (28.82%), on the other hand the lowest banking outlets were belong to the Arunachal Pradesh, Jammu & Kashmir & Andaman Nikobar Island i.e. 01 (0.02%). It is also observed that in Lakshadweep and Daman & Diu, there wasn't any Branch, Unit & Outlet of Bandhan Bank. It means that out of 36 States and Union Territories, 34 states & Union Territories have branches, Banking Units & Home Loan centres of Bandhan Bank.

Out of the total Banking Outlets (4559) of Bandhan Bank, 1018 were Branches, 3346 were Banking Units & 195 were Home Loan centres.

### Progress of Bandhan Bank:

Following table shows year-wise progress of Bandhan Bank with the help of Capital, Deposits, Advances & Net Profits of Bandhan Bank.

Table 3

### Year-wise Progress of Capital, Deposits, Advances & Net Profits of Bandhan Bank

(in Crore)				
Year	Capital	Deposits	Advances	Net Profit after Tax
2015-16	1095.14	12088.75	12437.55	275.25
2016-17	1095.14 (0.00)	23228.66 (92.15)	16839.08 (35.39)	1111.95 (303.98)
2017-18	1192.8 (8.92)	33869 (45.81)	29713.04 (76.45)	1345.56 (21.01)
2018-19	1193.08 (0.02)	43231.62 (27.64)	39643.39 (33.42)	1951.5 (45.03)
2019-20	1610.25 (34.97)	57081.5 (32.04)	66629.95 (68.07)	3023.74 (54.94)

Note: Bracket figure shows simple annual growth rate

Source: Annual Report of Bandhan Bank 2015-16 to 2019-20

Table 3 depicted Year-wise Progress of Capital, Deposits, Advances & Net Profits of Bandhan Bank. In the year 2015-16, Capital of Bandhan Bank was 1095.14 crore, it increased up to 1610.25 crore in the year 2019-20. The study of year-wise



deposits exhibits that in the year 2015-16 total deposit of Bandhan Bank was 12088.75 crore, followed by 23228.66 crore in 2016-17, 33869 crore in 2017-18, 43231.62 crore in 2018-19 & 57081.50 crore in 2019-20 respectively. The study of advance of Bandhan Bank shows that the amount of advances of Bandhan Bank, in the year 2015-16 was 12437.55 crore & it increased up to 66629.95 crore in the year 2019-20.

The above table also exhibits the growth of net profit year by year. In the year 2015-16 the net profit of Bandhan Bank was 275.25 crore and it increased up to 1111.95 crore, 1345.56 crore, 1951.5 crore and 3023.74 crore in 2016-17, 2017-18, 2018-19 & 2019-20 respectively.

The annual growth rate of Capital, Deposits, Advances & Net Profit of Bandhan Bank shows that it was positive nature for each year from 2015-16 to 2019-20.

### **Conclusions:**

The Bank had commenced its business on August 23, 2015, and within five years of its operation it has grown to 4,559 banking outlets as on March 31, 2020. Out of the total number of 4,559 banking outlets, 35 per cent were in rural, 36 per cent in semi-urban, 19 per cent in urban and 10 per cent were in metro. Out of the total 4559 banking outlets in India, highest banking outlets were belong to West Bengal i.e. 1314 (28.82%), The number of customers has increased from 1.66 crore as on March 31, 2019 to 2.01 crore as on March 31, 2020. With the expanding network of banking outlets and customers, the total deposits increased from ₹43,231.62 crore as on March 31, 2019 to ₹57,081.50 crore as on March 31, 2020 registering an increase of 32.04 per cent. The profit after tax ('PAT') as at the end of the financial year under review was ₹3,023.74 crore, an increase of 54.94 per cent over the previous financial year of ₹1,951.50 crore.

### **References:**

1. Annual Report 2015-19 to 2019-20
2. Bandhan Bank Integrated report 2020
3. Report on Trend and Progress of Banking in India 2019-20, RBI
4. [www.bandhanbank.com](http://www.bandhanbank.com)