

Fincare Small Finance Bank launches banking operations, ready to usher an era of 'Rurban' banking

Friday, 01 Sept, 2017: Ahmedabad registered Fincare Small Finance Bank Limited (earlier known as Disha Microfin Limited), has launched its banking operations. At an event held at Ahmedabad on the 1st of September, the bank was formally launched in the presence of Padma Vibhushan Dr. C. Rangarajan, former Governor of the RBI. Dr. Rangarajan was at the helm of affairs at the RBI when the first wave of financial reforms was unleashed in the early 90s. He is one of the pioneers of the concept of financial inclusion, and Self Help Group (SHG) -Bank linkage programme in India.

In a statement issued by Fincare SFB, it was stated that the bank has raised over Rs. 225 crores of deposits as on day one of launch, comprising ~15% of its balance sheet size of Rs. 1,500 crores. Mr. Rajeev Yadav, MD & CEO of Fincare SFB indicated that the bank's offering of fixed deposits at 9% and savings accounts at 7%, is one of the best in the industry. "The public response to our deposit products is extremely encouraging. Our instant account opening process and the digital banking solutions have been a delight for our customers", said Mr. Yadav.

Some of the key highlights in the offerings of the bank include -

- **Instant, paperless account opening - both liabilities and assets**
- **Aadhaar based e-KYC**
- **Biometric authentication**
- **Instant credit decisioning**

On the assets side, the bank has been engaged in providing micro loans to women groups since 2007. Besides, the bank will focus on growing the secured portfolio, comprising of Loans against Property (LAP) and Loans against Gold (LAG).

Commenting on this, **Mr. Yadav stated that the aim is to grow the share of secured loans over the next few years.** "We are continuing to invest significantly on technology to ensure that credit decisions are communicated to customers instantly, and processes are simplified and paperless. These investments will help us cater to a wider base of hitherto underserved micro and small enterprises. We will also introduce new products such as affordable housing loans, overdraft for SMEs and institutional finance **over the next 2-3 years** to grow our secured portfolio to 50% of our total asset book."

Out of its 250+ branches, the bank has commenced retail banking operations at over 25 locations in key markets of Gujarat, Tamil Nadu, Karnataka and Andhra Pradesh. "The bank will have presence across 500 banking outlets by the end of the current financial year. These would be spread across ten states including Delhi, Haryana, Uttar Pradesh, Maharashtra, Madhya Pradesh and Rajasthan". With this network in place, primarily in semi-urban locations, the bank will diversify from being a rural lender to a 'rurban' bank.

The Bank's Board is composed of industry stalwarts and veterans with rich experience in banking, financial inclusion, rural economy and regulatory matters. The eight-member Board includes, among others, Mr. Alok Prasad, former CEO of MFIN and former RBI professional, Mr. Sunil Gulati, a seasoned banking and risk professional, Dr. Susan Thomas, a renowned researcher and academician, Mr. Varun Sabhlok, an experienced banker with global, cross-functional experience and Mr. Vinay Baijal, an RBI veteran with banking policy and regulatory experience as its Independent Directors. **Also on the Board is Mr. Sameer Nanavati, one of the founder-promoters of Disha Microfin, and a serial entrepreneur.**

Mr. Pramod Kabra, the Chairman of the Bank, an accomplished business manager who has built world class businesses in sectors like logistics, cable & ISP services, financial services and radio taxi services. He has spent over 23 years at HUL across various roles, before joining True North, a premier private equity fund in India, as a Partner.

Mr. Rajeev Yadav, MD & CEO of the bank is a veteran financial services leader, having built GE Money's retail business in India as its CEO. At Fincare SFB, he has played a key role in devising the strategy for the small finance bank and has worked actively on its implementation across areas such as business restructuring, technology and products.

A promise of 3D banking viz. delightful deposit rates, doorstep service and digital experience, is Fincare Small Finance bank's way of announcing its arrival to the financial world. Its tagline 'a new era in smartbanking begins' is an attempt to build connect with a wide section of customer segments, including HNI and retail, and not just the semi-urban and rural masses.

The bank aims to be a digitally driven, rural and semi-urban bank, focused on the base of pyramid, retail mass and Micro & Small Enterprises (MSE) client segments. From a size perspective, the bank aspires to have 10 million customers, a deposit base of Rs. 14,000 Crore and assets of Rs. 20,000 Crore by 2022.