

BHARATIYA MAHILA BANK (BMB)

India's first women's bank, Bharatiya Mahila Bank was inaugurated in Mumbai by Prime Minister Dr. Manmohan Singh on the birth anniversary of Shrimati Indira Gandhi. One of the key objectives of the bank is to focus on the banking needs of women and promote economic empowerment. It is being looked upon as the beginning of a unique new institution that will provide financial services predominantly to women and women self-help groups to the small businesswomen and from the working woman to the high networth individual. Even though the bank is making its debut in metros and urban centre, it will enter rural areas before March 2014 and will focus on centres where working women population is significant.

In Budget 2013-14, the Finance Minister had announced setting up of all-women bank with an initial capital of Rs 1,000 crore. Only 26 percent of women in India admit to having a bank account. Since fewer women than men have bank accounts, fewer women are able to get loans. Per capita credit in the case of women is 80 percent lower than in the case of men. Hence the need for a bank that predominantly serves women.

Bank credit is expected to grow at a compounded annual growth rate of 16.5 percent during the twenty year period from 2010 to 2030. That will mean a twenty-fold increase from the level of credit in 2010. The deposit base is expected to grow at a compounded annual growth rate of 14.6 percent that is 14 times the level of deposits in 2010. Assuming that the share of credit for women remains the same – which should not be the case and the share must increase – even at that level total credit to women will grow to Rs.25 lakh crore. There is, therefore, an opportunity to reach more credit to more women, stated the Finance Minister during the inauguration of the bank.

While the objective of the bank is financial inclusion, it would initially set up branches in all state capitals across the country to have a hub. It is a recognition of the fact that viable banking needs presence in areas of economic growth. Although, over 70% of banking business in India is controlled by public sector banks, all these banks were nationalized. The government has promoted only financial institutions such as IDFC and IIFL. In the past, it had promoted development financial institution IDBI, which converted into a bank.

Post inaugural, seven branches became operational across the country, including Kolkata, Chennai, Ahemdabad and Guwahati. The government has proposed opening of the bank branches in Delhi and Indore also after the Assembly polls. With its headquarters in Delhi, the bank proposes to have 25 branches by March 31, 2014. Therefore, after starting with one branch in each banking region, the bank will expand to 500 branches by the fourth year of operation, which is when it sees operations becoming profitable.

An all Women Board has been constituted by inducting eight women Directors into BMB headed by Usha Ananthasubramanian. Most of the senior executive of the bank have been hired on deputation from other public sector banks. Some salient feature of the bank are:

- First 25 branches of Bhartiya Mahila Bank to be in state capitals Finance Ministry has sought RBI's forbearance on rural norms.
- Bank will offer 4.5% interest on saving deposits.
- It will not insist on collateral since most title deeds are in name of male family members.
- It will lend to micro businesses like catering, crèches & for upgrading kitchens in households.

- The bank aims to have Rs. 60,000 crore business and 775 branches by 2020.
- It will provide loans primarily to women, and will give low-cost education loans for girls.
- Key positions, including treasury head and security head, held by women.
- All-women board includes Usha Ananthasubramanian, (chairperson), Chavi Rajawat, Kalpana Saroj, Nupur Mitra, Priya Kumar, Renuka Ramnath & Tanya Dubash.

The Government has been working towards empowerment of women in the country. The flagship programs for rural employment and for universalizing education and health-care provide equal access for both men and women to help the cause of women empowerment. Nearly half of those getting employment under the Mahatma Gandhi National Rural Employment happen to be women. In addition, schemes for taking care of the special needs of women have been started for example; 'Janani Suraksha Yojana', which supports pregnant and nursing mothers, the 'Sabla' scheme, empowers adolescent girls.
