

## YES Bank eyes retail, SME bank

Mayur Shetty | TNN

**Mumbai:** After raising \$500 million (Rs 2,942 crore) through a qualified institutional placement (QIP), Rana Kapoor, MD & CEO, YES Bank, is keeping an eye on acquisition opportunities in the nature of a retail bank, with the right people at the right price.

The QIP, which was concluded last week, resulted in the bank's capital adequacy ratio crossing 18%, which is enough to fund 30% growth for more than two years. In an interview to **TOI**, Kapoor said that the bank's immediate focus is to look for opportunities as the economic cy-



MD & CEO Rana Kapoor

cle turns and the economy revives. This will result in overall bank credit for banks growing by 17% in the current fiscal from 13.5% in FY14, he said. YES Bank's would focus on building specialization in upcoming segments in agri business, healthcare, renewable energy and housing.

"What we could look at is,

if there is any substantial retail and SME bank. We could consider it if it gives us scalability and outreach, particularly on the retail side," said Kapoor. According to him, the acquisition opportunity would have to be in the nature of a bank rather than a portfolio. "We are not seeing enough traction in terms of portfolio sales. Most of the foreign banks which wanted to rationalize, have already done so. What may become an opportunity in future is a retail and SME bank," he said.

The bank had recently set a vision for the year 2020 with annual milestones. "Our view is that a bank like ours should have 2,500 branches

and twice as many ATMs by 2020 with around 25,000 people. We have come to an inflection point in our lifecycle, having crossed total assets of Rs 1 lakh crore. We are today the smallest large bank in the country," said Kapoor.

On retail, the bank's focus would be on affordable housing. "This will help us to fulfill our priority sector requirement and it meets our inclusion objectives. As incomes grow, a lot of these new home owners will become captive customers," said Kapoor. "If one and a half or two years later, if we can get a good outsourcing model, we would like to embark on credit cards as well," he added.