

04:05 PM 24 JAN	SENSEX 27,376 ▲ 258.24	NIFTY 50 8,476 ▲ 84.30	GOLD (MCX) (Rs/10g.) 28,720 ▼ -83.00	USD/INR 68.14 ▼ -0.07	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
-------------------	----------------------------------	----------------------------------	--	---------------------------------	------------------	-------------------------	------------------------

Two small finance banks begin journey, bringing 19 lakh in banking fold

By [Atmadip Ray](#), ET Bureau | Updated: Jan 23, 2017, 08.53 PM IST

[Post a Comment](#)

KOLKATA: Utkarsh [Micro Finance](#) and Suryoday Microfinance have commenced banking journey Monday, making it double bonanza for the country's unbanked population.

Both have offered higher deposit rates to their customers than the rates offered by universal banks such as [State Bank of India](#) and [ICICI Bank](#).

The access to public deposits would reduce their costs of fund as they would not have to rely on banks for funds for lending.

"It's a soft launch. In the next few months, our focus will be in addressing the challenges in terms of repayment collection and streamlining the process of branch operation," managing director Govind Singh told ET.

Utkarsh is predominately present in the northern states like Uttarakhand and Uttar Pradesh while Suryoday operates mostly in Maharashtra.

Utkarsh has 12 lakh borrower-customers while Suryoday has 6.4 lakh and all of them will start getting banking services from Monday.

Before this, Capital Small Finance Bank and Equitas Small Finance Bank have begun journey while [Reserve Bank of India](#) has offered primary licenses to 10 financial services companies including eight micro lenders. Many of these lenders such as Ujjivan Financial Services and ESAF Microfinance.

Meanwhile, [Bharti Airtel](#) promoted [Airtel Payments Bank](#) became the first payments bank to launch operation on January 12.

Utkarsh has started off with 6% interest on savings bank accounts and 8.25-8.50% rate on one-year deposit, about 150 basis points higher than what [SBI](#) and [HDFC Bank](#). Suroday is offering 9% for one-to-two year deposits.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

RELATED COMPANIES EXPAND

[State Bank...](#)

[ICICI bank](#)

[HDFC bank](#)

EXPAND TO VIEW ALL

Budget 2017:
[Can Arun Jaitley make you & economy happy?](#)
[Click for our special Budget 2017 coverage](#)

Live Market	News	Portfolio	Mobile	Live TV	Newsletter	Commodities	Speed	QnA	Blogs	Alerts	RSS
Other Times Group news sites			Living and entertainment			Hot on the Web			Services		
Times of India इकनॉमिक टाइम्स दिल्ली-नामिका शर्मिष्ठा Mumbai Mirror Times Now Indiatimes नवभारत टाइम्स महाराष्ट्र टाइम्स മലയാള മനോരമ Lifehacker Gizmodo Eisamay IGN India NavGujarat Samay			Timescity iDiva Zoom Luxpresso Gaana Happytrips Cricbuzz Get Smartapp			Union Budget Income Tax calculator Donald Trump Inauguration Income Tax Slabs Budget 2017 BUDGET 2017-What's Cheaper & Expensive Sensex, Nifty Live			ads2book Gadgetsnow Free Business Listings Simplymarry Astrospeak Timesjobs Magicbricks Zigwheels Timesdeal dineout Filmipop Remit2india Gaana Greetzap Techradar Alivear Google Play		
Networking			itimes MensXP.com								