



# India opens first bank for women to strengthen their financial security

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**Photo:** Chairperson of India's Congress-led UPA government Sonia Gandhi (L) and Indian Prime Minister Manmohan Singh attend the inauguration of the Bharatiya Mahila Bank, the first state-owned bank for women, in Mumbai on November 19, 2013. (AFP: Punit Paranjpe)

**Map:** India

India has opened its first state-owned bank for women in the country, with a focus on lending to women and increasing their financial security.

Prime minister Manmohan Singh opened the Bharatiya Mahila Bank, known as Indian Women's Bank, in Mumbai on the birth anniversary of India's only female prime minister, Indira Gandhi.

Prime minister Singh says the bank, which has seven branches nationwide, is focused on lending to women and strengthening their financial security.

"The sad reality is that women in India face discrimination and hardship at home, at school, at their place of work and in public places," Mr Singh said at the launch.

"Their social, economic and political empowerment remains a distant goal.

"The setting up of the Bharatiya Mahila Bank is a small step towards the economic empowerment of women."

Bharatiya Mahila Bank aims to employ mostly female staff, although men will be able to open accounts as well.

The bank's Delhi branch and corporate office are due to open after state elections in December this year.

It is due to have 25 branches by next March and 771 branches over a seven-year period.

With its tagline "empowering women, empowering India", the bank initiative was announced in February this year when India was still reeling from the fatal gang-rape of a student in New Delhi.

The incident sparked anger and soul-searching among the Indian society over the treatment of women.

## **More opportunities for women**

Indian finance minister P. Chidambaram has set aside \$US161 million to capitalise the new bank in his 2013/14 budget.

Mr Chidambaram says the bank will create more job opportunities for women and it will pay special attention to the weaker and more neglected sections of women.

He says the bank will help overcome "gender biases that are built into the system" such as the fact a property title may not be in a woman's name, meaning she cannot offer collateral.

He also says if a women requires small loans of up to around \$400, "that kind of credit must be provided without any collateral."

Other products on offer include special loans for women trying to establish catering services or daycare centres.

While this is the first such state initiative, there are existing co-operative banks run for and by women such as the Mann Deshi Mahila Sahakari Bank in western India.

However only 26 per cent of women have accounts with financial institutions in the India.