Bank Responses to the Challenges and Opportunities of Financial Inclusion
Objectives

- Financial inclusion as a long term viable business proposition, core to Bank’s mission, not just a mandate
- Create an architecture for provision of all Banking Services for low income customer segment
- RBL branch / BC / Service delivery point to be core part of local financial ecosystem of a village / urban locality
- Harmonisation with Government FI initiatives - DBT
- Technology & innovation – critical for scale & last mile delivery
- Execution designed for customer centricity

Provide access to **Banking & Financial services through a last mile delivery channel to 5 million under-served Households in next 5 years**
What got us here?

- Partnerships
- Technology enablement
- Risk and Governance
- Customer services & education
- Customer centric product design
Multiple coverage model

**Neighbourhood Banking**
- Branch Location – Small Business Banking (SBB) Cluster based credit delivery mechanism
- Neighbourhood Banking – all customers in the neighbourhood to be serviced, businesses & individuals
- Branch resourcing - Product Sales Managers (PSM)

**Partnership Model**
- Expanding outreach beyond Bank Service Areas
- Business Correspondence (BC) model redesigned & re-aligned
- Building on strengths of partners

**Institutional Tie Ups**
- Capital market structures
- Refinance to improve the Bank’s ability to deliver to a wider set of clients
- Risk sharing arrangement with ADB
RBL Approach - Business Segmentation

- **Customer segments**
  - Low Income Households
  - Micro Loans
  - Branch & BC network

- **Products**
  - Micro & Small Enterprises
  - WC & Term Loan
  - Branch service

- **Delivery channel**
  - MFIs & Specialised NBFCs
  - WC & Term Loan
  - Securitisation
  - FX,NCDs
  - Centralised delivery
RBL FI Journey so far!

- SBB business launched in FY15 & MB crossed 800 Cr portfolio
- MB reached 100 Cr portfolio in FY14
- Started FI vertical in 2011

DB & FI (Assets)

- MB
- IFI
- SBB
- No of Loan Customers

FY12: 533
FY13: 942
FY14: 1520
FY15: 2500

(₹ in Cr.)

- 0
- 1000
- 2000
- 3000

- 0
- 1000
- 2000
- 3000
- 4000
- 5000
- 6000
- 7000
- 8000
- 9000
- 10000

- FY12
- FY13
- FY14
- FY15
Customer Centric Product Design

- Minimum 2 products relationship for customer acquisition enabling higher usage of banking channels.
- Add other products after meeting the pull products demand for Urban and rural customers.
Technology Innovation - mATM Devices

Traditional Banking
- Saving Account Opening
- Loan Account Opening
- KYC
- Document Capturing
- Collections
- Cash Deposit & Withdrawal
- Fixed Deposit
- Recurring Deposit
- Domestic Money Transfer
- Payments – Electronics/ Cheques /Standing Instructions
- Financial
- Non-Financial Enquiries

Banking Destination Model

Micro ATM Device
- Saving Account Opening
- Loan Account Opening
- e-KYC
- Digital KYC
- Document Capturing
- Collections
- Cash Deposit & Withdrawal
  - AEPS Based
  - Card Based
  - Card Less
- Financial /Non-Financial Enquiries
- Domestic Money Transfer
- DBTL Payment
mATM Devices

Process Advantages
- Online Process
- Process Efficiency
- Digitally available documents
- Reduced TAT for Disbursal
- Online eKyc Check

Business Key Metrics
- Disbursal in 7 days from existing 18-21 days
- 100% BC Branches with Cash Deposit / Withdrawal operations by end of FY 2016
- Low Transaction Cost
- 100% Increase in Saving A/c Transaction Volumes

Our Model Differentiator
- Other Banks have launched POS based terminals. We have Tablet based devices
- Only used for Cash Deposit, Withdrawal and Fund Transfer. Not covers all functionalities
Financial literacy program at RBL bank

**Content coverage**
- Loans
- Insurance
- Savings
- Investments
- Remittance

**Benefit to the bank**
- Enhanced no of transacting Accounts
- Pan India approach and branding Regulator’s
- Greater product penetration
- Increased Customer Retention
- Risk reduction

**Financial Literacy at RBL Bank**

**Training Type**
- Classroom training
- Mass awareness

**Partners**
- Swadhar FinAccess – Gujarat
- CDC – Madhya Pradesh
- IFC Program – Maharashtra

**Achievements:**
- 16,000+ individuals covered from more than 300 villages under Mass awareness campaign in Kolhapur region
- 25,123 RBL clients undergone FL classroom training program in Pune region
- 18,000+ RBL clients undergone FL classroom training program in Gujarat region
- 560 Customer trained in CDC program as on Jun’15
- Total – 59,000+ customer in 1713 classroom camps and 300 mass awareness camps

**Projects:**
- **IFC Project**: Contract ending in April’15, Renewal expected in next cycle (Maharashtra)
- **CDC (Commonwealth Development Corporation) Project**: Recently started classroom training and mass awareness training in the state of Madhya Pradesh (Dist. Ujjain, Raisen, Vidisha, Indore)
- **Swadhar FinAccess**: Ongoing RBL customer classroom training
Thank You!

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