

Axis Bank targets 12,000 villages under financial inclusion plan

The Economic Times July 2, 2010

MUMBAI: Axis Bank, the third-largest private bank, plans to cover 5,500 villages for financial inclusion by March 2011 and scale it up to 12,000 villages in five years' time.

The bank has kick-started its first initiative in financial inclusion in villages located near Nashik (in Maharashtra) and Darjeeling (in West Bengal). The bank is looking at financial inclusion in metro cities like Delhi, Chennai and Bangalore

Financial inclusion is providing banking services at affordable costs to the weaker sections of society or the unbanked segment, which does not have any access to the formal banking system. As of now, it is estimated that 60% of the Indian population does not have access to formal banking facility and RBI is keen on achieving 100% financial inclusion for sustaining equitable growth.

Axis Bank is looking at opening 18-lakh no-frills accounts, Rs 40 crore of deposits and Rs 10 crore of advances through its financial inclusion initiative. The 18-lakh account would include 12-lakh accounts that they have already opened for government-sponsored scheme. Speaking to ET, SK Chakrabarti, executive director — retail banking, SME and agri, said: “The way we are looking at financial inclusion is that we have been in the banking sector for 15 years and the time has come for us to give back to the society.”

He further said the bank is looking at several low-cost delivery models such as smart card, mobile banking and point of transaction device. Axis Bank has also set up separate financial inclusion team. It may be recalled that RBI has asked all private and public sector banks to chart out three plans on a road map on financial inclusion. The plan should cover issues like the number of branches they plan to open in rural India, the number of no-frill accounts they plan and the number of business correspondents they would appoint to achieve the target.

In its first initiatives, the bank will start opening no-frills accounts in four village blocks at Dingori (near Nahsik), covering 29 villages. “We are looking at opening 30,000 new accounts, wherein we would be giving debit card to the customer and overdraft,” pointed out SK Mitra, president — agri and rural banking. “The bank is also looking at providing banking service to the migrant workers located in the Delhi-Muzaffarpur area,” added Nilanjan Majumdar, V-P of the financial inclusion team.