

HDFC Bank continues thrust on brick-and-mortar branches

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ITS aggressive digital push notwithstanding, HDFC Bank intends to continue with the momentum of opening approximately 400 brick-and-mortar branches per annum.

HDFC Bank continues to see customers, who believe in this touch-and-feel model of banking and therefore bank branches will be required even in cities, as per the bank's analysis of customer base and their behaviour, said Ravi Narayanan, senior executive vice-president and branch banking head, west, HDFC Bank.

From a banking standpoint, branches give opportunity to cross-sell products while serving as a touch point to deal with customers. In 2014-15, State Bank of India added about 500 branches, ICICI Bank about 300, PNB 360, Axis Bank about 200 and HDFC Bank over 600.

"We run more than 4,300 branches and more than 1,000 service offices.

We intend to continue our recent momentum of opening approximately 400 branches per annum," Narayanan told *Financial Chronicle* in an interview.

Talking about digital and tech-enabled banking, he said the bank did an introspection three years ago and then built the present-day capabilities of customer interaction such as PayZapp, SmartBuy, instant 10 seconds personal loans, loans at ATMs and Chiller mobile payments.

"Our farmer customers in Punjab are all linked on a card payment system to a local APMC where intermediary agents are negated and money flows faster into farmer accounts for produce sold. Farmers in Rajasthan, Punjab and Gujarat get a top-up on their agri loans. Milk farmers in Gujarat are integrated into a 'milk-to-money' loop wherein they can pour milk through one window at the local milk collection centre and move onto the next window where they withdraw cash from the ATM for the milk supplied. HDFC Bank

Without overlooking the digital push, the bank will continue to add 400 physical branches in a year. The private sector lender had added 600 branches in 2014-15

was ready, is ready and will be ready. These digital interfaces are not available even in some developed markets," Narayanan said.

To a question on what's the role of a branch now compared to 10 years ago, the FMS Delhi alumni said culturally its customers do

tend to believe in the face-to-face. "A branch serves that purpose, in more than one way. In many of our city branches we have respected this aspect of our customer's need and appropriately created lounges for private conversation and enhanced experience. Our capable staff in branches is being adequately trained and certified to cater to this distinct shift in customer expectations."

On the possible threat from some PSU banks which have recently undergone change in board composition and have devised new strategies, the HDFC Bank official said that competition, old as well as new, acts as conscience-keepers.

"Hence, we have healthy respect for each one of them, big or small players. India has enough domestic appetite for all of us, and probably more. Today, when there is an incessant hullabaloo on disruption and changing strategies, our belief is on re-dedicating ourselves to our own customers...."

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