

HDFC Bank branch thrust

VIVEK NAIR

Mumbai, July 17: HDFC Bank, the country's second-largest private sector lender, continues to bet big on the brick-and-mortar model despite the rapid rise in digital transactions among its customers.

The bank is looking to set up more branches — a move that may come as a surprise to many as the number of customers visiting a branch has reduced in the past few years with the growth in digital banking.

"Even today, the biggest of our customers do walk into our branches even if they have private banking relationship managers. A face-to-face conversation still gives comfort to an individual. This touch-and-feel aspect of dealing in financial intermediation is something which our cultural ethos still looks forward to and, therefore, the brick-and-mortar structure continues to play a wholesome role in this entire exchange," said Ravi Narayanan, country head, branch banking and retail trade Fx, HDFC Bank.

The bank is planning to add at least 400 branches this year to its existing net-



Narayanan: Growth focus

work of around 4,500 in the country. Around 55 per cent of these branches could come up in semi-urban and rural areas.

In the eastern region, the bank has trebled its network in the past six years.

According to Narayanan, the lender had been successful in semi-urban and rural geographies because of an impressive technology infrastructure.

For instance, farmers can walk into a branch and use facilities such as Net

banking or even its ATMs (besides, other channels such as smartphones) to pay their electricity bills.

"Today, the bandwidth pipeline is fairly strong in India and this has helped us in ensuring our presence on a sustainable basis in these geographies," he said.

"Our ability to create a physical footprint, ride on technology and a range of services, besides a personalised element of teaching and educating a customer on how to become financially empowered, is a combination that has worked well for us," he said.

New set-up

Narayanan admitted that the structure of branches has changed in the past few years. Earlier, a large part of the lobby was occupied by the tellers. Now, the focus is on having more personalised space to enable officials to interact better with customers.

"A branch has now become a personalised interaction point. It allows us to do conversation-based transactions, which is very important for the cultural milieu in which we live," he pointed out.