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AT a time when most private banks are jostling to increase their share in cities, HDFC Bank is eying to increase its footprint in rural and urban areas.

The largest private sector lender in the country is aiming to increase its presence to about 2.25 lakh villages by next March from 1.65 lakh villages at the end of March 2023.

“In March we were at 1.65 lakh villages and we have moved to roughly 1.75 lakh villages as of June. We are on track to surpass 2 lakh villages to about 2.25 lakh villages by

next march,” Rahul Shukla, Group Head- Commercial and Rural Banking, HDFC Bank told this newspaper.

“That (rural and semi urban areas) is where the profit pools have shifted and there is tremendous change going at the ground level and if you don’t visit and don’t travel yourself you will not feel the pulse of it,” said Shukla, a banking veteran with three decades of experience in investment banking and corporate finance. “The strategy for growth (in semi-urban and rural areas) has to be physical plus digital because one is not going to work with-



out the other. The bank has decided well ahead of everybody else that it will continue to increase its branch presence,” Shukla added.

HDFC Bank Managing Director and CEO Sashidhar Jagdis-

han has already announced plans to open around 1,500 branches every year. Half of these branches will be opened in semi-urban and rural areas, as per Shukla. “The ratio of branch opening between semi-

urban, rural and urban areas will be 50:50,” he added.

The lender has seen a consistent rise in advances in rural and semi urban areas. Total loans in commercial and rural banking grew by 30% to ₹6.43 lakh crore as of June 30, 2023, from ₹4.98 lakh crore as of June 30, 2022. The bank’s commercial and rural banking (CRB) group was set up in May 2021 to cater to the needs of the micro, small and medium enterprises (MSME), emerging corporates, commercial agriculture, small and marginal farmers, healthcare finance, equipment finance and commercial transport firms.