

# HDFC Bank looks to reach 200,000 villages



PIYUSH SHUKLA  
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**BUSINESS CORRESPONDENTS (BC)** will significantly help the country's largest private lender HDFC Bank to meet the target of reaching 200,000 villages by the end of FY24, the bank's Group head for retail branch banking Smita Bhagat told FE in an interaction.

"If you are able to reach 200,000 villages, by and large, you cut a larger set of people who want banking services and products and participate in the development of their areas," she said. Her comments are in line with the bank's managing direc-

Smita Bhagat, group head, retail branch banking

tor and chief executive officer Sashidhar Jagdishan's plan – to create a new HDFC Bank every four years. In his first address after completion of the merger of the HDFC twins, Jagdishan had said that the lender will be adding over 1,500 branches annually for some years to increase its reach in several parts of the country. The lender added 1,479 branches during FY23.

According to Bhagat, due to higher digitisation and adoption of newer technology over the last 10 years in rural and semi urban areas, more than 80% of Indian population now has a bank account and do

domestic remittances via Unified Interface Payments (UPI).

"It has become very easy for everyone to transfer money. But in India, we still only have between 175,000-180,000

**The bank will take the help of business correspondents to meet its target**

branches. Whereas we have 646,000 villages," Bhagat said. A large number of branches are also present in just one city, leaving a significant number of

villages still unbanked, and approaching all these unbanked villages is tough via physical roots. In order to reach out to unbanked rural areas, the bank developed its BC model wherein it first partnered with common service centers (CSC), which is a central government-run com-

pany under the ministry of information and technology. What motivated the lender to tie up with the company was that their operating infrastructure was completely digital. The company claims to have presence in all panchayats of the country.

In 2019, HDFC Bank went live with the BC partnership with CSC but it could not evolve much due to the Covid-19 pandemic. However, post pandemic, the lender was able to integrate its entire product API with the company. Bhagat added that last financial year, HDFC Bank did more than many small banks in the country, in terms of liabilities and assets from their partnership with common service centres.