

ENABLING ACCESS, DRIVING INCLUSION

Bridging the Gap in Financial Access

The Bank is building a distinctive model for the RuSu markets, hinged on PSL augmentation, creation of customised sales products, multi product sales architecture, and improved geographical penetration through partnerships and collaborations while creating a seamless banking experience for customers through the digital channel.

Capitals Impacted

FC MC SRC

SDGs Impacted



Bharat Banking is one of the key strategic priorities of the Bank, aimed at integrating rural and semi-urban India (RuSu) into the economy while addressing the diverse financial needs of its vast population. We are moving from a product to a customer-centric view enabled by multichannel distribution network into deeper Bharat markets, and ensuring customers' access to best-in-class financial services and advisory seamlessly via digital channels. This strategic approach is underpinned by a profitable business model and a diverse product suite tailored to meet the unique requirements of RuSu markets.

2,480+

Bharat Banking branches

80+

Partnership pipeline

64,550+

Village Level Entrepreneurs (VLEs) at our Bharat Banking Common Service Centres (CSC) network





Key Levers of Bharat Banking

Building a Deep Distribution Network

In our quest for sustainable growth, we have focused on nurturing organic distribution in RuSu markets. We have taken our branch count to 2,480+. These new establishments are supported by a network of partners such as Common Service Centres (CSC), various Business Correspondents Banking Outlets (BCBOs), Pradhan Mantri Jan Dhan Yojna (PMJDY) outlets and various strategic alliances.

We also leverage our corporate bank to build a strong partnership base across corporates with rural presence, fintechs and agritech companies, and several non-banking

financial companies (NBFCs) that have strong rural play.

We are also building a Bharat Ecosystem by increasing our presence in the high potential Mandis across the country. Our aim is to penetrate the Agri Value Chain by building deep partnerships with a leading buyer of agricultural outputs and inputs, and a key player facilitating the trader ecosystem in RuSu markets.

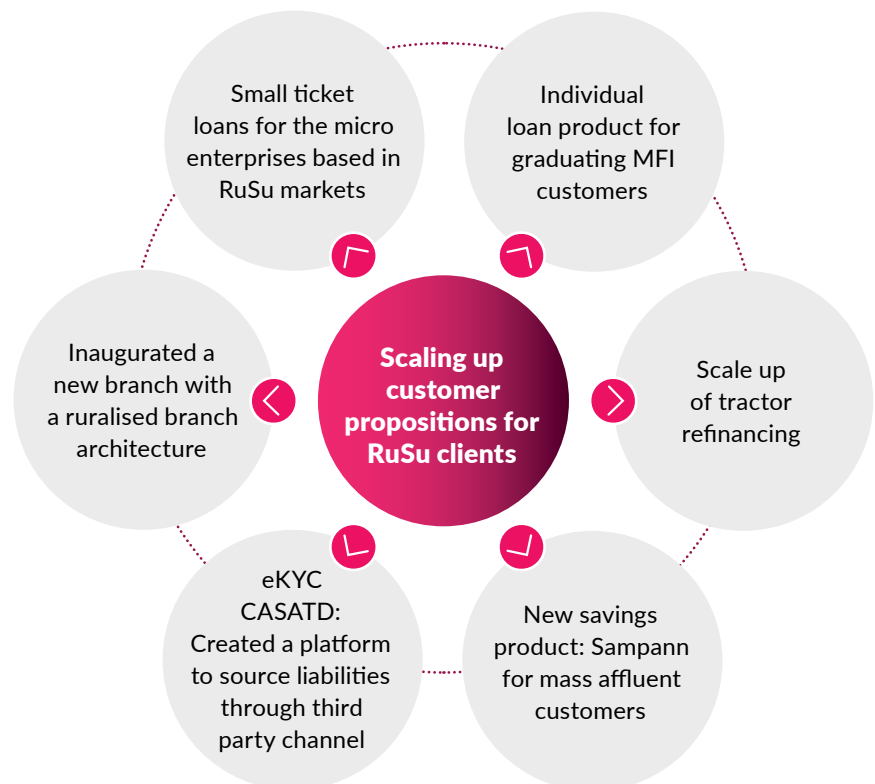
We have revamped our architecture for government-sponsored schemes through a mix of distribution, governance, and digital initiatives. This has increased financial inclusion through flagship government schemes.

Key Milestones Achieved in Fiscal 2024

- » Highest ever disbursements in a year amounting to ₹70,449 crores and a significant scale-up in the balance sheet
- » Expanded reach to 2,480+ Bharat Banking branches complemented by 64.5k+ strong CSC VLE network
- » Launched a digital co-lending platform that gives access to new segments in the RuSu markets
- » Revamped our digital journeys across gold loan and farm mechanisation that improves customer experience
- » Launched 'Sampann' – a new savings product for the mass affluent segment in RuSu markets to capture the strong deposit build up

Bharat-centric Propositions

We have introduced several customer-centric propositions, specifically tailored to meet the unique needs of our RuSu clientele. We are focused on developing new products within our policy framework and on expanding the coverage of our existing suite through a robust distribution network. During the year, we scaled up several new propositions such as FPO financing, tractor refinancing, financing agri infra under AIF programme, metal pledge based financing, and serving poultry value chain.



Putting Customers First

Servicing Milk Producers' Cooperative

The Krishna District Milk Producers' Mutually Aided Co-op. Union Ltd. was established in 1964. The organisation has completed 60+ years in the dairy industry, serving 1,50,000 milk producer families under the Co-operative Act.



Voice of the customer

"We have been associated with the Bank for over two decades now, and Axis Bank has played a key role in our journey. We have availed from the Bank working capital term loan, cash collection and pick-up, and Current Account facility. The Bank has extended enormous support in funding our expansion and has been responsive to our banking needs."

Reaching solutions to the farthest corners

Mrs. Cheharun Necha is a determined entrepreneur from Bongaigaon, Assam. Despite humble beginnings, she ventured into poultry farming. Facing initial challenges, she sought financial support through Axis Bank's JLG Loan.



Voice of the customer

"Before accessing the JLG loan, my poultry business was struggling to gain traction. With the support of Axis Bank, I relocated my shop and made necessary infrastructure improvements. Gradually, my business began to flourish, allowing me to regularly repay my EMIs and qualify for a second loan cycle. With the second loan, I diversified into the grocery business, further increasing my family's income. My son now manages the grocery shop, while I've also created job opportunities by hiring additional help. Thanks to the continued support of Axis Bank, I have expanded into tailoring with additional loan cycles, and now enjoy a sustainable average profit of ₹24,000 per month."



Digital and Analytics

Digital is the key lever to improve efficiency and offer a better customer experience. We have introduced several initiatives to enhance the banking experience for RuSu customers.

- » Launched a digital platform for co-lending journeys in partnership with NBFCs
- » Revamped gold loan and farm mechanisation digital journeys and other high-growth products are in the pipeline, with a significant reduction in TAT
- » Implemented a risk-based pricing framework for gold loans

- » Enabled eKYC sourcing of CASA and term deposit (TD) across third party network

30%

Growth in rural advances

12%

Growth in rural deposits

30%

Growth in disbursements

Our Plan for Fiscal 2025

- » Introduce a redesigned digital pathway tailored for small ticket nano loans
- » Enhance the customer journey for Kisan credit cardholders and enterprise customers
- » Introduce onboarding sales architecture on the 'Siddhi' application
- » Create a digital onboarding platform for the supply chain financing clients
- » Extend risk-based pricing for the other high growth retail products

Fostering Growth and Profit

Our aim is to build a profitable portfolio while harnessing the vast potential of the underpenetrated RuSu markets. The Bank's strategic focus is to drive both growth and profitability through a strong emphasis on Risk-Adjusted Return on Capital (RAROC) and portfolio quality improvements across retail and institutional segments. By prioritising the volume growth of Priority Sector Lending (PSL) and enhancing sales productivity, the Bank aims to profitably expand its market presence while upholding stringent risk management standards and cost controls. Several initiatives

have been taken to increase product per customer by increasing insurance penetration, generating forex income from existing clients, mobilisation of deposits, and leveraging multi-product initiatives such as the 'Deep Geo' programme. The Bank aims to expand its multi-product architecture by partnering with organisations like Common Service Centres (CSC) e-Governance Services India Ltd. Through this collaboration, the Bank seeks to enhance digital and kiosk banking facilities in rural, unbanked, and underbanked areas.



Way Forward

The Bank is in the midst of a transformative journey, crafting a unique model tailored for the RuSu markets. We are looking at accelerating balance sheet growth faster than the industry growth augmenting PSL, achieving self-sufficiency at a sub-segment level, and expanding our distribution network through robust branch and partnership channels. We aim to do so by delivering best in class digital experiences to our customers, establishing dominance across multiple ecosystems, and playing an important role in fostering financial inclusion and socio-economic development of the RuSu markets within the nation.