



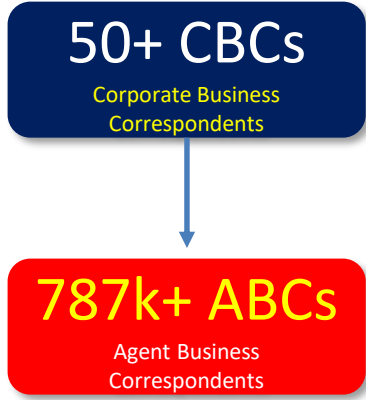
8 Steps For Pervasive Digital Financial Inclusion

RBI's Committee for Encouraging Digitization of Payments & Enhancing Financial Inclusion

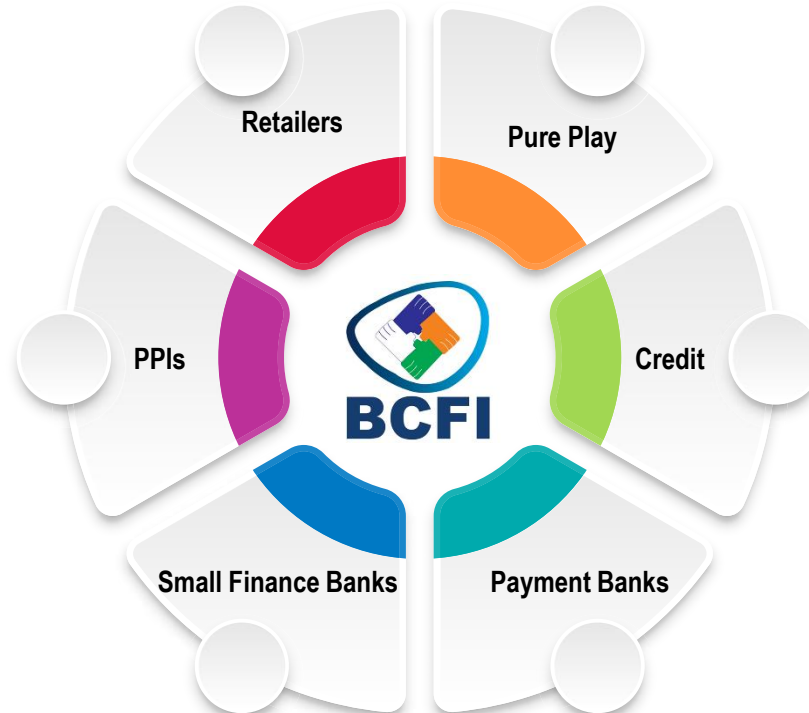
Who We Are?



Large Network



Comprehensive Representation



Supported By



The Point of Service



787k+ ABCs
Agent Business
Correspondents

Touch & Serve
34+ Crore Customers
Face-to-Face

Not Last Mile

Vision



**To Be The World's
Largest & **Trusted**
Financial Infrastructure**



Present **Impact** - Digital Financial Inclusion



Constituency

1,25,878 (16%)
Rural-Semi Urban



Deposits/Policies

6.57 Cr (19%)
Rural-Semi Urban



Remittance/
Pension/Finances

MEASURE	METRIC
Adult Population	83.84 Crore - 14+ Years - Census'11
Migrants	45.36 Crore - Census'11
Agent BCs	786,740 - as of Nov'18
Bank Accounts - BSBD	34.57 Crore - as of Feb'19
Retailers	15,000,000 - as of Jan'18
POS Machines	3,592,424 - as of Dec'18

Still Under-penetrated



Constituency



Deposits/Policies



Remittance/
Pension/Finances

9.8 Cr (>75%) in other than Tier I towns

Rs 26,000 Cr (>80%) by Migrants to Tier I, II towns

PRODUCT	METRIC
Deposits in BSBDA	Rs 91,795 Crore - as of Feb'19
Life Insurance - PMJJBY	5.7 Crore - as of Sep'18
Health Insurance - PMSBY	14.27 Crore - as of Oct'18
Pension - APY	1.27 Crore - as of Nov'18
Kisan Credit Card - KCC	2.35 Crore - as of Mar'18
Overdraft Taking Households	19 Lakh - as of May'16
Overdraft Amount	Rs 256 Crore - as of May'16
AEPS Transactions Through BCs	13.16 Crore - as of Jul'18
Remittance Amount Through BCs	Rs 33,228 Crore - Apr-18 - Sep-18

Insights - Digital Financial Inclusion



A Every Indian is **Unbanked** after 2 PM

B Every Indian is **Underbanked** before 2 PM

C **Unsuitable** products. Un-ubiquitous **accessibility**

D **Uneconomic** to sell. **Unable** to vividify. **Unincentivized** to use

NEVER PAID DIGITALLY



DON'T HAVE HEALTH COVER



NEVER INVESTED IN MF



MSMEs DON'T GET FORMAL DEBT



ABC ATTRITION

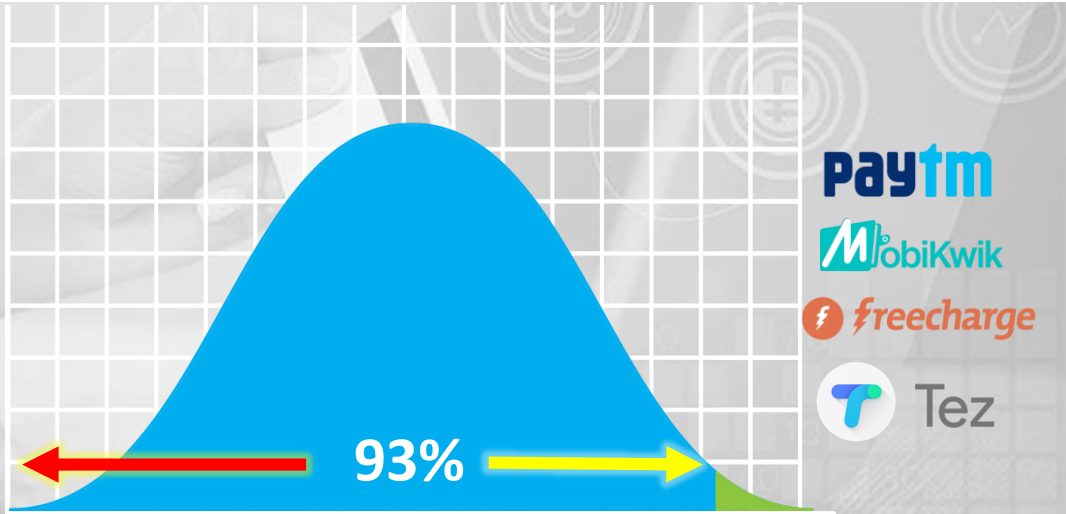


ABC: Strong correlation between **awareness, earning, training, & support** - **for stability**

Customer: Positive correlation between **access, awareness, relevance, & incentive** - **for usage**

How To Accelerate Digital Financial Inclusion?

100 Crore Indians will require
20 Lakh ABCs as
assisted omnichannel providing
Digital Financial Services



Subsidized
Assisted
(Govt Subsidized)

Marginalized
Assisted
(Non-Subsidized)

Digitized
Self Service
(Investor Subsidized)

Strategy for Pervasive Digital Financial Inclusion



- **Relevant Products:** as per customer needs, easy to use/DIY, assured QOS & protection
- **Viable Pricing:** economically viable to sell, value for money for customer, maintained stable
- **Ubiquitous Availability:** any customer, any product, any BFSI, by any ABC, payment acceptance by any merchant
- **Trusted Service:** fixed point, known person with local relationship, explains, executes, & resolves issues
- **Quality Access & Acceptance:** stable quality points of service/ABC & merchants, no location allocations by SLBC, geo-spatial info on customers, access, availability, product & acceptance – and activeness
- **Vividified Promotion:** customer pull through vernacular marketing & vividified promotion, with usage & stickiness incentivized
- **Encouraging Regulation:** supportive, pragmatic, principle based, light touch

Steps for Usage & Sustainability

01

Economic Viability

- Pricing guidelines [RBI]
- Multi-bank, multi-product at ABC [RBI]
- Customer eKYC & eAuth by ABC for any FI service [RBI]
- Nil GST on FI services from ABCs [RBI]
- Incentive ABC for merchant enrolling [RBI, IBA]

02

Ubiquitous Availability

- White-labelled BC guidelines [RBI]
- Flexibility to choose issuing bank [RBI]
- No ABC allotment by SLBC [RBI, IBA]
- eKYC for ABC & merchant onboarding [RBI]
- Remove multi-bank ABC-KYC [RBI]
- Allow multi eKYC onboarding [RBI, UIDAI]

03

Product Usage

- Relevant DIY products [RBI, BCFI, BFSI]
- Allow micro-deposits at ABC with digital print statements instead of post [RBI]
- Customer awareness [RBI, BFSI]
- Incentives for trying, using & sticking [RBI, IBA]
- ABCs also be merchants & vice versa [RBI, IBA]

04

Quality Access

- Trained, certified, registered ABCs [RBI, BCFI]
- BC Registry operation (RBI, BCFI)
- Heatmap of customers, products, ABCs, merchants, and activeness [RBI, BCFI]

Steps for Customer Confidence & Trust

05

Customer Awareness

- Relevant DIY products [*RBI, BFSI*]
- Vividify products, relevance, incentives through marketing & promotion [*RBI, BFSI*]
- Test transaction free [*RBI, BFSI*]
- Display Customer Bill of Rights [*RBI, BCFI*]

06

Customer Protection

- Grievance Redressal Mechanism at ABCs & merchants [*RBI, BCFI*]
- Enforce Code of Conduct at ABC [*RBI, BCFI*]
- TATs for resolutions for QOS [*RBI, IBA*]
- Decoy customer audit [*RBI, BCFI, BFSI*]
- CBC/fintech rating [*RBI, BCFI*]

07

Visibility & Stability

- Branded & certified ABC & merchant [*RBI, BCFI*]
- Regulations kept stable & principle based [*RBI*]
- Pricing kept stable [*RBI*]
- Incentives & remuneration kept stable [*RBI, IBA*]

08

Safety & Security

- Display Customer Bill of Rights [*RBI, BCFI*]
- Inform ABC & merchant list to local Police [*RBI, BCFI, IBA*]
- Security tested ABC/merchant app [*RBI, BCFI*]
- Publish blacklisted ABCs [*RBI, BCFI, IBA*]
- Publish blacklisted merchants [*RBI, BCFI, IBA*]

Test on The Touchstone of Talisman



I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest person whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him [her]. Will he [she] gain anything by it? Will it restore him [her] to a control over his [her] own life and destiny? In other words, will it lead to swaraj for the hungry and spiritually starving millions?

Then you will find your doubts and your self melt away ~ Gandhi, 1948