



कृषि बैंकिंग महाविद्यालय

College of Agricultural Banking

(An ISO 9001:2000 Certified Training Institute of Reserve Bank of India)



Advancing financial access for the world's poor

# BC Banking Channels in India: Search for Business Models

15 May 2009

# Outline

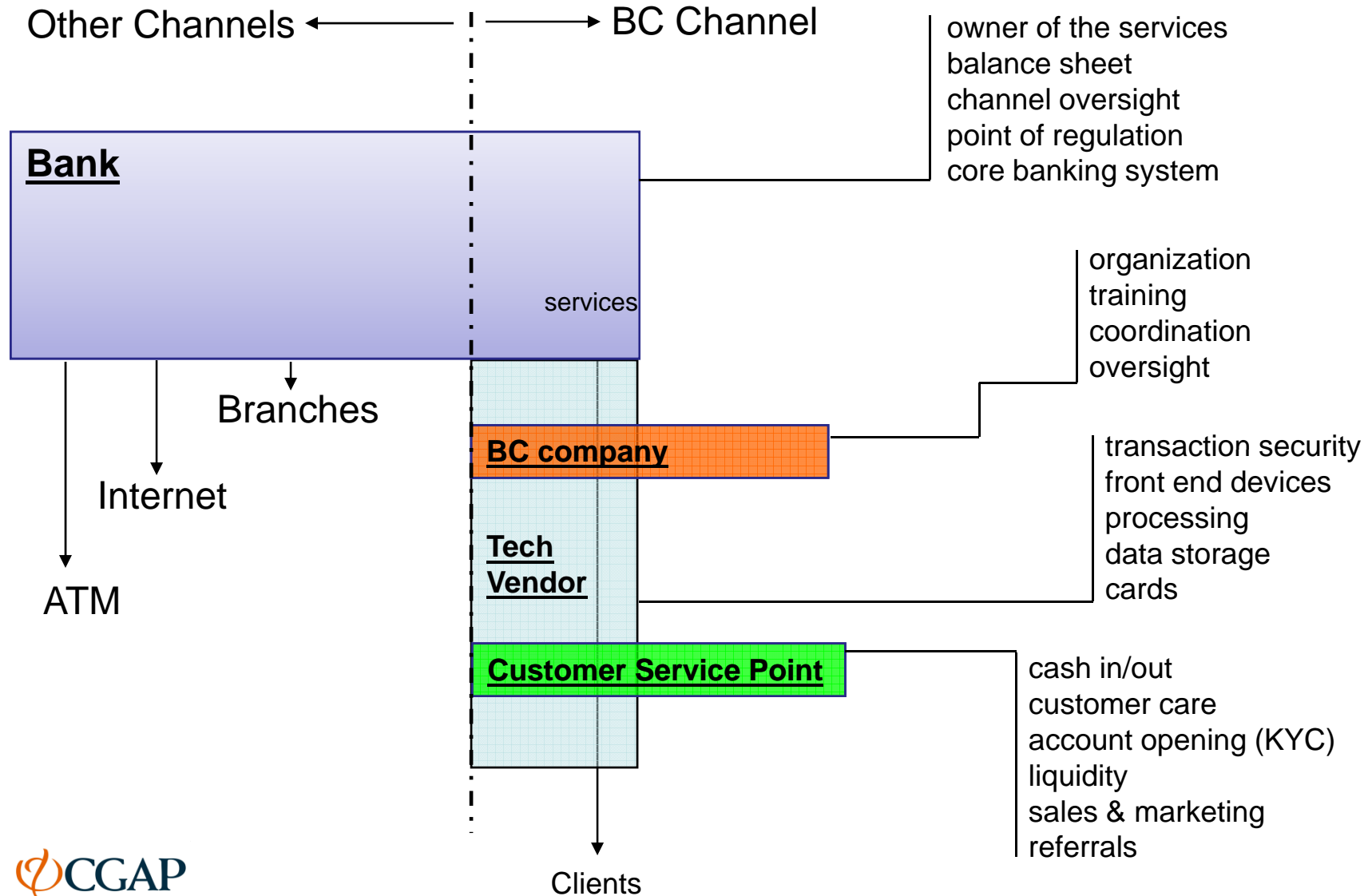
## **BC Channel Basics (2 slides)**

- Who does what?
- Revenue flow

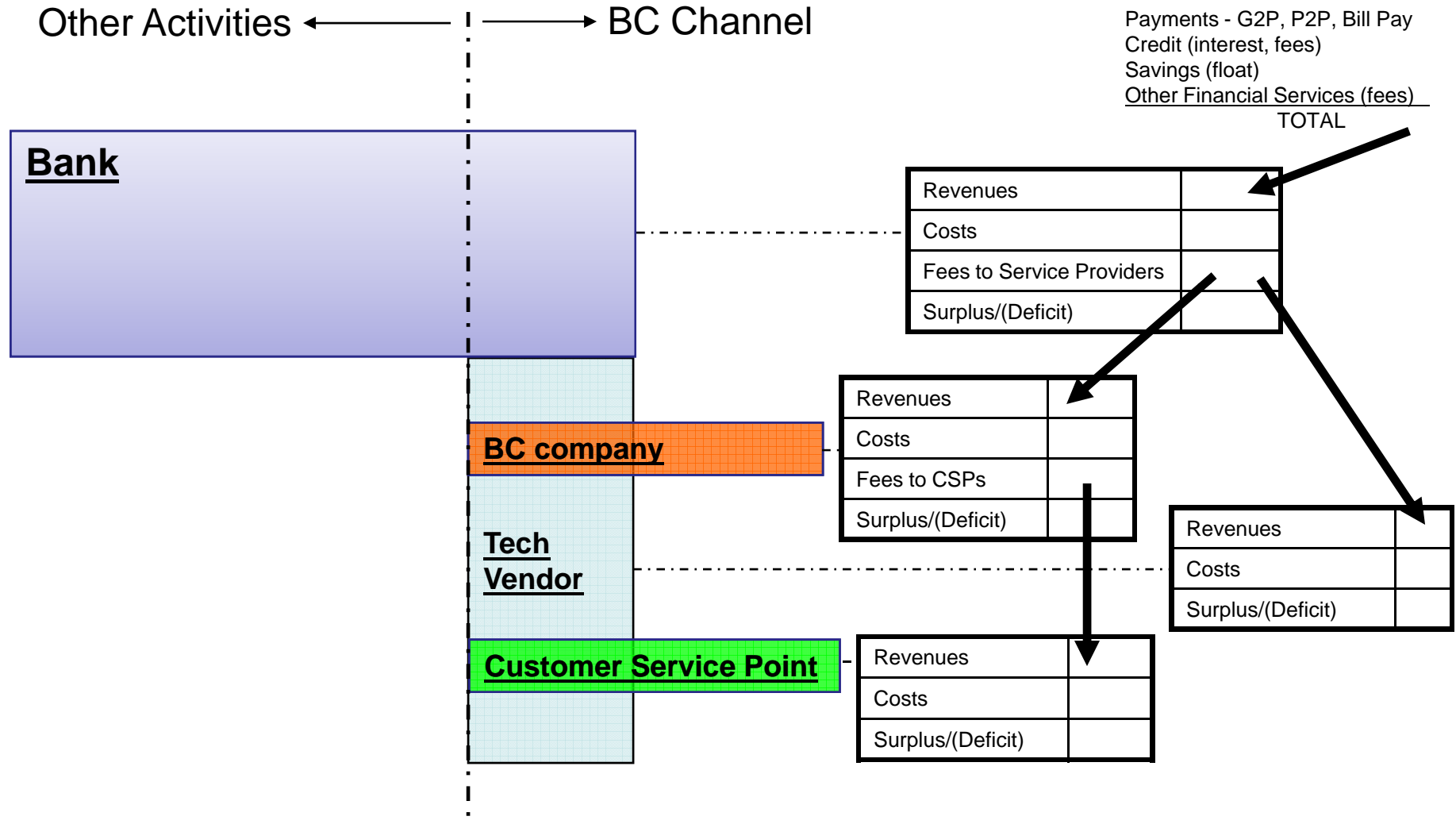
## **Piecemeal Early Data (6 slides)**

- Per Client Costs and Revenues (available data)
- Per Client Costs and Revenues (3 models)

# Channel Basics: Who Does What?



# Channel Basics: Revenue Flow



# Banks: Per Client Revenue/Costs

## Sample:

- (1) SBI/FINO
- (2) SBI/ALW – A.P.
- (3) KBS/IGS
- (4) SBI/Eko

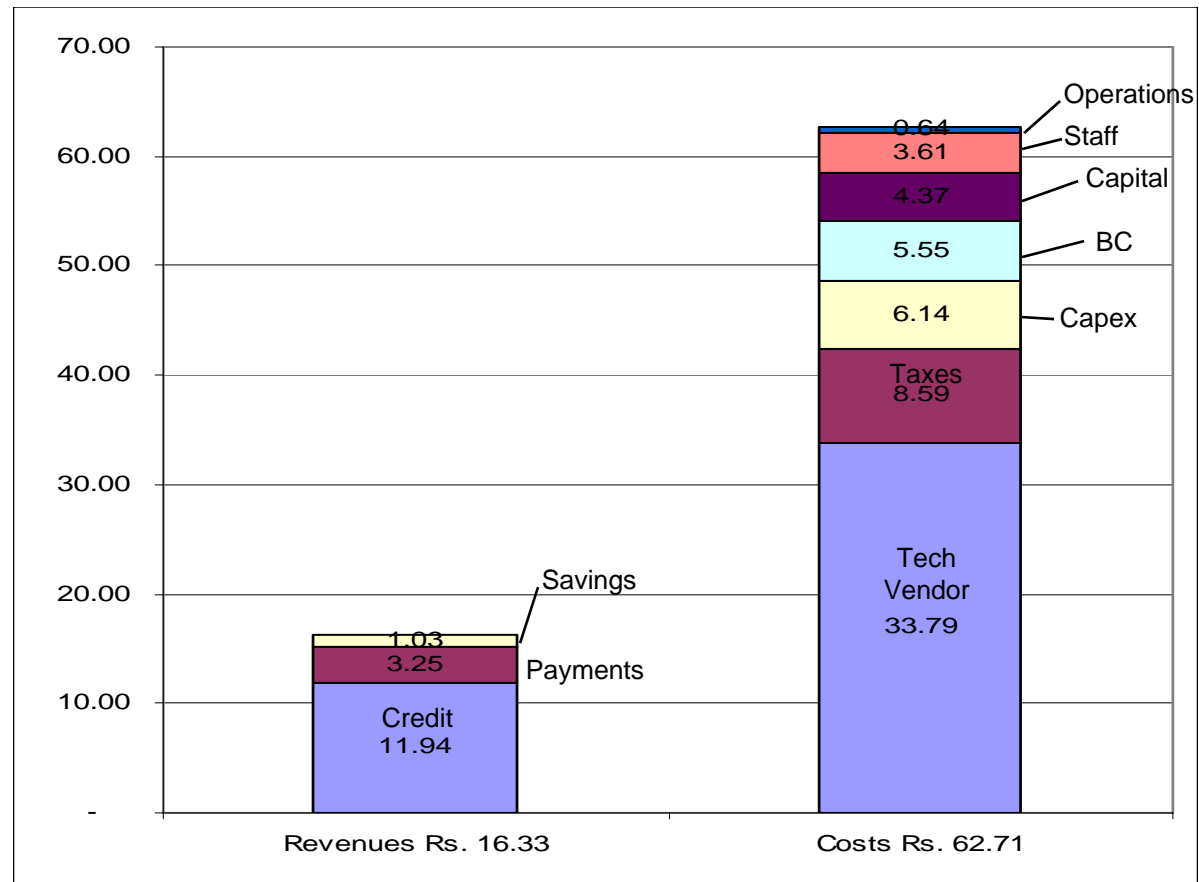
2.4m Clients

39 Months

### Notes:

\* All costs/revenues from start included – may not reflect long term running costs/revenues

\* Not necessarily representative of all BC experiments



# BCs: Per Client Revenue/Costs

## Sample:

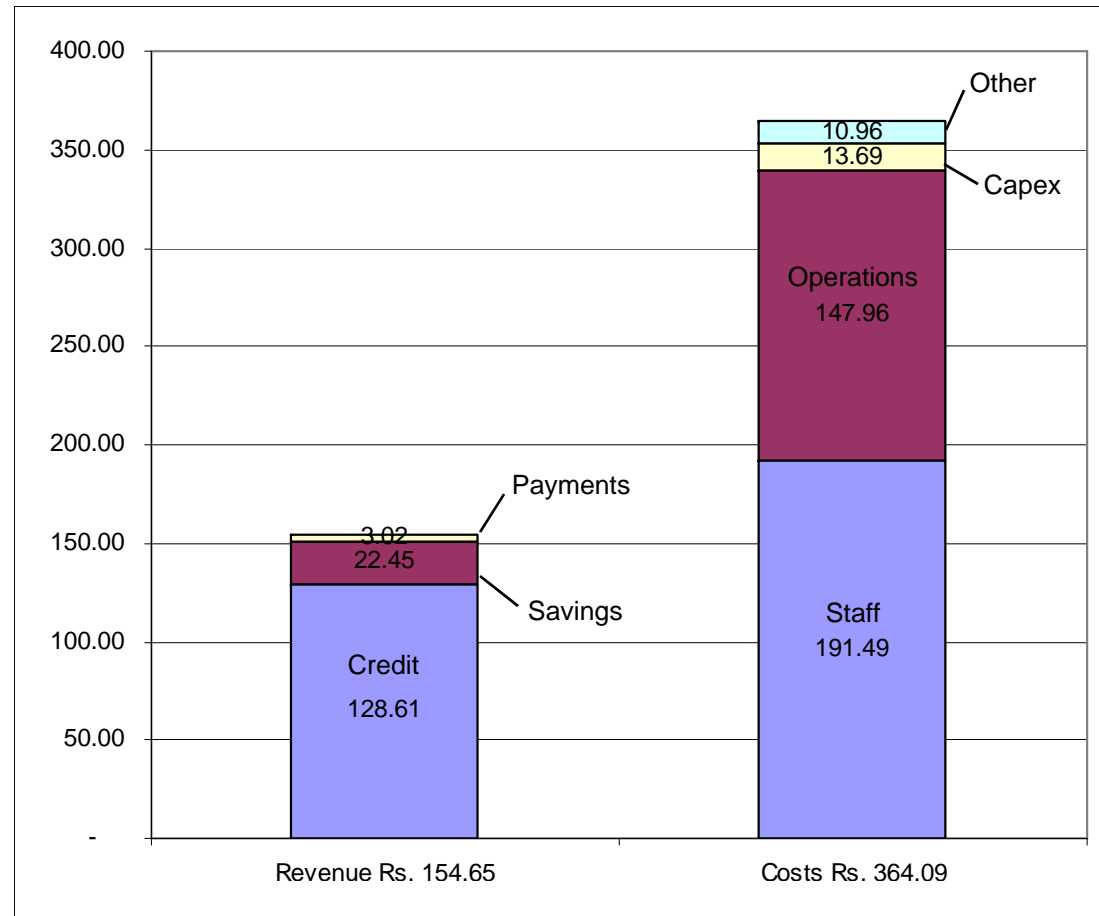
- (1) Eko Aspire Foundation/SBI
- (2) IGS – Delhi/Axis
- (3) IGS – AP/KBS
- (4) KAS Foundation/ICICI
- (5) Swadhaar Finaccess/ICICI & Citi

58k Clients

73 Months

### Notes:

- \* All costs/revenues from start included – may not reflect long term running costs/revenues
- \* Not necessarily representative of all BC experiments



# Tech Vendors: Per Client Revenue/Costs

## Sample:

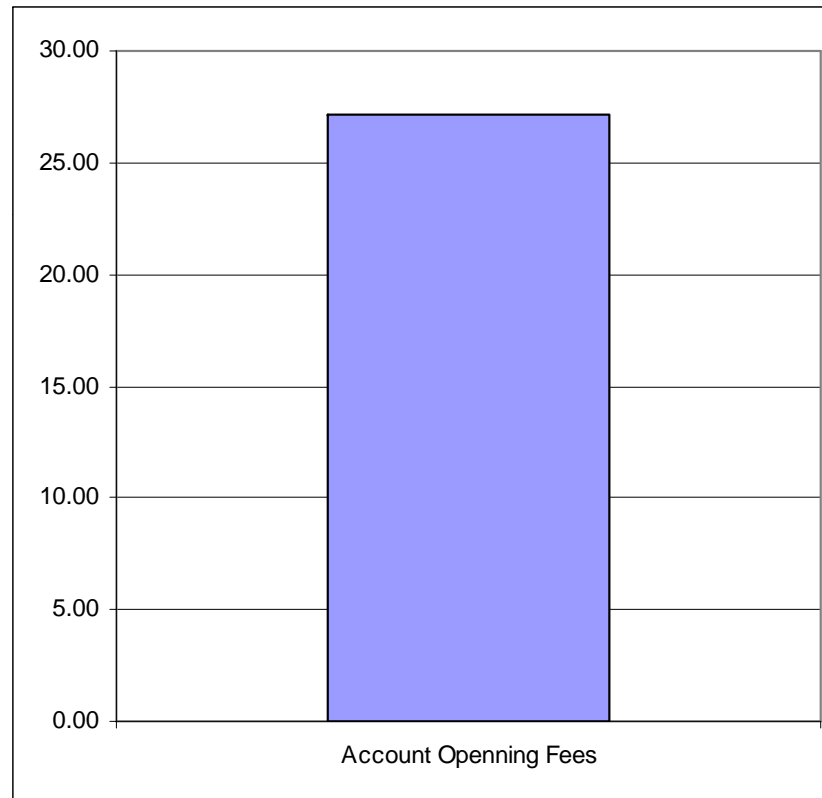
- (1) FINO/SBI
- (2) ALW/SBI
- (3) Eko/SBI

2.3m Clients

27 Months

### Notes:

- \* All costs/revenues from start included – may not reflect long term running costs/revenues
- \* Not necessarily representative of all BC experiments



# Different Approaches

## **1. Acquisition & Transactions Platform**

Account opening at large scale. Long term plan for savings and payments uptake to fund channel.  
(SBI with FINO, ALW, Eko)

## **2. MFI**

Existing microfinance institution serves as BC channel – adding savings to existing MFI credit offering (ICICI with KAS, Finaccess)

## **3. Dedicated Bank Channel**

Hand-in-glove cooperation whereby BC serves as service extension point doing underwriting, sales and transactions - a quasi-branch.

(KBS with IGS)

# Different Approaches (Bank)

## 1. Acquisition & Transactions Platform

Revenue: 4.16

Costs: 52.98

*2.3m clients, 27 months*

## 2. MFI

Not available

## 3. Dedicated Bank Channel

Revenue: 927.01

Costs: 790.80

*31k clients, 12 months*

# Different Approaches (BC)

## 1. Acquisition & Transactions Platform

Not Available

## 2. MFI

Revenue: 25.65

Costs: 211.59

*21k clients, 35 months*

## 3. Dedicated Bank Channel

Revenue: 232.43

Costs: 332.68

*31k clients, 12 months*



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