



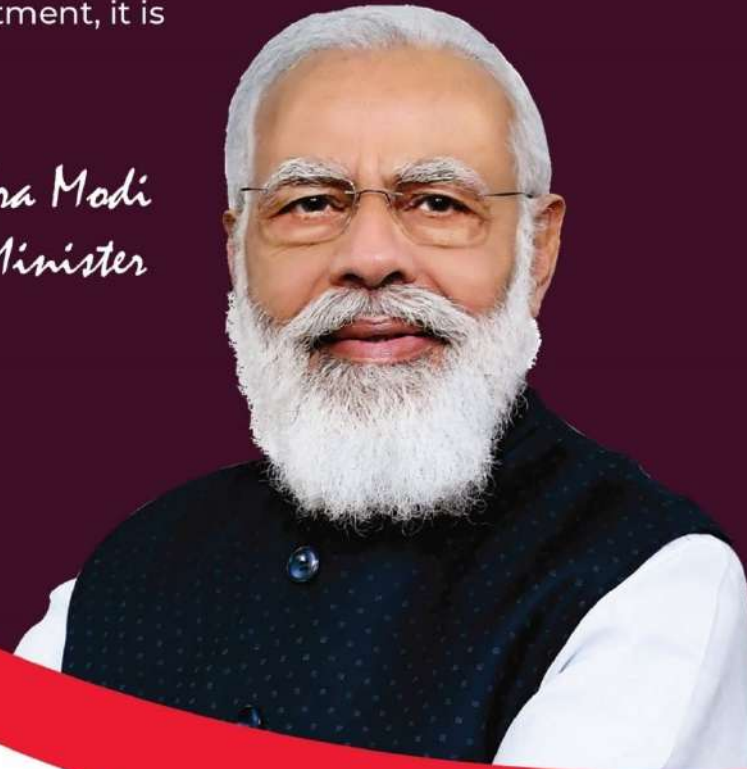
Firm Intent towards Transformative Reforms

# India Post Payments Bank

Delivering Banking Service at Doorstep

"India Post Payments Bank is going to bring about a massive change in the economic and social system of the country. Our government has earlier linked millions and millions of poor families to the banks through Jan-Dhan accounts. And today we are starting the task of taking the banks to the doorsteps of villages and poor through this initiative. **'Your Bank at Your Doorstep'**, this is not just a slogan. It is our commitment, it is our dream."

*- Shri Narendra Modi  
Prime Minister*



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# INTRODUCTION

India Post Payments Bank (IPPB) is an accessible, affordable and reliable bank for the common man. With help of just an Aadhaar Card any person in a village can avail banking facilities provided by IPPB by requesting for the same from the local Postman/ Gramin Dak Sevak. IPPB services are available across 1,43,000 post offices in the country, of which more than 1,27,000 post offices are in rural areas. This is two and a half times the number of bank branches in rural areas. 1.89 lakh Postmen and Gramin Dak Sevaks are providing doorstep banking facilities from IPPB to the people at their doorstep through mobile phones and biometric devices. Hon'ble Prime Minister Shri Narendra Modi had emphasised during the launch function of the bank that now a customer just by sending a message to Postman can avail banking facilities at the doorstep without any minimum limit of transaction amount.



India Post is the largest postal network in the world. It has been providing financial services through small savings schemes, money orders and postal insurance for more than a hundred years

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However, prior to IPPB, it was not part of the banking system and was not equipped to provide all banking services. India Post Payments Bank (IPPB) was started to provide comprehensive banking services including digital financial services and Mobile Banking to all Indians.

India Post Payments Bank (IPPB) was launched under the Department of Posts, Ministry of Communications, Government of India. Its 100 percent ownership is with the Government of India. Hon'ble Prime Minister Shri Narendra Modi launched IPPB on 1<sup>st</sup> September, 2018. The network of the postal department is very large and its reach extends to all corners of the country. IPPB was formed with the objective of providing accessible, affordable and reliable bank for the common man of India by leveraging the network of the Department of Posts.

## NO ACTION AND ONLY DISCUSSIONS FOR YEARS

For a long time it was felt that the post office has vast potential through which government services can be provided in every nook and corner of the country. Discussion went on for many years on the need to tap the reach and trust of the post office by establishing an organization having banking expertise. However, no concrete decision could be taken in this direction.

Discussions on the need for such differentiated banks gained momentum in 2013 when Reserve Bank of India brought out a paper on policy discussion on the topic 'Banking Structure in India - The Way Forward'. In this discussion a suggestion was made about the need for creation of differentiated banks in India. It was further stated that in this direction, financing of infrastructure facilities, licensing for wholesale banking and retail banking might be a desirable step. Subsequently, the Committee on Comprehensive Financial Services for Small Businesses and Low-Income Families released its report in January 2014 from which the idea of issuing licenses for Payments Bank by the Reserve Bank of India (RBI) emerged. But in the absence of any concrete initiative and will power, no clear decision could be taken on the matter.



## FINANCE MINISTER'S INITIATIVES IN 2014

Hon'ble Finance Minister while presenting the above idea in the Union Budget 2014-15 on July 10, 2014 said, "RBI will create a framework for licensing small banks and other differentiated banks. Differentiated banks serving niche interests, local area banks, payment banks etc. are contemplated to meet credit and remittance needs of small businesses, unorganized sector, low income households, farmers and migrant work force."

Based on this clear policy direction, Reserve Bank of India (RBI) on November 27, 2014 issued Guidelines for Licensing of Payment Banks. Department of Posts applied for a payments bank license on January 30, 2015 and was granted an in-principle license to set up India Post Payments Bank on September 7, 2015.



## CHALLENGE OF REACHING EVERY DOORSTEP

Banks have faced challenges due to non-availability of physical branches in all parts of the country and the costs associated with opening a branch. Banking Correspondents have helped them to some extent, but they have had limited utility due to lack of digital infrastructure (like ATMs, POS machines, smartphones etc.) in rural areas and lack of trust in the banking system.





# **LIMITATIONS OF TRADITIONAL BANK**

- Transportation costs, time taken to get to the bank and often loss of daily wages.
- People often get scared and intimidated due to lack of knowledge regarding digital financial services and lack of awareness about the banking procedures and rules.
- Most people use cash and have no financial record and this affects their ability to access credit and generate income.
- Direct Benefit Transfer helped money to reach bank accounts, but due to the difficulty in accessing and using these accounts, this money was withdrawn only in the form of cash. Thus cash continued to be the main mode of doing business as against the government's resolve for less cash economy.

# INITIATIVE OF DEPARTMENT OF POSTS

Department of Posts identified these gaps. IPPB emerged as a bridge between rural and urban India and between those who have access to digital and financial services and those who are excluded. IPPB brought banking facilities to the doorsteps of all Indians through trusted postmen. IPPB and the Department of Posts together provided the necessary digital infrastructure and provided postal and banking financial services in a secure environment to all Indian households at the doorstep.

Thus, IPPB added formal banking services to the fold of financial services being provided through post offices. Department of Posts leveraged this platform to provide financial banking service at home to every citizen across the country with the help of world's largest post office network and large number of postmen acting as Doorstep Banking Service Providers.

# DELIVER BANKING SERVICES TO EVERY DOORSTEP

The infrastructure created by IPPB addresses the accessibility challenges faced by customers (base of the pyramid) in the traditional banking ecosystem. It fulfils the Govt's objective of having an interoperable banking access point within 5 KM of any household and creating alternate accessibility for customers of **ANY BANK**.

- **Account Management Services**

- ◆ Paperless & Instant Savings/ Current Account
- ◆ Digital Saving Bank Account
- ◆ Money Transfer Services - UPI/ IMPS/ NEFT/ RTGS/ CTS
- ◆ Cash Management services aiding Person to Business remittances
- ◆ Virtual Debit Cards & UPI promoting cashless, contactless payments.

- **Direct Benefit Transfers**

- ◆ Social Benefits Distribution through PFMS, APBS & NACH



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- **Aadhaar Enabled Payment System (AePS)** -Through AePS Services by IPPB, the bank has established an interoperable banking infrastructure for public good that can **serve customers of ANY BANK**. Customers of ANY BANK can access their Aadhaar linked bank account by simply using their fingerprint for cash withdrawal, balance enquiry and transfer of funds into an operating IPPB A/c, right at their doorstep through the Postmen and Gramin Dak Sevaks.
- Bill Payments services leveraging **Bharat Bill Payments Services (BBPS)** platform of NPCI
- **Aadhaar Services - Mobile Number Update Service in Aadhaar** - IPPB has launched a unique and innovative service for updating mobile number in Aadhaar and enrol children below 5 years on to aadhaar as a Registrar for Unique Identification Authority of India (UIDAI). Now a resident Aadhaar holder can get his mobile number updated in Aadhaar by the postman at his door step.
- **Life and General Insurance** - The Bank is offering multiple life and non-life insurance products in Corporate Agency model in partnership with Life Insurance Companies and Non-Life Insurance companies respectively. IPPB is also offering Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

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- **Digital Life Certificate (Jeevan Pramaan)** - Aimed at easing the process for receiving pensions, IPPB offers the service for issuing and delivery of life certificate (Jeevan Pramaan) digitally at the doorstep of pensioners. A completely paperless, hassle free and seamless process, this service is being offered to all pensioners, irrespective of having an account with IPPB or with any other bank as well.
- **Digitization of DoP ecosystem**
  - ◆ NEFT/RTGS facilities for Post Office Savings Customers
  - ◆ UPI QR payments at 1.2 lakh Rural Post Offices
  - ◆ Online Digital Payments for Postal Savings Schemes such as RD, Loan against RD, SSA, PPF
  - ◆ Online Digital Payments for PLI and RPLI schemes
  - ◆ ePassbook for POSB schemes

## SERVICES ROLLED OUT WITHIN TWO YEARS

- Updation of Mobile number in Aadhaar and Child Enrolment for Aadhaar services are launched, serving millions at their doorstep.
- Doorstep service for Digital Life Certificate (Jeevan Pramaan) has resulted into issuance of more than 14.88 lakh Jeevan Pramaan Certificates till date.
- General Insurance like Motor (2W & 4W), Health Insurance services were launched and offered at the doorstep.
- Cash based Bill Payments are able to facilitate bill payments in cash from anyone at their doorstep. Now we are able to service Bill Payments for “ALL CITIZENS” regardless of whether they are IPPB account holders or not.
- Launch of the premium payments services for Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) through IPPB channels i.e Mobile banking, MicroATM & CBS. Customer can make the payment anytime through Mobile Banking app or at assisted channels by sharing the policy number and policy holders DOB (Date of Birth).



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- Group Accident Insurance is launched with coverage of ₹ 10 Lakh at minimal premium.
- IPPB having restrictions of extending credit facilities, have made strategic tie-ups with Banks, NBFCs for providing loan facilities to the rural masses on referral basis.
- IPPB has launched the Cash Management Services (CMS) for cash collections across all post offices for our partners who have limited reach in rural locations.
- IPPB has launched 'Fincluvation' An initiative by India Post Payments Bank & Department of Posts to build technology led innovative solutions for financial inclusion in collaboration with Fintech Start-ups.

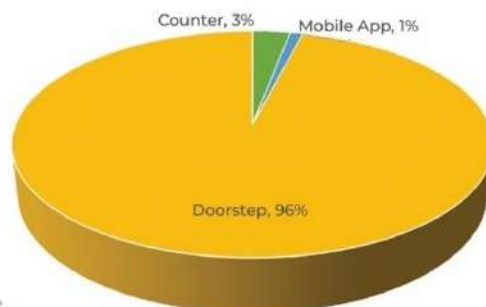
# EXPANDING SCOPE OF SERVICES OF IPPB

**“India Post Payments Bank is not just a bank,  
but it is the biggest initiative in the country to achieve  
the goal of financial inclusion.”**

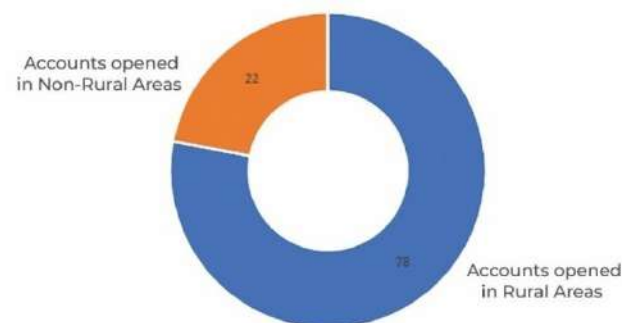
*- Shri Narendra Modi, Prime Minister*

- 1.89 lakh Doorstep Banking Service Providers who are providing door-to-door banking services.
- 1.43 lakh Post Offices - 1.27 lakh Post Offices in rural areas.
- 6.63 crore IPPB bank accounts opened in Digital and Paperless mode - 78% of the customers are from rural India.

Account Acquisition Channels

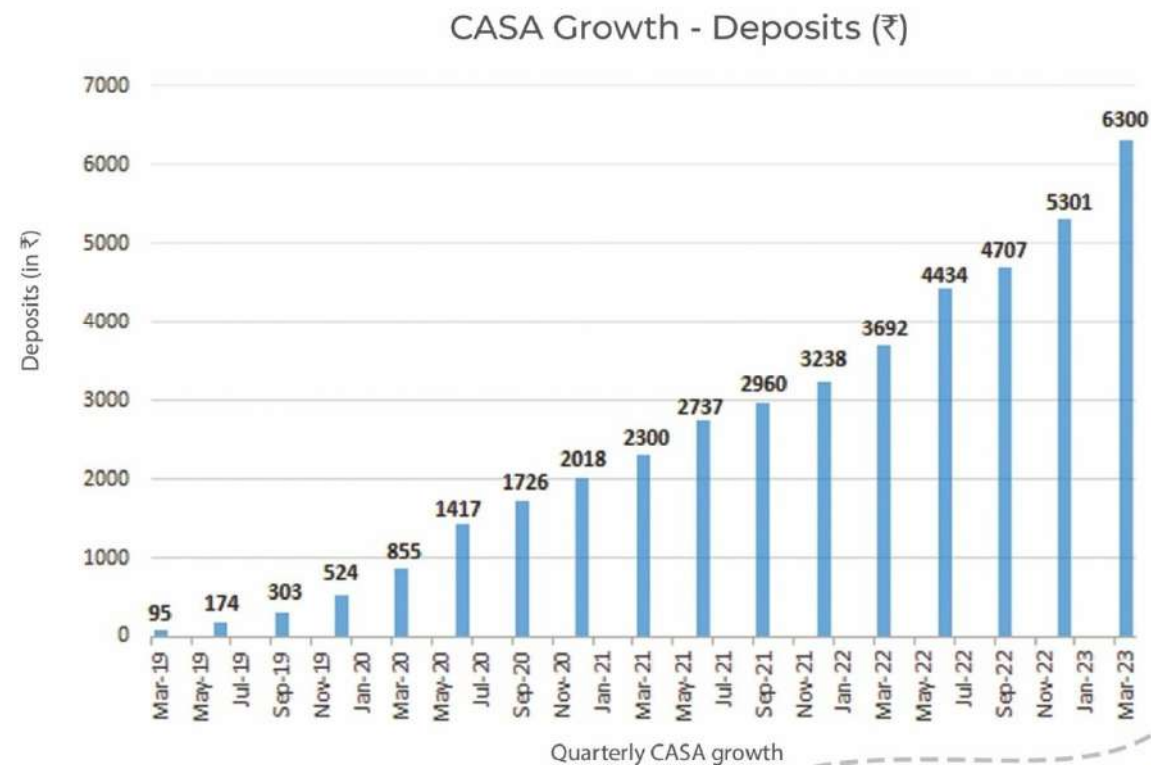


Proportion of IPPB accounts opened in Rural Areas



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- Every second bank account in IPPB is held by women and 95% of these accounts are active. Accounts of 98% women have been opened at Doorstep.
- More than 68% of Women account get DBT benefit.
- Customer deposits balance of more than ₹ 6300 crore.





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- More than 276.19 crore financial transactions involving ₹ 3,50,300 crore.
- 90% of IPPB customers are transacting on assisted mode through Postman and Gramin Dak Sevak who are equipped with smartphones and biometric devices and are providing simplified banking services to remote areas.
- More than 11.81 crore DBT Disbursement transactions worth ₹ 14,152 crore.
- More than 5.57 crore Aadhaar Mobile Number updation including Child Enrolment under CELC transactions have been done.
- More than ₹ 27,443 crore disbursed to “customers of other banks” through over 9.42 crore Aadhaar Enabled Payment Service (AEPS) transactions.
- Bank covered more than 25 lakh individuals under ‘Insurance for All’ by enabling them with Group Accidental Guard General Insurance.

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- Enabled more than 17 crore UPI transactions per month.
- More than ₹ 24,430 crore delivered at door steps of customers in hotspots and migrant camps during the COVID-19 lockdown, reducing their need to step out of their homes thus containing the spread of the virus COVID-19.
- Consumers of the Department of Posts (India Post) and India Post Payments Bank (IPPB) can now transact banking services through the 'DakPay' App. DakPay will offer digital financial and banking services being provided through the postal network by India Post and IPPB across the country. So far, more than 1.73 crore IPPB mobile apps have been downloaded.
- IPPB offers the facility to open Zero Balance Savings Account.

# TRANSFORMATIONAL CHANGES

The initiative of IPPB has effectively brought all the banking and financial services at the doorstep of all citizens. This initiative has played a major role in capacity building of Post Offices. Apart from this, now more than 1.89 lakh Postmen and Gramin Dak Sevaks are enabled as Doorstep banking service providers.

A daily wage labourer who earlier had to give up a day's wages to withdraw MGNREGS payments or other direct benefit transfers, no longer needs to go to the bank. He can withdraw cash at his workplace or at his home.

A recent study on payment of MGNREGS wages revealed that "Post Office users seem to be most satisfied with the quality of these services." The report further states that "the average cost of going to the Post Office to get your wages is the lowest at ₹ 6, as compared to ₹ 31 for going to the bank, ₹ 11 for CSC/ BC and ₹ 67 rupees for going to the ATM."



## WAY FORWARD

It is anticipated that this initiative will help boost the Government of India's objective of digital financial inclusion in remote areas and building a less cash economy. For this, emphasis will be laid on creation of merchant ecosystem by enabling village grocery stores/ merchants (unorganized retail) to accept digital payments through QR codes.

- Department of Posts has come up with a comprehensive concept of 'Mission DISHA' which aims to transform rural post offices into focal centres of financial activities in a village. Partnerships with various entities are being explored, through which the financial transactions across a value chain can be digitized at the district level.

“

The Indian Postal Department has 1.5 lakh post offices. By connecting such a vast network with technology, we have taken the lead to create the most powerful system of service in the 21<sup>st</sup> century; Now the Postman has a smartphone in his hand and a digital device in his bag. IPPB will also prove to be a great facility for the farmers. Schemes like Prime Minister's Crop Insurance will get special emphasis from this, after the Post Payment Bank, now the claim amount of the schemes will also be available sitting at home. We will also give impetus to the campaign to save money in the name of daughters under Sukanya Samriddhi Yojana.

*- Shri Narendra Modi, Prime Minister  
(at Launch of IPPB, on 01 September, 2018)*

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### Phygital Banking at its best

IPPB delivers doorstep pension delivery service to a Divyang Customer in an inaccessible Tribal Village of Nuapada District, Odisha



### Bridging the gap between banking and the unbanked



IPPB Barpeta team travelled 150 kms to reach the Alupaty Char & Major Char islands to connect more than 600+ PM Kisan beneficiaries. No road connectivity led the team to cross the river by boat to reach these inaccessible locations.

### Delivering banking services, wherever you are!



IPPB Kaithal Branch team visited a bed-ridden female customer to deliver **Mobile-Aadhaar update (UIDAI CELC)** service for quick benefits under Ayushman Bharat Yojana.



I have a juice shop on NH1 Chandigarh - Shimla highway at Korli Village.

I'm accepting digital payments from my customers with India Post Payments Bank account.

- Jasvinder





I am working as a Asha Worker in New Maliyabad. I receive my monthly wages of Rupees four thousand through Direct Benefit Transfer (DBT).

I have opened my account in IPPB with Aadhaar seeding at my doorstep that helped me to receive the pending wages of last 10 months. I am thankful to the Postman and IPPB.



- Mariyamma, Raichur - Karnataka



This year, I submitted my Digital Life Certificate (Jeevan Pramaan Patra) in no time from the comfort of my home, with the help of postman in a few simple steps.

I thank India Post Payments Bank for offering quick and secure DLC service at doorstep of the old pensioners like me.



- Devadasan, Palayankottai, T.N



Ministry of Information and Broadcasting  
**Government of India**

Designed by: Omkar Gujar U, Senior Manager