

Indian Bank - Building Financial Resilience

In 2014, Prime Minister Modi launched Pradhan Mantri Jan Dhan Yojana (PMJDY) to ensure every household had a bank account. While the initiative significantly expanded access - by 2017, 77% of women and 83% of men had accounts - a gap remained between access and use. Account inactivity persisted, with 35% of women's accounts dormant in 2017 and still 33% in 2021, highlighting that financial inclusion requires sustained engagement, not just account ownership.

Indian Bank recognized this challenge among its customers. In 2022, it launched an account activation effort focused on low-income women, addressing both institutional and behavioral barriers. These included limited frontline staff training, low representation of women agents, weak use of sex-disaggregated data, and a lack of tailored products, alongside customers' low awareness and reliance on informal savings.

Partnering with Women's World Banking, the bank built on the Jan Dhan account by introducing Jan Dhan Plus, a campaign to encourage small, regular savings. The approach combined three elements: promoting savings incentives, strengthening the agent (Business Correspondent) network - especially female agents - and using behaviorally informed communication to build trust and engagement. It also created pathways for women to access additional services such as insurance, pensions, and overdrafts.



Quick facts

Barriers addressed



Product & Market Design

Poor understanding of women's financial needs
Low utilization of gender-disaggregated data (GDD)
Distance from financial service points



Digital & Physical Infrastructure

Lack of female agents

Segment focus

1 2 3 4

Geography

India

Sources

N/A

Customer Journey Relevance



Key stakeholders involved

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Overview (cont.)

Within one year, results showed clear impact. Previously disengaged agents improved performance, and women shifted from passive account holders to active savers. Women increased regular savings, maintained account activity, and reported greater financial confidence and ability to manage emergencies. The initiative demonstrates that addressing institutional and behavioral barriers through gender-intentional design can drive sustained financial inclusion and create value for both women and financial institutions.

Key activities

To increase account engagement among low-income women, Indian Bank implemented a set of gender-intentional interventions focused on activating savings behavior and strengthening the BC (Business Correspondent) channel.

- **Customer activation through savings and communication:** A structured savings program encouraged women to deposit INR 200 monthly for four months, unlocking eligibility for overdrafts up to INR 10,000. This was reinforced through coordinated outreach - camps, BC-point marketing, calls, WhatsApp, and simple behavioral messaging (e.g., "Snakes and Ladders") to build familiarity and encourage regular use.
- **Strengthening the BC channel:** BCs were segmented (Successful, Motivated Transactors, Small Operators, Disengaged) and supported through targeted supervision, blended training, and in-field mentoring. Training covered product knowledge, customer engagement, and gender sensitization, reinforced through daily digital content. Tools such as flip charts, route plans, performance dashboards, and standardized branding improved consistency and performance.
- **Building trust through local presence:** The program recruited and engaged BCs from local communities - especially women - reducing both geographic and social barriers to access. Regular visits, mentoring, and visible local outreach positioned BCs as trusted relationship managers and brought services closer to where women live and work.
- **Incentives and progression pathways:** Performance-based incentives, recognition (e.g., monthly awards), and contests motivated BCs, including a dedicated category for women agents. For customers, regular savings were linked to access to additional products (overdrafts, insurance, pensions), creating a clear pathway for deeper financial engagement.

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Outcomes/results

- **Pilot design and objectives:** The initiative was piloted across five zones starting in May 2022, with a focus on expanding access (customers reached) and deepening engagement (active enrollment by March 2023). These metrics tested whether the model could scale.
- **Stronger BC channel performance:** The pilot significantly improved Business Correspondent performance. Disengaged BCs dropped from 28% to 10%, while high performers increased from 21% to 44%. Motivated BCs also rose, showing that training, supervision, and incentives can transform channel effectiveness.
- **Increased savings and account usage among women:** With clearer messaging and support from trusted local BCs, women began saving more consistently in their Jan Dhan accounts, shifting from passive account holders to active users.
- **Rigorous evidence of impact (CRCT):** A cluster randomized trial (2,883 women in Assam and West Bengal) confirmed these gains. Women in treatment areas were 11.7 percentage points more likely to save, increased monthly savings rates faster, and held higher account balances (INR 862 more on average). They also reported greater financial resilience and decision-making autonomy.
- **Early scale-up with mixed but positive results:** Expansion to five additional zones showed strong uptake of insurance products (over 128,000 PMSBY enrollments, exceeding targets) and solid pension and account growth, though some targets were missed due to technical issues and inactive BCs.
- **National rollout and institutionalization:** By late 2023, the model scaled nationally across 90 zones using lighter-touch support and bank-led implementation. Despite ongoing challenges (e.g., ~20% dormant BCs), the rollout demonstrated that the approach could be embedded within a large public sector bank.
- **Sustained behavior change and business value:** Across all phases, women built regular savings habits, increased use of financial products, and improved financial confidence. For Indian Bank, this translated into more active accounts, stronger product uptake, and clear evidence that investing in low-income women drives both financial inclusion and business growth.

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Key enabling environment factors for the intervention

Beyond strong design and operations, the success of the project depended on being situated within a supportive policy and institutional environment. Several external factors played a critical role in enabling the pilot:

- **Government commitment to financial inclusion:** The project was built on the foundation of India's national financial inclusion agenda, particularly the PMJDY. This scheme had already brought millions of low-income women into the formal financial system and created the mandate and momentum for reaching underserved customers.
- **Institutional willingness to innovate:** Indian Bank, as one of the largest public sector banks, demonstrated readiness to pilot gender-intentional approaches, partner with Women's World Banking, and test new models of customer engagement. This openness to experimentation and learning created the institutional space for the pilot.
- **Community trust in BCs:** BCs were already embedded in communities as the bridge between customers and formal banking: Their local presence and credibility - particularly in the case of women BCs - made them effective conduits for savings mobilization, financial education, and customer engagement.

Potential for scale/replicability

As the bank with the second largest PMJDY portfolio in the country, Indian Bank's experience not only strengthens its own portfolio but has demonstrated scalability across 5 pilots and across several other public sector banks advancing women's financial inclusion.

- **Modular and adaptable design:** The solution's three components - savings nudges, BC channel strengthening, and integrated communication - can be applied independently or as a package, making them adaptable to different institutional contexts.
- **Replicable BC engagement model:** Profiling, segmentation, training, and performance management of BCs proved effective in motivating agents and increasing outreach. The model, including the recruitment of women BCs and targeted supervision, can be adapted by other financial service providers or applied to different agent networks such as mobile money operators or MFIs.
- **Transferable institutional insights:** Lessons on aligning with institutional priorities, embedding gender-intentional strategies, and using gender-disaggregated data provide practical guidance for organizations aiming to better serve underserved women, particularly in large public sector or digital transformation contexts.

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Challenges encountered during the program

While Project achieved promising outcomes during its pilot, it also faced several operational and contextual challenges that offered important lessons for refinement and scale-up:

- **Balancing institutional priorities:** As one of India's largest public sector banks, Indian Bank had to manage multiple priorities alongside this initiative. Competing demands at both the branch and zonal level occasionally slowed implementation and required extensive liaison to secure support. Nevertheless, the bank's commitment to financial inclusion ensured continued momentum.
- **Varied BC motivation and performance:** BCs remained central to the project's success, but performance levels differed significantly. Many agents responded well to training, recognition, and supervision, yet a portion remained disengaged despite repeated support. Roughly one in five BCs were dormant even during later rollout phases, highlighting the need for sustained monitoring, differentiated incentives, and, in some cases, replacement of underperforming agents.
- **Customer activation difficulties:** Encouraging women with dormant or low-use accounts to adopt new saving behaviors was not straightforward. Many women continued to rely on familiar informal practices or placed limited value on formal accounts. In some areas, low awareness of BCs and limited trust in the banking system slowed activation. Persistent outreach through community camps and women BCs helped, but shifting entrenched habits required time and repetition.
- **Impact of external shocks and technical issues:** The COVID-19 lockdown reduced women's ability to save and diverted BCs toward handling government transfers, constraining early progress. In later rollout phases, technical glitches in banking systems and incentive disbursements created additional hurdles, occasionally disrupting account openings or product enrollments. These challenges underscored the importance of reliable systems and responsive technical support during scale-up.
- **Challenges in product uptake:** While small-savings nudges proved effective, the link to overdraft access was weaker. Many branch staff hesitated to sanction overdrafts even when customers had met the required conditions, limiting the impact of this pathway. Similarly, while insurance and pension enrollments grew strongly, uptake varied by geography and depended heavily on BC capacity to explain and promote products.

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Recommendations from the research

Strengthening the BC channel:

Incentives (payouts, contests, recognition) improved BC performance, but only when paired with consistent supervision, mentoring, and accountability mechanisms. Community-based approaches—especially recruiting local, women BCs and reinforcing engagement through camps and helplines—were critical to overcoming behavioral barriers and building trust with women customers.

Improving product delivery and uptake:

Savings nudges effectively activated accounts, but uptake of more complex products (e.g., overdrafts) lagged due to staff hesitancy. Linking savings to simpler, more familiar products like insurance and pensions proved more effective. Clear pathways and confident frontline staff are essential to move women from basic usage to deeper financial engagement.

Building reliable systems for scale:

Operational challenges - including technical glitches and delayed incentive payments - undermined momentum in some areas. Strong digital systems, timely data flows, and efficient incentive processing are essential for consistent service delivery. The transition from pilot to national rollout also showed the importance of designing for scale early, with standardized training and light-touch replication models enabling expansion across diverse contexts.

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