

Financial inclusion is a business opportunity: RBI

RBI governor D Subbarao today said banks should see financial inclusion as a business opportunity rather than obligation and asked the lenders to open at least 25 per cent of their branches in villages.

"There is a fortune at the bottom of the pyramid," Subbarao said at a function on financial inclusion organised by the World Bank and OECD.

He said the banks should open at least 25 per cent of the branches in villages. "We have asked the banks to create a financial literacy centre in every district."

He said banks still see financial inclusion as an obligation and not business opportunity. "We have 600,000 habitations. Only 60,000 of them have bank branches. The extent of financial inclusion is quite staggering."

In its guidelines for new licenses, RBI had said, "Applicants for new bank licences will be required to furnish their business plans for the banks along with their applications... The business plan will have to address how the bank proposes to achieve financial inclusion."

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