

IDFC Bank to expand reach with acquisition of Grama Vidiyal Micro Finance

- *Acquisition offers access to 1.2 million households; adds 319 points of presence across seven states*
- *Ties in with plans to build a mass retail bank*

Mumbai, July 12, 2016: IDFC Bank www.idfcbank.com , today signed a share purchase agreement to acquire 100% of Grama Vidiyal Micro Finance Ltd www.gvmfl.com, one of the largest microfinance institutions in the country. Upon completion of acquisition, Grama Vidiyal will be a wholly-owned subsidiary of IDFC Bank.

Grama Vidiyal will act as a dedicated Business Correspondent of IDFC Bank, and will help deepen reach and widen the delivery mechanism for banking services. The move enables IDFC Bank to significantly enhance its network and reach and make basic banking services available to a large customer base.

The acquisition will give IDFC Bank immediate access to 1.2 million rural and semi-urban households and Grama Vidiyal's network of 319 locations across 65 districts of Tamil Nadu, Kerala, Karnataka, Pondicherry, Maharashtra, Gujarat and Madhya Pradesh will act as BC centres to IDFC Bank. Current customer households of Grama Vidiyal, in turn, will benefit from IDFC Bank's full range of liability products, customised credit offerings, innovative digital services and doorstep banking.

Grama Vidiyal's has an AUM (Assets Under Management) of Rs. 1,502 crore of micro finance assets, as on March 31, 2016. All loan assets on the book will be transferred to IDFC Bank.

The 30-year-old, Trichy-headquartered Grama Vidiyal is known for its double-bottom-line approach, focusing on the sustainability of financial inclusion programmes and the development of women and their families. Its employee base of over 3000, with an understanding of the needs of local communities, will represent IDFC Bank, in their branch locations.

“The acquisition of a micro-finance institution by a bank is an industry first,” said Dr Rajiv Lall, Founder MD & CEO of IDFC Bank. “IDFC Bank intends to be a mass retail bank with a significant footprint and customer base, in five years. Its retail offering is all about delivering a unique banking experience using technology and new processes. For a young bank, however, it takes time to build its footprint. The acquisition of Grama Vidiyal not only fast-tracks the build out of a retail network, but with technology intervention, enables the bank to deliver new age banking solutions at scale, thereby financially enriching the lives of people in both, rural and urban geographies .”

Dr Lall added, “Grama Vidiyal is a perfect fit, as its business values and service philosophy aligned with that of IDFC Bank. The bank plans to build a public banking infrastructure that

benefits the under-served segments. Grama Vidiyal is a perfect complement to this plan. IDFC Bank and Grama Vidiyal will work together to build sustainable communities, make small households self-reliant, financially empower women and encourage local entrepreneurship.”

Mr S. Devaraj, Chairman & MD of Grama Vidiyal, said, “Grama Vidiyal and IDFC Bank came together to achieve a common objective – that of transforming lives and advancing livelihoods in the deepest rural reaches of the country and in underserved segments. I am pleased that our customers will now also have access to a wider range of banking products through our network and outreach provided by our frontline field force.”

Members of Grama Vidiyal will use the Bank’s innovative and inter-operable Micro ATM, which functions like a “Bank-in-a-Box”, allowing customers as well as non-customers to transact from the comfort of their homes and neighbourhoods. In addition to Grama Vidiyal’s existing locations, IDFC Bank plans to set up new bank branches in areas where Grama Vidiyal’s presence is concentrated to complement and support the BC operations.

IDFC Bank’s interoperable Micro ATM enables digital transactions for customers of any bank. It also provides instant account opening and activation, working on multiple identifiers including Aadhaar-based authentication, mobile numbers, debit cards and bank account numbers.

The Bank recently partnered the government of Andhra Pradesh to enable Direct Benefit Transfer through interoperable AEPS (Aadhaar Enabled Payment System) Micro ATMs that are within easy reach of citizens in Krishna district. This made IDFC Bank the first to deliver Direct Benefit Transfer like social security pensions, and enable cashless PDS payments at scale, through AEPS, taking cashless digital banking in rural India to the next level.

About IDFC Bank:

[IDFC Bank](#) (BSE: 539437, NSE: IDFCBANK) is a subsidiary of IDFC Ltd (BSE: 532659, NSE: IDFC). Headquartered in Mumbai, IDFC Bank is a universal bank, offering financial solutions through its nationwide branches, internet and mobile. Envisioned as a new age bank, IDFC Bank seeks to set a new standard in customer experience, using technology and a service-oriented approach, to make banking simple and accessible, anytime and from anywhere. In keeping with IDFC’s legacy of building the nation, IDFC Bank will focus on serving the rural underserved communities and the self-employed, while continuing to support the country’s infrastructure sector. IDFC Bank provides customized financial solutions to corporates, individuals, small and micro-enterprises, entrepreneurs, financial institutions and the government. With best-in-class corporate governance, rigorous risk management, experienced management and a diversified team, IDFC Bank is uniquely positioned to meet the aspirations of its customers and stakeholders. www.idfcbank.com or [Twitter](#), [Facebook](#) and [LinkedIn](#)

For media queries, contact:

Freeda D’souza +91 9892962607
Freeda.dsouza@idfcbank.com