

Women's World Banking And Bank Of Baroda Report Recommends 'Jan Dhan Plus' To Catalyse Formal Savings Behaviour In Women Jan Dhan Customers

Banks could potentially attract Rs. 25,000 cr. (250 billion) in deposits by serving 10 crore (100 million) women Jan Dhan customers

India, 18 August 2021: Women's World Banking, a global non-profit committed to giving low-income women access to financial tools for their financial security and prosperity, and Bank of Baroda, among India's largest Public Sector Banks (PSBs) today unveiled a new report '[The Power of Jan Dhan: Making Finance Work for Women in India](#)'. The report estimates that by serving 100 million low-income women, Public Sector Banks in India could attract approximately Rs. 25,000 crores (250 billion) in deposits while financially empowering 40 crore (400 million) low-income Indians.

The report highlights the importance of savings as a powerful tool to help low income women, and their households, build financial resilience. Providing in-depth insights into the savings behaviour and financial inclusion barriers of women, the report also provides recommendations to PSBs and policymakers to successfully empower the account holders of Pradhan Mantri Jan Dhan Yojana (PMJDY), the government's flagship financial inclusion scheme launched in 2014.

According to the [Global Findex Report 2017](#), 77% of women and 83% of men in India own an account, and the gender gap between male and female account ownership has dropped to 6% (from 20% in 2014). Today, [23.73 crore \(237.3 million\) women have Jan Dhan accounts. However](#), the report makes the distinction that *having* access to a bank account does not mean it is being *used*, which is a critical determinant of full financial inclusion.

Women's World Banking and Bank of Baroda designed a pilot product specifically to encourage greater account usage among women Jan Dhan customers. **Jan Dhan Plus** is a solution that combines a Jan Dhan account with an incentive to deposit Rs. 500 over four months. In return that account holder receives a Rs. 10,000 credit/overdraft facility. This has several benefits – women account holders engage more with banks and build skills and trust, while the bank learns more about an important customer base and how to address it with products and services. The women and their households not only develop a body of savings to support them in times of economic hardship, such as Covid-19, but they also have access to an overdraft facility, providing both an emergency fund, and a credit footprint for them to potentially access loans and other services in the future.

The pilot was conducted with 101 Bank of Baroda branches across Mumbai, Delhi, and Chennai and over 300 Business Correspondent points between February 2020 to August 2020. During this period, nearly 50,000 men and women customers signed up for Jan Dhan Plus. 32% of women who visited the Business Correspondent points enrolled in the scheme within the first two months of the launch.

Offering the keynote, **Mr. Amitabh Kant, CEO, NITI Aayog, Government of India** said, "Women's financial inclusion requires a more gender-inclusive financial system that addresses the specific demand and supply side barriers women face and leverages a partnership-led approach to address existing gaps. It is heartening to witness the collaboration between Women's World Banking and Bank of Baroda whose innovative Jan Dhan Plus package showcases an opportunity to bring more low income women customers into formal banking, and highlight their potential as valuable customer segment for banks and financial service providers. I invite more banks to engage women Jan Dhan customers and share their success. I also would like to invite organisations working in this area to

collaborate with the Women Entrepreneurship Platform, a NITI Aayog initiative with the aim to overcome information asymmetry, showcase such initiatives and enable women to avail of their benefits.”

*“COVID-19 has exacerbated income gaps and disproportionately affected women, particularly low-income women. Enabling them to view formal savings as a viable financial tool is important to help restore their financial resilience. Women’s engagement with financial institutions and their ability to access credit from such institutions can also increase their social capital.”, commented **Sriraman Jagannathan, Executive Vice President, Asia, Women’s World Banking.** “Through **Jan Dhan Plus**, piloted with Bank of Baroda, we were able to study women’s savings behaviour and perceptions closely, which allowed us to design a product that caters to their unique needs. Our study underscored the need for sex-disaggregated data to design products for women that make them confident and comfortable in engaging with banks. We believe that if financial service providers adapted the features of Jan Dhan Plus at scale, it could become the product that transforms women’s savings habit.”, he added.*

Shri Sanjiv Chadha, Managing Director & CEO, Bank of Baroda said, *“Financial inclusion has always been acknowledged worldwide as a key driver of economic growth and a critical factor to dissolve gender inequality and engender social transformation. **Jan Dhan Plus**, created in collaboration with Women’s World Banking, showed us that with the right encouragement and environment, women strive faster for financial independence and resilience. Such a meaningful engagement between women and financial institutions can increase the latter’s social capital and contribution towards building a more stable nation. I urge financial institutions to recognise women customers as an emerging and distinctive segment. They hold the key to not only empowering millions of households in India, but their long-term formal savings habit can create tremendous value for the banking sector.”*

Recommendations for Indian financial service providers and policymakers

1. **Create relevant and simplified products for women** by offering Jan Dhan Plus to mobilise savings, overdraft for loans, and launch (Unified Payment Interface) UPI-Receive only handle for ease of receiving payments into their Jan Dhan Accounts.
2. **Promote awareness & nudge customers to save at the Business correspondent touch points.** Explore low-cost mediums to reach women and build awareness using communication hooks specially designed for her, and nudges to trigger behaviour change.
3. **Strengthen the Business Correspondents network** to make them relationship managers who can help branches minimise low-value transactions and assist PSBs to engage the growing PMJDY segment.
4. **Track data at a sex-disaggregated level and monitor portfolio data.** Understanding the differences in women customer behaviour will help financial institutions and policy makers succeed in their efforts to advance financial inclusion.

Ends

Notes to the Editor

The report’s key findings about women Jan Dhan customers
Why India’s PSBs must prioritise women savers

- Women are loyal customers. Once women become familiar and comfortable with using a financial service, they tend to be more loyal customers of financial institutions than men.
- Women are more active and committed savers than men. 70% of the women Jan Dhan customers surveyed save “small” amounts of money by curtailing their expenses.
- Women can influence the saving habits of family members, as well as act as brand ambassadors in their communities.
- Women have a favourable credit repayment behaviour.

Barriers that women face in saving formally

- Women do not see banks as a familiar or trusted place to deposit their savings. Intimidated by negative experiences and often hard-to-understand banking terminology, leads women to save money via informal and familiar channels.
- 45% of women prefer to save spontaneously when the opportunity arises. As they do not consider banks to be amenable to depositing small amounts, they reserve bank deposits for larger transactions.
- The need for instant access. Women do not find banks to be a viable option in saving money that they may want to access instantly for emergencies.
- Awareness about the value of a local Business Correspondent is low to absent. Consequently, women who are not comfortable travelling a long distance to their local bank branch, choose to save informally.

Women’s World Banking and Bank of Baroda’s Jan Dhan Plus solution, has inspired long-term savings behaviour in women via formal channels:

- The robust potential for banks to redirect women’s small savings. Of the women that were educated about the small savings scheme, 50% expressed interest in depositing savings.
 - 34% of the women visited the Business Correspondent channel as it was either conveniently located or were considered helpful and trustworthy. The Business Correspondent’s ability to engage efficiently with women is also reflected in higher cross sell penetration.
- The Jan Dhan Plus appealed to women and proved relevant, resulting in 32% Business Correspondent walk-ins enrolling to start small savings. Despite COVID impacting the pilot, 18% of participants managed to save and completed four account deposits of Rs 500. Women who started saving with Bank of Baroda have proved to be valuable, as they grew their balances 1.5 times compared to customers who did not enroll. Even women whose bank accounts were inactive for a year found the scheme to be relevant, changed their savings behaviour and grew their balances by over 90%.

About Women’s World Banking

Women’s World Banking designs and invests in financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities. With a global reach of 57 partners in 32 countries serving more than 69 million women clients, Women’s World Banking drives impact through its scalable, market-driven solutions; gender lens private equity fund; and leadership and diversity programs. To learn more about Women’s World Banking, visit womensworldbanking.org.

About Bank of Baroda:

Bank of Baroda (“The Bank”) established on 20th July 1908 is a State-owned banking and financial services organisation, headquartered in Vadodara (earlier known as Baroda) in Gujarat, India.

Bank of Baroda is India’s leading public sector bank with a strong domestic presence supported by self- service channels. The Bank’s distribution network includes 8,300+ branches, 11,600+ ATMs, Cash Recyclers supported by self-service channels and over 23,000 Business Correspondents. The Bank has a significant international presence with a network of 96 branches/offices of subsidiaries, spanning 19 countries. The Bank has wholly owned subsidiaries including BOB Financial Solutions Limited (erstwhile BOB Cards Ltd.), BOB Capital Markets and Baroda Asset Management India Ltd. Bank of Baroda also has joint ventures for life insurance viz. IndiaFirst Life Insurance Company Limited and India Infradebt Ltd., engaged in infrastructure financing. The Bank owns 98.57% in The Nainital Bank. The Bank has also sponsored three Regional Rural Banks



Women's World Banking



namely Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank and Baroda Gujarat Gramin Bank. Visit us at www.bankofbaroda.in.

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