

Press Release

# RBL Bank acquires 100% stake in Swadhaar Finserve

- *Increases stake from 60.48% to 100%*
- *Buyout to help RBL Bank expand Inclusive Finance portfolio across geographies*

**Mumbai, June 28, 2018:** RBL Bank, one of India's fastest growing private sector banks, today announced that it has acquired 100% stake in Swadhaar Finserve Pvt. Ltd. (SFPL) – an exclusive business correspondent of RBL Bank engaged in offering services to the underbanked segment in rural and semi-urban areas.

RBL Bank has brought this additional stake from marquee investors including global financial inclusion nonprofit Accion, which has been instrumental in shaping Swadhaar into one of India's most effective lenders for underserved families and businesses. SFPL works as a last-mile distributor of comprehensive financial services and products, particularly loans and savings products, to low-income households and microenterprises across India.

Swadhaar's extensive reach – with a network of 331 branches across 16 states and 2 union territories – and transformation from an NBFC to one of India's first banking correspondents pioneered an innovative way to reach underserved communities throughout the country. Today, the company has an AUM of around Rs. 2,000 crores and reaches 750,000 customers. RBL Bank's acquisition of SFPL is in line with its stated policy of strengthening its market position in this inclusive finance segment. SFPL and a few other select BC partners help RBL Bank in having a twin strategy of distribution, which is key towards having a diversified pan-India presence.

**Harjeet Toor, Head – Retail, Inclusion and Rural business, RBL Bank** said, "The acquisition of 100% stake in Swadhaar FinServe is as per our stated intent and goes in line with our broad vision and strategy. We have been successful in expanding our inclusive finance portfolio by reaching the

hinterlands of India and Swadhaar has been instrumental in this effort. The Bank sees Swadhaar as a vehicle for becoming the market leader in the space of inclusive finance, especially catering to the underserved households and small businesses. In the future, we will also be looking to leverage Swadhaar's growing branch network to offer other relevant products to customers in semi-urban and rural markets."

**Veena Mankar, Founder –Swadhaar Finserve Pvt. Ltd** said, "Swadhaar was started with the objective of serving those who were unserved or under served by mainstream financial institutions, covering vulnerable households, micro and small enterprises. I believe this mission is best served under a bank's umbrella. With the 100% acquisition by RBL Bank we have achieved a most favourable outcome for our customers and employees. The strategy for this was chalked out two years ago and I am pleased at the smooth transition. Accion, our anchor investor since inception, has facilitated and supported this process. With RBL Bank's focus on financial inclusion, our mission will not only be carried forward, but enhanced."

"Swadhaar's continued growth and focus on social inclusion, as well as its transformation into one of the largest banking correspondents in India, demonstrates the potential for this new model to reach underserved families and small businesses. We are excited for this next phase of the company's growth and impact, as the potential we saw in both Swadhaar and the banking correspondent model has been realized," said **Michael Schlein, President and CEO of Accion.**

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