

PRESS RELEASE

Federal Bank launches the pilot for Instant KCC developed by the Reserve Bank Innovation Hub

In early September, 2022, Reserve Bank of India (RBI) had announced the digitalization of Rural Finance in select districts of Tamil Nadu with Federal Bank as the partner Bank, and with active co-operation of the State Government. The pilot of this strategic initiative, developed by the Reserve Bank Innovation Hub, under the guidance of RBI, was launched in Chennai earlier today. In a function attended by key dignitaries from Reserve Bank of India, Reserve Bank Innovation Hub and Tamil Nadu State Government, the Bank officially launched the pilot for Instant Kisan Credit Card (KCC).

The digital loan scheme, first of its kind in Agriculture lending will offer a new experience to the farmers when compared to the conventional method of lending in terms of convenience and turn-around time. The platform has built-in capabilities to enable an end-to-end digital and paperless journey. The platform uses digital capabilities such as eKYC and eSign, APIs (Application Programming Interfaces) developed by the TN-eGA and machine learning capabilities. The facility aims at providing small value loans to small & marginal farmers, and is designed to facilitate efficient credit flow to unserved and underserved rural population.

Commenting on the launch, Mr. Rajesh Bansal, Chief Executive Officer, Reserve Bank Innovation Hub (RBIH) said "In India, rural credit is closely linked to economic growth. In this context, we at RBIH have developed a pilot project for the end-to-end digitalisation of the Kisan Credit Card (KCC) lending, in association with RBI. This project, now being launched in Tamil Nadu by Federal Bank with active state government participation, opens up possibilities in making frictionless credit accessible to our farmers. We look forward to the success of this project, and await its implementation across the country."

Mr Shyam Srinivasan, MD and CEO, Federal Bank, during his address said, "I am delighted that we, under the guidance of RBI and in collaboration with Reserve Bank Innovation Hub and Tamil Nadu State Government are now able to offer solutions that can help meet the credit needs of our farmers and pave way for new opportunities for them with the help of technology. This launch will accelerate the transition towards quicker access to credit from the organised banking system and is one more decisive step in the formalisation of our economy.

As more and more land and other asset ownership records get digitised, we are certain that digitally powered solutions will help credit reach the door steps of the most deserving segments of our society.

Our constant endeavour to humanise technology is visible in such efforts and its indeed a privilege for us to reinforce our commitment in improving credit flow in to newer and underserved markets. I believe the journey is now well underway and lot more of such innovations are poised to happen."

M V S Murthy
Chief Marketing Officer

About Federal Bank: Limited

Federal Bank (NSE: FEDERALBNK) is a leading Indian private sector bank with a network of around 1,300 banking outlets and 1,886 ATMs/Recyclers spread across the country. The Bank's total business mix (deposits + advances) stood at ₹ 3.35 Lakh Crore as on 30 June, 2022. Capital Adequacy Ratio (CRAR) of the Bank, computed as per Basel III guidelines, stood at 14.57% as on 30th June 2022. Federal Bank has its Representative Offices at Dubai and Abu Dhabi that serve as a nerve centre for Non-Resident Indian customers in the UAE. The Bank also has an IFSC Banking Unit (IBU) in Gujarat International Finance Tec-City (GIFT City). Federal Bank is transforming itself, keeping its principles intact, into an organization that offers services beyond par. It has a well-defined vision for the future as a guidepost to its progress.

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