

Problem statement/objective

JRGB, a regional rural bank in Jharkhand, India, realizes the need for credit for new and existing BC agents. The lack of availability of credit affects their daily operations (insufficient float to perform transactions) and the overall appearance of their outlet (poor infrastructure at the outlet and lack of guidelines for maintaining outlet standards). However, the bank has limited information on the credit needs and risks associated with each BC category.

MSC's solution*

- MSC designed credit scoring tools for JRGB's new agents, existing agents, and SHG women (who want to become agents) to help them set up and expand the agent banking business
- MSC will develop the capacities of JRGB head office and branch staff to integrate the credit assessment tools within the existing credit underwriting process

Key learnings and challenges

- Transaction volume is low for agents: There is currently no facility for JRGB agents to perform SHG-related transactions and facilitate deposits from the account of other banks. This drastically reduces their commission potential and provides us with limited transaction data for the assessment tool development.

Proposed targets / achieved targets

Indicators	Target	Achieved	Potential impact
# of branches for tool integration	6	Awaited	Increased uptake for JRGB's products and increased commission of agents

Scale-up plan

- Scale up the tool integration to all 443 branches of JRGB (targeting its 4300 existing agent pool)
- Based on discussion with JRGB, we also plan to customize the tools for their other credit products
- Collaborate with BCFI and evaluate if the tool can be integrated for its 50 plus BCNM members

* We have finalized the credit scoring tools. We will be holding a workshop in April to begin the pilot testing phase



Grant head: PEFI

