

India Post Payments Bank – Leveraging digitally connected post offices for financial inclusion

India Post, operating one of the largest postal networks globally with over 155,000 post offices, has connected all its locations to the internet. This upgrading of postal infrastructure has enabled India Post to further contribute to financial inclusion in India through digital financial services offered by its subsidiary, the India Post Payments Bank (IPPB), making its services available in even the most remote villages of the country. Digital financial services offered by IPPB have been especially beneficial for women and populations in rural areas.

Around 90% of post offices are located in rural areas, providing India Post with a digitally enabled banking network that reaches parts of the country that commercial banks tend to stay away from. Digitally upgrading post offices and equipping them with IPPB's digitally enabled banking services reduced the average distance to banking services to just 5 to 10 kilometres, overcoming geographic barriers that previously limited access. IPPB now services over 105 million accounts, with women and rural residents being more likely to open accounts, highlighting its contribution to financial inclusion. In total, 59% of its over 26 million new accounts in 2024 were opened by women and 77% were opened in rural areas.

During the COVID-19 pandemic, when many financial institutions ceased operations, India Post's digitally upgraded post offices became an essential lifeline for millions, enabling services like cash deposits, withdrawals, money transfers, bill payments, and direct benefit transfers from government schemes, particularly aiding farmers, women and other vulnerable groups. Moreover, India Post offers digital government services, including the issuance of digital identity services, facilitating access to a wide range of public benefits. This comprehensive digital transformation has enhanced the postal sector's visibility, improved public trust, and contributed significantly to financial empowerment and digital literacy among underserved communities

Sources: (Asariparambil, 2024; MicroSave, 2021; UPU, 2023b)