



2019-20

# TREND REPORT

on  
Financial Inclusion in India



**BIRD**

Bankers Institute of Rural Development  
Lucknow

Centre for Research on Financial Inclusion and Microfinance (CRFIM)

## Director's Message



Since early 60's, Government of India had initiated various steps to ensure greater financial inclusion for an inclusive growth. Notable among them are: nationalisation of banks, expansion of bank branch network, introduction of Business Correspondents to reach unreached areas, introduction of “no frills” accounts and recently launched PMJDY to promote universal access to basic banking services with certain value added facilities.

I am happy to present the Trend Report on Financial Inclusion in India brought out by Centre for Research on Financial Inclusion and Microfinance (CRFIM), Bankers Institute of Rural Development (BIRD) Lucknow with an objective to get an overview of the sector in the Indian context. It covers progress of account penetration, branch penetration, ATM deployments and coverage of micro insurance across the country. State and Regional specific trend and performance of various financing agencies have also been analysed in the report. The report is based on the secondary data sources only, viz., RBI, DFS, CMIE and other open source web portal of GoI. The report will be immensely beneficial for the researchers, students, development practitioners and other stakeholders as a ready reference of the progress in the sector.

Suggestions and feedback on this report are welcome.

Smt. T. S. Raji Gain

## Abbreviations

|        |  |
|--------|--|
| ATM    | Automated Teller Machine                   |
| BSBDA  | Basic Savings Bank Deposit Account         |
| BC     | Business Correspondent                     |
| BF     | Business Facilitator                       |
| CDM    | Cash Deposit Machine                       |
| FBs    | Foreign Banks                              |
| OBC    | Other Backward Class                       |
| OD     | Over Draft                                 |
| MUDRA  | Micro Units Development & Refinance Agency |
| MFI    | Microfinance Institutions                  |
| NBFCs  | Non-Banking Financial Companies            |
| PMMY   | Pradhan Mantri Mudra Yojana                |
| PMJDY  | Pradhan Mantri Jan Dhan Yojana             |
| PMJJBY | Pradhan Mantri Jeevan Jyoti BimaYojana     |
| PMSBY  | Pradhan Mantri Suraksha Bima Yojana        |
| PSBs   | Public Sector Banks                        |
| PVBs   | Private Sector Banks                       |
| RRBs   | Regional Rural Banks                       |
| SC     | Scheduled Caste                            |
| SCBs   | Scheduled Commercial Banks                 |
| SFBs   | Small Finance Banks                        |
| ST     | Scheduled Tribe                            |
| WLAs   | White Label ATMs                           |
| POS    | Point Of Sale                              |
| PPIs   | Pre-paid Payment Instruments               |

# Key Highlights

## 1. Account Penetration:

- ❖ As on March 2019, 574 million BSBD accounts have been opened across the country, an increase of 7% over previous year. Deposit mobilization in BSBD accounts witnessed a positive trend over the last three years. Gross and average deposits stood at Rs. 1409 billion and Rs. 2454.70 per account as of March 2019 respectively.
- ❖ BCs performed a key role in facilitating basic banking services by way of opening BSBD accounts over the last three years. During 2018 – 19, 56% of such accounts have been opened through BCs and remaining (44%) through bank branches.
- ❖ As per the latest available data (March 2018) on state/regional outreach of BSBDA, Central region (28%) has the largest share followed by Eastern (25%). North–Eastern region (4%) has the lowest share.
- ❖ As on March 2018, 731 per thousand adult population (18+ Years) were having access to basic savings bank account at All India level.
- ❖ PMJDY scheme played a catalytic role in promoting basic banking facilities to the weaker sections of the society. As on March 2019, 35.27 crore accounts have been opened. Out of which a significant percentage (59.26%) were rural and semi-urban households and remaining (40.74%) were households from urban and metropolitan areas.
- ❖ Average deposit in PMJDY accounts witnessed a positive trend over the last three years. The average deposits per account during the year 2016-17 was at Rs. 2235.43 which increased to Rs. 2724.89 at the end of March 2019. This is about 7% average annual growth over the last three years. This clearly indicates the effective utilization of accounts.
- ❖ As on March 2019, a total of 27.91 crore (79.13% of total account holders) *RuPay* cards have been issued under PMJDY.
- ❖ Public Sector Banks have performed a significant role in opening of accounts under PMJDY over the last three years. As on March 2019, majority (79.50%), accounts across the country under PMJDY have been opened through Public sector banks followed by RRBs (16.98%) and Private Sector Banks (3.52%).

## **2. Bank Branch Network:**

- ❖ The expansion of bank branch network of all SCBs continued over the years. As of March 2019, a total of 1,46,179 brick and mortar branches were reported across the country of which a significant proportion (35%) were from rural areas followed by Semi-urban areas (28%). Remaining (37%) were located in urban and metropolitan areas.
- ❖ In addition to serving clients through branches, unbanked rural areas have also been served through branchless banking-outlets. As on March 2019, a total of 5,44,666 rural banking outlets were reported across the country.
- ❖ Southern Region continued its dominance in share of bank branches across the country over the last five years. As on March 2019, the regional share was highest for Southern Region (28%) and lowest for North–Eastern Region (3%).
- ❖ As on March 2019, 8 brick and mortar branches were accounted per thousand population (as per Census 2011). It varies among the states, highest for West Bengal (14) and lowest for A & N Island (2).

## **3. Deployment of ATMs:**

- ❖ Overall, during the last three years, installation of ATMs witnessed a declining trend across the country. As of March 2019 the total number of installed ATMs by all entities were reported at 2,21,703, which decreased by 0.24% over previous year.
- ❖ Among the banks, declining trend in number of ATMs was highest for PSBs (-6.65%) followed by FBs (-2.66%). However, WLAs and PVBs have shown positive trend over the last three years. As on March 2019, WLAs and ATMs installed by PVBs stood at 19507 and 63340 respectively, witnessing about 28% and 5% growth over previous year. It is pertinent to mention that majority of WLAs were installed in rural areas.
- ❖ At all India level, number of installed ATMs by all entities taken together were 67 per thousand Sq. KM (as per Census 2011) as on March 2019.

## **4. Digital Transactions:**

- ❖ Volume of Credit and Debit cards issued by all SCBs witnessed a positive trend during the last three years. The volume of credit and debit cards stood at 1,19,144.08 lakh as of March 2019, an increase of 31% over previous year.

- ❖ It has been observed that, credit cards were mostly used through POS terminal for retail payments, while debit cards have been used to withdraw cash through ATMs.
- ❖ The usage of pre-paid instruments for remittances as also for payment for goods and services witnessed an increasing trend over the last three years. The volume PPI transactions was 46,072.29 lakh during 2018 – 19, an increase of 33% over previous year.
- ❖ Among all PPIs, Mobile-Wallet was the most preferred mode of transaction. More than 80% of total volume of PPI transaction were through m-wallet over the last three years.
- ❖ A positive trend in usage of mobile banking has been observed over the last three years. During the year 2018 – 19, volume of mobile banking transaction was 62,003 lakh which was more than two folds increase over previous year.

## **5. Credit Outreach:**

- ❖ Credit outreach by all SCBs over the last three years continued to expand. As on March 2019 total number of credit accounts were 23.23 crore, where in major proportion (55%) of credit was utilized in rural and semi-urban areas followed by metropolitan area (26%) and urban area (19%).
- ❖ Southern Region has continued its dominance in credit outreach over the last three years followed by Western and Central region.
- ❖ Among the financing agencies more than 55% of total credit limits were extended by PSBs over the last three years. However, share of PSBs have slackened while the same continued to increase for the PVBs.

## **6. Social Security Schemes:**

- ❖ Both the micro insurance schemes, viz., PMJJBY and PMSBY witnessed a positive trend over the last three years. As on March 2019, total of 5.92 crore account holders have been covered under PMJJBY. The enrollment under PMSBY was 15.47 crore customers as on March 2019.
- ❖ More than 90% claims received under PMJJBY have been settled and disbursed over the last three years. Settlement of claims under PMSBY was lower as compared to PMJJBY. More than 75% claims received under PMSBY have been settled and disbursed during the last three years.

## 7. Progress of PMMY:

- ❖ As on March 2019, 5.99 crore enterprises have been financed across the country under PMMY of which majority (62%) were owned by women. 47% of entrepreneurs belonged to weaker sections (SCs/STs/OBCs).
- ❖ The share of various categories of enterprises financed as on March 2019 was: Shishu (86%), Kishore (11%) and Tarun (3%). (Shishu – loan upto Rs. 50,000; Kishore – loan above Rs. 50,000 and upto Rs. 5 lakh; Tarun – loan above Rs. 5 lakh and upto Rs. 10 lakh).
- ❖ Among the financing agencies, the credit needs of the units were mostly met by NBFC–MFIs followed by PVBs, SFBs and PSBs. As on March 2019, the share of various financing agencies was: NBFC–MFIs (38%), PVBs (22%), SFBs (13%), PSBs (11%), NBFCs (10%), MFI (3%), and RRBs (3%). Only a negligible proportion of units have been financed by FBs.

# TREND REPORT

## 1. Financial Inclusion Initiatives in India

In recent years financial inclusion has been considered as foremost development instrument to achieve the inclusive growth. Financial Inclusion in India has been attempted in many ways in the past without using the term formally. Several steps post-independence in this regard include nationalisation of banks, expansion of bank branch network, establishment & expansion of Cooperatives and RRBs, introduction of priority sector lending, introduction of Business correspondents (BCs) and banking outlets for extending banking facilities in unbanked rural areas, Lead Bank Scheme, SHG-BLP and state specific approaches for Govt. sponsored schemes, etc.

According to Census 2011, out of 24.67 crore households in the country, 14.48 crore (58.7%) households had access to banking services. The rural and urban households having access to banking services were 54.46% and 67.68% respectively.

### 1.1. Basic Savings Bank Deposit Account (BSBDA)

In order to attempt financial inclusion by way of offering most basic banking services, RBI launched the - “no frills” accounts in 2005. Subsequently these “no frills” accounts have been rechristened as Basic Savings Bank Deposit (BSBD) accounts. The objective of designing BSBD accounts was to offer certain minimum banking facilities free of charge, without any requirement of maintaining minimum balance by the holders of these accounts. However, recently certain value added features have also been introduced by RBI which are i) Deposit of cash at bank branch as well as ATMs/CDMs ii) Receipt/credit of money through any electronic channel or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments iii) No limit on number and value of deposits that can be made in a month iv) Minimum of four withdrawals in a month, including ATM withdrawals v) Issuance of ATM Card or ATM-cum-Debit Card to the holders of these accounts.

The table 1.1 shows the trend in progress of BSBD accounts over last 3 years.

### 1.2. Outreach of BSBD Accounts

As on March 2019, a total of 574 million BSBD accounts have been opened across the country. In terms of deposit mobilisation through BSBDA also, an increasing trend over the last three years was witnessed. As on March 2019, gross deposits stood at Rs. 1409 billion and average deposits at Rs. 2454.70 per account which is 26% and 17% respectively higher than previous year. This indicates an effective utilisation of the accounts. However, a

declining trend on proportion of OD facility was seen over the last three years. Only a marginal proportion (1.04%) availed OD facilities as on March 2019.

Table: 1.1.: Trend in Progress of BSBDA over last 3 Years

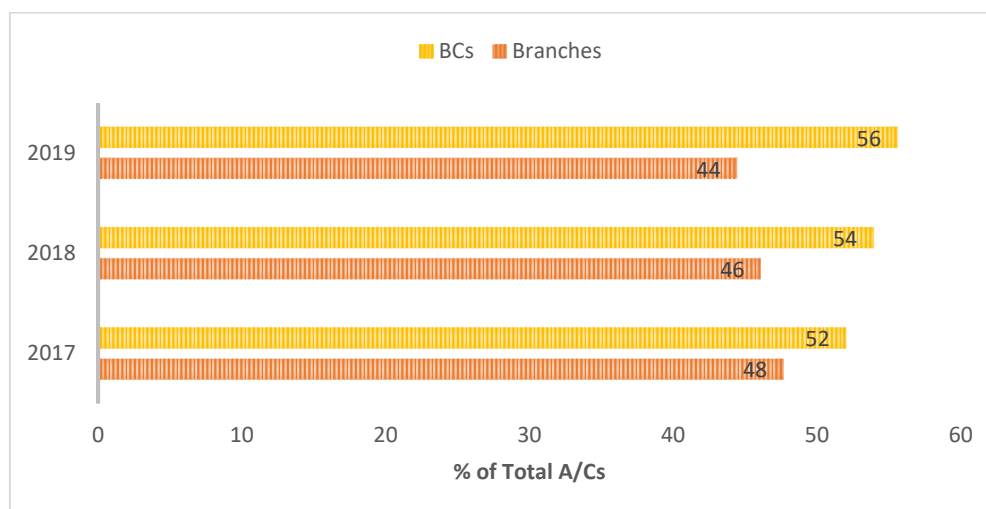
| <b>Delivery Channels of BSBDA</b>                     | <b>End of<br/>March 2017</b> | <b>End of<br/>March 2018</b> | <b>End of<br/>March<br/>2019</b> |
|---|------------------------------|------------------------------|----------------------------------|
| 1. BSBDA through Branches (No. in Million)            | 254                          | 247                          | 255                              |
| 2. BSBDA through Branches (Amount in Billion)         | 691                          | 731                          | 878                              |
| 3. BSBDA through BCs (No in Million)                  | 280                          | 289                          | 319                              |
| 4. BSBDA through BCs (Amount in Billion)              | 285                          | 391                          | 531                              |
| 5. BSBDA - Total (No. in Million)                     | 533                          | 536                          | 574                              |
| 6. BSBDA - Total (Amount in Billion)                  | 977                          | 1121                         | 1409                             |
| 7. Average deposit per account (in Thousand)          | 1833.02                      | 2091.42                      | 2454.70                          |
| <b>Value Added Facilities</b>                         |                              |                              |                                  |
| 8. OD facilities Availed in BSBDA (No. in Million)    | 9                            | 9                            | 6                                |
| 9. OD facilities Availed in BSBDA (Amount in Billion) | 29                           | 17                           | 4                                |

Source: RBI: Trend and Progress of Banking in India: 2016 – 2018

### 1.3. BSBDA through various delivery channels (Trend over last three years)

BCs played a key role in opening BSBDA accounts over the last three years. During 2018 – 19, a significant percentage (56%) of such basic banking facilities have been through BCs. On the other hand share of bank branches in opening such accounts has witnessed a declining trend over last three years.

Figure: 1.1 Trend in BSBDA through various delivery channels (% of total A/Cs)



Source: RBI: Trend and Progress of Banking in India: 2017 – 2019

#### 1.4. Regional Outreach

Out of 536 billion accounts opened through various channels as on March 2018 (latest available data), the share of Central Region was highest at 28% followed by 25% in Eastern, 19% in Southern and 13% in Northern regions respectively. North–Eastern region has the lowest contribution (4%) followed by Western Region (11%).

Table: 1.2.Regional outreach of BSBDA as on March 2018

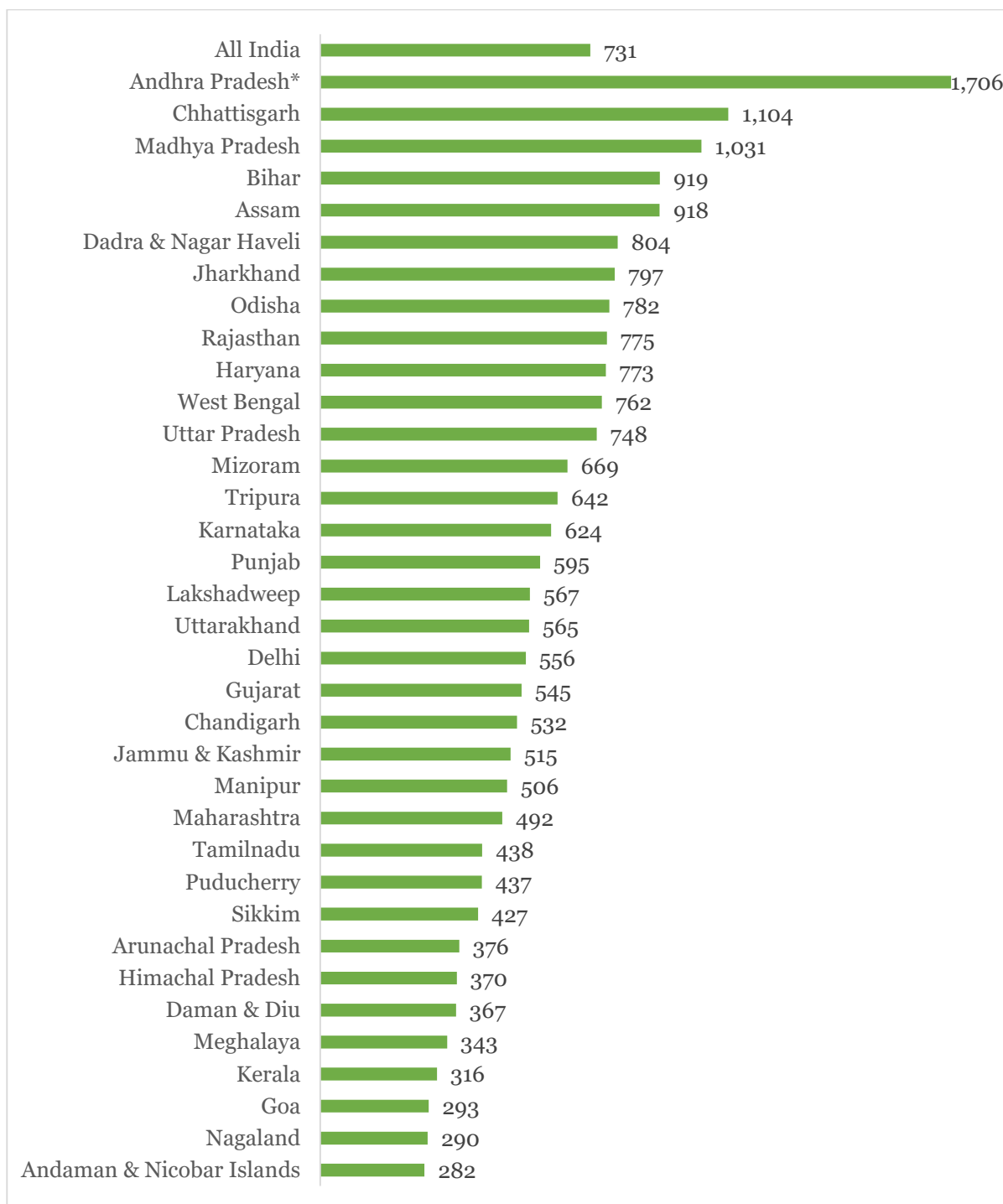
| <b>Region</b>          | <b>Nos of BSBD accounts</b> | <b>% of total</b> |
|------------------------|-----------------------------|-------------------|
| <b>Central</b>         | 151853225                   | 28                |
| <b>Eastern</b>         | 135589150                   | 25                |
| <b>Southern</b>        | 99767544                    | 19                |
| <b>Northern</b>        | 67445374                    | 13                |
| <b>Western</b>         | 59634204                    | 11                |
| <b>North - Eastern</b> | 21858866                    | 4                 |
| <b>Total</b>           | <b>536148363</b>            | <b>100</b>        |

Source: <https://data.gov.in>

#### 1.5. Geographical Concentration of BSBD Accounts

The term *Concentration* defines number of BSBD accounts per thousand adult population. As on March 2018, the All India level figure was 731. States which have crossed the All India level figure are: Andhra Pradesh (Includes Telengana) Chhattisgarh, Madhya Pradesh, Bihar, Assam, Dadra & Nagar Haveli, Jharkhand, Odisha, Rajasthan, Haryana, West Bengal and Uttar Pradesh. Low concentration states are Andaman & Nicobar Islands, Nagaland, Goa, Kerala, Meghalaya, Daman & Diu, Himachal Pradesh, Arunachal Pradesh, Sikkim, Puducherry, Tamilnadu, Maharashtra, Manipur, Jammu & Kashmir, Chandigarh and Gujarat.

Figure: 1.2: Concentration of BSBD Accounts Per thousand adult population as on March 2018



Source: <https://data.gov.in/resources/stateut-wise-number-bsbd-accounts-and-number-pmjdy-accounts-reply-unstarred-question>

- \*Data includes for Telangana also due to non-availability of latest Census data.
- Age above 18 years has been considered as Adult population.
- All population figures are as per Census 2011

## 2.1. Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana (PMJDY) launched as the National Mission for Financial Inclusion (NRFI) in August 2014 with an objective to ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittance facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. To ensure inclusive finance, the scheme addressed the 6 pillars, viz., i) *Universal access to banking facilities* ii) *Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households* iii) *Financial Literacy Programme* iv) *Creation of Credit Guarantee Fund* v) *Micro Insurance* and vi) *Unorganized sector Pension schemes like Swavalamban*. The nature of accounts opened under PMJDY was that of BSBD only. The programme has been implemented in two phases. Phase-I aimed at providing universal access to banking facilities, basic banking accounts for saving and remittance and RuPay Debit card with an in-built accidental insurance cover of Rs. 100,000. Phase-II incorporated additional value added facilities which include overdraft facilities of up to Rs. 5000, creation of a Credit Guarantee Fund for coverage of defaults in overdraft accounts and issuance of micro-insurance and unorganised sector pension schemes like Swavalamban. As on March 2019, 35.27 crore BSBD accounts have been opened under PMJDY.

## 2.2. Progress under PMJDY over last three Years

Table: 2.1 reveals an increasing trend in opening of savings accounts over last 3 years under PMJDY, which stood at 35.27 crore accounts as on March 2019. Out of which 59.26% are households from rural & semi-urban areas and remaining (40.74%) are from urban and metro centres. Both gross deposits and average deposits per account have also witnessed an increasing trend. As on March 2019, a total of 27.91 crore (79.13% of total account holders) *RuPay Card* have been issued.

Table: 2.1: Trend in Progress of PMJDY Accounts over last 3 Years (Amount in Rs.)

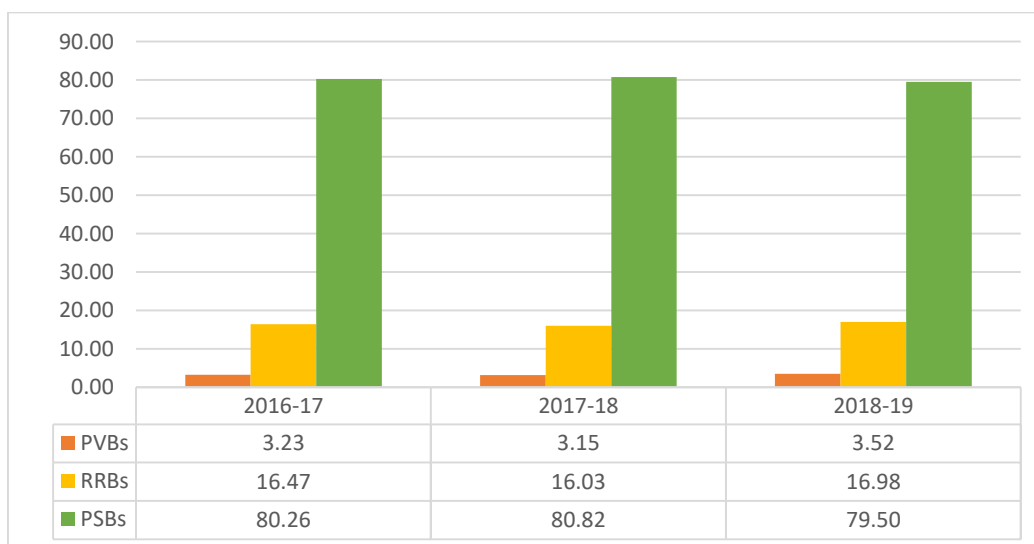
| Year    | Number Total Number of Accounts (Cr.) | Deposit in the Accounts (Cr.) | Average Deposit (000) | Rural & Semi - Urban Accounts |                     | Urban & Metro Centre Accounts |                     | Number of RuPay Debit Cards issued (Cr.) | % Ruray Debit Card Issued out of Total number of Accounts |
|---------|---------------------------------------|-------------------------------|-----------------------|-------------------------------|---------------------|-------------------------------|---------------------|--|---|
|         |                                       |                               |                       | Nos. (Cr.)                    | % of Total Accounts | Nos. (Cr.)                    | % of Total Accounts |  |   |
| 2016-17 | 28.17                                 | 62972                         | 2235.43               | 16.90                         | 59.89               | 11.30                         | 40.11               | 21.99                                    | 78.06   |
| 2017-18 | 31.44                                 | 78494                         | 2496.63               | 18.50                         | 58.91               | 12.92                         | 41.09               | 23.65                                    | 75.22   |
| 2018-19 | 35.27                                 | 96107                         | 2724.89               | 20.90                         | 59.26               | 14.37                         | 40.74               | 27.91                                    | 79.13   |

Source: <https://pmjdy.gov.in>

### 2.3. Bank Group wise share in opening of accounts under PMJDY

Figure: 2.1 shows that Public Sector Banks, by virtue of their vast network, take the lead in opening of accounts under PMJDY. Majority (79.50%), accounts across the country under PMJDY platform have been opened through Public sector banks followed by RRBs (16.98%) and Private Sector Banks (3.52%) as on March 2019.

Figure: 2.1. Bank Group wise share in opening of PMJDY (% of total A/Cs)



Source: <https://pmjdy.gov.in>

### 2.4. Progress under Social Security Schemes

Table: 2.2: Outreach of Social Security Schemes over last 3 Years

| Scheme                                | End of March 2017 | End of March 2018 | End of March 2019 |
|---------------------------------------|-------------------|-------------------|-------------------|
| <b>PMJJBY</b>                         |                   |                   |                   |
| Total Nos. of Person Enrolled (Cr.)   | 3.10              | 5.33              | 5.92              |
|                                       | (-)               | (72)              | (11)              |
| Total Nos. of Claims Received         | 62166             | 98163             | 145763            |
| Nos. of Claims Disbursed              | 59188             | 89708             | 135212            |
| % of Claim Disbursed against Received | 95.21             | 91.39             | 92.76             |
| <b>PMSBY</b>                          |                   |                   |                   |
| Total Nos. of Person Enrolled (Cr.)   | 9.95              | 13.48             | 15.47             |
|                                       | (-)               | (35)              | (15)              |
| Total Nos. of Claims Received         | 12534             | 21137             | 40749             |
| Nos. of Claims Disbursed              | 9403              | 16430             | 32176             |
| % of Claim Disbursed against Received | 75.02             | 77.73             | 78.96             |

Source: <https://jansuraksha.gov.in/Performance.aspx>

(Figures in the parenthesis represent growth over previous period in percent)

Phase-II of PMJDY addressed the social security pillars of the Mission by extending micro-insurance to the beneficiaries for accident and also for life risk cover and introducing them to a pension scheme for support during old age. To complement these dimensions of PMJDY, specific social security schemes have been launched during May 2015, for all eligible account holders which are as under:

- i) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):** PMJJBY is a one year life insurance scheme at a premium of Rs. 330/-per annum per member. The insurance is renewable in each year, offering coverage for death due to any reason and is available to people in the age group of 18 to 50 years(life cover upto age 55) having a savings bank account who give their consent to join and enable auto-debit.

Table: 2.2 shows an increasing trend in enrolment of beneficiaries over the last three years under PMJJBY. As on March 2019, 5.92 crore account holders have been enrolled, out of which 1.46 lakh claims have been received. More than 90% claims have been settled over the last three years. During 2018 – 19, 92.76% of claims received have been settled and disbursed.

- ii) Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Pradhan Mantri Suraksha Bima Yojana (PMSBY) offers insurance of Rs. 2 lakh against accidental death/permanent disability and Rs. 1 lakh for partial disability due to accident, at annual premium of Rs. 12 for savings bank account holders (18-70 years).

15.47 crore account holders have been insured under this scheme as on March 2019. This is about 15% growth compared to position in the previous year. About 0.41 lakh claims have been received as on March 2019, of which 78.96% have been settled and disbursed.

### **3.1. Bank Branch Network**

The expansion of bank branch network of all SCBs continued over the years. Table: 3.1 shows that total number of brick and mortar branches of all SCBs which were reported to be 1,40,391 in March 2017 increased to 1,46,179 at the end of March 2019. Of which, 35% (51500) are from rural locations followed by 28% (41153) from semi-urban locations. The share of urban and metropolitan branches is 18% (26371) and 19% (27155) respectively.

Table: 3.1: Bank Branch Network Over last three Years

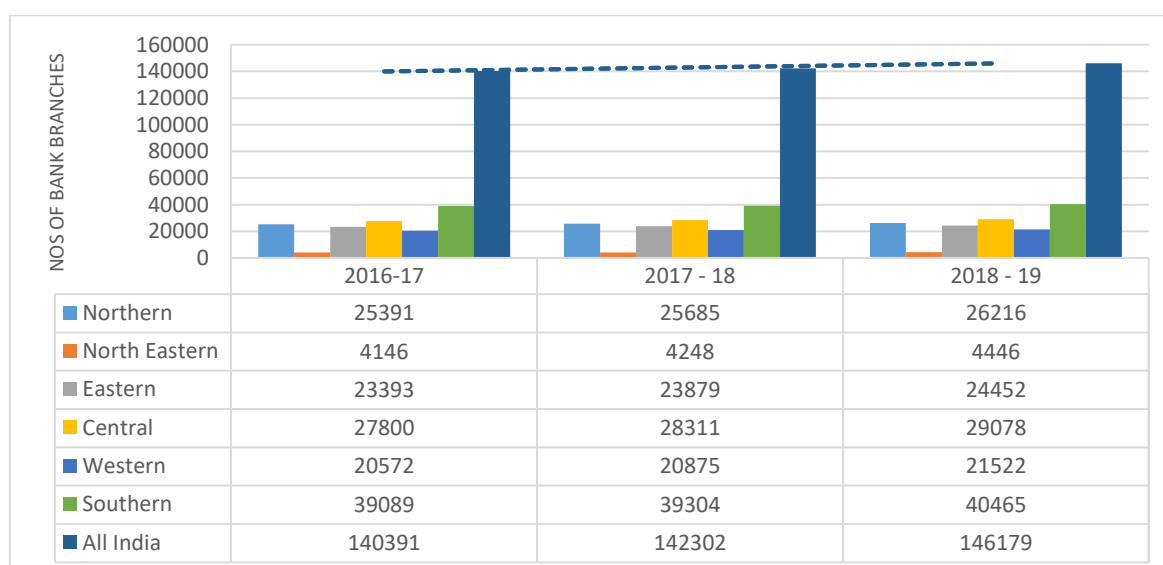
|  | As on March 2017 | As on March 2018 | As on March 2019 |
|--|------------------|------------------|------------------|
| <b>*Number of Brick and Mortar Branches of SCBs:</b> |                  |                  |                  |
| Rural  | 49764            | 50719            | 51500            |
| Semi-urban   | 39033            | 39673            | 41153            |
| Urban  | 25060            | 25418            | 26371            |
| Metropolitan   | 26534            | 26492            | 27155            |
| <b>Total</b>   | <b>140391</b>    | <b>142302</b>    | <b>146179</b>    |
| Rural banking outlets- branchless                    | 5,47,233         | 5,18,742         | 5,44,666         |

Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17> & RBI: Trend and Progress of Banking in India: 2017 – 2019 (\*Data exclude Administrative Offices)

In addition to brick and mortar branches, unbanked rural areas have also been served through “banking outlet” which is a fixed-point service delivery unit manned by either the bank’s staff or its BC where services of acceptance of deposits, encashment of cheques/cash withdrawal, or lending of money are provided for a minimum of 4 hours per day for at least 5 days in a week. In order to ensure proper delivery of banking services, the rural banking outlets in a branchless mode witnessed increasing trend over the last 3 years (except during 2018). As of March 2019, rural banking outlets in a branchless mode across the country were 5,44,666. This witnessed 6% growth over previous year.

### 3.2: Regional Trend in Bank Branch Network

Figure: 3.1. Regional Trend in Bank Branch Network of all SCBs Over last three years (Nos.)

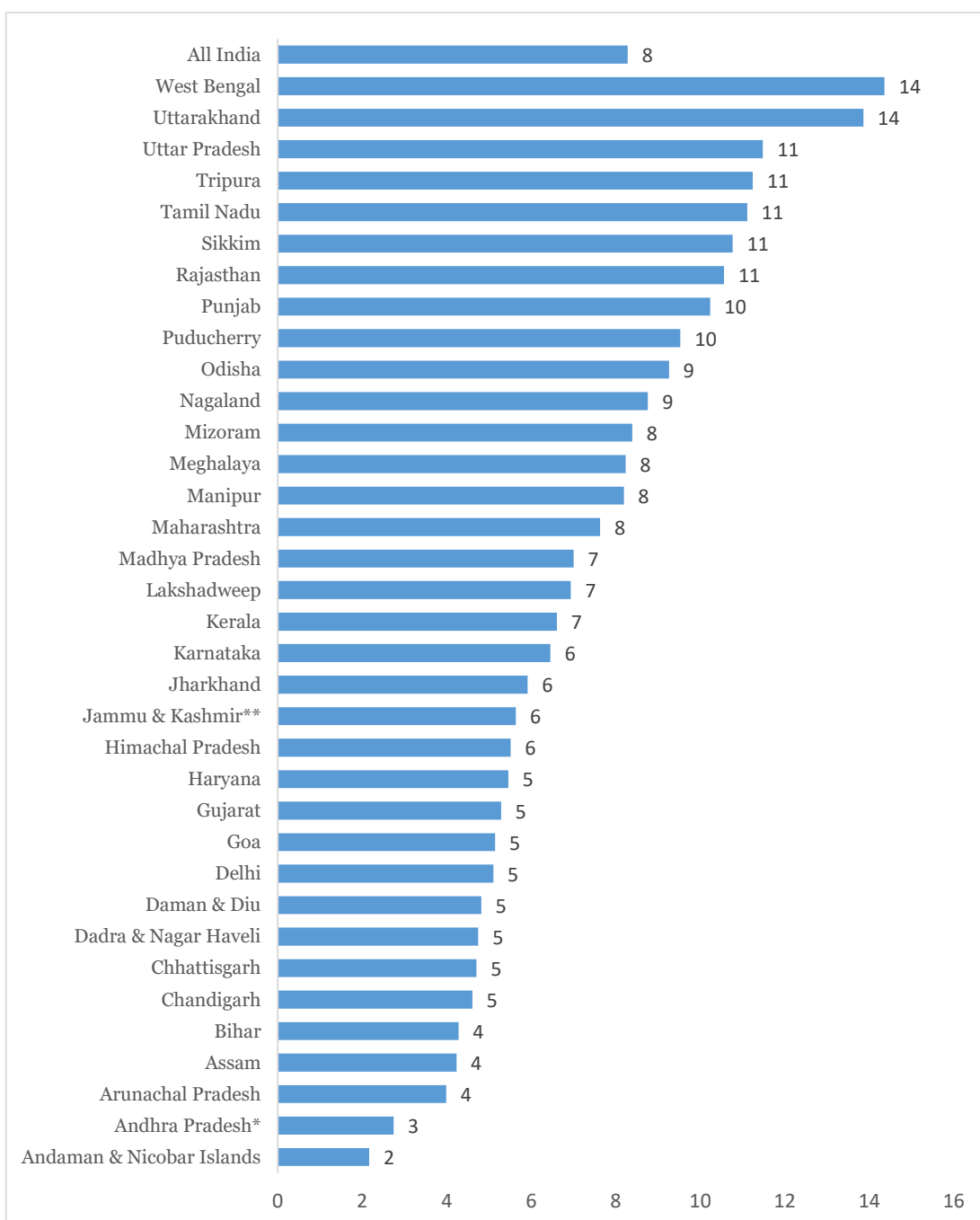


Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17>

Figure: 3.1 reveals that Southern Region continued its dominance in share of number of bank branches across the country over the last three years. As on March 2019, Central Region (29078) with a share of 20% has occupied 2<sup>nd</sup> highest position in the country in terms of branch penetration followed by Northern (26216, 18%), Eastern (24452, 17%) and Western Region (21522, 15%) as on March 2019. North–Eastern Region has the lowest penetration (4446, 3%) of bank branch as on March 2019.

Figure: 3.2 shows the density of bank branches across the country. It varies within the range of 2 (Andaman & Nicobar Islands) to 14 (West Bengal). Among the states, only eleven, viz., West Bengal, Uttarakhand, Uttar Pradesh, Tripura, Tamil Nadu, Sikkim, Rajasthan, Punjab, Puducherry, Odisha, Nagaland have higher density of bank branches as compared to All India level (8). Majority (20) of states have lower density and only 4 states have density similar to all India level average.

Figure: 3.2: Branches Per Thousand Population as on March 2019 (By States)



Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17>

- \* includes Telengana & \*\*includes Ladakh due to non-availability of Census data 2011
- All population figure are as per Census 2011
- Data exclude Administrative Offices
- Branches includes all i.e. Tier (I), Tier (II), Tier (III) , Tier (IV), Tier (V) and Tier (VI)  
Where, Tier (I): Includes centres with population of 1, 00,000 and above  
Tier (II): Includes centres with population of 50,000 to 99,999  
Tier (III): Includes centres with population of 20,000 to 49,999  
Tier (IV): Includes centres with population of 10,000 to 19,999  
Tier (V): Includes centres with population of 5,000 to 9,999  
Tier (VI): Includes centres with population less than 5,000

### 3.3. Deployment of ATMs

Deployment of ATMs by all entities witnessed a declining trend over the last three years. The total number of ATMs installed by all entities stood at 2,21,703 as on March 2019. Number of ATMs deployed during 2018-19 has decreased by 0.24% over previous years. This could be possibly due to stipulation of putting restrictions on number of cash withdrawals, increasing use of credit and debit cards for retail payments, etc. However, variations across the different entities have been observed. Declination rate is higher for PSB (6.65%) followed by FBs (2.66%). Deployment of ATMs by PVBs and WLAs<sup>1</sup> as on March 2019 have increased by 5.31% and 28.38% over previous year with number of installed ATMs of 63340 and 19507 respectively.

Table: 3.2: Deployment of ATMs by all Entities

| Entities       | As on March 2017 | As on March 2018       | As on March 2019        |
|----------------|------------------|------------------------|-------------------------|
| PSBs           | 1,48,555         | 1,45,787 (-1.86%)      | 136098 (-6.65%)         |
| PVBs           | 58,833           | 60,145 (2.23%)         | 63340 (5.31%)           |
| FBs            | 966              | 939 (-2.8%)            | 914 (-2.66%)            |
| Payments Banks | -                | -                      | 2 (-)                   |
| SFBs           | -                | -                      | 1842 (-)                |
| WLAs           | 14,121           | 15,195 (7.61%)         | 19507 (28.38%)          |
| <b>Total</b>   | <b>2,22,475</b>  | <b>2,22,247 (-0.1)</b> | <b>2,21,703 (-0.24)</b> |

Source: RBI: Trend and Progress Report of Banking in India: 2017 – 2019

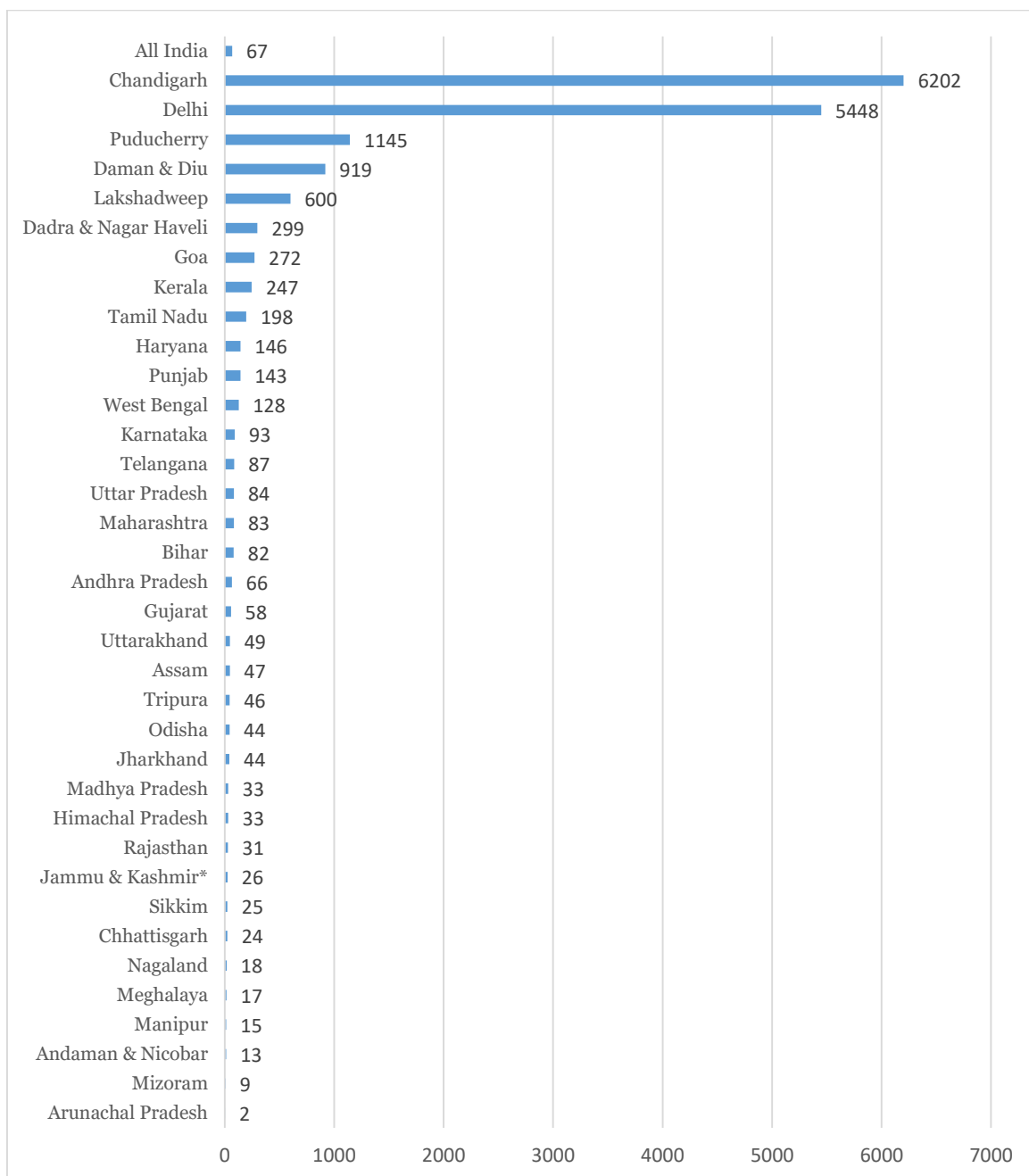
(Figures in the parenthesis represents growth over previous years)

Figure: 3.3 shows density<sup>2</sup> of ATMs among the Indian states (including UTs) as on March 2019. At all India level it stood at 67 per thousand Sq. Km. Interestingly, 7 UTs have occupied the top position. Among the states, Kerala, Tamil Nadu, Haryana, Punjab, West Bengal, Karnataka, Telangana, Uttar Pradesh, Maharashtra and Bihar have crossed the all India level density. It is significantly lower for the states of Arunachal Pradesh, Mizoram, Manipur, Meghalaya, Nagaland, Chhattisgarh, Sikkim, J&K. etc. These are also the states with much lower population density than the All India average of 382 per km<sup>2</sup>.

<sup>1</sup> WLAs: ATMs set up, owned and operated as by non-bank entities.

<sup>2</sup> Numbers of ATMs per 1,000 sq km

Figure: 3.3: Numbers of ATMs of Per Thousand Sq. Km as on March 2019 (By States)



Source: Nos. of ATM: RBI, Geographical Area: CMIE (\*Includes Ladakh)

- ATM includes ATMs deployed by all entities, viz., PSBs, PVBs, FBs, PBs, SFBs and WLAs.

#### 4.1. Debit and Credit Cards (Issuance and Usage)

Credit and Debit card issued by all SCBs witnessed a positive trend during the last three years (Table: 4.1). The total cards issued reported at 90797.13 lakh during 2017-18 increased to 119144.08 lakh as of March 2019. *RuPay* cards issued under the Pradhan Mantri Jan Dhan Yojana (PMJDY) was a major contributor to the increase in number of debit cards.

Volume and value of transactions through both the cards have also expanded during the last three years. In terms of volume of usage, credit cards mostly (99%, 17625.90 lakh out of 17723.61 lakh) have been used through POS for retail payments while debit cards (69%: 98596.15 lakh out of 142738.96 lakh) have been used to withdraw cash through ATMs during 2018-19. The average transaction through debit cards by using POS was Rs. 0.01 lakh during the last three years. This may be the due to the small payments/withdrawals through POS.

Table: 4.1: Issuance and Usages of Card

| Cards                                 | During 2016 – 17 |             |                         | During 2017 – 18 |             |                         | During 2018 – 19 |             |                         |
|---------------------------------------|------------------|-------------|-------------------------|------------------|-------------|-------------------------|------------------|-------------|-------------------------|
|                                       | Volume (Lakh)    | Value (Cr.) | Avg. Transaction (Lakh) | Volume (Lakh)    | Value (Cr.) | Avg. Transaction (Lakh) | Volume (Lakh)    | Value (Cr.) | Avg. Transaction (Lakh) |
| Issuance:                             |                  |             |                         |                  |             |                         |                  |             |                         |
| <b>Total</b>                          | 90797.13         |             |                         | 102738           |             |                         | 119144.08        |             |                         |
| <b>Debit Card</b>                     | 87537.68         | -           | -                       | 98682.1          | -           | -                       | 114072.11        | -           | -                       |
| <b>Credit Card</b>                    | 3259.45          | -           | -                       | 4055.54          | -           | -                       | 5071.97          | -           | -                       |
| <b>Credit Card per 100 Debit Card</b> | 3.72             | -           | -                       | 4.11             | -           | -                       | 4.45             | -           | -                       |
| Usage:                                |                  |             |                         |                  |             |                         |                  |             |                         |
| <b>Total</b>                          | 120558.65        | 3021400.2   | 0.03                    | 133586           | 3821463.8   | 0.03                    | 160462.56        | 4512210.14  | 0.03                    |
| Credit Card                           | 10935.05         | 331220.89   | 0.03                    | 14129.7          | 462632.69   | 0.03                    | 17723.61         | 607946.33   | 0.03                    |
| <b>Credit Cards usage at ATMs</b>     | 63.73            | 2839.13     | 0.04                    | 78.11            | 3668.09     | 0.05                    | 97.71            | 4533        | 0.05                    |
| <b>Credit Cards usage at POS</b>      | 10871.32         | 328381.76   | 0.03                    | 14051.6          | 458964.6    | 0.03                    | 17625.9          | 603413.34   | 0.03                    |
| Debit Card                            | 109623.6         | 2690179.30  | 0.02                    | 119456           | 3358831     | 0.03                    | 142738.96        | 3904263.8   | 0.03                    |
| <b>Debit Card Usage at ATMs</b>       | 85630.56         | 2360272.56  | 0.03                    | 86022.6          | 2898761.1   | 0.03                    | 98596.15         | 3310789.14  | 0.03                    |
| <b>Debit Card Usage at POS</b>        | 23993.03         | 329906.75   | 0.01                    | 33433.9          | 460070      | 0.01                    | 44142.81         | 593474.66   | 0.01                    |

Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

## 4.2. Pre-paid Payment Instruments (PPIs)

Table: 4.2: Trend of PPI during last three years

| PPIs                       | During 2016 – 17 |                 |                         | During 2017 – 18 |                  |                         | During 2018 – 19 |                  |                         |
|----------------------------|------------------|-----------------|-------------------------|------------------|------------------|-------------------------|------------------|------------------|-------------------------|
|                            | Volume (Lakh)    | Value (Cr.)     | Avg. Transaction (Lakh) | Volume (Lakh)    | Value (Cr.)      | Avg. Transaction (Lakh) | Volume (Lakh)    | Value (Cr.)      | Avg. Transaction (Lakh) |
| <b>Total</b>               | <b>19636.55</b>  | <b>83801.08</b> | <b>0.004</b>            | <b>34590.46</b>  | <b>141634.21</b> | <b>0.004</b>            | <b>46072.29</b>  | <b>213323.34</b> | <b>0.005</b>            |
| Out of which m-Wallet      | 16299.85         | 53241.68        | 0.003                   | 30259.82         | 108674.76        | 0.004                   | 41412.86         | 183295.06        | 0.004                   |
| m-Wallet: % of total       | 83               | 64              | -                       | 87               | 77               | -                       | 90               | 86               | -                       |
| Out of which PPI Cards     | 3331.08          | 27751.59        | 0.008                   | 4326.26          | 31040.56         | 0.007                   | 4658.88          | 29940.83         | 0.006                   |
| PPI Cards: % of total      | 17               | 33              | -                       | 13               | 22               | -                       | 10               | 14               | -                       |
| Paper Vouchers             | 5.62             | 2807.80         | 0.500                   | 4.38             | 1918.88          | 0.438                   | 0.54             | 87.45            | 0.162                   |
| Paper Vouchers: % of total | Negligible       | 3               | -                       | Negligible       | 1                | -                       | Negligible       | Negligible       | -                       |

Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

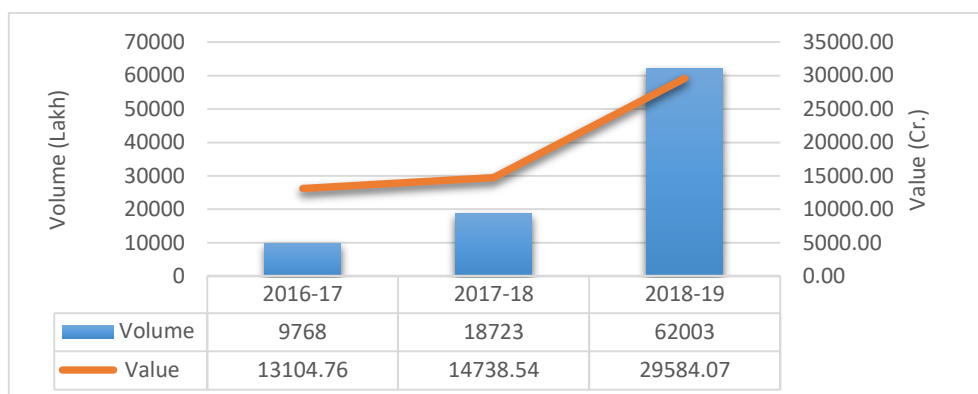
The usage of pre-paid instruments for remittances as also for payment for goods and services has been on an increase. The volume of PPI notably increased to 46072.29 lakh during 2018-19 from 19636.55 lakh in 2016-17.

Mobile-Wallet was the most preferred mode of transaction among all PPIs. Share of *m-Wallet* out of total volume of PPI transactions varies within the range of 83% to 90% over the last three years. PPI cards stood at second most preferred mode of transaction by contributing a share of 17% to 10% during same time period. It is to be mentioned that as per RBI guidelines the maximum value of pre-paid payment instruments at any point of time should not exceed Rs. 100,000.

### 4.3. Growth of Mobile Banking

A significant growth in usage of mobile banking has been observed over the last three years. During the year 2018-19 the volume of usage stood at 62003 lakh which was more than two folds increase over previous year. Such increase in usage is possibly because of adoption of digital banking during post demonetisation period.

Figure: 4.1: Growth of Mobile Banking



Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

### 5. Credit outreach by all SCBs

Table: 5.1 shows the credit outreach (Nos. of accounts) by SCBs during the last three years across the country at various population groups. At All India level, number of credit accounts reported at 17,23,83,518 during March 2017 increased to 23,23,01,899 at the end of March 2019. Rural credit outreach has continued its dominance in share of total credit accounts across the country followed by Semi – Urban region during the last three years. Metropolitan credit outreach in terms of accounts occupied 3rd position and urban outreach has the lowest share during the last three years.

Table: 5.1: Credit Outreach by SCBs over last three years (Nos. of Accounts)

| Population Group | March 2017       | March 2018       | March 2019       |
|------------------|------------------|------------------|------------------|
|                  | Nos. Accounts    | Nos. Accounts    | Nos. Accounts    |
| Rural            | 58863874         | 59197332         | 66578765         |
| % of Total       | 34               | 30               | 29               |
| Semi-urban       | 47018739         | 53245332         | 61289882         |
| % of Total       | 27               | 27               | 26               |
| Urban            | 28794891         | 37204375         | 43801017         |
| % of Total       | 17               | 19               | 19               |
| Metropolitan     | 37706014         | 47330061         | 60632235         |
| % of Total       | 22               | 24               | 26               |
| <b>Total</b>     | <b>172383518</b> | <b>196977100</b> | <b>232301899</b> |

Source: RBI

- Data indicates place of credit utilisation for various population groups
- Rural: All centres with population of less than 10,000
- Semi-urban: Centres with population of 10,000 and above but less than 0.1 million
- Urban: Centres with population of 0.1 million and above, but less than 1 million
- Metropolitan: Centres with population of 1 million and more

Both credit limits extended to borrowers and amount of loan outstanding increased significantly during the last three years. PSBs have accounted for largest share in total amount of credit limit extended over the last three years. During 2018-19 more than half of the credit limit (56%, 817356.87 crore) have been extended through PSBs (Table: 5.2) followed by PVBs (36%, 517163.36 crore). However, share of PSBs have slackened while the same has continued to increase over the last three years for PVBs. Financing through SFBs has been initiated during the year 2017-18 and they continued to expand their share. The share of SFBs out of total credit limit extended was negligible during 2017-18 and increased to 1% at the end of March 2019.

Table: 5.2: Trend in Credit by all SCBs (Amount in Rs. Cr.)

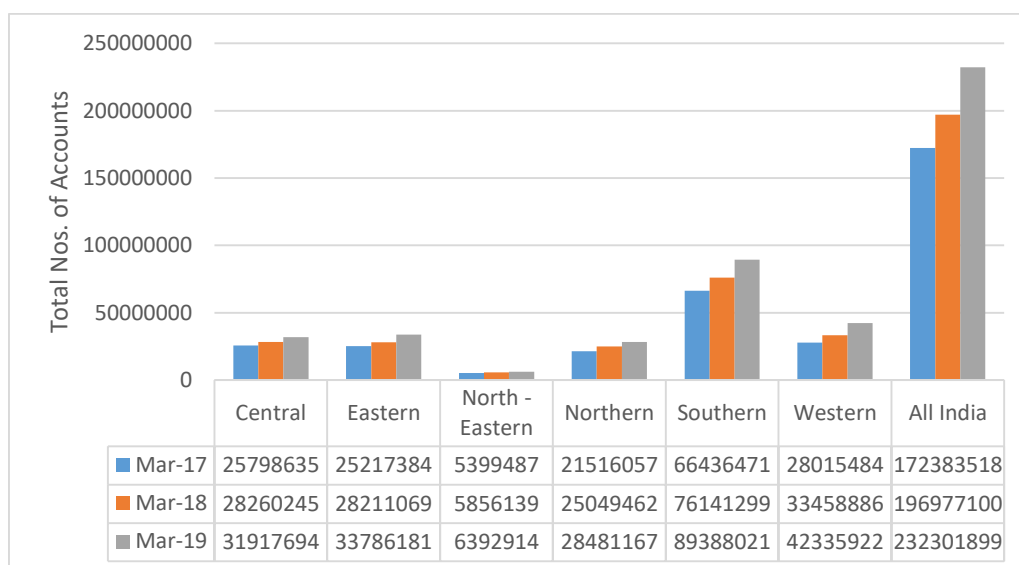
| Agency                | Mar-17       |                    |                               | Mar-18       |                    |                               | Mar-19       |                    |                               |
|-----------------------|--------------|--------------------|-------------------------------|--------------|--------------------|-------------------------------|--------------|--------------------|-------------------------------|
|                       | Credit limit | Amount outstanding | % Share in Total Credit Limit | Credit limit | Amount outstanding | % Share in Total Credit Limit | Credit limit | Amount outstanding | % Share in Total Credit Limit |
| <b>By Bank Group:</b> |              |                    |                               |              |                    |                               |              |                    |                               |
| <b>PSBs*</b>          | 7725759.07   | 5204930.65         | 63                            | 808803.17    | 554326.09          | 60                            | 817356.87    | 592117.18          | 56                            |
| <b>PVBs</b>           | 3660614.85   | 2127062.3          | 30                            | 436441.03    | 256703.74          | 32                            | 517163.36    | 322046.15          | 36                            |
| <b>FBs</b>            | 632066.71    | 356171.4           | 5                             | 67380.69     | 36783.03           | 5                             | 71372.86     | 41283.41           | 5                             |
| <b>RRBs</b>           | 300441.31    | 229704.14          | 2                             | 33860.59     | 25525.21           | 3                             | 34239.18     | 28449.42           | 2                             |
| <b>SFBs</b>           | 0            | 0                  | 0                             | 4924.96      | 3359.18            | Negligible                    | 8255.87      | 5863.35            | 1                             |
| <b>Total</b>          | 12318881.94  | 7917868.49         | 100                           | 1351410.44   | 876697.25          | 100                           | 1448388.14   | 989759.51          | 100                           |

Source: CMIE (\*Figure includes SBI & its Associates)

### 5.1. Regional Credit Outreach

Regional credit outreach was highest in Southern Region whereas it was low in North-Eastern and Eastern Region. It has been observed (in Figure: 5.1) that southern states have a sizeable number of loan accounts as compared to the states of other regions. However, during 2018-19, Western Region witnessed highest growth (26.53%) followed by Eastern (19.76%) and Southern Region (17.40%) in credit outreach over previous year. North-Eastern Region (9.17%) has the lowest growth in terms of credit outreach for the same period.

Figure: 5.1 Regional Trend in Credit Outreach



Source: RBI

## 6. Pradhan Mantri MUDRA Yojana (PMMY)

The Micro Units Development & Refinance Agency Ltd (MUDRA) was set up and Pradhan Mantri Mudra Yojana (PMMY) was launched during April 2015 with an objective of ensuring the flow of credit in small business sector. These loans are extended through various agencies, viz., Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs). The collateral free Loans up to Rs. 10 lakh under PMMY have been categorised as i) Shishu: covering loans upto Rs. 50,000/, ii) Kishore: covering loans above Rs. 50,000/- and upto Rs. 5 lakh and iii) Tarun: covering loans above Rs. 5 lakh and upto Rs. 10 lakh.

Table: 6.1 shows the progress of the scheme over the last three years. As on March 2019 an amount of Rs. 321722.79 crore has been sanctioned for 5,98,70,318 enterprises under PMMY. Majority (86.03%) of units financed are in Shishu category followed by Kishore (11.03%), and 2.93% are Tarun.

Among the financing agencies, the dominance of NBFC-MFIs in financing enterprises continued over the last three years. Private sector banks have also performed significantly as their share varies within the range of 21.73% to 22.22% over the last three years. PSBs and SFBs have also played a key role in financing collateral free loans under PMMY with a percentage share of 11.13% and 12.90% respectively as on March 2019.

Women entrepreneurs continued to have the largest share in terms of units financed over the last three years. As on March 2019, 61.90% units are owned by women. A significant

percentage (46.79%) of weaker sections (SC/ST/OBC) households have been catered by the scheme.

Table: 6.1: Progress of PMMY over last 3 Years

| PMMY  | End of March<br>2017 | End of March<br>2018 | End of March<br>2019 |
|---|----------------------|----------------------|----------------------|
| <b>A. Overall Progress</b>                                    |                      |                      |                      |
| <b>No. of enterprises financed</b>                            | 39701047             | 48130593             | 59870318             |
| <b>Amount Sanction (Cr.)</b>                                  | 180528.54            | 253677.1             | 321722.79            |
| <b>Amount Disbursed (Cr.)</b>                                 | 175312.13            | 246437.4             | 311811.38            |
| By Enterprise Category (Nos. of enterprises financed)         |                      |                      |                      |
| <b>Shishu: (Up to Rs. 50000)</b>                              | 36497813(91.93)      | 42669795 (88.65)     | 51507438 (86.03)     |
| <b>Kishore: (loans above Rs. 50,000 and up to Rs. 5 lakh)</b> | 2663502 (6.71)       | 4653874 (9.67)       | 6606009 (11.03)      |
| <b>Tarun: (loans above Rs. 5 lakh and upto Rs. 10 lakh)</b>   | 539732 (1.36)        | 806924 (1.68)        | 1756871 (2.93)       |
| <b>B. By Financing Agency (Nos. of enterprises financed)</b>  |                      |                      |                      |
| <b>PSBs*</b>  | 4812137 (12.12)      | 5133674 (10.67)      | 6664269 (11.13)      |
| <b>PVBs</b>   | 8821464 (22.22)      | 10456474 (21.73)     | 13277989 (22.18)     |
| <b>FBs</b>  | 233 (Negligible)     | 295 (Negligible)     | 257 (Negligible)     |
| <b>RRBs</b>   | 1446333 (3.64)       | 1488209 (3.09)       | 1508094 (2.52)       |
| <b>State Co-operative Banks</b>                               | -                    | -                    | 569 (0.001)          |
| <b>MFIs</b>   | 1129709 (2.85)       | 1808820 (3.76)       | 1879391 (3.14)       |
| <b>NBFC - MFIs</b>  | 20291758 (51.11)     | 19532018 (40.58)     | 22963995 (38.36)     |
| <b>NBFCs</b>  | 239555 (0.60)        | 2714167 (5.64)       | 5853690 (9.78)       |
| <b>SFBs</b>   | 2959858 (7.46)       | 6996936 (14.54)      | 7722064 (12.90)      |
| <b>C. By Social Category</b>                                  |                      |                      |                      |
| <b>General</b>  | 17200853 (43.33)     | 21906479 (45.51)     | 31735223 (53.01)     |
| <b>SC</b>   | 7135624 (17.97)      | 8506161 (17.67)      | 9452519 (15.79)      |
| <b>ST</b>   | 1792502 (4.51)       | 2539307 (5.28)       | 3341329 (5.58)       |
| <b>OBC</b>  | 13572068 (34.19)     | 15178646 (31.54)     | 15341247 (25.62)     |
| <b>D. Coverage</b>  |                      |                      |                      |
| <b>Women</b>  | 29146894 (73.42)     | 33558238 (69.72)     | 37062562 (61.90)     |
| <b>New Entrepreneurs</b>                                      | 9989470 (25.16)      | 12559327 (26.09)     | 13393802 (22.37)     |

Source: <https://www.mudra.org.in>

- \*Figure includes SBI and its Associates.
- Figures in the parenthesis are percentage of total nos. financed.