

## FINANCIALISATION OF WOMEN IN INDIA IS PROCEEDING AT A RAPID PACE: PUBLIC SECTOR BANKS IN MISSION MODE

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Since 2014, with the advent of PMJDY, the financialisation of women is gaining traction. Both women depositors and women borrowers have increased in the country as a lot of policies/missions based on lifecycle approach (see Annexure) for women have been implemented by the Government in last 8 years. Schemes like MUDRA loan, Sukanya Samriddhi, Women scholarships, Ujjawala etc. along-with PMJDY provide various financial instruments in the hands of women. **It is interesting to know that women's share is increasing in all the Government sponsored schemes. The share of women stands at 81% in Stand-Up India, 71% in MUDRA loans, 37% in PMSBY and 27% in PMJJBY, which is encouraging.**

The recent RBI data on women depositors and women borrowers also validate this fact. According to 'Deposits with Scheduled Commercial Banks – March 2022 (BSR 2)', **the share of women depositors in incremental bank deposits during FY22 increased to 35% from 15% in FY21, a whopping increase of ~20 percentage points.** Even if we consider the share of women depositors in FY22 over FY20 (as FY21 was an exceptional year) in incremental bank deposits, the share increased by ~6 percentage points. The analysis based on population-group wise indicates that Rural areas are the major source of incremental women depositors. **The share of women depositors in incremental rural deposits has increased from 37% in FY20 to 66% in FY22.** Rural areas are followed by Semi-Urban ones. Interestingly, with some of the states making it mandatory that transfer of monetary resources can only be given to a women depositor, it is likely that the share of women depositors will continue to stay buoyant in bank deposits.

**If we further dissect the data on the basis of bank-group wise figures, it is clear that the Regional Rural Banks are the major contributors in increased women depositors share.** Even if we compare the FY22 data of RRBs over FY20, the share increased by substantial ~60 percentage points. **One of the possible reasons for enhanced traction in opening of women accounts seems to be focus on opening accounts for all the members of SHGs** (as against those of President and Secretary earlier). For example, at State Bank of India, use of in-house developed app like DISA to open more accounts of sponsored RRBs is benefitting scores of women in particular. Compliance and due diligence, with rigorous periodic KYC review is also ensuring that accounts of men that were opened earlier in liberalised era are getting closed more. SHGs are mainly concentrated in rural and semi urban areas. Around 48% of SHGs are in rural while 44% are in Semi-urban areas. SHGs are engaged not merely in agriculture, but in other micro activities covering non-agricultural activities and petty trade.

**The increased opening of deposits at RRBs also underscores the fact that time is now ripe for a comprehensive review of regulations impacting RRBs.** For example, EASE (Enhanced Access and Service Excellence) is a common reforms agenda for Public Sector Banks (PSBs). Similar type of reform agenda may be initiated for RRBs to improve their performance and ensure financial stability, improved HR practices and commercially prudent business practices. This could further enable the process of empowering women at the grassroots level.

**Intriguingly, the share of women depositors in Private Sector Banks and Small Finance Banks remained constant in FY22 as compared to FY20. The share of women depositors in Foreign Banks declined by ~11 percentage points. Interestingly the same amount of increase was exhibited in the case of PSBs.**

The state-wise analysis indicate that the top 4 big states where the share of women depositors increased in FY22 over FY20 are: UP, Telangana, Karnataka, Kerala. The declining share of women depositors in states like Delhi, MP and few NE states is quite disturbing and needs course correction at the earliest.

Regarding women borrowers, according to 'Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), March 2022', credit to women borrowers (9.1 crore accounts) has stood at 22.5% share in bank loans to individuals, during 2021-22. If we look at sector-wise credit to women customers, it indicates that credit has increased in almost all major heads like Agri, Industry (Mining, Manufacturing, Electricity, Gas & water) and Trade. However, a little decline was seen in personal loans segments. **This seems, COVID-19 pandemic has encouraged women to take MSME loans, which was guaranteed through ECLGS schemes.**

**WOMEN DEPOSITORS**

- According to RBI's latest data released report 'Deposits with Scheduled Commercial Banks – March 2022 (BSR 2)', the share of women depositors in incremental bank deposits during FY22 increased to 35% from 15% in FY21, a whopping increase of ~20 percentage points. Even if we consider the share of women depositors in FY22 over FY20 (as FY21 was an exceptional year) in incremental bank deposits, the share increased by ~6 percentage points.

**POPULATION-GROUP WISE**

- The analysis based on population-group wise indicate that Rural areas are the major source of women depositors. The share of women depositors in incremental rural deposits has increased from 37% in FY20 to 66% in FY22. Rural areas are followed by Semi-urban. There is no significant change on share of women depositors in Metro and Urban areas in FY22 as compared to FY20.

**BANK-GROUP WISE**

- If we further dissect the data on the basis of bank-group wise figures, it is clear that the RRBs are the major contributor in increased women depositors share. Even if we compare the FY22 data of RRBs over FY20, the share increased by substantial ~60 percentage points. The more than 100% women depositors share in incremental deposits also indicate that share of male depositors decline in incremental RRBs deposits.
- One of the possible reasons for enhanced traction in opening of women accounts seems to be focus on opening accounts for all the members of SHGs (as against those of President and Secretary earlier). For example, SBI is using in-house developed app like DISHA to open more accounts of sponsored RRBs, benefitting scores of women in particular. Compliance and due diligence, with rigorous periodic KYC review is also ensuring that accounts of men that were opened earlier in liberalised era are getting closed .
- While the situation of Private sector Banks and Small Finance Banks remained constant in FY22 as compared to FY20, the share women depositors in foreign banks declined by ~11 percentage points. Interestingly the same amount of increase was exhibited in the case of PSBs.

**STATE WISE**

- The state-wise analysis indicate that the top 4 big states where the share of women depositors increased in FY22 over FY20 are: UP, Telangana, Karnataka, Kerala. The declining share of women depositors in states like Delhi, MP and few NE states need course correction.

**Share of Women Depositors in Incremental deposits during the FY**

Pop Group	Share			Change	
	FY22	FY21	FY20	FY22/FY21	FY22/FY20
Rural	66%	24%	37%	43%	30%
Semi-urban	41%	22%	29%	20%	12%
Urban	32%	21%	28%	11%	4%
Metropolitan	28%	10%	26%	18%	2%
<b>All India</b>	<b>35%</b>	<b>15%</b>	<b>28%</b>	<b>20%</b>	<b>6%</b>

Source: RBI; SBI Research

**Share of Women Depositors in Incremental deposits during the FY**

Bank Group	Share			Change	
	FY22	FY21	FY20	FY22/FY21	FY22/FY20
Public Sector Banks	42%	13%	31%	29%	11%
Foreign Banks	1%	10%	11%	-10%	-11%
Regional Rural Banks	119%	19%	59%	100%	60%
Private Sector Banks	26%	18%	26%	8%	0%
Small Finance Bank	28%	28%	27%	-1%	1%
<b>All India</b>	<b>35%</b>	<b>15%</b>	<b>28%</b>	<b>20%</b>	<b>6%</b>

Source: RBI; SBI Research

**Share of Women Depositors in Incremental deposits during the FY**

State	Share			Change	
	FY22	FY21	FY20	FY22/FY21	FY22/FY20
Uttar Pradesh	57%	21%	29%	36%	28%
Goa	56%	4%	25%	51%	31%
Telangana	55%	9%	23%	46%	32%
Andhra Pradesh	49%	29%	40%	20%	9%
Karnataka	48%	1%	16%	47%	32%
Delhi	48%	9%	81%	39%	-33%
Himachal Pradesh	45%	28%	51%	17%	-6%
West Bengal	40%	31%	46%	9%	-6%
Jammu & Kashmir	40%	31%	41%	8%	-1%
Punjab	40%	26%	46%	14%	-7%
Kerala	39%	11%	19%	28%	20%
Rajasthan	37%	30%	33%	7%	4%
Tamil Nadu	35%	13%	19%	22%	16%
Assam	35%	48%	23%	-13%	12%
Uttarakhand	33%	26%	30%	7%	4%
Bihar	32%	43%	40%	-11%	-8%
Jharkhand	32%	13%	38%	19%	-6%
Manipur	30%	21%	58%	8%	-28%
Madhya Pradesh	29%	18%	55%	11%	-27%
Haryana	28%	20%	25%	8%	3%
Tripura	27%	28%	47%	-1%	-20%
Sikkim	27%	37%	67%	-10%	-40%
Meghalaya	24%	35%	-189%	-11%	213%
Mizoram	24%	85%	16%	-61%	7%
Gujarat	23%	17%	21%	6%	2%
Odisha	22%	30%	30%	-8%	-9%
Chhattisgarh	21%	21%	23%	0%	-1%
Maharashtra	20%	11%	24%	9%	-4%
Nagaland	20%	63%	25%	-43%	-5%
Arunachal Pradesh	13%	2%	65%	10%	-52%
<b>All-India</b>	<b>35%</b>	<b>15%</b>	<b>28%</b>	<b>20%</b>	<b>6%</b>

Source: RBI; SBI Research

**LOANS TO WOMEN CUSTOMERS HAS INCREASED BY 4.3% IN LAST 8-YEARS**

- Recently, RBI also released the ‘Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), March 2022’, which highlights that the overall bank credit growth increased in successive quarters of 2021-22 to move to double-digits by March 2022. Metropolitan branches led the credit expansion and accounted for 54.5% of the incremental credit during 2021-22; lending by rural, semi-urban and urban bank branches also recorded double-digit annual growth.
- However, the report interestingly highlighted that credit to women borrowers (9.1 crore accounts), has stood at 22.5% share in bank loans to individuals, during 2021-22. Though, it has declined marginally from 22.7% in 2020-21 but ahead of 2019-20 share of 22.1%.
- If we look the data from 2014-15, it indicate that the share of women in credit to individuals has increased by 4.3% (women share in 2014-15: 18.3%) and incremental credit of Rs 7.8 lakh crore has disbursed to 6.7 crore new women customers.
- If we look sector-wise credit to women customers, it indicate that credit has increased in almost all major heads like Agri, Industry (mining, manufacturing, Electricity, Gas & water) and Trade. However, a little decline seen in personal loans segments. This seems, COVID-19 pandemic has deferred women’s to take consumer loans but encouraged to take MSME loans, which was guaranteed through ECLGS schemes.

**WOMEN EMPOWERMENT THROUGH DIFFERENT GOVERNMENT SPONSORED SCHEMES**

- Empowerment and protection of women and children who constitute 67.7% of India’s population and ensuring their wholesome development in a safe and secure environment is crucial for sustainable and equitable development of the country and for achieving transformational economic and social changes.
- It is interesting to know that the women’s share is increasing in all the Government sponsored schemes. The share of women stands at 81% in Stand-up India, 71% in MUDRA loans, 37% in PMSBY and 27% in PMJJBY, which is encouraging.

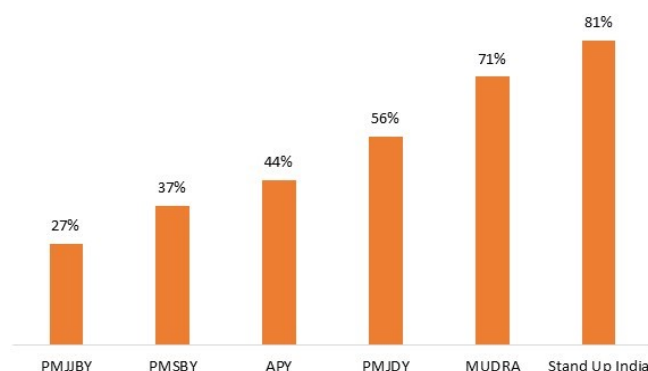
Women Share (%) in Household Sector Credit to		
Year	Outstanding Credit	Incremental Credit
2014-15	18.3%	8.9%
2015-16	18.7%	22.1%
2016-17	19.5%	25.6%
2017-18	20.6%	26.9%
2018-19	21.1%	24.9%
2019-20	22.1%	29.0%
2020-21	22.7%	27.7%
2021-22	22.5%	21.8%

Source: RBI, SBI Research

Women Share in Credit to Individuals_ Outstanding			
Sectors	FY22	FY21	FY20
I. AGRICULTURE	28.3%	27.2%	26.0%
II. INDUSTRY	23.8%	26.0%	21.0%
1. Mining & Quarrying	15.5%	17.4%	13.9%
2. Manufacturing & Processing	28.9%	31.3%	26.5%
3. Electricity, Gas & Water	11.6%	23.7%	5.3%
4. Construction	9.0%	11.3%	11.1%
III. TRANSPORT OPERATORS	14.8%	14.5%	14.3%
IV. PROFESSIONAL AND OTHER SERVICES	23.6%	25.0%	24.6%
V. PERSONAL LOANS	20.3%	20.6%	20.5%
1. Housing	22.8%	23.1%	23.3%
2. Consumer Durables	14.0%	18.5%	21.6%
3. Vehicles	16.7%	16.7%	16.4%
4. Education	34.6%	33.9%	32.8%
5. Personal Credit Cards	11.3%	11.2%	11.4%
6. Other Personal Loans	17.7%	17.8%	17.1%
VI. TRADE	28.5%	27.9%	26.7%
1. Wholesale Trade	14.3%	15.6%	16.0%
2. Retail Trade	31.2%	30.5%	29.9%
VII. FINANCE	15.0%	25.8%	19.6%
VIII. ALL OTHERS	21.8%	22.4%	22.4%
<b>TOTAL CREDIT</b>	<b>22.5%</b>	<b>22.7%</b>	<b>22.1%</b>

Source: RBI, SBI Research

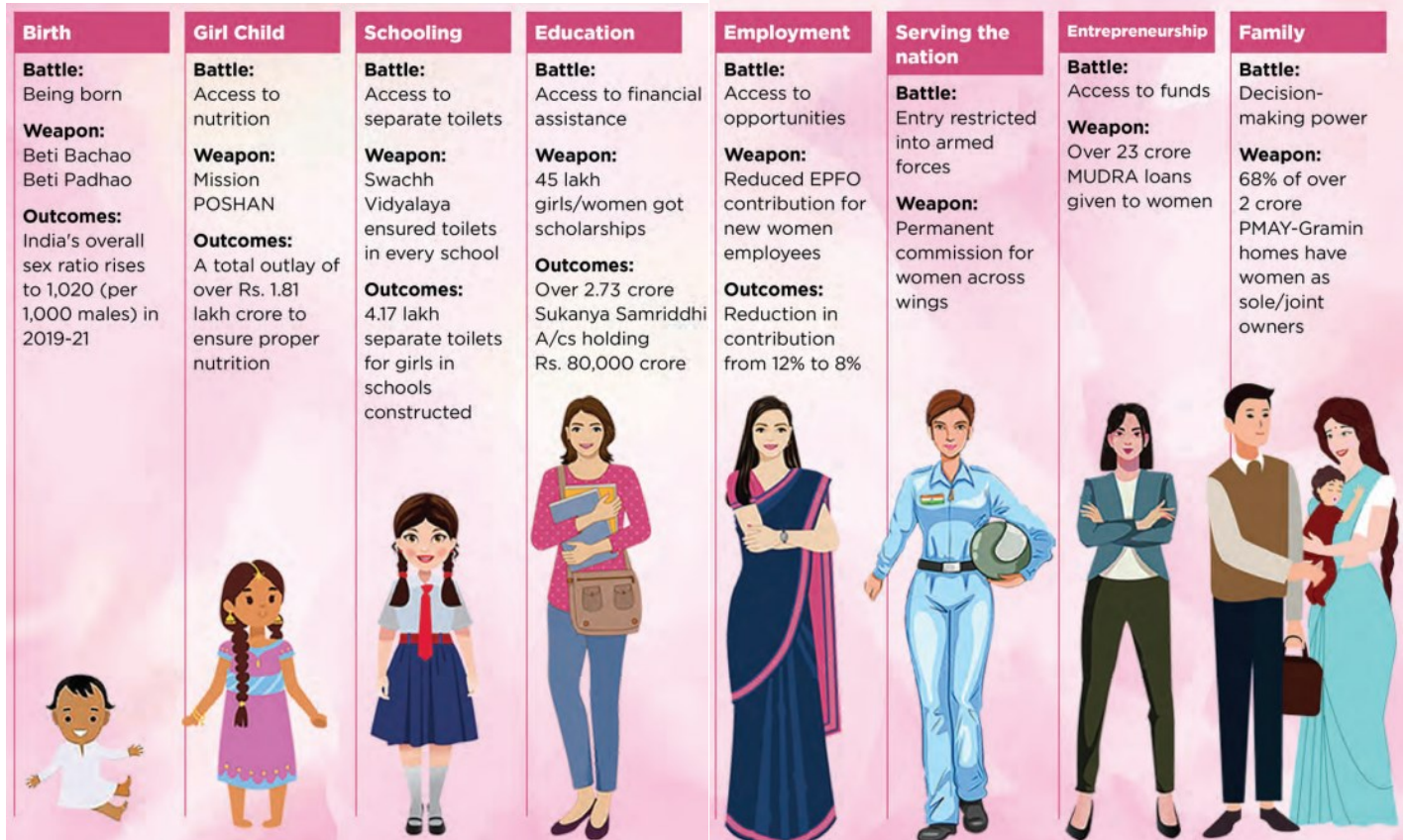
**Financial Empowerment of Women (% Share)**



Source: IRDAI, DFS, PMJDY, Standup India, MUDRA, SBI Research

ANNEXURE

COMPREHENSIVE SUPPORT PROVIDED BY GOVERNMENT TO WOMEN THROUGH LIFECYCLE BASED APPROACH



Source: PIB

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