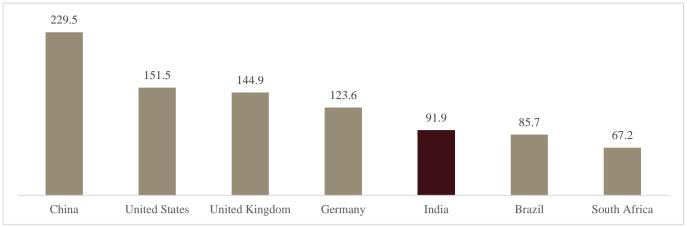
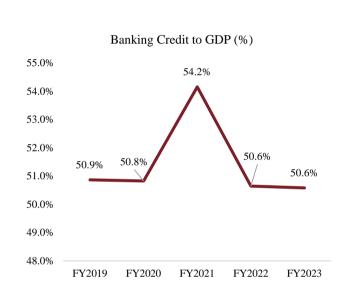
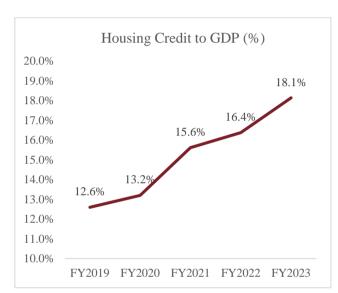
Credit to GDP ratio (%) (Q3 CY2023)



Source: Bank of International Settlements, CRISIL MI&A

Overall banking credit to GDP ratio has remained stable; Housing credit to GDP has increased over the years





Note: Outstanding credit of all scheduled banks taken for banking credit Source: CIBIL, CRISIL MI&A

Source: RBI, NSO, CRISIL MI&A

2.3 Rural India – Under penetration and untapped market presents a huge opportunity for growth for financiers

Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2019, to 61% as of December 31, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2019, to 14% as of December 31, 2023.

As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers is expected to also help the financiers to assess customers and cater to the informal sections of the society in these regions.