

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 892**

Answered on Tuesday, December 3, 2024/12 Agrahayana, 1946 (Saka)

**Gap Between Bank Deposits and Loan Growth**

892. SHRI PRAMOD TIWARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether growth in bank deposits has been lagging loan growth over successive quarters;
- (b) if so, the details thereof;
- (c) whether banks are forced to rely on higher cost market borrowings and other instruments to raise funds;
- (d) if so, the steps proposed to be taken to make deposits attractive;
- (e) whether a significant percentage of bank accounts are inactive despite the number of accounts growing substantially in recent years; and
- (f) if so, the details thereof and the reasons therefor?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (f): The net growth in deposits was higher than net increase in advances of Scheduled Commercial Banks (SCBs) by Rs. 5.68 lakh crore, during the period from Jun-20 to Jun-24. Also, in 9 out of 16 quarters, during the said period, the quarter-wise net absolute growth in domestic deposits was higher than net absolute growth in domestic advances. Details of outstanding advances and deposits and net increase thereof from Jun-20 to Jun-24 on quarterly basis is at **annex**.

Banks raise funds in form of deposits and market borrowings for onward lending and investments. The deposits are raised through various type of instruments, e.g. retail term deposit, current and saving deposit, bulk deposit, certificate of deposit, etc. Further, the market borrowings include borrowings from inter-bank market, the Reserve Bank of India (RBI), through bonds and debentures, etc. With increased availability of diversified instruments to raise funds, e.g. green bonds, infrastructure bonds, capital instruments, etc., banks have now started implementing more diversified and differentiated approach to their fund mobilization strategies. The mobilisation of funds through deposits, bonds and other market borrowings, depends upon various factors, including, *inter alia*, availability, tenure and cost of funds.

Banks adopt different strategies to mobilise deposits, including, *inter alia*, the following –

- Expanding branch network.
- Targeting specific deposit concentrations, e.g. micro-markets in larger towns or geographic regions or corporate salary accounts.
- Increasing strategic focus on deposits growth through devising innovative and customized products e.g. external benchmark linked deposit products.
- Running specific campaigns for different customer types, product types, etc.

- Leveraging data analytics to analyze the spending patterns of the customers/ satisfaction level for different banking products/features and new requirements to restructure the deposit products to suit the life style of the customers.
- Focusing on enhanced penetration of digital products which lowers down the transaction cost thus helping in improving efficiency ratios.
- Devising products and strategies to attract clients on digital platforms.

As per inputs received from RBI, the information regarding, inoperative/dormant/inactive accounts is not maintained by it. However, as per data received from SCBs (including Regional Rural Banks and excluding Foreign Banks), the total number of operative current and savings accounts have increased from 135.71 crore as on 31.3.2020 to 169.81 crore as on 31.3.2024. Further, several steps have been taken by the Government and banks to reduce the number of inactive/inoperative/dormant accounts, which includes, *inter alia*, the following —

- Activation of the dormant accounts through sending SMS and outbound calls through branch network & call centers
- Involvement of Banking Correspondents in activating the inactive/inoperative/dormant
- Regular sensitization of customers is being done through print media, social media and other digital channels.

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Gross Domestic Advances, Total Domestic Deposits and net increase thereof on quarterly basis  
of Scheduled Commercial Banks

(amount in Rs. crore)

As on	Gross Advances	Total Deposits	Net absolute growth in gross advances	Net absolute growth in total deposits
30.6.2020	99,63,895	1,39,11,812	-	-
30.9.2020	1,00,63,699	1,42,27,199	99,804	3,15,387
31.12.2020	1,03,38,397	1,45,15,817	2,74,698	2,88,618
31.3.2021	1,06,40,811	1,51,80,993	3,02,414	6,65,176
30.6.2021	1,05,60,336	1,52,33,902	-80,475	52,908
30.9.2021	1,07,51,055	1,56,22,813	1,90,719	3,88,911
31.12.2021	1,12,57,978	1,58,79,548	5,06,923	2,56,735
31.3.2022	1,18,53,313	1,67,19,777	5,95,335	8,40,229
30.6.2022	1,21,08,984	1,66,77,597	2,55,671	-42,180
30.9.2022	1,26,45,851	1,71,91,300	5,36,866	5,13,703
31.12.2022	1,30,74,572	1,75,41,639	4,28,722	3,50,339
31.3.2023	1,36,86,800	1,84,15,886	6,12,227	8,74,247
30.6.2023	1,39,57,894	1,87,94,353	2,71,095	3,78,467
30.9.2023	1,51,18,249	1,95,39,886	11,60,355	7,45,533
31.12.2023	1,57,24,269	1,99,17,047	6,06,020	3,77,161
31.3.2024	1,63,42,097	2,09,50,970	6,17,828	10,33,922
30.6.2024	1,65,70,256	2,10,86,254	2,28,159	1,35,284

Source: RBI data of Domestic Operations

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