

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 250

Answered on Tuesday, February 4, 2025/ 15 Magha, 1946 (Saka)

Declining deposits in banks

250. SHRI PARIMAL NATHWANI:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that the PSU banks are facing problems in attracting deposits;
- (b) if so, the details of deposits with the PSU banks in the last three years; bank-wise and year-wise;
- (c) whether Government has any role in making the PSU banks financially sound; if so, the steps taken in this direction?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c) Deposits are the primary source of funds for banks and are the foundation of a bank's ability to lend and make investments.

There has been a consistent increase in deposits with Public Sector Banks (PSBs), and total deposits of PSBs have grown from ₹107 lakh crore in Mar-22 to ₹129 lakh crore in Mar-24, an increase of 20.3%.

Details of deposits with the PSBs in the last three years; bank-wise and year-wise is at Annex.

Government and Reserve Bank of India, over the last few years, have taken various measures to improve financial soundness of banks and to address the issues related to credit discipline, responsible lending and improved governance, and adoption of technology. These measures include, *inter alia*, the following:

- (i) Credit discipline was instilled through the enactment of the Insolvency and bankruptcy Code (IBC), set up of the Central Repository of Information on Large Credits (CRILC) and systematic checking of high-value accounts for wilful default and fraud;
- (ii) A comprehensive principle-based framework has been put in place for early recognition and time-bound resolution of stress in the borrower accounts, manifesting in payment default;
- (iii) Minimum provisioning requirements have been prescribed for both standard and non-performing advances;
- (iv) Institution of comprehensive, automated Early Warning Systems (EWS) in banks to proactively detect stress and reduce slippage into NPAs;
- (v) A Reform Agenda of PSBs through a unique Enhanced Access & Service Excellence (EASE) Reforms has been initiated. It has enabled objective and benchmarked progress on all key areas in PSBs — viz., governance, prudential lending, risk management, technology- and data-driven banking, and outcome-centric HR.

As a result of the measures undertaken, the financial health and robustness of PSBs has improved significantly.

- (i) Asset quality has improved significantly with—
 - Gross NPA ratio declining to 3.09% in Sep-24 from a peak of 14.58% in Mar-18.
 - Net NPA ratio declining to 0.63% in Sep-24 from a peak of 7.97% in Mar-18.
- (ii) Resilience has increased with Provision Coverage Ratio increasing from 46.04% in Mar-15 to a healthy 93.82% in Sep-24.
- (iii) Capital adequacy has improved significantly with CRAR of PSBs improving by 393 bps to reach 15.38% in Sep-24 from 11.45% in Mar-15.
- (iv) In FY24, PSBs have recorded aggregate net profit of ₹1.41 lakh crore against net profit of ₹1.05 lakh crore in FY23, and recorded ₹0.86 lakh crore in the first half of FY25.

Rajya Sabha unstarred Question no. 250 for answering on 4.2.2025 regarding Declining deposits in banks.

Details of deposits with the Public Sector Banks (PSBs) in the last three years; bank-wise and year-wise:

(Amount in ₹ Crores)				
		Mar-22	Mar-23	Mar-24
Sl. No.	Name of PSU Bank	Total Deposit	Total Deposit	Total Deposit
(i)	Bank of Baroda	10,45,939	12,03,688	13,26,958
(ii)	Bank of India	6,27,896	6,69,586	7,37,920
(iii)	Bank of Maharashtra	2,02,294	2,34,083	2,70,747
(iv)	Canara Bank	10,86,409	11,79,219	13,12,367
(v)	Central Bank of India	3,42,692	3,59,296	3,85,011
(vi)	Indian Bank	5,93,618	6,21,166	6,88,000
(vii)	Indian Overseas Bank	2,62,159	2,60,883	2,85,905
(viii)	Punjab & Sind Bank	1,02,137	1,09,665	1,19,410
(ix)	Punjab National Bank	11,46,218	12,81,163	13,69,713
(x)	State Bank of India	40,51,534	44,23,778	49,16,077
(xi)	UCO Bank	2,24,073	2,49,338	2,63,130
(xii)	Union Bank of India	10,32,393	11,17,716	12,21,528
	Total	1,07,17,362	1,17,09,581	1,28,96,766

(Source: Reserve Bank of India)
