

*Composition and Ownership Pattern of Deposits with Scheduled Commercial Banks: March 2014**

This article presents an analysis of composition and ownership pattern of outstanding deposits with scheduled commercial banks (including regional rural banks) during 2007-2014. The data on ownership pattern of deposits as estimated from annual sample survey for the period from 2007-10 is used along with the annual census survey data as collected from-March 2012 to 2014¹. The analysis brings out broad trends across type of deposit accounts, institutional sectors, population groups and bank groups over the period.

Introduction

The annual survey on 'Composition and Ownership Pattern of Bank Deposits with Scheduled Commercial Banks (SCBs)', including Regional Rural Banks (RRBs) as on March 31, 2014, was conducted by the Reserve Bank of India through Basic Statistical Returns (BSR)-4 system. The data collected under this survey were published on the Bank's website under 'data release' (http://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=33283) in February 2015.

2. The data provides branch-wise outstanding deposits as on March 31, according to type of deposits (*viz.*, current, savings and term deposits), and institutional categories of depositors (*i.e.*, Household, Government, Private Corporate (Non-Financial, Financial and Foreign). These data help to analyse the trends across states, population groups and major bank

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¹ More detailed data for March 2014 is available in the Reserve Bank website 'URL:<http://www.rbi.org.in/>'. Previous findings from BSR-4 survey on Composition and Ownership Pattern of Deposits with scheduled commercial bank were published in various issues of Reserve Bank of India Bulletin; the latest was published in the April 2014 issue.

groups (public sector banks, private sector banks and foreign banks).

3. This article is based on 2014 survey data and presents a brief review of the trends and pattern in type of deposit accounts (current, savings and term deposits). The discussion on ownership pattern of deposits by broad institutional sectors is followed by the section on the pattern of deposits according to population groups. Subsequently, bank-group wise analysis on preference of various institutional depositors is discussed. A brief information on state-wise pattern in bank deposits as on March 31, 2014 is also presented in the last section.

Composition of Bank Deposits by Type of Deposits

4. The term deposits remained the largest constituent followed by savings deposits. As on March 31, 2014, term deposits constituted around two-thirds share and savings deposits at around one-fourth share in total deposits (Chart 1).

5. The share of term and savings deposits in total deposits showed increasing trends during 2010-2014, whereas share of current deposits showed declining trend during the same period.

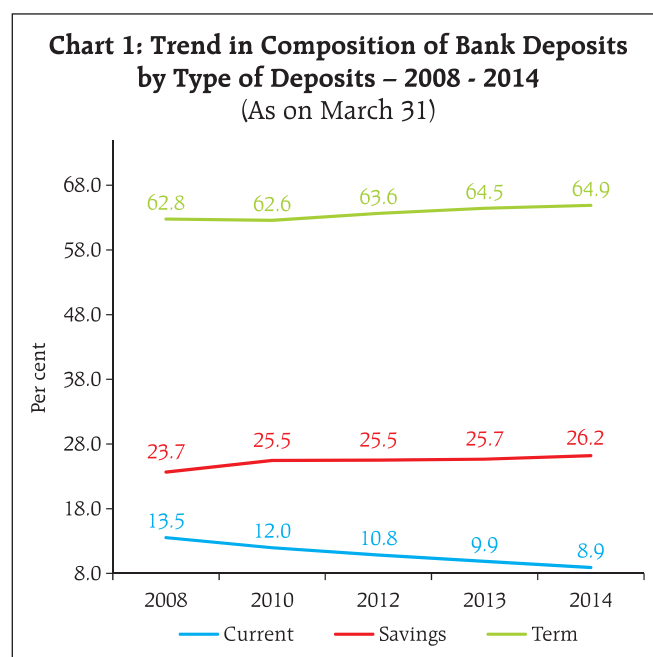


Table 1: Trends in Deposits According to Type of Account

(Amount outstanding in ₹ Billion; Growth in per cent)

Account Type/As on March 31	2007	2008	2009	2010	2012	2013	2014
Current deposits	3,357 (17.8)	4,492 (33.8)	4,865 (8.3)	5,788 (19.0)	6,950 (9.6)	7,060 (1.6)	7,231 (2.4)
Savings deposits	6,709 (17.5)	7,858 (17.1)	9,396 (19.6)	12,312 (31.0)	16,356 (15.3)	18,344 (12.2)	21,323 (16.2)
Term deposits	16,933 (29.8)	20,836 (23.0)	26,136 (25.4)	30,263 (15.8)	40,803 (16.1)	46,063 (12.9)	52,757 (14.5)
Total deposits(**)	26,999 (24.9)	33,186 (22.9)	40,397 (21.7)	48,364 (19.7)	64,110 (15.1)	71,466 (11.5)	81,310 (13.8)
Memo items (in %):							
Term (>1 Yr.) Deposit Rate	7.50-9.00	8.25-9.00	7.75-8.75	6.00-7.50	8.50-9.25	7.50-9.00	8.00-9.25
Growth in Nominal GDP	16.3	16.1	12.9	15.1	15.7	11.2	12.3
Growth in IIP	12.9	15.5	2.5	5.3	2.9	1.1	-0.1
Growth in BSE 100	42.5	39.2	-26.0	-26.2	-7.5	5.0	8.3
Growth in Gold Prices	33.9	8.2	29.0	22.2	33.8	17.3	-3.2

**: Deposits include inter-bank deposits.

Note: 1. Figures in brackets represent the annual growth rates.

2. Prices of gold are in INR in Mumbai.

3. March 2011 estimates based on stratified sampling method were not in alignment with the previous year estimates as also the census data from March 2012 and hence, not considered in the present study. The growth rates for 2012 for all the items are therefore calculated as compounded annual growth rates over 2010.

4. The term deposit rates are as collected from major banks (Source: Weekly Statistical Supplement, RBI).

5. GDP as measured at current market prices.

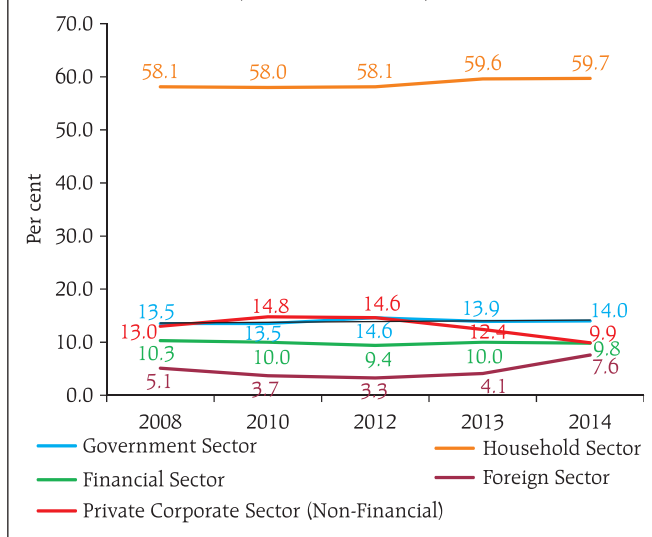
6. The y-o-y growth in total deposits, which was decelerating till March 2013, exhibited some improvement in March 2014 (Table 1), mainly on account of acceleration in interest bearing deposits (*i.e.*, savings and term). Lower growth in current deposits in the last two years is consistent with the slowdown in economic environment as reflected by lower/negative growths in index of industrial production.

Ownership pattern of deposits by broad institutional sectors

7. Household sector² continued to lead deposits generation by SCBs over the entire period under review (Chart 2). As on March 2014, household sector contributed 59.7 per cent share in total deposits followed by the government sector (14.0 per cent). During 2013-14, the share of foreign sector's deposits

had also increased, mainly on account of substantial increase in non-residents' deposits. A part of this increase might be attributed to policy changes on

Chart 2: Trend in Ownership Pattern of Bank Deposits – 2008- 2014
(As on March 31)



² The household sector include individuals as well as unincorporated bodies.

foreign deposit accounts, announced by the Reserve Bank during 2013-14.

8. The households' share in total deposits, which was hovering around 58.0 per cent during 2008-2012, increased to 59.6 per cent in 2013 and remained at that level in 2014 (Table 2). As noted earlier in Table 1, during 2012-14, banks term deposits rates had remained quite competitive as compared to other sources of investment (*i.e.* stock market and gold/ silver) available to households. Within households, individuals³

comprised the largest share of around 83⁴ per cent in total households' deposits. Proprietary and partnership firms (4.7-6.3 per cent) and trusts and associations (3.5-4.6 per cent) were other constituents of households' deposits during the period 2008-2014. (For detailed data, refer RBI website (<http://www.rbi.org.in/>)).

9. Growth in deposits by various institutional sectors is given in Table 2. Non-financial private corporate sectors' deposits with banks continued to decline for the second consecutive year.

Table 2: Total Deposits by Major Institutional Sectors

(Amounts in ₹ Billion; Growth in Per cent)

Major Institutional Sectors	Mar-07	Mar-08	Mar-09	Mar-10	Mar-12	Mar-13	Mar-14
I. Government Sector	3,907 (25.2)	4,478 (14.6)	5,652 (26.2)	6,551 (15.9)	9,361 (19.5)	9,912 (5.9)	11,402 (15.0)
<i>Of which, Central & State Governments</i>	1,301 (26.1)	1,786 (37.3)	2,354 (31.9)	3,068 (30.3)	4,565 (22.0)	5,329 (16.7)	5,596 (5.0)
Public Sector Corporations	1,238 (19.6)	1,314 (6.2)	1,879 (43.0)	1,879 (0.0)	3,017 (26.7)	2,726 (-9.6)	3,735 (37.0)
II. Private Corporate Sector (Non-Financial)	3,035 (39.1)	4,322 (42.4)	5,867 (35.7)	7,137 (21.6)	9,384 (14.7)	8,875 (-5.4)	8,065 (-9.1)
<i>Of which, Non-Financial Companies</i>	2,478 (35.0)	3,293 (32.9)	4,862 (47.7)	5,191 (6.8)	6,210 (9.4)	6,237 (0.4)	5,935 (-4.8)
III. Financial Sector	2,825 (34.6)	3,429 (21.4)	3,580 (4.4)	4,820 (34.7)	6,019 (11.7)	7,150 (18.8)	7,928 (10.9)
<i>Of which, Banks</i>	1,123 (44.7)	1,191 (6.1)	1,578 (32.5)	2,348 (48.8)	2,652 (6.3)	2,939 (10.8)	3,736 (27.1)
Other Financial Institutions	1,181 (28.1)	1,306 (10.6)	1,085 (-16.9)	1,346 (24.0)	1,548 (7.2)	1,662 (7.4)	2,136 (28.5)
Other Financial Companies	521 (30.2)	932 (79.0)	916 (-1.7)	1,127 (23.0)	1,819 (27.1)	2,549 (40.1)	2,056 (-19.3)
IV. Household Sector	15,497 (22.6)	19,280 (24.4)	23,552 (22.2)	28,049 (19.1)	37,249 (15.2)	42,568 (14.3)	48,567 (14.1)
<i>Of which, Individuals (including Hindu undivided Families)</i>	12,018 (18.5)	14,954 (24.4)	18,732 (25.3)	21,843 (16.6)	28,660 (14.5)	33,314 (16.2)	40,468 (21.5)
<i>Of which, Farmers</i>	1,724 (13.2)	1,772 (2.8)	1,758 (-0.8)	2,118 (20.5)	2,000 (-2.8)	2,977 (48.8)	3,008 (1.0)
V. Foreign Sector	1,736 (10.8)	1,677 (-3.4)	1,747 (4.2)	1,807 (3.4)	2,097 (7.7)	2,960 (41.2)	5,348 (80.7)
<i>Of which, Non-Resident</i>	1,494 (7.6)	1,395 (-6.7)	1,558 (11.7)	1,605 (3.0)	1,951 (10.2)	2,811 (44.1)	5,013 (78.3)
Total Deposits	26,999 (24.9)	33,186 (22.9)	40,397 (21.7)	48,364 (19.7)	64,110 (15.1)	71,466 (11.5)	81,310 (13.8)

Note: Figures in brackets represent the annual growth rates. The estimates for March 2011 could not be used as they were not in alignment with the census data for March 2012. The growth rates for 2012 are the compounded annual growth rates (CAGR) over 2010.

³ Individuals including Hindu undivided families (HUF).

⁴ With improvements in classification some household deposits which were not classified elsewhere, are now classified under 'salary and wage earners' and 'other individuals'.

Table 3: Institutional Ownership of Various Types of Deposits

(Per cent)

Type of Deposits Sectors/Year (as on March 31)	Current		Savings		Term		Total	
	2013	2014	2013	2014	2013	2014	2013	2014
I. Government Sector	17.0	15.2	9.8	10.4	15.0	15.3	13.9	14.0
II. Private Corporate Sector (Non-Financial)	28.8	27.6	1.0	0.6	14.4	11.3	12.4	9.9
III. Financial Sector	11.8	11.8	0.4	0.3	13.5	13.3	10.0	9.8
IV. Household Sector	40.8	42.1	84.8	83.6	52.4	52.5	59.6	59.7
V. Foreign Sector	1.6	3.3	4.0	5.1	4.6	7.6	4.1	6.6
Total Deposits	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

10. The institutional ownership of different types of deposits indicates that the households, which is the largest holder of total deposits outstanding with SCBs, also held the largest shares across all three types of deposits, *viz.*, current, savings and term deposits in 2014 (Table 3). Around 84 per cent of savings deposits, more than 50 per cent of term deposits and more than 40 per cent of current deposits are held by households. In current deposits, the non-financial private corporate sector was the second largest contributor followed by

the Government sector in 2014. The share of non-financial private corporate sector in total deposits declined in 2014 mainly in favour of foreign sector.

11. Term deposits constituted major part of total deposits for all institutional sectors over the period 2008-2014 (Table 4). Savings deposits were the second major constituent in all sectors except non-financial private corporate and financial sectors, wherein current deposits were second most important with savings deposits having a negligible share.

Table 4: Composition of Deposits by Various Institutional Sectors

(Per cent)

Year (As on March 31)	Deposit Type/ Sector	Government Sector	Private Corporate Sector (Non-Financial)	Financial Sector	Household Sector	Foreign Sector	Total
2008	Current	14.8	25.8	21.4	9.5	9.2	13.5
	Savings	14.0	0.8	1.2	34.8	26.5	23.7
	Term	71.2	73.4	77.5	55.7	64.3	62.8
	Total	100.0	100.0	100.0	100.0	100.0	100.0
2010	Current	14.1	26.8	9.6	8.5	6.5	12.0
	Savings	16.1	1.0	1.0	37.4	36.2	25.5
	Term	69.8	72.2	89.4	54.2	57.3	62.6
	Total	100.0	100.0	100.0	100.0	100.0	100.0
2012	Current	12.1	22.0	12.3	7.8	6.1	10.8
	Savings	18.7	3.0	1.4	36.3	33.0	25.5
	Term	69.2	75.0	86.2	55.9	60.8	63.6
	Total	100.0	100.0	100.0	100.0	100.0	100.0
2013	Current	12.1	22.9	11.7	6.8	3.8	9.9
	Savings	18.1	2.2	1.1	36.5	24.5	25.7
	Term	69.8	74.9	87.2	56.7	71.7	64.5
	Total	100.0	100.0	100.0	100.0	100.0	100.0
2014	Current	9.6	24.7	10.8	6.3	4.5	8.9
	Savings	19.4	1.6	0.9	36.7	20.2	26.2
	Term	70.9	73.7	88.3	57.0	75.4	64.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Table 5: Distribution of Deposits Across Population Groups

(Amounts in ₹ Billion; Growth Rate and Share in Per cent)

Population Group/Year (as on March 31)		2007	2008	2009	2010	2012	2013	2014
Rural	Amount	2,585	3,010	3,151	4,270	5,780	6,757	7,917
	(Growth Rate)	(10.8)	(16.4)	(4.7)	(35.5)	(16.3)	(16.9)	(17.2)
	{Share}	{9.6}	{9.1}	{7.8}	{8.8}	{9.0}	{9.5}	{9.7}
Semi-urban	Amount	3,653	4,328	5,488	6,307	8,664	10,132	11,604
	(Growth Rate)	(18.8)	(18.5)	(26.8)	(14.9)	(17.2)	(16.9)	(14.5)
	{Share}	{13.5}	{13.0}	{13.6}	{13.0}	{13.5}	{14.2}	{14.3}
Urban	Amount	5,526	6,829	8,926	9,833	13,248	15,388	17,640
	(Growth Rate)	(20.8)	(23.6)	(30.7)	(10.2)	(16.1)	(16.2)	(14.6)
	{Share}	{20.5}	{20.6}	{22.1}	{20.3}	{20.7}	{21.5}	{21.7}
Metropolitan	Amount	15,235	19,020	22,832	27,954	36,417	39,189	44,148
	(Growth Rate)	(31.0)	(24.8)	(20.0)	(22.4)	(14.1)	(7.6)	(12.7)
	{Share}	{56.4}	{57.3}	{56.5}	{57.8}	{56.8}	{54.8}	{54.3}
All India	Amount	26,999	33,186	40,397	48,364	64,110	71,466	81,310
	(Growth Rate)	(24.9)	(22.9)	(21.7)	(19.7)	(15.1)	(11.5)	(13.8)
	{Share}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}

Note: The growth rates for 2012 are the compounded annual growth rates (CAGR) over 2010.

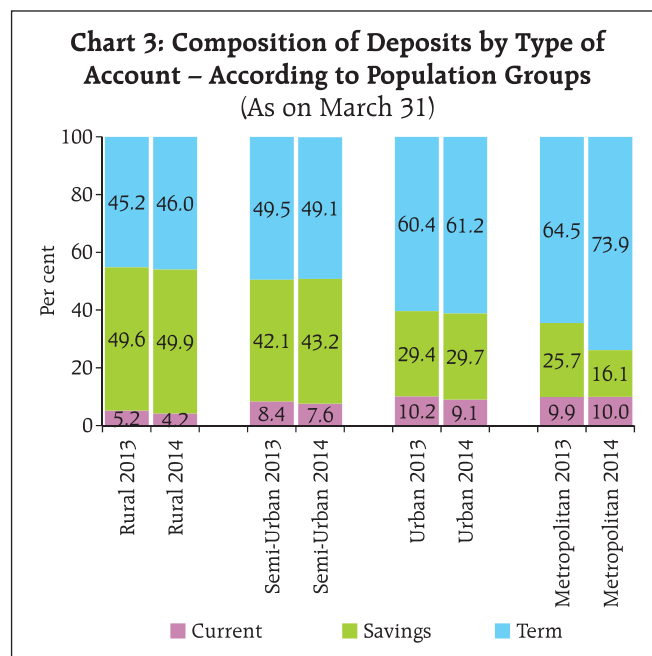
Ownership Pattern of Deposits across Population Groups⁵

12. Total deposits classified by population groups is presented in Table 5. The distribution of deposits across population groups indicated that metropolitan branches contributed the highest share in total deposits. The growth in deposits of metropolitan branches, which declined successively in 2012 and 2013, partly recovered in 2014. The share of these branches, which hovered around 56-58 per cent during 2007-2012 dipped to 54.8 per cent in 2013, and showed only a marginal decline to reach at 54.3 per cent in 2014, on account of higher deposit growth in other population groups.

13. Households sector was the major owner of bank deposits in all population groups. Household sector constituted 90 per cent of total deposits of rural branches. Households' share in total deposits was also high in semi-urban (77.4 per cent), urban (67.6 per cent) and metropolitan (46.5 per cent) areas. In metropolitan area, other notable contributors were government sector (15.8 per cent), financial sector (15.1 per cent)

and non-financial private corporate sector (14.7 per cent) (For detailed data, refer RBI website (<http://www.rbi.org.in/>)).

14. Term deposits remained dominant type of deposits across metropolitan, urban and semi-urban population groups followed by savings deposits in 2014 (Chart 3). In 2014, metropolitan branches' share in term deposits



⁵ The population group classification of banked centres is based on Census 2001.

Table 6: Bank Group wise Distribution of Total Deposits

(Amounts in ₹ Billion; Growth and Share in Per cent)

Bank Group/Year (as on March 31)		2007	2008	2009	2010	2012	2013	2014
State Bank of India and its Associates	Amount	6,071	7,513	10,020	10,531	13,598	15,562	17,417
	Growth Rate	(20.3)	(23.8)	(33.4)	(5.1)	(13.6)	(14.4)	(11.9)
	Share	{22.5}	{22.6}	{24.8}	{21.8}	{21.2}	{21.8}	{21.4}
Nationalised Banks	Amount	12,843	15,845	19,116	25,406	34,233	37,540	42,818
	Growth Rate	(24.0)	(23.4)	(20.6)	(32.9)	(16.1)	(9.7)	(14.1)
	Share	{47.6}	{47.7}	{47.3}	{52.5}	{53.4}	{52.5}	{52.7}
Regional Rural Banks	Amount	817	961	1,186	1,474	1,839	2,064	2,343
	Growth Rate	(7.0)	(17.6)	(23.5)	(24.2)	(11.7)	(12.2)	(13.5)
	Share	{3.0}	{2.9}	{2.9}	{3.0}	{2.9}	{2.9}	{2.9}
Private Sector Banks	Amount	5,725	6,960	8,167	8,550	11,650	13,465	15,252
	Growth Rate	(33.6)	(21.6)	(17.3)	(4.7)	(16.7)	(15.6)	(13.3)
	Share	{21.2}	{21.0}	{20.2}	{17.7}	{18.2}	{18.8}	{18.8}
Foreign Banks	Amount	1,543	1,908	1,907	2,403	2,780	2,836	3,480
	Growth Rate	(32.7)	(23.7)	(0.0)	(26.0)	(7.6)	(2.0)	(22.7)
	Share	{5.7}	{5.7}	{4.7}	{5.0}	{4.3}	{4.0}	{4.3}
All Scheduled Commercial Banks	Amount	26,999	33,186	40,397	48,364	64,110	71,466	81,310
	Growth Rate	(24.9)	(22.9)	(21.7)	(19.7)	(15.1)	(11.5)	(13.8)
	Share	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}

Note: Private sector banks include old as well as new private sector banks. The growth rates for 2012 are compounded annual growth rates (CAGR) over 2010.

increased by 9.4 percentage points and stood at 73.9 per cent as against a decline by 9.6 percentage points in saving deposits. However, in respect of deposits by rural branches, savings deposits constituted the largest share, followed by term deposits.

Ownership Pattern of Deposits According to Bank Groups

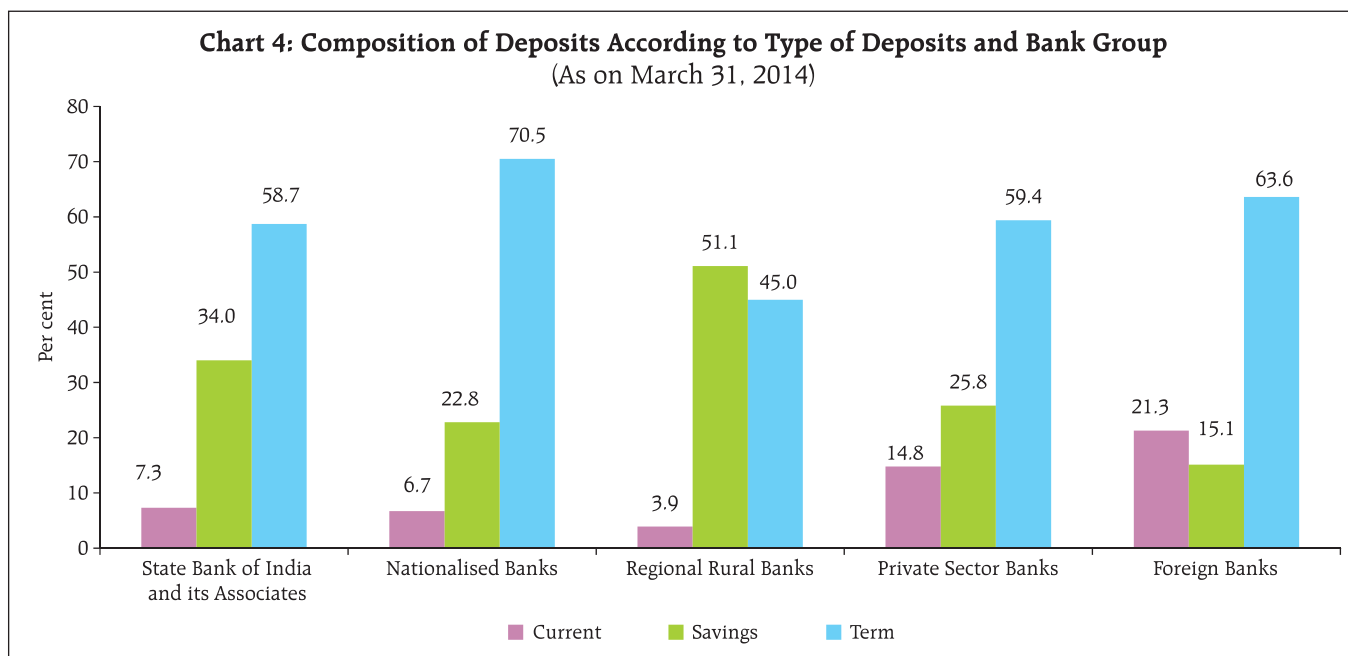
15. Bank group-wise analysis indicates that, public sector banks (consisting of SBI & its Associates and Nationalised Banks including IDBI Bank) comprised the largest share in total deposits, which hovered in the range of 70.1 -74.6 per cent between 2007 and 2014 (Table 6). Domestic private sector banks held 18-20 per cent of deposits and the share of foreign banks remained at 4-5 per cent in various years. The Regional Rural Banks contributed at around 3 per cent of total deposits.

16. Distribution of deposits, according to type was quite similar to earlier years among SBI and its

associates, nationalised banks and private sector banks, where the term deposits had the largest share followed by savings deposits (Chart 4). In the case of foreign banks, term deposits constituted more than 60 per cent of the total deposits followed by current deposits (more than one-fifth). In the case of RRBs, savings deposits accounted for more than half of the total deposits followed by term deposits (more than two-fifth).

17. Institutional ownership of deposits as on March 31, 2014 indicated that the households accounted for the highest share in total deposits in all bank groups excluding the foreign banks group, where the foreign sector held the largest share of deposits followed by non-financial private corporate sector (Table 7).

18. Selection of bank groups by various institutional players appeared to be based on flexibilities required for their business as well as the customer oriented business strategies of banks. Around 90 per cent of the Government deposits were with public sector banks.



About 62 per cent of financial sector (including banks) deposits were with nationalised banks followed by private sector banks (28.0 per cent). More than 56 per cent deposits by non-financial private corporate sector were held by public sector banks while 43.0 per cent deposits were held by foreign and private sector banks. More than three-fourth of household deposits, especially individuals (largest constituent of household

sector) were with public sector banks, might be on account of bigger branch network of these banks.

Institutional Ownership of Deposits According to States / Union Territories⁶

19. The composition of deposits as at end March 2014 across different States/Union Territories (UTs) showed higher concentration in seven states/UTs. These

Table 7: Bank Group Wise Pattern of Ownership of Deposits – March 31, 2014

(Amounts in ₹ Billion; Share in Per cent)

Sector/Bank Group	SBI & Its Associates	Nationalised Banks	RRBs	Private Sector Banks	Foreign Banks	Total
I. Government Sector	3,324 (19.1)	6,965 (16.3)	153 (6.5)	847 (5.6)	113 (3.2)	11,402 (14.0)
II. Private Corporate Sector (Non-Financial)	1,336 (7.7)	3,203 (7.5)	10 (0.4)	2,376 (15.6)	1,140 (32.7)	8,065 (9.9)
III. Financial Sector	410 (2.4)	4,910 (11.5)	21 (0.9)	2,216 (14.5)	372 (10.7)	7,928 (9.8)
IV. Household Sector	11,092 (63.7)	26,910 (62.8)	2,154 (91.9)	7,748 (50.8)	664 (19.1)	48,567 (59.7)
V. Foreign Sector	1,255 (7.2)	831 (1.9)	6 (0.2)	2,064 (13.5)	1,192 (34.3)	5,348 (6.6)
Total Deposits	17,417 (100.0)	42,818 (100.0)	2,343 (100.0)	15,252 (100.0)	3,480 (100.0)	81,310 (100.0)

Note: Figures in parentheses represents share.

⁶ More detailed data for March 2013 is available in the Reserve Bank website 'URL: <http://www.rbi.org.in/>'.

states/UTs (Maharashtra, Delhi, Uttar Pradesh, Karnataka, Tamil Nadu, West Bengal and Gujarat) comprised around 68 per cent of total deposits. Maharashtra alone contributed more than one-fourth of total deposits.

20. According to ownership, dominance of households' savings in bank deposits was of different degrees in different regions. The overall households share in total deposits in the Central Region was the highest at 75.9 per cent (with the corresponding States/UT's share varying in the range from 66 to 81 per cent), followed by the Eastern Region at 72.2 per cent (with the constituents' share ranging between 62 to 75 per cent)

and North-Eastern Region at 71.2 per cent (share varying between 65 to 77 per cent). The share of households in total deposits was lower in the Northern Region (63.4 per cent), the southern Region (60.4 per cent) and in Western Region (45.1 per cent).

21. Of the total deposits by non-financial private corporates, 68.4 per cent was concentrated in four states, namely, Maharashtra (34.8 per cent), Delhi (14.1 per cent), Tamil Nadu (10.4 per cent), and Karnataka (9.1 per cent). In the total foreign sector deposits raised by SCBs, Maharashtra contributed to 39.1 per cent followed by Kerala (17.1 per cent), Delhi (8.3 per cent), Karnataka (6.9 per cent) and Gujarat (5.9 per cent).