

Composition and Ownership Pattern of Bank Deposits : March 1998*

1. Introduction

The Reserve Bank of India has been conducting annual sample surveys on the Composition and Ownership Pattern of bank deposits with Scheduled Commercial Banks and results of these surveys are published in the Reserve Bank of India Bulletin. This article analyses the results of the survey, with last Friday of March 1998 as reference period.

The present survey covers deposits of all Scheduled Commercial Banks and all types of deposits including inter-bank deposits. The following procedure was adopted for selection of bank branches. All the bank branches of Scheduled Commercial Banks (including Regional Rural Banks) other than the administrative offices as on the last Friday of June 1997 numbering 63,214 were arranged in descending order according to size of deposits. The top branches according to size of deposits above Rs.39.48 crore, together with the branches of some of the Union Territories where the number of branches was small (10 or less), were selected as certainty branches. The total number of such branches selected was 2016. Out of the remaining branches, 3982 branches were selected using circular systematic sampling technique. Thus, in all, 5998 branches were selected for the survey. The filled-in returns were received from 5512 branches giving a response rate of 91.9 per cent. Based on the above sampling design the estimates of different characteristics have been built and presented in this article.

2. Ownership Pattern of Bank Deposits

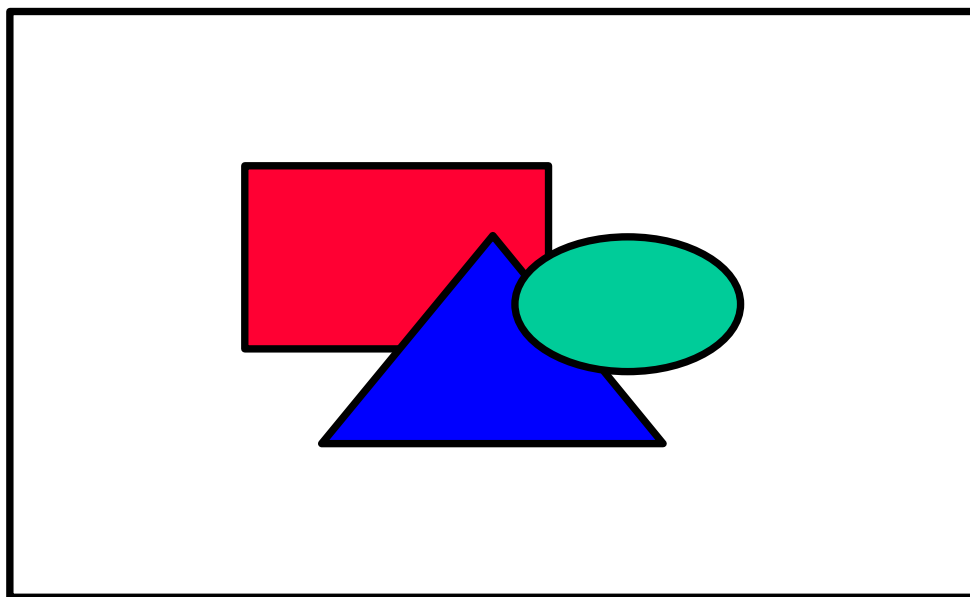
The total deposits of commercial banks increased by 18.9 per cent from Rs.5,08,652 crore in March 1997 to Rs.6,04,811 crore in March 1998. The broad sector-wise ownership pattern of deposits did not exhibit any significant change between 1997 and 1998.

'Household Sector' accounted for the largest share of 66.6 per cent while the other sectors individually contributed below 12.0 per cent as on the last Friday of March 1998. The share of 'Financial Sector' has decreased from 7.7 to 7.4 per cent in 1998. The share of 'Private Corporate Sector (Non-Financial)' has also increased from 4.0 to 4.1 per cent. The share of 'Government Sector' increased from 8.6 per cent to 9.9 per cent whereas the share of 'Foreign Sector' has decreased from 12.4 to 12.0 per cent. The share of 'Household Sector' decreased from 67.4 per cent to 66.6 per cent in the current year. (see [chart 1](#))

Detailed analysis of bank deposits by type and economic sectors as on the reference date is presented in Statement 1. The percentage distribution of deposits according to type viz., Current, Savings and Term deposits did not undergo any perceptible change between the last Friday of March 1997 and 1998. (see [chart 2](#))

The share of 'Financial Sector' in current deposits for the current year was 19.4 per cent

corresponding to 17.6 per cent in the last year, whereas the share of the 'Government Sector' in current deposits decreased from 19.1 to 17.5 per cent. The share of 'Household Sector' in current deposit however, decreased marginally from 46.7 to 46.6 per cent. The share of 'Private Corporate Sector (Non-financial)' decreased from 14.5 to 13.7 per cent. In the case of savings deposits, increase was registered in the share of 'Government Sector' (from 7.7 to 8.4 percent) and decrease in 'Household Sector' (from 86.0 to 84.8 per cent). The share of 'Financial Sector' increased from 1.2 to 1.4 per cent, whereas the share of 'Foreign Sector' has increased from 4.8 to 5.3 per cent. The savings deposits held by 'Private Corporate Sector (Non-Financial)' was 0.2 per cent. As regards term deposits, the share of 'Government Sector' increased from 6.6 to 8.9 per cent. As against this, the shares of 'Private Corporate Sector (Non-Financial)' in such deposits increased from 2.9 to 3.4 per cent whereas the shares of 'Household Sector' has decreased from 65.4 to 64.3 per cent. The 'Foreign Sector' has contributed 16.4 percent of such deposits in the current year registering a decrease from 17.4 per cent over the last year. (see [chart 3](#))

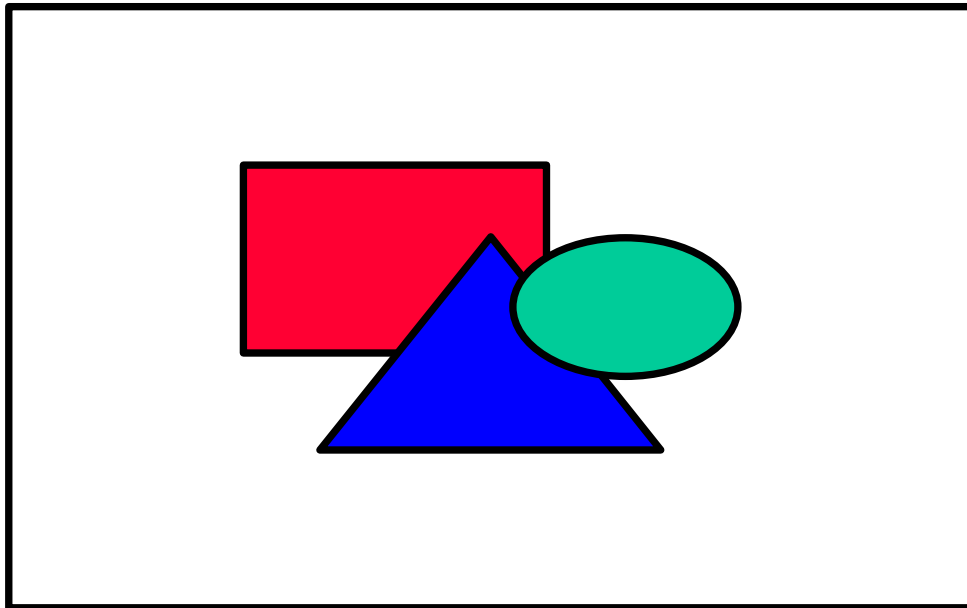


3. Ownership Pattern of Deposits according to Population Groups

Population group-wise comparative composition of ownership of deposits is given below. (see [chart 4](#))

Sector-wise and population group-wise classification of bank deposits is presented in

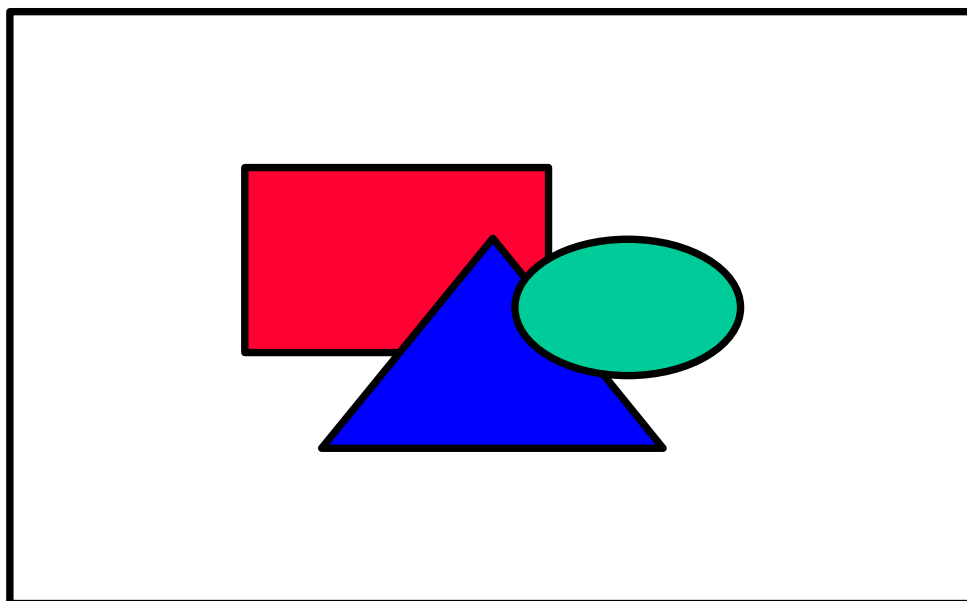
Statement 2. Among the major economic sectors, 'Household Sector' accounted for the highest share in total deposits in all the population groups. This share was highest in rural areas (87.9 per cent) followed by semi-urban (72.6 per cent), urban (70.0 per cent) and metropolitan areas (55.8 per cent). The shares of deposits of 'Government Sector' in different population groups varied between 5.2 and 12.3 per cent. The shares of deposits of the 'Private Corporate Sector (Non-Financial)' were 0.5 per cent in case of centres in rural, 0.5 per cent in semi-urban, 1.8 per cent in urban and 7.9 per cent in metropolitan areas. The share of deposits of 'Financial Sector' was 1.3 per cent in rural areas and it varied between 5.7 and 9.5 per cent in centres located in other population groups. The shares of deposits in respect of 'Foreign Sector' were in the range of 5.1 to 14.6 per cent in different population groups.



The share of 'Non-Residents' was the highest in semi-urban areas (13.1 per cent), followed by metropolitan (12.5 per cent), urban (8.2 per cent) and rural areas (4.6 per cent). Among 'Residents', farmers accounted for the highest share in rural areas (38.6 per cent). In semi-urban, urban and metropolitan areas, this share was 16.5, 3.8 and 0.5 per cent respectively. In the total deposits of various population groups, the shares of 'Businessmen and Traders' were in the range of 10.7 to 13.5 per cent. Whereas for wage and salary earners these percentages were in the range of 12.2 to 16.6 per cent.

Of the total bank deposits of Rs.6,04,811 crore in March 1998, the population groups

viz., rural, semi-urban, urban and metropolitan accounted for 13.1, 20.4, 22.4 and 44.2 per cent respectively. The corresponding figures for the previous year were 14.2, 19.4, 22.0 and 44.5 per cent respectively. The metropolitan centres accounted for 35.1 per cent of the savings deposits. The shares of other population groups in such deposits were in the range of 17.9 to 24.3 per cent. In the case of current deposits also, centres in metropolitan areas accounted for the major share (57.4 per cent) followed by centres in urban (23.5 per cent), semi-urban (13.8 per cent) and rural areas (5.3 per cent). In respect of term deposits, major share was again contributed by centres in metropolitan areas (44.6 per cent) followed by centres in urban (22.0 per cent), semi-urban (20.4 per cent) and rural areas (13.0 per cent). The population group-wise ownership of deposits of Scheduled Commercial Banks is illustrated in the stacked bar diagram. (see [chart 5](#))

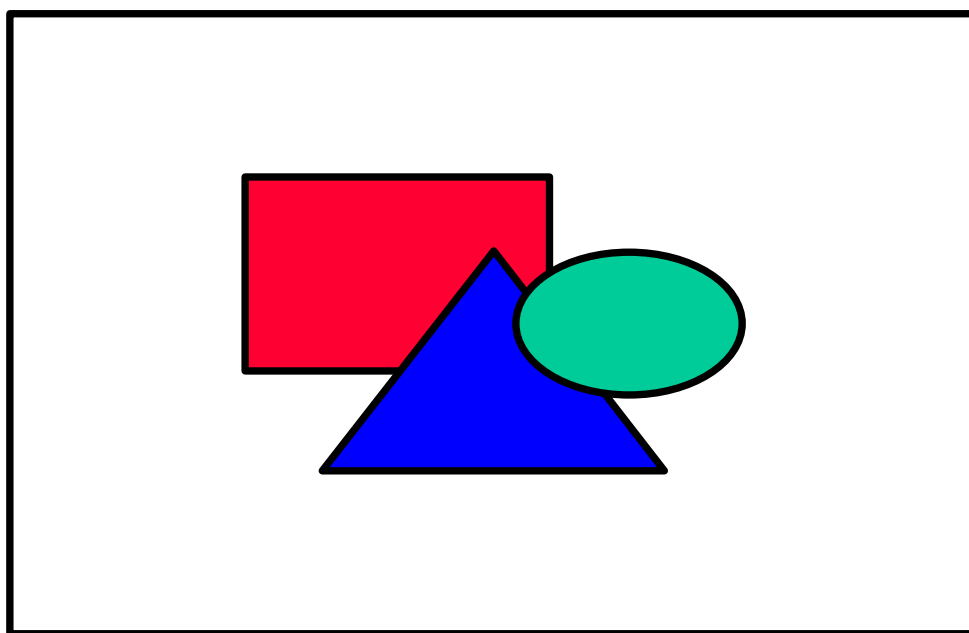


4. Ownership Pattern of Deposits in States and Union Territories

The ownership pattern of deposits classified according to States/Union Territories is presented in Statement 3. In all the States/Union Territories, 'Household Sector' was the predominant owners of deposits. Among the states, the share of 'Household Sector' was the highest in Haryana (84.9 per cent) followed by Rajasthan (84.1 per cent), Sikkim (83.5 per cent), Mizoram (82.6 per cent), Bihar (80.5 per cent). Among the Union Territories, the lowest share was in Chandigarh (56.6 per cent) and the highest in Andaman & Nicobar Island (89.2 per cent). Foreign Sector accounted for 11.9 per cent of the total deposits at the all-India level. The highest share of such deposits was in Kerala (42.5 per cent), followed by Goa (33.1 per cent), Pondicherry (25.3 per cent), Gujarat (19.4 per cent), Maharashtra (17.9 per cent) and Punjab (17.2 per cent). The share of 'Government Sector' in total deposits was the highest in Arunachal Pradesh (74.8 per cent) followed by Meghalaya (26.8 per cent). In the rest of the States/Union Territories, this share was below 25 per cent.

5. Ownership Pattern of Deposits in Metropolitan Centres

The ownership pattern of deposits of the four major metropolitan centres is presented in 'Household sector' in total deposits was the highest in Calcutta (66.8 per cent) and the lowest in Mumbai (46.1 per cent). As regards 'Foreign sector', Mumbai accounted for the highest share of 22.1 per cent, followed by Chennai (11.9 per cent). Among the different metropolitan centres, the highest share of 'Government Sector' deposits was recorded in Delhi (21.3 per cent) followed by Chennai (10.8 per cent). The share of 'Private Corporate Sector (Non-Financial)' was the highest in Mumbai (9.9 per cent). The subcategory 'Other Financial Institutions' of 'Financial Sector' had the highest share of deposits in Mumbai (5.4 per cent).



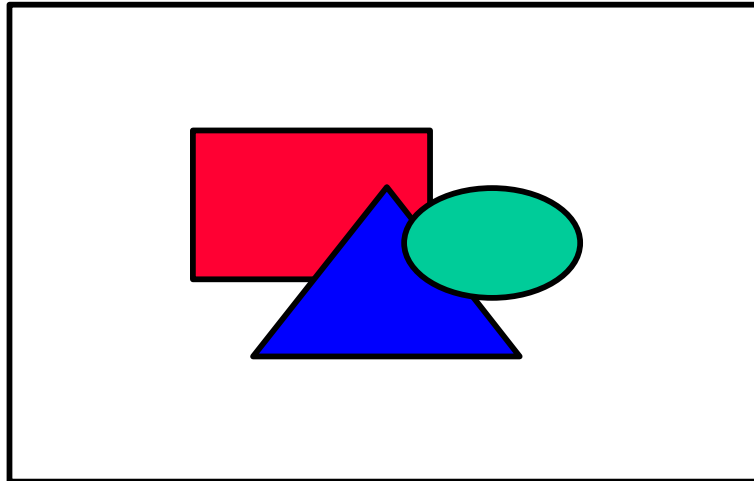
6. Ownership Pattern of Deposits according to Bank Groups

The bank-group-wise composition of deposits is presented in Statement 5. Of the total deposits of Rs.6,04,811 crore as on the last Friday of March 1998, Nationalised Banks accounted for the largest share of 53.8 per cent followed by State Bank of India and its Associates (27.1 per cent), other Indian scheduled commercial Banks (9.8 per cent), Foreign Banks (6.4 per cent) and Regional Rural Banks (2.9 Per cent). The Bank group-wise composition of ownership of total deposits, however, did not change significantly compared to the previous year. (see [chart 6](#)).

7. Ownership Pattern of Deposits -Economic Sector and Bank Groups

The ownership pattern of deposits according to economic sectors and bank groups is

presented in Statement 6. 'Individuals' accounted for the highest share of the total deposits in all the bank groups other than Foreign Banks. This share was 50.6 per cent for State Bank of India and its Associates, 56.4 per cent for Nationalised Banks, 77.7 per cent for Regional Rural Banks, 38.3 per cent for Other Indian Scheduled Commercial Banks and 29.6 per cent for Foreign Banks. The share of Non-Resident deposits was the highest in the case of Foreign Banks (26.0 per cent) followed by Other Indian Scheduled Commercial Banks (13.5 per cent), State Bank and its Associates (9.8 per cent) and Nationalised Banks (9.2 per cent).



The share of 'Government Sector' was the highest in respect of deposits held by State Bank of India and its Associates (13.4 per cent) followed by Regional Rural Banks (11.2 per cent), Nationalised Banks (9.4 per cent), Other Indian Scheduled Commercial Banks (8.5 per cent) and Foreign Banks (1.3 per cent). In the case of State Bank of India and its Associates, 4.5 per cent of such deposits was contributed by 'Public Sector Corporations and Companies' and 4.1 per cent by 'Central & State Governments'. Such deposits of Regional Rural Banks were largely contributed by 'Central & State Governments' (6.8 out of 11.2 per cent). Out of the total of Rs.16,522 crore deposited by 'Public Sector Corporations and Companies' with all Scheduled Commercial Banks, major shares were held by Nationalised Banks (43.2 per cent) and State Bank of India and its Associates (44.5 per cent).

The share of 'Private Corporate Sector (Non-Financial)' in the total deposits held by different bank groups was highest in respect of Foreign Banks (18.6 per cent). This share was 5.6 per cent for Other Indian Scheduled Commercial Banks, 3.3 per cent for State Bank of India and its Associates, 2.7 per cent for Nationalised Banks.

The deposits of 'Financial Sector' accounted for 7.4 per cent of the total deposits of all

Scheduled Commercial Banks, of which 4.1 per cent represented the inter-bank deposits. The share of other Financial Institutions were Insurance Corporations and Companies (0.6 per cent), Provident Fund Institutions (0.3 per cent), Term Lending Institutions (0.4 per cent) each. The share of inter-bank deposits to the total deposits was 11.3 per cent for Other Indian Scheduled Commercial Banks, 6.3 per cent in respect of State Bank of India and its Associates, 2.1 per cent for Nationalised Banks, 2.7 per cent for Foreign Banks and 1.1 per cent for Regional Rural Banks. Out of the total inter-bank deposits of Rs.25,008 crore, State Bank of India and Associates accounted for 41.4 per cent, followed by Nationalised Banks (26.8 per cent), Other Indian Scheduled Commercial Banks (26.8 per cent), Foreign Banks (4.2 per cent) and Regional Rural Banks (0.8 per cent).

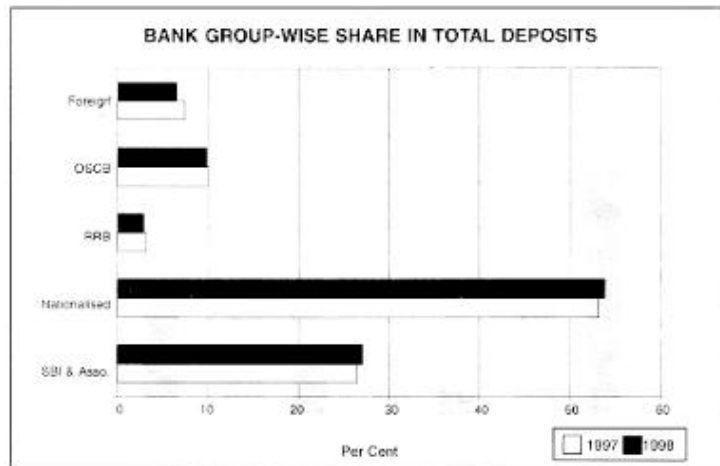


CHART 6

* **Prepared in the Banking Statistics Division of the Department of Statistical Analysis and Computer Services.**

The previous article on 'Composition and Ownership Pattern of Bank Deposits - March 1997' was published in June 1998 issue of the Reserve Bank of India Bulletin.