

# FY23 credit growth highest since FY12

## FY23 bank deposit mobilisation lagged credit disbursements

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Bank credit rose by 15 per cent year-on-year (YoY) in 2022-23 (FY23), against 9.6 per cent YoY in 2021-22 (FY22), revealed Reserve Bank of India (RBI) data. FY23 credit growth is highest since 2011-12, when it was 19.3 per cent. Bank deposits expanded 9.58 per cent YoY in

FY23, against 8.9 per cent YoY growth seen in the previous financial year (FY22).

The RBI data showed that bank deposit mobilisation lagged behind credit disbursements in FY23. They raised ₹15.78 trillion through deposits in FY23, against ₹13.51 trillion raised in FY22. The credit in absolute terms rose ₹17.83 trillion in FY23, up from

₹10.43 trillion in FY22. Bankers said credit offtake was strong for most of FY23, but the challenge was in garnering additional resources amid tightening liquidity in the aftermath of a change in the RBI's stance and hike in policy repo rates.

As per the RBI's Scheduled Bank's Statement of Position in India, the out-

standing credit stood at ₹136.75

trillion at the end of the last fortnight of FY23 (March 24, 2023), up from ₹118.91 trillion a year ago (March 25, 2022 — FY22).

Banks were engaged in intense competition by offering higher interest rates on term money to mop up funds.

For instance, the interest rate on one-year term deposits was in the range of 5-5.6 per cent around the end of March 2022 and moved up to 6-7.25 per cent by the end of March 2023. However, the savings deposit rate remained in the range of 2.7-3 per cent in March 2022 and March 2023.



**Bank deposits expanded 9.58% YoY in FY23, against 8.9% in the last fiscal year**