

Bank deposits rise by ₹3.26 trn in fortnight

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Bank deposits rose by ₹3.26 trillion to ₹187.02 trillion in the fortnight ended June 2, 2023 as money came back to the banking system following the Reserve Bank of India's (RBI's) decision to withdraw ₹2,000 note from circulation.

According to the RBI data, deposits had shrunk by ₹59,623 crore to ₹183.74 trillion in the previous fortnight ending May 19, 2023. The liabilities, meanwhile, rose 11.8 per cent on a year-on-year basis as of June 2, up from 9.3 per cent a year ago.

After announcing the monetary policy on June 8, 2023, RBI Governor

Shaktikanta Das had said there was ₹3.62 trillion of ₹2,000 notes in circulation as on March 31, 2023. After the denomination was withdrawn, about ₹1.8 trillion of ₹2,000 notes had come back till then, which was roughly about half of ₹2,000 notes in circulation as on March 31, 2023. Bank credit grew ₹1.14 trillion to ₹140.08 trillion in the reporting fortnight, with the credit portfolio rising 15.4 per cent on a YoY basis, up from 13.1 per cent a year ago, the RBI data showed.

Credit offtake has remained robust even amid the significant rise in interest rates, and global uncertainties related to geo-political, and supply chain issues.

