

Banks' credit growth accelerates to 14.2% in June quarter: RBI

In March 2022 quarter, bank credit expanded by 10.8%; aggregate deposit growth has been in 9.5-10.2% range in the last 5 quarters

OUR BUREAU

Mumbai, August 25

Credit growth (y-o-y) of scheduled commercial banks (SCBs) accelerated further to 14.2 per cent in June from 6 per cent a year ago and 10.8 per cent a quarter ago, according to Reserve Bank of India.

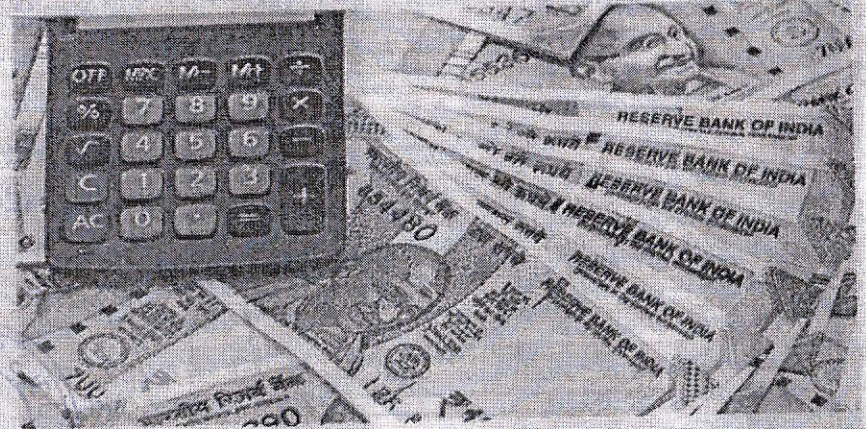
However, aggregate deposit growth (y-o-y) has remained in the range 9.5-10.2 per cent during the last five quarters.

Credit-deposit ratio

As credit growth is outpacing deposit growth in the recent period, credit-deposit (C-D) ratio has been on the rise. In

June, C-D ratio stood at 73.5 per cent at all-India level (70.5 per cent a year ago) and 86.2 per cent for metropolitan branches of banks (84.3 per cent a year ago), per RBI's statement on 'Quarterly statistics on deposits and credit of SCBs: June 2022'.

Credit growth has been broad-based: all the population groups (rural, semi-urban, urban and metropolitan), all the bank groups (public/private sector banks, foreign banks, regional rural banks and small finance banks) and all the regions of the country (central, eastern,



The share of CASA deposits has been rising over last 3 years ISTOCK.COM

north-eastern, northern, southern and western) recorded double-digit annual credit growth in June, the central bank said.

When it comes to deposit growth, RBI observed that metropolitan branches continued to account for over half of the bank deposits and their

share increased marginally over the last one year. The central bank said the share of current account and savings account (CASA) deposits in total deposits has been increasing over the last three years (42 per cent, 43.8 per cent and 44.5 per cent in June of 2020, 2021 and 2022, respectively).