

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3177

ANSWERED ON:15.03.2013

GROWTH RATE OF BANKS

Krishnaswamy Shri M.;Shetkar Shri Suresh Kumar;Sivasami Shri C.

Will the Minister of FINANCE be pleased to state:

- (a) whether the banks' incremental lending this year is lower as compared to the last year;
- (b) if so, the details thereof;
- (c) whether the risks to banking sector have increased in recent years;
- (d) if so, the details thereof along with the details of difference between credit and deposit growth during the last year; and
- (e) the corrective steps taken / proposed to be taken by the Government / Reserve Bank of India in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (d): The incremental growth of advances for all banks declined from 8.48% (as on December 2011 over March 2011) to 7.29% (as on December, 2012 over March 2012). The details of deposits and advances and their incremental growth of all banks are as under:-

(Rs. In crore)

Year	Deposits	Incremental	Advances	Incremental
	Growth in Deposit		Growth in Advances	
March, 2010	45,77,493	32,64,907		
March, 2011	53,91,920	17.79	39,92,145	22.27
December, 2011	58,03,494	7.63	43,30,857	8.48
March, 2012	61,37,863	13.83	46,66,337	16.89
December, 2012	65,72,534	7.08	50,06,622	7.29

Source: Latest updated OSMOS Database.

(e): Reserve Bank of India (RBI) has deregulated the interest rate on savings bank deposit of resident Indian on 25.10.2011. Banks are free to determine their savings bank deposit interest rate, subject to the certain conditions. In the deregulated regime, the depositors may earn higher rate of interest on their deposits.

To boost up loans for consumer durables and for increasing credit flow to retail loans, special rebates have been offered through Festival Offers in Housing & Car loans which will be effective upto 31.03.2013.