

## SCB's fortnightly performance

**Deposits held with SCBs:** RBI's fortnightly data shows that, SCBs (including HDFC merger impact) in FYTD24, i.e. between Mar'23 and Dec'23 (as of 15<sup>th</sup> Dec), have registered an increase of Rs 17.5 lakh crore as incremental deposit (+9.7%), with demand deposits noting Rs 1.4 lakh crore (+6.4%) increase, and time deposits recording Rs 16.1 lakh crore (+10.1%) increase in this period.

Excluding the impact of HDFC merger, deposits have risen by Rs 16.2 lakh crore (+9%) in FYTD24 so far. Last year in FYTD23 (Mar-Dec), deposits had risen by Rs 8.9 lakh crore (+5.4%), as Rs 9.3 lakh crore (+6.5%) increase in time deposits was slightly offset by Rs 0.4 lakh crore (-1.9%) decline in demand deposits.

**Table 1: SCB deposits**

Rs lakh crore	Outstanding as of 15 Dec 2023	Incremental (FYTD23)	Incremental (FYTD24)
Total Deposits	197.9	8.9	17.5
Total Deposits (excluding HDFC merger)	196.7	8.9	16.2
Time Deposits	174.7	9.3	16.1
Demand Deposits	23.2	(0.4)	1.4

Source: CEIC, RBI, Bank of Baroda Research

**SCBs' credit growth:** Lending by SCBs (including HDFC merger) has risen by 15.6% in FYTD24 so far (between Mar'23 and 15 Dec 2023), implying an incremental credit growth of Rs 21.3 lakh crore.

If we exclude the impact of HDFC merger, then incremental credit growth was only Rs 15.5 lakh crore, noting 11.4% increase, which is still slightly higher than 10.6% increase (+ Rs 12.6 lakh crore) registered in FYTD23 during the same period.

**Table 2: SCB bank credit**

Rs lakh crore	Outstanding as of 15 Dec 2023	Incremental (FYTD23)	Incremental (FYTD24)
Total bank credit (including the impact of HDFC merger)	158.1	12.6	21.3
Total bank credit (excluding the impact of HDFC merger)	152.3	12.6	15.5

Source: CEIC, RBI, Bank of Baroda Research

During this period investments increased by Rs 4.4 lkh crore (Rs 5.45 lkh cr including HDFC). Hence on the assets side there was an increase of close to Rs 20 lkh cr (excluding HDFC) while deposit increased by Rs 16.2 lakh crore. This explains the persistent liquidity deficit in the system witnessed for over a month now.

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