



## **A STUDY ON DEPOSIT GROWTH RATE OF THE LARGE AND MID SIZED BANKS OF INDIA DURING THE PREVIOUS FINANCIAL YEAR**

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### **Abstract**

*Deposits and their growth in banking sector is one of the key determinant in measuring the financial strengths of any banking corporation. For any common stake holder in any banking corporation , deposits are the one figure which would catch their attention , based on which they would draw certain inferences. The Indian banking sector is quite magnanimous in its operations size because of its positive aspects such as huge population size , agile investors , improved financial conditions etc and invariably it would impact on the deposit size of the banking corporations. Under the study, the two category of Indian banks i e large sized private and public sector and mid-sized private and public sector banks based on their balance sheet size were considered , their respective figures of two types of deposits i e TERM deposit and CASA deposits growth during the previous financial year was studied using ranking analysis and it was found that the top performers in deposit growth achievement are private sector banks in both the classes of deposits than the public sector banks category.*

**Key words: Indian Banking Sector, Large Sized and Mid-sized Banks, TERM and CASA Deposits.**

### **Introduction**

Deposits are the lifeblood of any banking corporate , and any banking corporate would always be interested to augment their deposits ,as the quantum of deposit they possess convey a concrete meaning to their banking counterparts , economy and to general public at large. Deposit mobilisation is the key function of any banking corporate to which maximum thrust will be given to uplift it by most nascent modes and methodologies. Deposits are one of the prominent indicators of measuring the performance of any banking corporate and in this regard one is aware that , a particular banking corporate would offer different varieties of deposits with its own salient features to attract depositors and try to pool in as much deposits as possible , so that it could lend it to the needy at the competitive interest rates. Hence it can be said that deposits play a pivotal role in the upkeep of well being of any banking corporate and banks would always put in their best efforts to uplift the deposits. The deposits by and large are of two types i e CASA Deposits and Term Deposits.

CASA, which stands for Current Account and Savings Account, refers to the deposits held in current and savings accounts by individuals and businesses at banks. These deposits are a significant source of funding for banks and are considered low-cost funds due to lower interest rates compared to fixed deposits. Term deposits are the one which will fetch more returns than the CASA deposits which has a specific maturity period and any depositor who wishes to withdraw his deposit before the maturity period will be levied with a penal interest as per the contract entered . CASA, which stands for Current Account and Savings Account, refers to the deposits held in current and savings accounts by individuals and businesses at banks. These deposits are a significant source of funding for banks and are considered low-cost funds due to lower interest rates compared to fixed deposits. Growth in Indian banking industry can be referred under various parameters and standards and growth is a very wide terminology in banking sector where in by and large growth of a particular bank will be measured in



terms of growth in deposits , growth in the amount of credit extended ,growth in fee income , growth in operating profit , growth in terms of increase in market share and many more ,

### Literature Reviews

- 1) Sudha, J. (2022). Deposit mobilization of commercial banks: A Comparative Study with AXIS Ltd and CUB Ltd in India. *Asian Journal of Management*, 193–199. <https://doi.org/10.52711/2321-5763.2022.00035>. the research scholars undertook research on the 3 different types of deposit mobilization of AXIS LTD and CUB LTD during the period from 2011-2012 to 2020-2021. Three different types of deposits, namely demand deposit, savings deposit and term deposit is considered for the study. The total amount of deposits mobilized during the years from 2011-2012 to 2020-2021 in all AXIS LTD and CUB LTD in India is gathered from official website of concern bank. The collected time series data are subjected descriptive statistics. Mean, Standard deviation, co-efficient of variance and The Compound Annual Growth Rate (CAGR) are calculated for analyzing these data. Finally found that, there has been a remarkable growth in mobilization of all kinds of deposits in AXIS LTD and CUB LTD in India on the whole.
- 2) Priyadarsini VP , Dr. R. Sureka Ravi (2024)” A Study on Deposits Mobilization in Indian Overseas Bank”. In *International Journal for Multidisciplinary Research (IJFMR)*, volume 6 , issue 6 . The research was conducted to understand the different deposit schemes, their interest rates, and the benefits they offer to customers. Additionally, the study explores how effectively the bank mobilizes deposits and evaluates whether the funds are deployed efficiently for investments, loans, and advances. An analytical research design was adopted for this study, using data from secondary sources like online information and the bank's balance. The analysis employed tools such as percentages, trend analysis, and comparative balance sheets to draw insights and conclusions about the bank's deposit strategies and performance.
- 3) Sheerin, A. (2023). Performance of Private Banks in India after the Global Financial Crisis. *Saudi Journal of Economics and Finance*, 7(03), 147–154. <https://doi.org/10.36348/sjef.2023.v07i03.004>. the research evaluates the overall technical efficiency, pure technical efficiency, scale efficiency, allocative efficiency and cost efficiency between 2009-10 to 2018-19 using non-parametric data envelopment analysis (DEA). The findings of the study indicate that new private banks had better average overall technical efficiency, average pure technical efficiency, average scale efficiency and average cost efficiency.
- 4) Pandey, S. (2023). A STUDY ON FINANCIAL SCALABILITY CHECK ON INDIAN SMALL DEVELOPMENT BANKS. *International Journal of Management, Public Policy and Research*, 2(4), 45–50. <https://doi.org/10.55829/ijmpr.v2i4.188>. the study examines the financial scalability of small development banks in India by conducting a thorough analysis of their financial statements, risk management policies, and growth strategies. The research aims to evaluate the banks' ability to sustain growth while maintaining their financial stability and minimizing risks.
- 5) Nalliboyina, S. B., & Chalam, G. V. (2023). Factors Determining the Financial Performance of Public Sector Banks in India. *Asian Journal of Economics, Business and Accounting*, 23(14), 57–71. <https://doi.org/10.9734/ajeba/2023/v23i141005>. the research attempts to examine the determinants of profitability in Indian public sector banks during the period 2010-11 to 2021-



22. For this purpose, a sample of 12 public sector banks listed in NSE & BSE has been taken. It was found that if banks concentrate on CAR and CRAR variables, they would be able to generate better profitability in the present globalized era. These findings are of value to both academicians and policymakers.

Research Gap : the above review of literatures paves the research gap that off late from the year 2024 , no concrete research has been undertaken regarding the deposit growth , encompassing all the banking sectors in India and hence the topic chosen is researchable

Statement of the problem: The deposit growth in the Indian banking sector is always debatable and many sects of the society would be curious to know the rate of deposit growth in the Indian Banking sector , as they would have some take away out of it. That apart many stake holders both at national and international levels would also be interested to educate themselves about the deposit growth , as Indian banking sector is very huge, diversified and magnanimous as it banking corporations in India at present can be broadly classified under different segments and each segment would have many sub segments.

### Objectives of the study

- 1 To study the growth rate in CASA and TERM deposits of large sized and mid sized Indian Banks and all the banks put together and rank the banks on deposits growth rate of both the category of deposits.
- 2 To subsequently draw the observations based on the ranking technique used for data analysis and hence give recommendations wherever necessary

### Scope of the study

- 1 The study encompasses 11 large size Indian banks which are functional and 8 mid sized Indian banks which are also functional now
- 2 The sample size is 100% i e leaving no banks out of the study coverage
- 3 The research would be empirical with secondary data source collected from BUSINESS TODAY periodical

### Limitations of the study

- 1 The paper is limited to study the growth of large and medium sized Indian banks with specific reference to growth in Deposits only
- 2 the study encompasses the growth in deposits only for previous financial year

**Data Set 1: Table Showing Growth in Deposit Rates of Large Indian Banks with a Balance Sheet Size of More Than or Equal to 5 Lakh Crores**

Bank Name	Percentage growth in TERM deposits	percentage growth in CASA deposits
ICICI	19.65	10.09
AXIS	12.85	02.88
KOTAK MAHINDRA	23.65	6.51
BANK OF BARODA	10.24	8.27
INDIAN BANK	10.76	7.54
UNION BANK OF INDIA	9.28	04.08



CANARA	11.29	7.04
INDUSIND	14.37	8.02
SBI	11.13	3.92
BOI	10.21	6.65
PNB	06.91	2.69

Source : *Business Today*

**Data Set 2 : Table Showing Growth in Deposit Rates of Mid Sized Indian Banks With a Balance Sheet Size of More Than 2 Lakh Crores But Upto 5 Lakh Crores**

Bank Name	Percentage growth in TERM deposits	percentage growth IN CASA deposits
<b>BANK OF MAHARASHTRA</b>	15.66	14.25
<b>IDBI</b>	8.68	3.38
<b>IOB</b>	9.59	9.99
<b>FEDERAL</b>	18.35	6.46
<b>IDFC FIRST</b>	38.68	31.65
<b>CBI</b>	7.16	6.28
<b>YES</b>	22.47	23.04
<b>UCO</b>	5.53	7.44

Source : *Business Today*

### Data Analysis and Interpretation

#### Data Analysis and Interpretation between the Categories of Banks

#### 1) Table Showing The Ranking of Large Sized Indian Banks In TERM And CASA Deposits

Bank Name	Percentage growth in TERM deposits	Ranks	percentage growth in CASA deposits	Ranks
ICICI	19.65	2	10.09	1
AXIS	12.85	4	02.88	10
KOTAK MAHINDRA	23.65	1	06.51	7
BANK OF BARODA	10.24	8	08.27	2
INDIAN BANK	10.76	7	07.54	4
UNION BANK OF INDIA	9.28	10	04.08	8
CANARA	11.29	5	07.04	5
INDUSIND	14.37	3	08.02	3
SBI	11.13	6	03.92	9
BOI	10.21	9	06.65	6
PNB	06.91	11	02.69	11

**Interpretation:** From the above table it is apparent that, with regard to percentage growth in TERM deposits , kotak Mahindra bank has secured 1<sup>st</sup> place and the last place goes to Punjab National Bank. As far as percentage growth in CASA deposits are concerned the first place is secured by ICICI bank and last place goes to again Punjab National Bank. Therefore it can be inferred that PNBs performance



is poor during the previous financial year in uplifting the growth in both the type of deposits. It can also be observed that ICICI's performance is sustaining by having 2<sup>nd</sup> and 1<sup>st</sup> places in deposit mobilisation during the previous financial year

## 2) Table Showing the Ranking of Midsized Indian Banks of Growth in TERM and CASA Deposits

Bank Name	Percentage growth in TERM deposits	ranks	percentage growth IN CASA deposits	ranks
BANK OF MAHARASHTRA	15.66	4	14.25	3
IDBI	8.68	6	3.38	8
IOB	9.59	5	9.99	4
FEDERAL	18.35	3	6.46	6
IDFC FIRST	38.68	1	31.65	1
CBI	7.16	7	6.28	7
YES	22.47	2	23.04	2
UCO	5.53	8	7.44	5

**Interpretation:** from the above table it is apparent that, with regard to percentage growth in TERM deposits as well as CASA deposits, IDFC First Bank stands in 1<sup>st</sup> place and second place is secured by YES bank both in the growth of TERM as well as CASA deposits. As far as TERM deposit is concerned the last place goes to UCO bank and in CASA deposits the last place is taken by IDBI

## Data Analysis and Interpretation between the Banks put Together

### 3) Table Showing the Ranking of All the Banks Pertaining to Growth In TERM And CASA Deposits

Bank Name	Percentage growth in TERM deposits	Ranks	percentage growth IN CASA deposits	ranks
ICICI	19.65	4	10.09	4
AXIS	12.85	8	02.88	18
KOTAK MAHINDRA	23.65	2	06.51	12
BANK OF BARODA	10.24	12	08.27	6
INDIAN BANK	10.76	11	07.54	8
UNION BANK OF INDIA	9.28	17	04.08	15
CANARA	11.29	9	07.04	10
INDUSIND	14.37	7	08.02	7
SBI	11.13	10	03.92	16
BOI	10.21	13	06.65	11
PNB	06.91	18	02.69	19
BANK OF MAHARASHTRA	15.66	6	14.25	3



IDBI	8.68	15	3.38	17
IOB	9.59	14	9.99	5
FEDERAL	18.35	5	6.46	13
IDFC FIRST	38.68	1	31.65	1
CBI	7.16	16	6.28	14
YES	22.47	3	23.04	2
UCO	5.53	19	7.44	9

**Interpretation:** from the above table it can be interpreted that IDFC first bank stands in number one position in whole India in achieving deposit growth in both TERM as well as CASA deposits. Further it can be interpreted that kotak Mahindra bank stands in the 2<sup>nd</sup> position in terms of growth in TERM deposits, and in CASA deposits YES bank has secured 2<sup>nd</sup> position. It can be observed that the last rank i.e 19<sup>th</sup> is taken by UCO and PNB which are nationalised banks.

### Observations and Recommendations

1. Highest Growth in TERM deposits and CASA deposits is achieved by Kotak Mahindra and ICICI in large sized bank sect and it should be noted that they both are Private Sector Banks
2. Lowest growth in TERM deposits and CASA deposits is exercised by PNB in the large sized bank sect and it should be noted that it is a nationalised bank.
3. highest growth in TERM deposits and CASA deposits is achieved by IDFC first bank in mid-sized bank sect and it should be noted that it is a Private Sector Bank.
4. Poor performers in the growth of TERM and CASA deposits are IDBI and UCO bank in the mid sized bank sect and it should be noted that IDBI is a private sector bank but UCO is a nationalised bank
5. All the samples put together it is apparent that IDFC is at the peak of the rank list in deposit growth which is a private sector bank and very poor performers are UCO and PNB which belongs to Nationalised Banks sector
6. By and large it can be inferred that in both the category of banks chosen for study private sector banks are doing well in pooling huge deposits and the performance of public sector banks are not up to mark.
7. Looking at the fast pace of deposit growth , very soon IDFC first bank and YES bank may get into the category of large sized Indian banks by increasing their balance sheet size
8. It is warning signal to some of the nationalised banks such as UCO, PNB etc to gear up towards increasing their deposits
9. Bank of Maharashtra and federal bank can turn large sized Indian banks if a definite route map of augmentation in deposits is followed
10. Overall it can be inferred that the private sector banks are the top runners in securing good deposit mobilisation and public sector banks have taken a back seat in this matter and it is the right time for these banks to revive their deposit pooling policies

### References

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- 2) <https://www.mendeley.com/>.
- 3) <https://shodhganga.inflibnet.ac.in/>.
- 4) <https://www.researchgate.net/search>.
- 5) <https://www.researchrabbit.ai/>.