GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 277
ANSWERED ON MONDAY, FEBRUARY 2, 2026/ MAGHA 13, 1947 (SAKA)
Rising Bank Credit and Deposits

277. SHRI SRIBHARAT MATHUKUMILLI**:**

Will the Minister of FINANCE be pleased to state:

(a) the rate of growth of bank credit and bank deposits in Scheduled Commercial Banks during the last three years, year-wise;

(b) whether the Government has assessed the implications of a sustained gap between credit growth and deposit growth on overall financial stability of banks;

(c) if so, whether any steps are being taken to boost deposit mobilisation, particularly in underserved and unbanked areas;

(d) if so, the details thereof;

(e) whether the Government is considering expanding scenario-based stress testing frameworks to include Non-Banking Financial Companies (NBFCs) and cooperative banks in order to strengthen system-wide resilience;

(f) if so, whether any steps are being taken by the Government to strengthen risk management frameworks of financial institutions in view of prevailing global geopolitical uncertainties, particularly in areas of foreign exchange exposure, external commercial borrowings and cyber-security preparedness; and

(g) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Reserve Bank of India (RBI) has informed that the growth rates of bank credit and bank deposits in Scheduled Commercial Banks (SCBs) during the last three years are as under: —

FY	Credit Growth (y-o-y %)	Deposits Growth (y-o-y %)
2022-23	15.82	10.20
2023-24	19.13	13.55
2024-25	11.07	10.60

(b): The divergence in credit and deposit growth and its impact on overall financial stability is assessed on a regular basis by the government and the RBI and the same is published at half-yearly frequency in RBI's Financial Stability Report (FSR). As per the RBI, credit growth of 16-18% remains sustainable and the current growth rates are well below that. The RBI's latest stress test (December 2025) confirmed the resilience of Indian banking, supported by strong capital, liquidity, and profitability. The Banking Stability Indicator (an aggregate indicator of the banking system's robustness) published in RBI's FSR highlighted improved soundness and asset quality, with easing market risks partly offsetting pressures from weaker liquidity and profitability metrics.

(c) & (d): Banks adopt different strategies to mobilise deposits, particularly in underserved and unbanked area, including, *inter alia,* the following—

a) Expanding branch network.
b) Targeting specific deposit concentrations, e.g. micro-markets in larger towns or geographic regions or corporate salary accounts.
c) Increasing strategic focus on deposits growth through devising innovative and customized products e.g. external benchmark linked deposit products.
d) Running specific campaigns for different customer types, product types, etc.
e) Leveraging data analytics to analyse the spending patterns of the customers/ satisfaction level for different banking products/features and new requirements to restructure the deposit products to suit the life style of the customers.

(e): RBI has informed that stress testing as single-factor sensitivity analysis, is conducted regularly for Urban Co-operative Banks (UCBs) and Non-Banking Financial Companies (NBFCs), and the results are published in the Financial Stability Report (FSR).

(f) & (g): In view of prevailing global and geopolitical uncertainties, steps have been taken to strengthen the risk management frameworks of financial institutions. In this regard, prudential and supervisory measures undertaken by RBI to address risks relating to foreign exchange exposures and External Commercial Borrowings include, *inter alia*, incremental capital requirements for foreign exchange and gold exposures under Basel III, additional capital and provisioning norms for unhedged foreign currency exposures, and monitoring of liquidity and currency mismatches through prescribed regulatory reporting frameworks. With regard to cyber-security preparedness, RBI has provided overarching guidance to Regulated Entities (REs) to strengthen their operational risk management frameworks and enhance operational resilience with REs having adopted advanced technologies, including Artificial Intelligence and Machine Learning, for effective transaction monitoring and reporting of suspicious transactions, including suspected money mule accounts, to Financial Intelligence Unit – India.

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