

Demonetisation effect: SBI gets ₹ 39,677 cr in deposits

Our Bureau



Arundhati Bhattacharya, Chairman, State Bank of India

Mumbai, November 11:

State Bank of India is dealing with a problem of plenty on the deposits front. This is thanks to demonetisation of ₹ 500 and ₹ 1,000 bank notes.

Arundhati Bhattacharya, Chairman of India's largest bank, said the amount that was deposited on Thursday was around ₹ 22,150 crore.

Around ₹ 723 crore was also exchanged (old ₹ 500 and ₹ 1,000 notes).

Until 6 pm on Friday, the total deposit of cash was ₹ 17,527 crore; the total exchange of cash was ₹ 943 crore.

In just one day, SBI's savings deposits have gone up by ₹ 11,000 crore. Normally, savings deposits go up by about ₹ 8,000 crore per month. The bank's current account deposits have gone up by ₹ 7,000 crore in just one day.

The SBI chief said: "So, obviously there will be a huge amount of current account, savings account (CASA) inflow. Not all of it will stay in CASA. But some amount of it definitely will.

"All these new people for whom we are opening accounts may not be from the top-rung of society, but they are people who are diligent hard workers, who actually have put together the money over a long period of time. Once they understand the ease or comfort of coming into a bank and putting it there and having it saved, we will find many more savers."

She emphasised that to that extent a very large advantage has been given to the bank in ensuring that more and more of these people come into the banking system.

"Surely, the cost of funds is something that is going to ease with the kind of CASA deposits that are flowing into our branches. "This kind of demonetisation effort is actually very disinflationary. And because it is disinflationary, we believe lending rates will come down," felt Bhattacharya.

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