

## Chapter II

## **UBKGB AND THE PROBLEMS OF RESOURCE MOBILISATION.**

### **Introduction**

RRBs including Commercial banks have usually access to the three sources of funds: Capital funds, deposits and refinance. In the early stages of evolution of banking business initial capital constituted the major portion of the financial resource. Deposit banking was then in the most primitive and inadequate form. Borrowings were scant and uncommon till the central banking emerged into prominence and the central bankers came to be recognised as bankers bank. With the development and growth of commercial banking practices and the banking habits the significance of bank deposits gradually increased<sup>1</sup>. Of all these sources deposits are the most useful because they do not simply provide block funds but a source of perennial supply of funds.

### **Capital funds of RRBs**

According to RRBs Acts,1976,each RRB is envisaged to have Rs.100 lakh by way of authorised capital but the paid up capital is fixed at Rs.25 Lakh.It is raised to Rs.50 lakh during 1986 in terms of section 6(3) of the RRBs Act.1976 and further to Rs 75 lakh during 1993, shared by the central govt.,state govt. and sponsor bank in the ratio of 50:15:35. The authorised share capital has been enhanced to Rs.5 crore and paid up capital to Rs. 1 crore w.e.f Sept. .28.1988 on the recommendation of Kelker working group on RRBs. However,the paid up share capital of our Bank (UBKGB)up to March, 1996 still remained at Rs 75 lakh only due to non-compliance of the norm for selection in the second phase for revival and restructuring of RRBs.<sup>2</sup>

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### **Refinance & Borrowing.**

At present NABARD and sponsor Banks are jointly providing refinance to the RRBs for short term (ST) and medium term (MT) purposes. The refinance facilities are however subject to recovery performance of the Bank. With the decrease of recovery performance of RRBs, the refinance facilities are on the decreasing trends.

The percentage share of borrowings and refinance to total funds in Dec. 1984 was as high as 47.2 per cent and fell at a steady rate over the years and the percentage reached to 7.8 in March 1996 (table 2.5). The achievements under Development Action plans are found to be very unsatisfactory. During its first year plan the actual performance of re-finance facilities from higher tiers was lowered by 18.6 percent and during the 2nd year it was lowered by 16.0 percent. (table 2.8).

### **Deposits as Sources of funds**

One of the main objective of Setting up of the RRBs was to mobilise rural savings for channelising them for productive activities in the rural areas. In view of the limitation regarding growth of their owned funds the commercial banks (CBs) even regard deposits as the most important source of fund and bent upon augmenting their financial resources by mobilising deposits.

Table 2.5 depicts that the share of Deposits to total source of funds of UBKGB has increased from 51.4 percent in Dec 1984 to as high as 91.5 percent in March 1996. While, the percentage share of own capital, refinance and borrowings decreased at a steady rate over the years. Similarly the share of deposits of MGB in Dec 84 was 82.8% and increased to 91.8% in March 96.

Hence, our study is focused on to deposits mobilisation.

## **Deposit Mobilisation**

According to the Narasimham working group (1975), the attainment of social objectives of lending to weaker section in the rural areas by mobilisation of deposits was the main idea behind the setting up of RRBs. The collection of small savings by way of deposits and a rapid recycling of funds in the lending operation are also the basis of capital formation for rural institution. Hence, the study of growth deposits of the banks as well as for All RRBs in the country are of paramount importance for better financial performance. In this chapter an attempt has been made to study the growth of Deposits of UBKGB in comparison with other RRBs at the state and National level average. The problem faced by the bank in the mobilisation of deposits has also been duly considered.

## **Factors of Growth of Deposits**

The growth of deposits is directly a function of the amount of credit extended by banks in the form of loans and advances and investments. This apart, the level of deposits increases with the spread of banking habit, personal savings, branch expansion, growth of economic activities, competition, marketing strategy customer service and the rate of interest on deposits. In our study however, the effect of all these factors are not considered separately in detail due to nonavailability of required data and information. In this study information is collected by personal interview with the bank staff and with the beneficiary and on the basis of the statistics on bank data. The performance of the bank in the mobilisation of deposit is judged with other bank of the state and also with the national level average.

## **Number of branches and growth of deposit**

There has been a positive Correlation ( $r=0.86$ ) between the increase of number of branches and the growth of deposits, which is statistically significant at 0.01 level (The Correlation is calculated from the year 1980 to 1990 i.e. up to the year of opening of new branches). However, this correlation was not perfect due to

illiteracy & ignorance, low level of income and lack of initiative of the bank staff for mobilisation of deposit from the rural areas.

It is a special feature of rural savings that the saver and the user is one and the same person. Therefore, it is important that the bank might have to provide funds to rural areas for increasing their economic activities to enable them to increase their saving capacity.

Survey reveals that several institutions like post office, Agents of UTI, share brokers money lenders and mahajans compete for mobilising deposit by offering higher rate of return on deposits. The slower growth of deposits of UBKGB during 1992-93 over preceding year can be attributed mainly to share market boom and attractive rate of return offered by Post Office, UTI and other non-banking financial institution.

### **Marketing strategy and Customer Service**

So far as customer services of banks are concerned RRBs are in a better position. Interview with the beneficiaries has brought to light very minimum complain about the services of the branches of UBKGRB.

As compared to RRBs and co-operatives, commercial banks are in a better position to provide facilities like, payment of bills, collection of monetary claims, dividend warrants, safe custody of valuables, issuing of draft etc. The interview also reveals that due to lack of banking and other facilities the well off section in the rural areas and businessman in the semi-urban & urban areas keep their deposit with CBs.

The survey conducted by National council of Applied Economic Research reveals that only 83.6 percent of the depositors opened bank account on their own initiative. In the case of smaller towns the proportion of depositors induced by banks' own staff has been much higher (14 percent) as compared to the position in the larger town which is 5.43 percent as the study reveals. Thus, the personal contact with the prospective customer in the rural & semi-urban areas plays a vital role for

the mobilisation of deposits which is far behind the expectation of the staff of UBKGB.

An effective marketing strategy also needs provision of schemes of deposits that suit various needs of the people. The Khudra Sanchaya Prakalpa (KSP) which was introduced in 1982 as a new deposit scheme found very effective in mobilising deposit. Though the scheme was very popular, the bank is not taking much interest in the recent years at the instance of fraud of money by some collecting agent and for increasing of work load of the staff and managerial problems.

### **Bankers' view for low level of growth of deposit**

Interview with the staff reveals that low level of economic activity in the rural areas are the major reasons for slower growth of deposits of the bank to which 34.7 percent of the respondents attributed their views followed by aversion of well-off section and businessman (27.1%) for lack of banking facilities and higher rate of return offered by the postoffice and other non-banking financial institution (14.5%) table 2.7.

### **Impact of rate of interest on deposits**

Usually, a higher rate of interest and the upward revision of the level of interest rate has a positive bearing upon the savings and the growth of deposits of the banks. The RRBs are allowed to 0.5 percent higher rate of interest on all savings bank account. The impact of changes in the interest rate structure on term deposits (Appendix -V) can be examined in the following paragraph.

The interest rate for the term from 91 days to less than 6 months and from 6 months to less than one year has been increased from 5.5 percent to 7.0 percent and from 7.5 percent to 8.5 percent respectively and from 8.5 percent to 9.0 percent for the term one year to less than two years w.e.f. 27.5.1985. The growth rate of deposits both in No of Account and in Amount in that Year decrease to 16.5 and 28.3 percent respectively from 68.2 and 74.5 percent in the preceding year. Again,

w.e.f. 4.7.91 the interest rate for the term one year above but less than two years increased from 9.5 percent to 10.5 percent and from 10.5 to 11.5 percent for the term two years above but less than three years and from 12.0 to 13.0 percent for three years and above. While, the growth rate in deposit amount decreased to 23.8 percent from 30.4 percent in the preceding year. The higher rate of interest w.e.f. 9.10.91 to 12.4.92 was also not accompanied by higher rate of growth in that year. The rate of interest on savings deposits has remained unchanged to 5.5 percent up to 31.10.94 and the rate reduced to 5.0 percent w.e.f. 1.11.94. It thus appears that the upward revision in the interest rate structure has no effect in boosting the growth rate of deposit of UBKGB (table 2.1). It has also been observed while interviewing the beneficiaries that they have no knowledge about the interest rate structure on deposit and also on any revision.

The positive growth rate of savings and Khudra Sanchhya Prakalpa (K.S.P.) deposit (Table 2.6) with no increase of the interest rate has clearly an indication of growth of income. The survey indicates that 52.7% of the borrowers have been benefited directly in the generation of income (table 3.7).

From the above discussion it can be inferred that income effect was stronger than interest rate effect on the growth of deposit of WBKGB and for other rural banks. It has also been observed by Dr. V.N. Hukku that co-operatives which provide higher rates of interest on deposits had no effect on the growth of deposits<sup>3</sup>.

### **The growth of Deposit its Relationship with the Growth of Credit**

In order to examine the relationship between the growth of Deposit and Credit both in account and amount, liner regression equation ( $Y=a+bx$ ) based on the date from Dec 1980 to March 1996 of the bank (UBKGB) were worked out and the regression equations are presented as below:

$$Y_1 = -1181.4137 + 1.8566X_1 \quad (1)$$

(12.159) Significant t .0000

$$R^2 = 0.913528$$

$$r = 0.9558$$

$$F = 147.833 \text{ significant } F .0000$$

$$Y_2 = -3.4487 + 1.6342X_2 \quad (2)$$

$$(21.421) \text{ significant } t .0000$$

$$R^2 = 0.97309$$

$$r = 0.98509$$

$$F = 458.86242 \text{ significant } F .0000$$

Where  $Y_1$  and  $Y_2$  are the deposit amount and deposit account respectively (dependent variable) and  $X_1$  and  $X_2$  are Credit amount and Credit account respectively (independent variable). Values in the Parentheses indicate the values of t - statistics corresponding to respective regression coefficient.

[ Regression coefficient "b" the slope of the line of regression of Y on X is also called regression of Y on X. It represents the increment in the value of dependent variable Y corresponding to a unit change in the value of independent variable X. Regression analysis is a mathematical measure of the average relationship between two or more variables in terms of the original units of the data.]

The regression Co-efficient were found to be positive & significant in both the equations implying thereby that the growth of deposits of the bank have a direct and positive bearing on the growth of credit both in number of account and amount. However, the magnitude of relationship varied between deposit amount and in deposit account.

This indicates that the growth of deposits of the bank will be adversely affected with the decrease of credit in the future. That is for one unit change of credit, growth of deposit will change by 1.86 units of deposit amount and 1.63 units

of deposit account. Hence, the bank might have to take necessary steps for maintaining a steady growth of credit.

## **DEPOSIT MOBILISATION**

### **Growth & Performance**

It is evident from data given in table 2.2 that the deposits mobilised by RRBs at the national level in Dec 1984 were Rs. 95997 lakh and increased to Rs. 1418790 lakh in March 1996.

The deposit mobilised by RRBs in West Bengal in Dec. 1984 were Rs. 5813 lakh and increased to Rs. 97076 lakh in March 1996. While the deposits of UBKGB has increased from Rs. 896 lakh to Rs. 10954 lakh and for MGB it increased from Rs. 1606 lakh to Rs. 21489 lakh during the same period. At the national and state level they increased form index number 100 to 1478 and from 100 to 1670, i.e. at the national level it increased by 14.8 times and at the state level it increased by 16.7 times over a period of 12 years. Likewise, for UBKGB and MGB they had increased from index number 100 to 1223 and from 100 to 1338 respectively. This means that deposits of UBKGB had grown by 12.2 times while for MGB it grown by 13.4 times during the period of 12 years. Scrutinising these figures it is seen that the performance of our bank (UBKGB) in the mobilisation of deposits has been lower than MGB and from the national and state level average.

In terms of percentage of growth over preceding year table 2.1 indicates that the average growth (G.M.) of deposit during 1984-90 of UBKGB was much higher 36.8 percent as against 19.7 percent during 1991-96. Similar trend was found for MGB and at the state and national level For MGB the growth was 37.8 and 17.8 percent and at the state and national level it was 41.3% and 20.8% and 35.2% and 22.4% for the same period. The reasons for this higher growth rate during 1984-90 was due to opening of more new branches during those periods. The lowest Growth was recorded during 1992 and 1993 at 16.8 and 11.8 Percent respectively due to

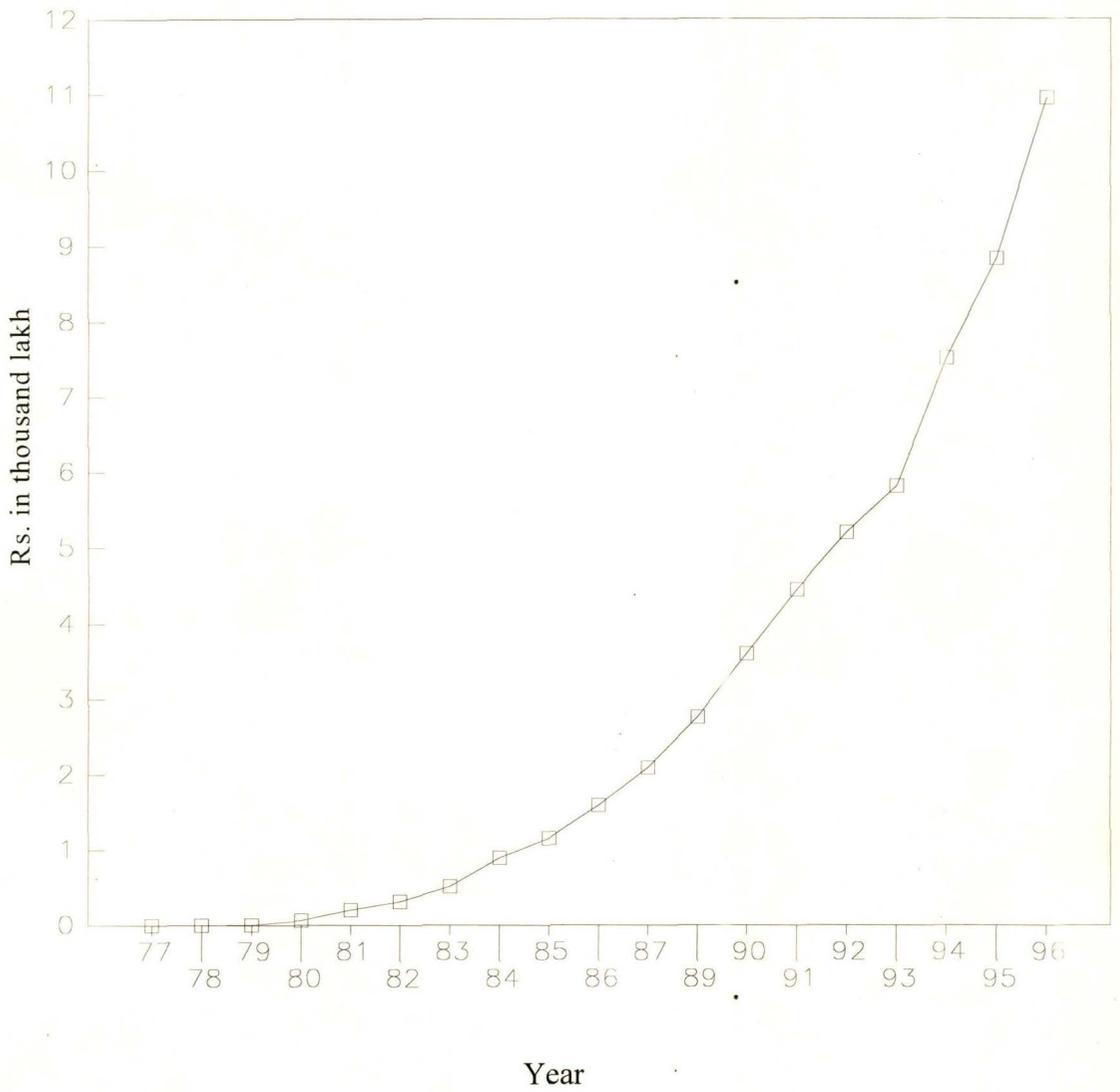


Fig. 1  
Growth of Deposits of UBKGB since inception

negative growth of credit during 1991-92 (table 3.2) and boom in share market and higher rate of return offered by postal savings and other non banking financial institution. The table also indicates that the growth of number of deposit account was much lower than the growth of deposit amount. The growth rate was negative in 1990 & 1995 over the previous year. This lower and negative growth rate in deposit account was due to lack of initiatives of the bank staff. The interview with the bank staff also confirm this. The growth rate of deposits in the later years also affected with the decrease of growth rate of credit. A positive correlation ( $r= 0.96$ ) between growth of deposits and credit and a positive regression co-efficient also satisfy this condition.

### **Deposit Per Account, Per Branch and Per Staff**

The performance of the bank however, better to be judged with the indicators like, deposit per account, per branch and per staff that are presented in table 2.3. The table indicates that the average size of deposit per account during 1984-96 was Rs. 1730 with standard deviation (SD) of Rs. 914 for UBKGB. While for MGB the average size was Rs. 1760 with SD of Rs 598 during the same period. This indicates that the banks deposits are mostly coming from small savers.

As regards the deposit per branch it increased from Rs. 10.8 lakh in Dec. 1984 to Rs. 98.7 lakh in March 1996 for UBKGB. The average size of deposit per branch during the same period was Rs. 41.8 lakh with S.D. of Rs 28.3 lakh. The average size per branch for MGB, at the State and National level was recorded at Rs. 53.7, 44.4 and 38.2 lakh, respectively indicating thereby that the performance of UBKGB was far behind from state average and also from MGB.

The average deposit per staff of UBKGB was however, similar to those of MGB, state & National level.

The growth of deposit per staff has a close relation with the growth of number of staff. It increase with the decrease of staff and decrease with the increase of number of staff.

### **District-wise performance**

District-wise performance in the mobilisation of deposits of the bank is presented in table 2.4. It is evident from the table that Jalpaiguri district ranked first (40.3%) followed by Cooch Behar (32.3%) and Darjeeling (27.5%) in the mobilising of deposit in terms of percentage share to total deposit (average). The average (G.M.) annual growth rate of deposits during 1984-90 were 38.6, 34.9 and 34.1 percent respectively for Cooch Behar, Jalpaiguri and Darjeeling. The rate decreased to 19.0, 17.5 and 21.3 percent respectively for the districts during 1991-96. The growth of deposit of a district has a direct bearing on the socio-economic condition, spread of banking habit in addition to bank's effort in this direction.

The better socio-economic condition and the initiative of the staff (1981 census) may be attributed to the better performance of jalpaiguri District.

### **Composition of Deposits**

The composition of deposit as given in table 2.6 shows that saving bank deposit of the bank were persistently predominant during our study period. This accounted for about 55 percent of total deposit varying from 62.3 to 49.0 percentage with a decreasing trend. The share of term deposit (excluding K.S.P.) on the otherhand, increasing from 17.6% in Dec 1984 to 33.5% in March 1996. The share of K.S.P. (term), which was introduced in 1982 as a new deposit scheme, was varying between 13 to 23 percent of total deposit. Since, the major clientele of the bank are rural poor, the share of current & call deposit was very negligible, accounted for only about 3 percent of total deposit.

The composition of deposits and their relative growth have a great bearing upon the cost and profitability of any lending institution like UBKGB. The growth rate varied widely for each type of deposit. The growth of saving deposit was varying form 75.3 in Dc 1984 to 6.6 percent in 1996. The average growth rates (G.M.) during 1984-90 were 33.6, 39.0 and 44.3 percent respectively for saving, term and K.S.P. deposits. The rate during 1991-96 decreased for all types of deposits and were 12.5, 28.2 and 15.7(AM) percent. It thus, appears that the growth rate for all types of

deposits decreased in the recent years (1991-96) as compared to earlier years (1984-90). However, the rate of fall for term deposit was minimum as compared to other types.

### **Ownership Pattern of Deposits**

Individual with their small savings accounted for major share of deposits of the bank. Outstanding balance of institutional deposit was Rs. 75.6 lakh (8.44%) as on Dec 1984 and increased to Rs 508.2 lakh (6.8%) in March 1994 (Development Action Plan of the Bank). In the composition of deposit, the noticeable feature is that the share of saving deposit was the highest, followed by term deposit. One of the reasons that can be adduced is that the depositors of the bank are mostly of small savers from the rural areas prefer to save in the saving deposit account for facility of withdrawal to meet their contingent requirements. The depositors second favour for term deposit are for higher rate of interest. The lowest share of current & call deposit is due to the absence of very small institutional account and trader of big size in that area. The other reason is that the RRBs can not provide all the banking facilities like commercial banks. The break-up of deposits further indicates that savings and term deposits together constituted about 97 percent of total deposits. This is certainly a welcome development from the rural banking point of view. The term deposits are considered as the indicator of **rural savings** while, saving deposit are the barometers of **spread and intensity of mass banking**.

### **Achievements under Development Action Plan (DAP)**

The UBKGB like other RRBs in the country has adopted the preparation of DAP w.e.f. April 1994 for attainment of viability within a reasonable period of time.

The performance under DAP for various type of deposits can be viewed from the table 2.8. It is seen from the table that in the first year (1994-95) of its plan actual performance was better both for savings and term deposit (1.9% higher than targeted). However, for the current deposit, actual performance was lower by 12.4%.

In 1995-96 other than term deposit which increased by 21.1%, the performance in savings & current account deposit was lowered by 4.6% & 28.0% respectively.

### Summary

The above analysis has brought to focus on the following broad conclusions:

1. Among the various source of funds, deposits constitute a major share (average about 77%) with an increasing trend. The share of Deposits to total funds was 51.4 percent in 1984 and increased to 91.5 percent in 1996. The share of borrowing and Refinance on the otherhand, decreased from 47.2 percent to 7.8 percent during the same period.

2. There has been a positive correlation ( $r=0.86$ ) between the growth rate of deposits and the growth of number of branches. As a result the growth rate of deposits of the bank during 1984-90 was much higher than the growth rate during 1991-96 when no new branches, except some extension counter, were opened by the bank.

3. The income effect was found stronger than the upward revision of the level of interest rates on the growth of deposits of the bank.(field survey)

4. low level of economic activity due to short supply of credit, aversion of well-off section for lack of banking facilities, absence of institutional deposits and of trader, higher rate of return of post office and lack of sufficient initiatives and interest of the bank staff affected the growth of deposits of the bank in the recent years.

5. The growth rate of deposits decreased with the downfall of the amount of credit signifying thereby that the deposit growth is dependent on the growth of credit. A positive regression coefficient of deposit on credit with a high positive correlation also satisfy this fact. It is therefore a necessary condition for the growth of deposit that the bank like other RRBs in the country must arrange for a circular flow of credit for better economic activities which in turn will help to raise the volume of deposits.

6. Performance of UBKGB in raising the deposit was unsatisfactory in comparison with the RRBs at the state and national level and also from MGB. The deposits of UBKGB increased by 12.2 times as against growth of 13.4 times of MGB and 16.7 and 14.8 times respectively at the state and national level average during the period of 12 years 1984-96.

7. The average deposit per branch of UBKGB of Rs. 41.8 lakh was also lower than the average of MGB of Rs. 53.7 lakh and the state average of Rs. 44.4 lakh. However, average deposits per staff of the bank of Rs. 11.9 lakh during 1990-96 was better than the average of MGB and state average of Rs. 11.4 lakh and the national average of Rs. 11.5 lakh.

8. The deposit collection of the Jalpaiguri district was the highest 40.3 percent due to better socio-economic condition, and initiative of the staff followed by Cooch Behar 32.3 percent and Darjeeling 27.5 percent. The average annual growth rate however was better for Cooch Behar followed by Jalpaiguri and Darjeeling.

9. In the Composition of deposits, savings deposit though Persistently predominant (average 55%) recording a decreasing trend as against upward trend of term deposit, average 41.8 percent (Term Deposit 24.4% and K.S.P. 16.9%) that must affect the cost of fund.

### References

1. RBI: Report on trend and progress of banking in India, 1956, P.50.
2. M.C.Bhandari committee (1994) regarding the identification of RRBs for restructuring on the basis of their financial strength and regional representation, Govt. of India—New Delhi.
3. Dr. V. N. Hukhu, Banking deposits in India, p.179.

Table No. 2.1

## Percentage of growth of deposits over previous year

Year	UBKGB		MGB		West Bengal		All India	
	Account	Amount	Account	Amount	Account	Amount	Account	Amount
Dec 84	68.2	74.5	24.2	41	34.3	54.2	30.8	41.6
Dec 85	16.5	28.3	29	42	30.7	46.3	25.6	34
Dec 86	16.2	37.9	24	44	20.3	38	23.7	33.4
Dec 87	16	31.6	28	40	30.9	31	17.7	34.5
March 89	15	32.2	20	32	20.1	52.2	11.1	35.2
March 90	-6.5	30.4	13	30	8.8	32	17	33.1
March 91	8.4	23.8	10.7	13.4	11.7	18	6.9	20.2
March 92	16.8	16.8	10.2	13.1	6	20.1	7.3	17.6
March 93	7.1	11.8	8.8	20.3	9.5	16.6	5	18.2
March 94	6.3	29.3	7.6	25.6	6.9	26.1	1.7	27.2
March 95	-3.6	17.6	4.9	15.5	11.8	19.6	1.7	26.3
March 96	7.2	24.1	12.9	22.2	1.8	26.1	3.8	27.2
Avg. Growth (G.M)								
84-90		36.8		37.8		41.3		35.2
91-96		19.7		17.8		20.8		22.4

Source : Computed from data based on annual reports of the banks and statistics on RRBs.

Table No. 2.2

## Growth of deposits (Index No)

Rs. In Lakh

Year	UBKGB		MGB		RRBs			
	Amount	Index	Amount	Index	West Bengal		All India	
	Rs.	No	Rs.	No	Rs.	No	Rs.	No
Dec 84	896	100	1606	100	5813	100	95997	100
Dec 85	1149	128	2279	142	8503	146	128582	134
Dec 86	1585	177	3283	204	11732	202	171494	179
Dec 87	2086	233	4591	286	15370	264	230582	240
March 89	2758	308	6043	376	23397	402	311858	325
March 90	3596	401	7861	489	30890	531	415052	432
March 91	4450	497	8912	555	36440	627	498924	520
March 92	5197	580	10076	627	43776	753	586783	611
March 93	5808	648	12117	754	51053	878	693813	723
March 94	7506	838	15224	948	64397	1108	882651	919
March 95	8827	985	17588	1095	76984	1324	1115001	1161
March 96	10954	1223	21489	1338	97076	1670	1418790	1478

Source : Computed from data based on annual reports of the respective banks and statistics on RRBs.

Table No. 2.3

## Deposits per Account, per Branch &amp; Per Staff

Amount Per Branch  
& Per staff  
Rs. In Lakh

Years	UBKGB			MGB			West Bengal		All India	
	Per Acct Rs.	Per Branch Rs.	Per Staff Rs.	Per Acct Rs.	Per Branch Rs.	Per Staff Rs.	Per Branch Rs.	Per Staff Rs.	Per Branch Rs.	Per Staff Rs.
Dec 84	668	10.8	2.75	962	14.5	2.80	8.2	—	9.4	
Dec 85	736	11.5	2.82	1062	14.7	3.61	11.0	—	10.2	
Dec 86	873	15.9	3.66	1236	20.7	5.22	12.0	—	13.4	
Dec 87	990	20.7	4.73	1351	28.7	5.83	16.3	—	17.3	
March 89	1138	25.3	6.14	1485	35.3	5.88	20.9	—	22.2	
March 90	1588	32.4	6.31	1712	44.7	7.50	36.3	7.1	28.7	6.6
March 91	1816	40.1	7.70	1755	50.6	8.15	42.2	7.7	34.3	7.4
March 92	1948	46.8	8.44	1800	57.3	8.44	50.7	8.8	40.4	8.5
March 93	2031	52.3	9.03	1990	68.9	10.20	59.1	9.8	47.7	9.9
March 94	2470	67.6	14.3	2325	86.5	12.80	74.5	12.4	60.7	12.5
March 95	3014	79.5	16.8	2560	99.9	14.84	89.1	14.9	76.8	15.7
March 96	3486	98.7	20.9	2890	122.1	18.16	112.4	18.8	97.87	20.0
Average	1730	41.8	8.63 (11.9)	1760	53.7	8.62 (11.4)	44.4	(11.4)	38.2	(11.5)
S.D.	914	28.3	5.8 (5.55)	598	34.8	4.64 (3.98)	34.9	(4.3)	28.0	(4.9)

Source : Computed from data based on annual reports of banks and statistics on RRBs.

Note : Figures in brackets are for 7 years average (1990-96)

Table No. 2.4

## District-wise Distribution of Deposits

Year	Amount Rs. In Lakh				Percentage of growth over Previous year			
	Cooch Behar Rs.	Jal- paiguri Rs.	Dar- jeeling Rs.	Total Rs.	Cooch Behar	Jal- paiguri	Dar- jeeling	Total
Dec 84	280 (31.3)	369 (41.3)	246 (27.4)	895 (100)	86.3	73.2	64.5	74.5
Dec 85	363 (31.6)	438 (38.1)	348 (30.3)	1149 (100)	29.5	18.6	41.5	28.3
Dec 86	491 (34)	592 (38.6)	453 (29.4)	1536 (100)	35.4	28.5	30.0	33.7
Dec 87	668 (32)	830 (39.8)	588 (28.2)	2086 (100)	35.9	40.2	29.9	35.8
March 89	916 (33.3)	1078 (39.2)	758 (27.5)	2752 (100)	37.3	29.9	29.0	32.0
March 90	1169 (32.5)	1496 (41.6)	930 (25.9)	3595 (100)	27.5	38.8	22.7	30.6
March 91	1412 (31.7)	1899 (42.7)	1139 (25.6)	4450 (100)	20.8	26.9	22.5	23.8
March 92	1696 (32.7)	2099 (40.4)	1401 (27)	5196 (100)	20.2	10.6	23.0	16.8
March 93	1837 (31.6)	2355 (40.6)	1615 (27.8)	5807 (100)	8.3	12.2	15.3	11.8
March 94	2458 (32.8)	3056 (40.7)	1992 (26.5)	7506 (100)	33.8	29.8	23.4	29.3
March 95	2817 (31.9)	3261 (41)	2389 (27.1)	8827 (100)	14.6	18.5	19.9	17.6
March 96	3589 (32.8)	4366 (39.9)	2999 (27.4)	10954 (100)	27.4	20.6	25.5	24.0
Average share(%)	32.3	40.3	27.5					
Average (G.M) percentage of growth during				1984-90	38.6	34.9	34.1	
				1991-96	19.0	18.5	21.3	

Source : Computed from Qly progress reports of the bank.

Note : Figures in brackets are percentage share to total.

Table No. 2.5

## Relative Share of Deposits to Other Source of Fund (UBKGB)

Amount  
Rs. In Lakh

Years	(Outstanding Balance)				MGB			
	Deposits Rs.	Borrow- ings ; NABARD & others (Rs.)	Share Cap (paid up) & reserve Rs.	Total Funds Rs.	Deposits Rs.	Borrow- ings Rs.	Reserve & Share Capital Rs.	Total Rs.
Dec 84	896 (51.4)	823 (47.2)	25 (1.4)	1744 (100)	1606 (82.8)	306 (15.8)	26 (13)	1938 (100)
Dec 85	1149 (51.9)	1042 (47.0)	25 (1.1)	2216 (100)	2279 (85.5)	360 (13.5)	26 (.98)	2665 (100)
Dec 86	1585 (58.2)	1091 (40.0)	50 (1.8)	2726 (100)	3283 (86.7)	476 (12.6)	26 (.68)	3785 (100)
Dec 87	2086 (67.3)	963 (31.1)	50 (1.6)	3099 (100)	4591 (86.2)	707 (13.3)	26 (.48)	5324 (100)
March 89	2758 (74.6)	889 (24.0)	50 (1.4)	3697 (100)	6043 (82.3)	1249 (17.0)	51 (1.7)	7343 (100)
March 90	3596 (82.8)	696 (16.0)	50 (1.2)	4342 (100)	7861 (82.1)	1667 (17.4)	51 (.53)	9579 (100)
March 91	4450 (85.5)	707 (13.6)	50 (0.9)	5207 (100)	8912 (84.5)	1586 (15.0)	51 (.48)	10549 (100)
March 92	5197 (88.4)	630 (10.8)	50 (0.8)	5877 (100)	10076 (83.8)	1886 (15.7)	51 (.42)	12013 (100)
March 93	5808 (87.6)	750 (11.3)	75 (1.1)	6633 (100)	12117 (88.0)	1576 (11.4)	76 (.55)	13769 (100)
March 94	7506 (89.1)	841 (10.0)	75 (0.9)	8422 (100)	15224 (90.4)	1447 (8.1)	76 (.45)	16747 (100)
March 95	8827 (91.1)	786 (8.1)	75 (0.8)	9688 (100)	17588 (90.4)	1775 (9.1)	76 (.4)	19439 (100)
March 96	10954 (91.5)	938 (7.8)	75 (0.6)	11967 (100)	21498 (91.8)	1836 (7.8)	76 (.32)	23401 (100)

Source : Computed from Annual Reports data of the respective banks.

Note : Figures in brackets are percentage share to total funds.

Table No. 2.6

### Composition of Deposits and Their Respective Growth (UBKGB)

Rs. In Lakh

Years	Current & Call Rs.	Savings Rs.	Term (other than K.S.P.) Rs.	K.S.P. Rs.	Total Rs.	Percentage of growth over Previous Year				
						Current & Call	Savings	Term	K.S.P.	Total
Dec 84	45.2 (5.0)	558 (62.3)	158 (17.6)	135 (15.1)	896 (100)	80.5	75.3	52.3	103.3	74.5
Dec 85	50.7 (4.3)	695 (60.5)	229 (20.0)	174 (15.2)	1149 (100)	12.2	24.7	45.2	28.9	28.3
Dec 86	48.8 (3.1)	948 (59.8)	320 (20.2)	268 (16.9)	1585 (100)	-3.8	36.4	39.5	54.0	37.8
Dec 87	84.3 (4.0)	1159 (55.6)	444 (21.3)	399 (19.1)	2086 (100)	72.8	22.3	38.7	48.9	31.6
March 89	82.3 (2.9)	1484 (51.9)	617 (21.6)	674 (23.6)	2860 (100)	-2.4	28.0	39.1	44.0	32.2
March 90	136.7 (3.8)	1988 (55.3)	772 (21.5)	699 (19.4)	3596 (100)	66.0	34.0	25.1	21.7	25.7
March 91	96.7 (2.2)	2510 (56.4)	1021 (23.0)	822 (18.5)	4450 (100)	-29.3	26.2	32.4	17.7	23.8
March 92	113.4 (2.2)	2768 (53.3)	1374 (26.4)	942 (18.1)	5197 (100)	17.3	10.3	34.5	14.6	16.8
March 93	146.3 (2.5)	2853 (49.1)	1872 (32.2)	936 (16.1)	5808 (100)	29.0	3.1	36.3	-0.6	11.8
March 94	185.0 (2.5)	3867 (51.5)	2411 (32.1)	1044 (13.9)	7506 (100)	26.5	35.5	28.8	11.5	29.3
March 95	263.6 (3.0)	4603 (52.2)	2708 (30.6)	1253 (14.2)	8827 (100)	42.5	19.0	12.3	20.0	17.6
March 96	277.0 (2.5)	5369 (49.0)	3665 (33.5)	1644 (15.0)	10954 (100)	5.0	6.6	35.3	31.2	24.1
Average		54.6	24.4	16.9						
Average growth rate (G.M)										
1984-90							33.6	39.0	44.3	35.7
1991-96							12.5	28.0	15.7	19.7
									(AM)	

Source : Computed from data based on Annual Reports data.

Note : Figures in brackets are percentage share to total.

Table No. 2.7

**Bankers' view for lower growth of Deposit**

Sl.	Causes of lower deosit growth	Frequency of priorities				Total Score	Percentage to total score
		1st	2nd	3rd	4th		
1.	Low level of economic activity	19	3	3	—	91	34.7
2.	Lack of iniative of the bank staff & lack of personal contact with the customer	—	5	4	1	24	9.2
3.	A version of well-off section in the rural areas & aversion of business man in the semi-urban & urban areas for lack of banking facilities	11	6	4	1	71	27.1
4.	Lack of innovative deposit scheme	—	2	3	1	13	5.0
5.	High rate of return offered by post office & other non banking institution and presence of moey lender & stock market boom during 1991-1992	3	7	2	1	38	14.5
6.	Ignorance & illiteracy & lack of awarness	—	2	—	—	6	2.3
7.	Lack of advertisement & publicity	2	1	—	1	12	4.6
8.	Locational drawbank & shortage of staff	1	1	—	—	7	2.7

Source : Interview with the Bank Staff.

Note : Score given to various priorities. Four to 1st, three to 2nd, two 3rd & one to 4th.

Table No. 2.8

**Achievement under Development Action Plan (Deposits) DAP**Amount  
Rs. In Lakh

Deposits A/C	Projection as per DAP		Actual Performance		Variations (Diferences)	
	1994-95 Rs.	1995-96 Rs.	1994-95 Rs.	1995-96 Rs.	1994-95 Rs.	1995-96 Rs.
Savings	4517.0	5630.4	4603.0	5368.6	+86.0 +(1.9)	-261.8 -(4.6)
Current	300.8	385.0	263.5	277.0	-37.3 -(12.4)	-108.0 -(28.0)
Term (KSP& other)	3888.0	4383.9	3960.5	5308.4	+72.5 +(1.9)	+924.5 +(21.1)
Total	8640.0	10315.0	8827.0	10954.0	+187.0 +(2.2)	+639.0 +(6.2)

**Achievement under DAP (Borrowings / Refinance)**

Sources	1994-95	1995-96	1994-95	1995-96	1994-95	1995-96
NABARD	942.0	1008.0	774.0	886.8	-168.0 -(17.8)	-201.3 -(18.5)
Sponser Bank	24.0	28.0	12.0	51.1	-12.0 (50.0)	+23.1 (82.5)
others	—	—	—	—	—	—
Total	966.0	1116.0	786.0	937.9	-180.0 -(18.6)	-178.1 -(16.0)

Source : DAP

Note : Figure in brackets are percentage.