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Growth of Banking Industry: A Study Based on Scheduled Commercial Banks of Assam

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Abstract

Banking institution, backbone of an economy, plays vital role in the economic development of a country by accepting deposits, providing loans, and facilitating financial transactions. Scheduled Commercial Banks and nationalized banks are actively engaged in providing credit to rural areas of Assam. Banking facilities have expanded in Assam in recent years, along with the expansion of bank branches and increase in deposit and credit disbursements. The study attempts to know the growth of Scheduled Commercial Banks, credit-Deposit, district wise credit-deposit ratio, and deposit of Commercial Banks in Assam.

Keywords: Deposit, Credit, Growth, etc

Introduction:

Bank is a financial institution that acts as a mediator between depositors and debtors. Bank deals in money and its substitutes and provides services like financial management and credit cards. Banking Regulation Act 1949 defines Bank as “accepting for the purpose of lending or investment of deposits of money from public, repayable on demand or otherwise and withdrawable by cheque, draft and order or otherwise.” Banking is the business of accepting deposits, providing loans, and facilitating financial transactions; plays vital role in modern economics, is converted to digital services, making the system faster and easily accessible. Banking is an integral part of the economic infrastructure, helps to accelerate the economic development of a country. It satisfies the credit needs of all sections of the society and works as funding infrastructure project. The Imperial Bank of India, established in Dibrugarh in 1923, is the first bank of Assam. The rural banking sector of the state grew in 1970s and 1980s. Scheduled Commercial Banks and nationalized banks are actively providing credit to rural areas of the state. Commercial banks are of two types, scheduled and non-scheduled. The Scheduled Commercial Banks (SCBs) consist of Public Sector Banks, Regional Rural Banks (RRBs), Small Finance Banks, Private Banks, Cooperative Banks and Foreign Banks. Banking facilities have expanded in Assam in recent years, along with the expansion of bank branches and increase in deposit and credit disbursements.

Objectives:

The objectives of the study are:

- 1) To know the growth of Scheduled Commercial Banks in Assam
- 2) To assess the Credit-Deposit of Scheduled Commercial Banks of Assam
- 3) To know deposit of Scheduled Commercial Banks

Methodology:

The study is descriptive in nature, based on secondary data collected from the Economic Survey of Assam, the Statistical Handbook, research article, etc.

Growth of Scheduled Commercial Banks in Assam:

Scheduled Commercial Banks are integral part of economic infrastructure of Assam, plays crucial role in the economic development of the state by mobilizing deposits and providing credit to various sectors of the economy. In recent years only, there has been more expansion of banking institutions in Assam. Table 1 shows the growth of Scheduled Commercial Banks in Assam and India.

Table 1: Growth of Scheduled Commercial Banks in Assam & India

Year	Number of Offices*		Deposits (Rs. in Crore)		Credit (Rs. in Crore)	
	Assam	India	Assam	India	Assam	India
2015	2047	125863	97378	89000111	35911	6878472
2016	2177	132587	103794	9659968	42671	7520929
2017	2276	137770	122307	10751439	48776	7927003
2018	2289	139240	134643	10750614	57307	7825359
2019	2348	141756	147203	12558671	65070	9818367
2020	2889	148904	166270	13750146	70658	10449562
2021	2925	150207	175579	15439970	81870	11035347
2022	2962	151320	189530	17015931	92145	12229297
2023	3053	132736	211370	18145238	113840	13719694
2024	3185	136990	223478	20611759	145906	16320034
2025	3243	163721	233618	23451838	153491	18648802

*Reporting offices only

Source: Economic Survey, Assam, 2025-26

Table 1 shows that at the end of March, 2025, the state of Assam has 3243 banking offices of Scheduled Commercial Banks, while in the country, 163721 banking offices of Scheduled Commercial Banks are functioning. At the end of the year 2025, the Scheduled Commercial Banks of the state deposited Rs. 233618 crore and has given the credit of Rs. 153491 crores.

Credit-Deposit of Scheduled Commercial Banks of Assam:

Table 2: District- wise distribution of aggregate deposit & gross bank credit in Assam in 2024-25

District	Scheduled Commercial Banks				All Regional Rural Banks			
	No of Scheduled Commercial Banks	Deposit	Credit	Credit Deposit Ratio	No of Scheduled Commercial Banks	Deposit	Credit	Credit Deposit Ratio
Kokrajhar	59	4425.1	2,231.7	50.4	10	315.2	190.6	60.5

Dhubri	83	4013.1	2,522.2	62.8	12	404.3	196.1	48.5
Goalpara	66	3035.8	2,002.6	66.0	12	355.2	216.4	60.9
Barpeta	98	4534.8	3,605.5	79.5	14	454.8	298.0	65.5
Morigaon	66	2255.6	1,774.6	78.7	12	255.2	215.2	84.3
Nagaon	190	9691.9	7,006.5	72.3	36	862.8	550.5	63.8
Sonitpur	129	7341.4	5,176.2	70.5	21	525.1	339.0	64.6
Lakhimpur	90	3,815.2	3,733.4	97.9	20	451.0	336.9	74.7
Dhemaji	48	2,091.1	1,879.4	89.9	9	297.3	197.4	66.4
Tinsukia	149	9,603.6	5,604.5	58.4	14	270.5	246.0	91.0
Dibrugarh	179	14,574.1	8,461.2	58.1	16	356.2	293.2	82.3
Sivasagar	106	5,890.8	3,942.4	66.9	13	345.8	219.7	63.5

Jorhat	144	9,488.8	6,452.8	68.0	15	372.9	299.1	80.2
Golaghat	124	4,823.2	4,516.2	93.6	25	588.9	399.3	67.8
Karbi-Anglong	57	2,217.0	1,943.2	87.7	29	491.2	754.3	153.6
Dima Hasao	32	1,566.5	649.4	41.5	9	207.1	151.7	73.2
Cachar	173	12,586.3	5,766.6	45.8	20	785.4	249.3	31.7
Sribhumii	93	5,447.7	2,629.6	48.3	16	458.9	153.1	33.4
Hailakandi	45	2,216.8	973.1	43.9	9	244.3	101.0	41.4
Bongaigaon	64	4,150.2	2,838.6	68.4	9	308.6	147.4	47.8
Chirang	39	1,861.8	1048.2	56.3	7	193.6	127.8	66.0
Kamrup	171	7,845.5	4,734.1	60.3	19	616.5	324.9	52.7
Kamrup Metro	471	91,659.6	53,608.7	58.5	15	998.2	294.6	29.5

Nalbari	84	3,864.6	2,779.4	71.9	17	536.3	288.3	53.8
Baksa	34	1,007.6	731.2	72.6	9	204.3	165.6	81.0
Darrang	71	3,097.9	2,570.0	83.0	15	423.7	274.4	64.8
Udalguri	49	2,019.4	1,481.5	73.4	12	267.8	201.5	75.3
Biswanath	57	2,265.2	1,674.0	73.93	12	269.2	175.6	65.2
Charaideu	34	1,455.9	841.6	57.8	10	249.7	186.5	74.7
Hojai	29	1,637.7	963.8	58.9	NA	NA	NA	NA
Majuli	16	339.9	355.6	104.6	NA	NA	NA	NA
South Salmara	20	514.5	296.0	57.5	NA	NA	NA	NA
West Karbi Anglong	21	413.9	424.7	102.6	15	169.8	234.9	138.4
Bajali	24	1,434.7	1,042.7	72.7	5	186.8	69.9	37.4

Tamulpur	25	882.9	582.6	66.0	4	122.3	90.7	74.1
Assam	3140	2,34,070. 1	1,46,843. 8	62.7	461	12588.9	7988.9	63.5

Source: Statistical Handbook, Assam -2025

Table 2 reflects distribution of Scheduled Commercial Banks across the districts of Assam, states that in 2024-25(as on 31st March,2025), Assam has 3140 Scheduled Commercial Banks, only ten districts have more than 100 number of banking branches. In the state, coverage of banking branches is not much satisfactory. Among the districts of the state, Kamrup Metro has the highest (471) banking branches with, Majuli having the least (16) number of banking branches. On the other hand, credit deposit ratio is highest (104.6) in Majuli district, followed by West Karbi Anglong district, lowest in Dima Hasao district (41.5). The data of table 2 reflects wide disparity in the distribution of banking facilities in the state.

Table 3: District wise Credit-Demand ratio of Assam from 2022-23 to 2024-25

Serial No.	District	Credit-Demand ratio		
		2022-23	2023-24	2024-25
1	Kokrajhar	43.4	46.2	50.4
2	Dhubri	55.7	61.0	62.8
3	Goalpara	57.0	62.1	66.0
4	Barpeta	66.9	75.0	79.5
5	Morigaon	67.3	73.4	78.7
6	Nagaon	67.6	77.4	72.3
7	Sonitpur	58.9	66.8	70.5
8	Lakhimpur	84.5	91.6	97.9
9	Dhemaji	79.3	81.0	89.9
10	Tinsukia	50.2	55.3	58.4
11	Dibrugarh	48.0	51.3	58.1
12	Sivasagar	60.4	64.9	66.9
13	Jorhat	58.0	64.7	68.0
14	Golaghat	72.6	84.6	93.6
15	Karbi-Anglong	70.4	85.1	87.7
16	Dima Hasao	37.6	33.8	41.5
17	Cachar	43.6	46.7	45.8
18	Sribhumi	33.5	37.8	48.3
19	Hailakandi	42.0	43.6	43.9
20	Bongaigaon	59.1	64.4	68.4
21	Chirang	48.7	52.5	56.3
22	Kamrup	72.4	57.3	60.3
23	Kamrup Metro	44.3	52.6	58.5

24	Nalbari	63.1	66.9	71.9
25	Baksa	62.5	66.9	72.6
26	Darrang	66.0	72.4	83.0
27	Udalguri	71.8	75.3	73.4
28	Biswanath	63.5	66.2	73.93
29	Charaideu	44.7	52.5	57.8
30	Hojai	40.2	42.9	58.9
31	Majuli	58.4	80.6	104.6
32	South Salmara	44.1	52.0	57.5
33	West Karbi Anglong	87.0	97.5	102.6
34	Bajali	60.8	67.8	72.7
35	Tamulpur	NA	NA	66.0
36	Assam	51.9	57.9	62.7

Source: Statistical Handbook, Assam -2023, 2024, 2025

Credit demand ratio refers to the proportion of a bank's total loans (credit) relative to its total deposits. It indicates how much money deposited is being deployed as loan. It measures the efficiency and liquidity of banks. According to Reserve Bank of India and industry standard, the ideal credit- demand ratio is considered to be between 60% and 80%. Table 3 shows district wise credit demand ratio of SCBs of Assam from 2022-23 to 2024-25. Table 3 reflects that credit-demand ratio of all the districts of the state have improved during the period 2022-23 to 2024-25. Among the 35 districts of the state, in 2024-25, 23 districts have crossed the 60 percent CD ratio level, 12 districts have reached the range 40%-60% level.

Table 4: Credit & deposit of Scheduled Commercial Banks in Assam

Item	Rural			Semi-Urban			Urban		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
No. of Reporting Offices	1500 (49.13%)	1553 (48.76%)	1561 (48.13%)	872 (28.56%)	926 (29.07%)	941 (29.02%)	681 (22.31%)	706 (22.17%)	741 (22.85%)
Deposits (Rs. in Crore)	45435 (21.51%)	49272 (22.05%)	52982 (22.68%)	56700 (25.37%)	60935 (27.27%)	63300 (27.10%)	109139 (51.65%)	113272 (50.68%)	118362 (50.66%)
Credit (Rs. in Crore)	26292 (23.10%)	32013 (23.41%)	36156 (23.56%)	34120 (29.97%)	39143 (28.62%)	43322 (28.22%)	53429 (46.93%)	65621 (47.97%)	73890 (48.14%)

C-D Ratio (in %)	57.87	64.97	68.24	60.14	64.24	68.43	48.95	57.93	62.4 2
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Source: Economic Survey, Assam, 2025-26

Table 4 depicts that out of 3053 Scheduled Commercial Banks in Assam, in 2023, 49.13% SCBs are in rural areas, 28.56% are in semi-urban areas, and the remaining 22.31 % are in urban areas. In 2024, 48.76 %, 29.07 %, and 22.17% SCB branches are in rural, semi-urban and urban areas. However, in 2025, SCB branches available in the three sectors are 48.13%, 29.02%, and 22.85%, respectively. Table 4 makes it clear that in all three years, rural areas have more SCB branches, 49.13% in 2023, 48.76% in 2024, and 48.13 % in 2025, respectively. Regarding deposit mobilization, it is seen in table 4 that in 2023, the highest (51.65%) deposits were mobilized from urban areas, 25.37% from semi-urban areas and 21.51% from rural areas. In 2024, deposits mobilized by SCB branches from urban, semi-urban and rural areas were 50.68%, 27.27%, and 22.05% respectively. Similarly, in 2025, deposits mobilized from the sectors were 50.66%, 27.27% and 22.68%, respectively. It is observed in Table 4 that in all three years deposit mobilization, urban sector contributes the highest to the branches of SCBs and the rural sector contributes the least.

In the case of credit disbursement, it is seen in Table 4 that in 2023 share of rural, semi-urban and urban branches were 46.93%, 29.97%, and 23.10%, respectively. In 2024 and 2025 also the share of the urban sector was the highest in respect of credit disbursement, and rural sector was the lowest. It signifies that the capacity to save and invest of rural sector of Assam is low.

It is observed in Table 4 that, in 2023, the rural and urban branches of SCBs of Assam have not achieved the target of the credit deposit ratio of 60 %, and in 2024, the urban branches have not achieved the ideal target of CD ratio of 60%. But gradually, the credit-deposit ratio of the three branches of SCBs of Assam has improved.

Table 5: Bank- Group wise distribution of credit & deposit of SCBs in Assam

Bank Group	No. of reporting offices		Deposits (Rs. in crore)		Credit (Rs. in crore)		Credit Deposit Ratio (CDR in%)	
	2024	2025	2024	2025	2024	2025	2024	2025
Private Sector Banks	957 (30.05%)	1005 (30.99%)	45682 (20.44%)	48609 (20.81%)	42335 (30.95%)	46697 (30.42%)	92.67	96.07
Public Sector Banks	1468 (46.09%)	1519 (46.84%)	159578 (71.41%)	166165 (71.13%)	84618 (61.87%)	96028 (62.56%)	53.03	57.79
Regional Rural Banks	465 (14.60%)	464 (14.31%)	12470 (5.58%)	12623 (0.54%)	6977 (5.10%)	8127 (52.81%)	55.95	64.39

Small Finance Bank	202 (6.34%)	162 (4.9%)	1958 (.88%)	2171 (0.93%)	1343 (0.98%)	1076 (0.74%)	68.63	49.58
Payment Bank	26 (.82%)	26 (.80%)	262 (.11%)	558 (0.24%)	0	0	0	0
Co-operative Banks	67 (2.10%)	67 (2.07%)	3528 (1.58%)	3492 (1.50%)	1502 (1.10%)	1562 (1.02%)	42.58	44.74
All Bank Groups	3185	3243	223479	233618	136775	153490	61.20	65.70

Source: Economic Survey, Assam, 2025-26

Table 5 reflects Bank Group- wise distribution of credit & deposit of Scheduled Commercial Banks in Assam: Table 5 reflects that in 2024, total deposits and credit of private Sector Banks in Assam was 20.44%, and 30.95%, respectively; of public Sector Banks were 71.41% and 61.87% respectively. In 2025, total deposits and credit of private sector banks were 20.81% and 30.42%; and of public sector banks were 71.13% and 62.56%, respectively. In both years, across the all branches of SCBs of Assam, the total deposits and credits of public sector banks are the highest. In 2023, credit deposit ratio of Private Sector Banks (92.67%) exceeded the rate of public sector banks (53.03%). Similarly, in 2025, the credit deposit ratio of private sector banks (96.07%) is higher than the public sector banks (57.79%).

Deposit of Scheduled Commercial Banks:

The Scheduled Commercial Banks offer various types of deposits like current account deposit, savings account deposit, term deposit, and current deposit. Savings deposits bear interest rate designed for individuals to mobilize their savings, with restrictions on number of withdrawals. However, current accounts do not bear interest rate, designed for businesses, companies, and firms requiring high liquidity. Term deposit is fixed for a period of time with a higher rate of interest for longer period. Type-wise deposits of Scheduled Commercial Banks in Assam in 2024 and 2025 are shown in Assam in Table-6.

Table 6: Type-wise deposits of Scheduled Commercial Banks in Assam

Type of Account	2024				2025				% increase in 2025 over 2024
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
Current	2935.15 (6.00%)	4500.67 (7.48%)	10893.7 (9.78%)	18329.5 (8.31%)	2558.35 (4.85%)	4475.51 (7.03%)	10575.1 (8.98%)	17609 (7.52%)	-3.93
Savings	30543.1 (62.46%)	32753.2 (54.40%)	45347.7 (40.72%)	108644 (49.28%)	31632 (60.02%)	32993.4 (51.86%)	42456.7 (36.05%)	107082 (45.75%)	-1.44
Term	15419.2 (31.53%)	22952.8 (38.12%)	55128.7 (49.50%)	93500.7 (42.41%)	18513 (35.13%)	26156 (41.12%)	64710.1 (54.96%)	109379 (46.73%)	16.98
Total	48897.5 (100%)	60206.7 (100%)	111370 (100%)	220474 (100%)	52703.3 (100%)	63624.8 (100%)	117742 (100%)	234070 (100%)	6.17

Source: Economic Survey, Assam, 2025-26

Table 6 states that in 2024 total deposits of Scheduled Commercial Banks in Assam was 220474, while in 2025, it was 234070. Total deposits of Scheduled Commercial Banks in Assam increase by 6.17 percent in 2025 over 2024 due to increase in term deposit by 16.9 percent. But during this period, current and savings deposits decline by 3.93percent and 1.44 percent respectively. In both years, deposits of urban sector of the state were more, signifying largest share of urban sector in banking sector in Assam. The Table 6 states that in 2024, 49.28% accounts are savings deposit and 42.41 % are term deposits. In 2005, 45.75 % and 46.73% are savings and term deposits. The data makes it clear that in 2024, saving account deposits is the highest and in 2025, term deposit is the highest of Scheduled Commercial Banks in Assam. In rural and semi-urban areas, in 2024, 62.46% and 52.40% are saving deposits while 31.53% and 3.12 % are term deposits. Similarly, in 2025, in rural and semi-urban areas of Assam, saving deposits were 60.02% and 51.86% respectively. In the said year, in both areas, term deposits were 35.13% and 41.12% respectively. In 2025, highest percentage of deposits (46.73%) of SCBs was term deposits signifying higher long-term saving capacity, more funds for long term investment for credit creation.

Conclusion:

Scheduled Commercial Banks of Assam plays important role in economic development of the state, are actively engaged in providing credits to different sectors of the state. There is wide disparity in the distribution of banking branches in the state; the state should

undertake special initiatives for expansion of banking branches and banking facilities to fulfill the credit need of the people of the state and to accelerate the rate of economic development of the state.

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