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Bank deposits grow nearly five times faster than accounts as balances deepen

Individual bank deposits rose 9.7% YoY to Rs 134.8 trillion in FY26, far outpacing the 1.8% growth in bank accounts and lifting average deposits per account 7.7% to Rs 51,494.

The divergence indicates that financialisation is increasingly coming from larger balances within existing bank accounts, rather than only from the opening of new accounts.

Women are driving banking deepening, with deposits growing at a 13.4% CAGR and accounts at 8.5% between FY19 and FY26, versus 7.5% and 3.1% for men.

Financialisation is extending into market-linked assets, with demat accounts rising 17.6% to 225 million and mutual fund folios growing 16.8% to 274 million in FY26.

India still has significant headroom, with demat penetration at 13.1% of the population and MF AUM at 19.6% of GDP, well below comparable markets such as China, Japan, the UK and US.

Individual bank deposits grew nearly five times faster than the number of bank accounts in FY26, pointing to a deepening of household savings within the banking system rather than financialisation being driven only by the opening of new accounts.

Individual bank deposits rose 9.7% year-on-year to Rs 134.8 trillion in FY26, while individual bank accounts increased just 1.8% to 2.6 billion. The divergence pushed the average deposit per account to Rs 51,494, an increase of 7.7% from the previous year, according to a JM Financial report.

The gap between account and deposit growth indicates that financialisation is increasingly being reflected in larger balances within existing accounts, it said. The trend suggests that the deepening of India's banking system is increasingly coming from higher deposits held within existing banking relationships, rather than simply from growth in the number of accounts.

Women are leading this deepening, with women's bank deposits growing at a 13.4% compound annual growth rate between FY19 and FY26, compared with 7.5% for men. Women's bank accounts grew at an 8.5% CAGR during the period, compared with 3.1% for men.

Women's share of individual bank accounts consequently increased to 41% in FY26 from 40.4% in FY25, according to the report.

Broader financialisation

The strengthening of bank deposits forms part of a broader financialisation of household savings. The share of household savings held in financial assets increased to 44.7% in FY24 from 39.5% in FY05. The brokerage said the shift became more pronounced after FY20–21, indicating a behavioural change in household preferences during the pandemic.