June 23, 2021


Today, the Reserve Bank released the preliminary estimates of Household Financial Savings for Q3: 2020-21 and Household Debt-GDP Ratio at end-December 2020 on its website under the tab “Statistics” => “Data Releases” => “Quarterly”.

Highlights:

- The preliminary estimate of household financial savings is placed at 8.2 per cent of GDP in Q3:2020-21, exhibiting a sequential moderation for the second consecutive quarter after having spiked in the pandemic-hit first quarter of 2020-21. The moderation was driven by a significant weakening in the flow of household financial assets, which more than offset the moderation in the flow of household financial liabilities.

- The ratio of household (bank) deposits to GDP declined to 3.0 per cent in Q3:2020-21 from 7.7 per cent in the previous quarter.

- Despite higher borrowings from banks and housing finance companies, the flow in household financial liabilities was marginally lower in Q3: 2020-21 following a marked decline in borrowings from non-banking financial companies.

- Household debt to GDP ratio, which is based on select financial instruments, has been increasing steadily since end-March 2019. It rose sharply to 37.9 per cent at end-December 2020 from 37.1 per cent at end-September 2020.

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