

BENCHMARKS **LIVE**
Nifty 15,868.90 -376.45NSE GAINER-LARGE CAP
ONGC 178.90 13.65FEATURED FUNDS ★★★★★ 5Y RETURN
Mirae Asset Hybrid Equit... 14.05% INVEST NOW

MARKET WATCH ▾

THE ECONOMIC TIMES | Markets

English Edition | E-Paper

Subscribe Sign In

Super Saver Sale

Home #ELECTIONS'22 ETPrime Markets News Industry RISE Politics Wealth MF Tech Jobs Opinion NRI Panache ET NOW More ▾

Cryptocurrency ▾ by COINSWITCH Stocks ▾ IPOs/FPOs Markets Data Market Moguls Expert Views Technicals ▾ Commodities ▾ Forex ▾ Bonds More ▾

Business News › Markets › Stocks › News › CDs outstanding at Rs 1 lakh crore point to rising demand for bank funds

CDs outstanding at Rs 1 lakh crore point to rising demand for bank funds

ET Bureau Last Updated: Mar 07, 2022, 06:34 AM IST

SHARE FONT SIZE SAVE PRINT COMMENT

Synopsis

Data from the Reserve Bank of India (RBI) shows that outstanding CDs in the banking system increased to ₹1.12 lakh crore in the fortnight ended February 11, up from ₹99,700 crore in the fortnight ended January 28. This is the highest amount of outstanding CDs since the banking system had ₹1.73 lakh crore in the fortnight ended March 27, 2020, when the Covid-19 pandemic struck.



iStock

Mumbai: Outstanding [certificates of deposits](#) (CDs) issued by banks have touched a near two-year high, crossing the ₹1 lakh crore mark in February for the first time since the nation went into lockdown in March 2020.

Credit rating agency Care said loan growth has been muted due to the demand destruction caused by the Covid-19 pandemic.

The increase in issuances of CDs, which banks use to raise bulk funds from high net worth and institutional [investors](#), reflects the rising demand

for funds from the [banking](#) system as economic activity picks up.

Data from the Reserve Bank of India ([RBI](#)) shows that outstanding CDs in the banking system increased to ₹1.12 lakh crore in the fortnight ended February 11, up from ₹99,700 crore in the fortnight ended January 28. This is the highest amount of outstanding CDs since the banking system had ₹1.73 lakh crore in the fortnight ended March 27, 2020, when the Covid-19 pandemic struck.

Total deposits stood at ₹161.3 lakh crore for the fortnight ended February 11, 2022, a growth of 9.1% year-on-year and up 76 basis points from the previous fortnight ended on January 28, 2022. [Time deposits](#) have increased 8.2%, while demand deposits 16.1% from the previous year even as banks have increased deposit rates in February.

ET PRIME - POPULAR MARKET STORIES





Check out which Nifty50 stocks analysts recommend buying in Budget week



After the correction, what lies ahead for IT companies?



Subscribe to ETPrime

However, despite an increase in deposits, loan growth has been muted, up 7.9% year on year but registering a decline of 30 basis points compared to the fortnight ended January 28, 2022.

Credit rating agency Care said loan growth has been muted due to the demand destruction caused by the Covid-19 pandemic. Also, large companies have deleveraged and are hesitant to undertake new capex due to growth uncertainties and lower utilisation. Even before the outbreak of Covid, credit growth was depressed as banks focused on cleaning up their books and resolving large NPAs.

Recommended by

"Credit growth is expected to be in the range of 8% to 9% for FY22 with a low base effect, economic expansion, rise in government and private capex (especially, capex for renewables and production linked incentive (PLI) schemes, extended ECLGS support, and retail credit push," Care Ratings said.

Pick the best companies to invest

BECOME AN ETPRIME MEMBER

READ MORE NEWS ON

- Certificates Of Deposits Investors Banking RBI Time Deposits

(What's moving **Sensex** and **Nifty** Track **latest market news, stock tips** and **more**)

Ask the Crypto Expert

Presented By



Pratik Gauri Founder & CEO, Sire

Enter your Query*

Max. characters: 1000

NEXT

MUST KNOW

ALL QUESTIONS

What is a cryptocurrency?

Popular in Markets

- 1. As oil races to the moon, bulls on D-Street get a crude shock



- 2. Is this the beginning of a bear phase? Vijay Kedia demystifies mkt mood



- 3. MFs double equity investments unfazed by geopolitical worries



- 4. Tech glitch at NSE hits traders, issue resolved later



- 5. Pulse of the Market | Top Stock Recos of the Day



Crypto Quiz

Presented By

Test your crypto IQ

Question 1/4



Highest Score 40