

CD Ratio Hits an All-Time High for the Second Consecutive Fortnight

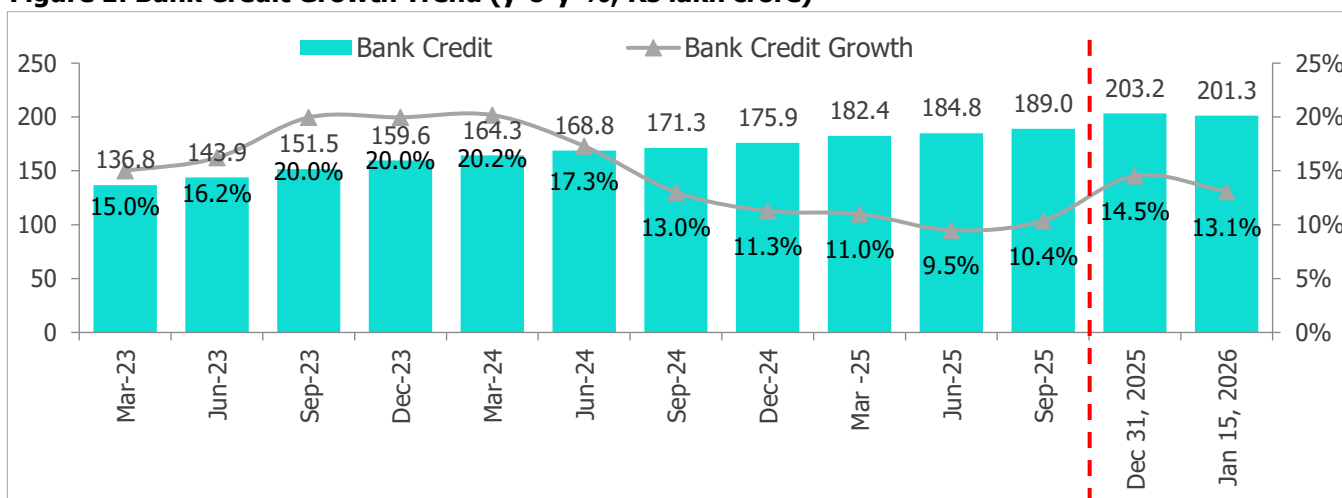
February 02, 2026 | BFSI Research

Synopsis

- The Credit-Deposit (CD) ratio touched an all-time high of 82.2% for the second consecutive fortnight (including merger impact). In the fortnight ended January 15, 2026, both deposits and credit fell sequentially, with deposits declining faster than credit, widening the gap to 250 basis points (bps).
 - As of January 15, 2026, total bank credit reached Rs 201.3 lakh crore, up 13.1% year-on-year (y-o-y). The growth was supported by sustained activity in the retail and MSME segments, an increase in NBFC activity, and some pickup in infrastructure. Additionally, this increase was slightly higher than the 11.5% growth recorded in the same period last year.
 - Bank deposits grew at 10.6% y-o-y to Rs 245.0 lakh crore, slightly moderating from 10.8% growth in the prior period. The moderation could be attributed to ongoing rate-cut transmission and a continued shift of household savings toward higher-yielding alternative instruments.
- As of January 15, 2026, the WACR eased to 5.36%, compared with 5.43% in the previous fortnight, remaining 11 basis points (bps) above the current repo rate of 5.25%.

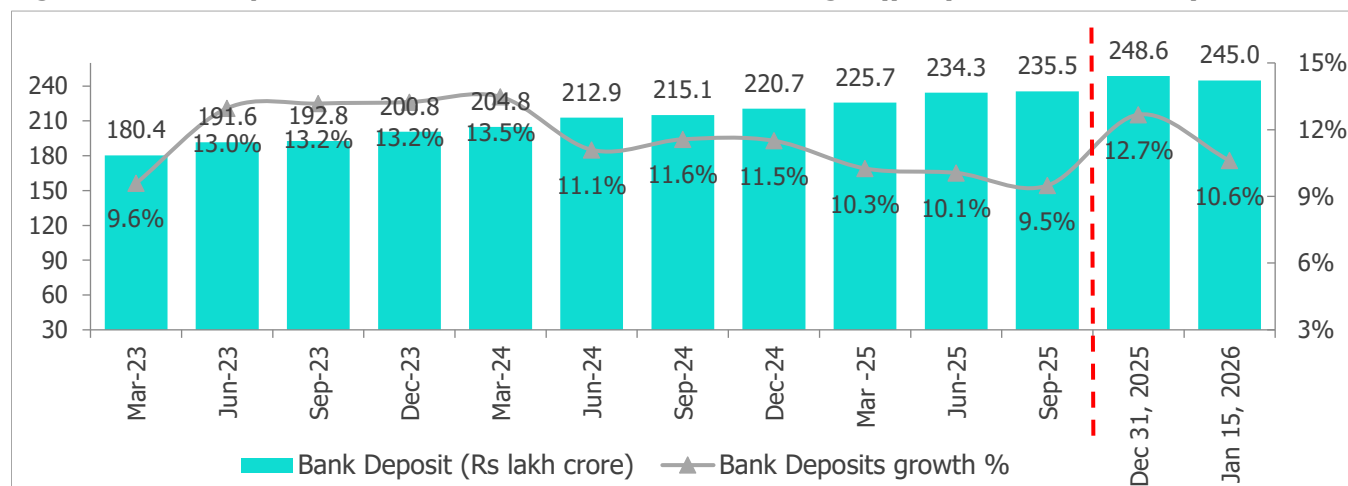
Bank Credit Growth Witnesses a Decline for the Fortnight

Figure 1: Bank Credit Growth Trend (y-o-y %, Rs lakh crore)



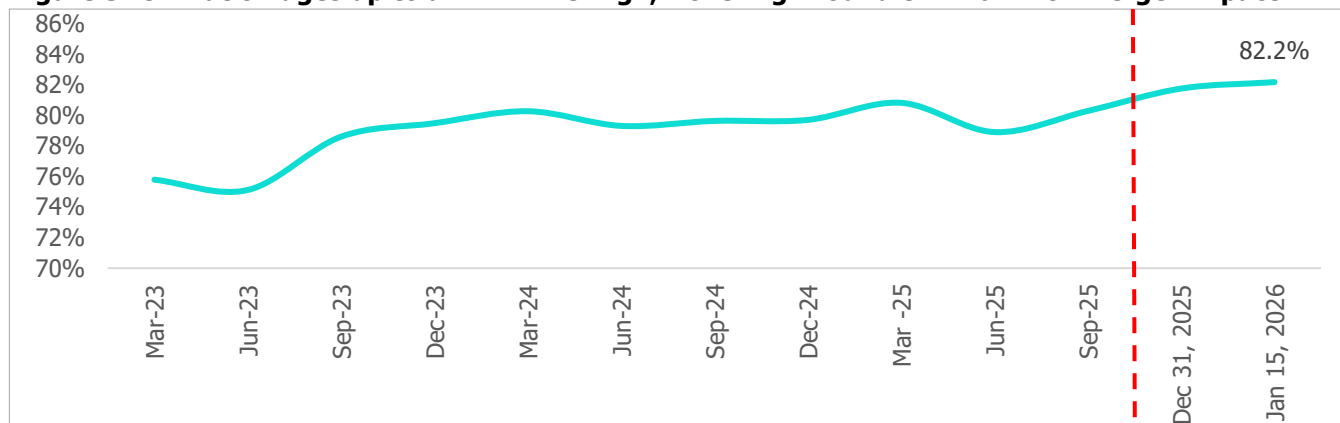
Note: The quarter-end data reflects the quarter's last fortnight's data; Source: RBI, CareEdge Ratings. Under the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to the 15th and the last calendar day of a month, w.e.f. December 15, 2025.

- Bank credit growth stood at Rs 201.3 lakh crore as of the fortnight ended January 15, 2026, and maintained strong momentum, registering a y-o-y growth of 13.1%, up from 11.5% a year earlier. Although the reported growth is partly influenced by the revised definition of the reporting fortnight under the Banking Laws. Overall credit growth was supported by steady retail demand, led by auto loans, healthy MSME offtake, and increased lending to NBFCs, alongside a pickup in infrastructure and opportunistic corporate borrowings. On a sequential basis, bank credit declined by 0.9% over the previous fortnight.

Figure 2: Bank Deposit Growth Rate Decreases for the Fortnight (y-o-y %, Rs lakh crore)

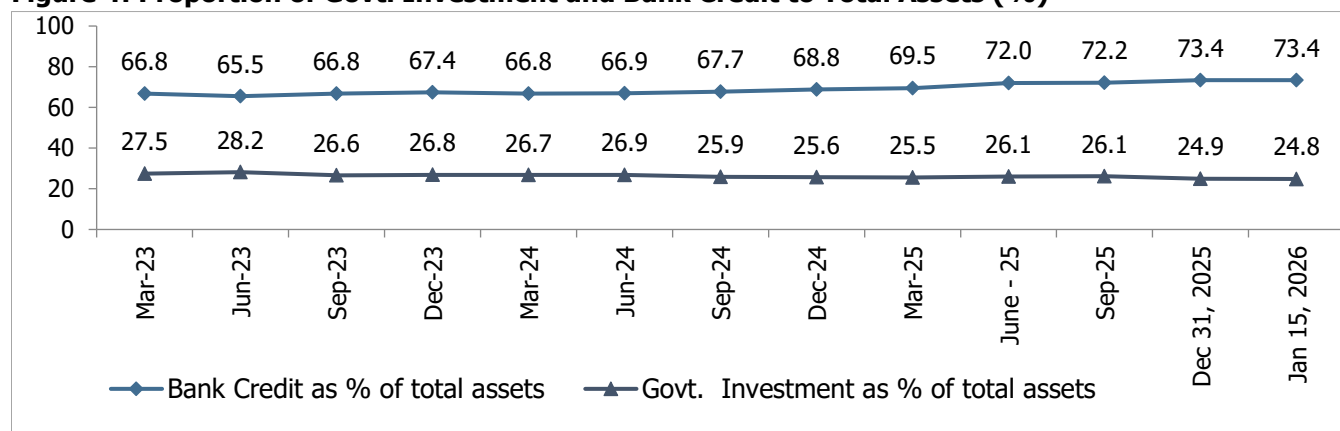
Note: The quarter-end data reflects the last fortnight's data of that quarter; Source: RBI, CareEdge Ratings. Under the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to the 15th and the last calendar day of a month, w.e.f. December 15, 2025.

- As of January 15, 2026, aggregate bank deposits stood at Rs 245.0 lakh crore, recording a y-o-y growth of 10.6%, slightly lower than the 10.8% growth in the corresponding period last year. Sequentially, deposits declined by 1.4% over the previous fortnight. The moderation could be attributed to ongoing rate-cut transmission and a continued shift of household savings toward higher-yielding alternative instruments. In addition, the increase in short-term bond rates likely prompted a partial reallocation of bulk deposits toward market-linked instruments. During the latest fortnight, time deposits, which account for 87.8% of total deposits, grew by 9.3% y-o-y to Rs 215.1 lakh crore, moderating from 11.0% a year earlier. In contrast, demand deposits rose significantly by 20.7% y-o-y, compared with 9.4% in the year-ago period.

Figure 3: CD Ratio Edges up to an All-Time High, Hovering Around 82.2% - incl. merger impact

Note: The quarter-end data reflects last fortnight's data of the quarter and compares post-merger figures; Source: RBI, CareEdge Ratings. Under the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to the 15th and the last calendar day of a month, w.e.f. December 15, 2025.

As of the fortnight ended January 15, 2026, both aggregate deposits and bank credit declined sequentially. However, deposits declined by Rs 3.6 lakh crore, exceeding the Rs 1.9 lakh crore fall in credit, resulting in the CD ratio rising further to an all-time high for the second consecutive month at 82.2% (incl. merger impact).

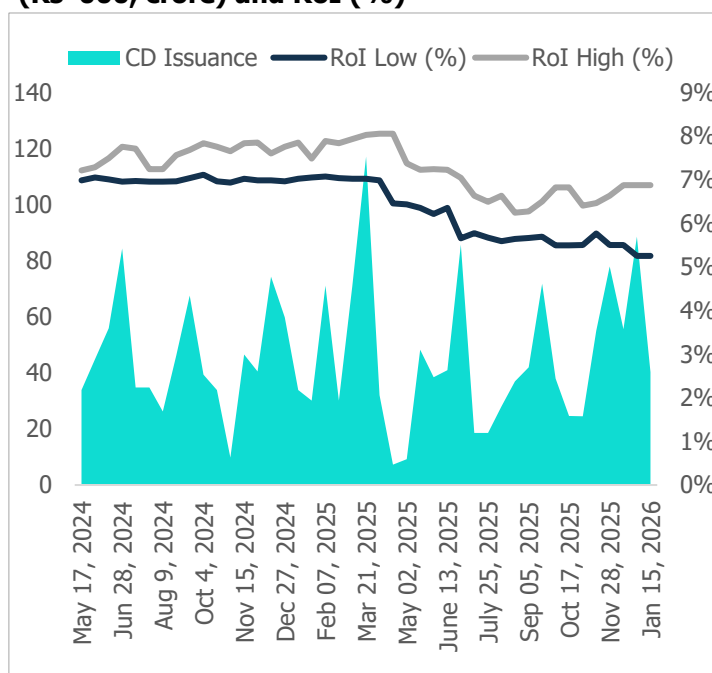
Bank Credit Share Remains Steady while Government Investments Decrease Marginally
Figure 4: Proportion of Govt. Investment and Bank Credit to Total Assets (%)


Note: The quarter-end data reflects the last fortnight's data of that quarter; Total assets = Cash in hand + Assets with the Banking System + Investments + Bank Credit; Source: RBI, CareEdge Ratings. Under the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to the 15th and the last calendar day of a month, w.e.f. December 15, 2025.

During the fortnight ending January 15, 2026, the bank credit-to-total-assets ratio held steady at 73.4%, while the government investment-to-total-assets ratio edged down 10 bps to 24.8%, reflecting faster loan growth relative to other asset classes. Total government investments stood at Rs 68.1 lakh crore, up 2.8% y-o-y but down 1.1% sequentially.

Issuances of Certificates of Deposits (CDs) and Commercial Papers (CPs) Increase
Figure 5: Certificate of Deposit O/s

Fortnight ended	Amount Outstanding (Rs '000 crore)	Y-o-Y growth %
January 24, 2025	499.3	40.6
February 21, 2025	513.8	34.7
March 21, 2025	532.9	41.8
April 18, 2025	518.7	39.1
May 16, 2025	511.8	39.3
June 13, 2025	483.1	37.1
June 27, 2025	517.4	26.3
July 25, 2025	508.4	19.7
September 05, 2025	495.2	7.0
October 17, 2025	502.6	3.8
October 31, 2025	514.8	10.6
December 15, 2025	552.9	13.3
December 31, 2025	568.1	14.9
January 15, 2026	574.6	16.3

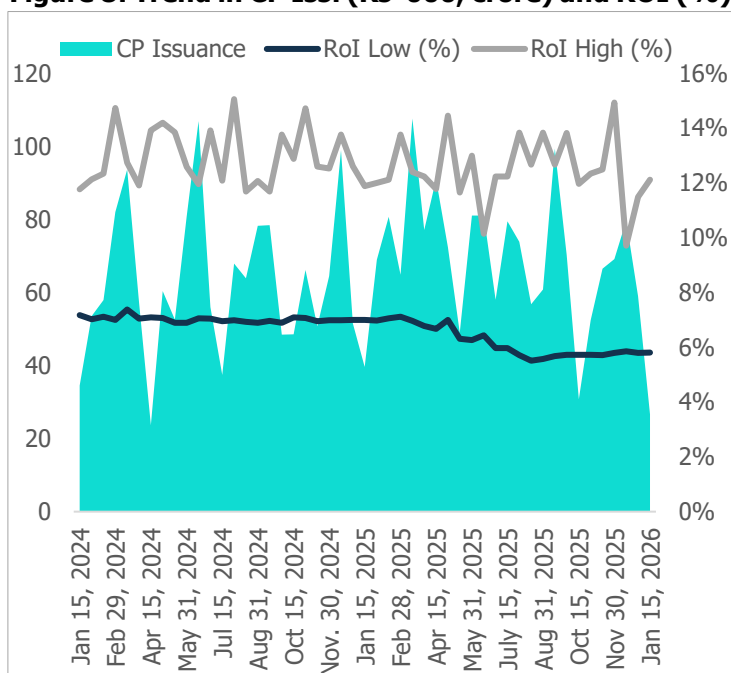
Figure 6: Trend in Certificates of Deposit Issued (Rs '000, crore) and RoI (%)


Note: The quarter-end data reflects the quarter's last fortnight's data. Source: RBI

Figure 7: CP Outstanding

Fortnight ended	Amount Outstanding (Rs ' 000 crore)	Y-o-Y growth %
February 28, 2025	465.9	14.2
March 31, 2025	442.9	14.0
April 30, 2025	545.6	32.6
May 15, 2025	541.5	28.6
June 15, 2025	549.3	27.4
June 30, 2025	500.0	18.4
July 31, 2025	547.2	19.2
September 15, 2025	526.7	19.4
September 30, 2025	488.2	22.8
October 15, 2025	495.6	13.1
October 31, 2025	479.6	7.8
December 15, 2025	473.4	2.1
December 31, 2025	451.0	3.5
January 15, 2026	453.9	0.8

Note: The quarter-end data reflects the quarter's last fortnight's data. Source: RBI

Figure 8: Trend in CP Iss. (Rs '000, crore) and ROI (%)

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