Credit and Deposit Growth Ease Sequentially; CD Ratio Remains Above 80%

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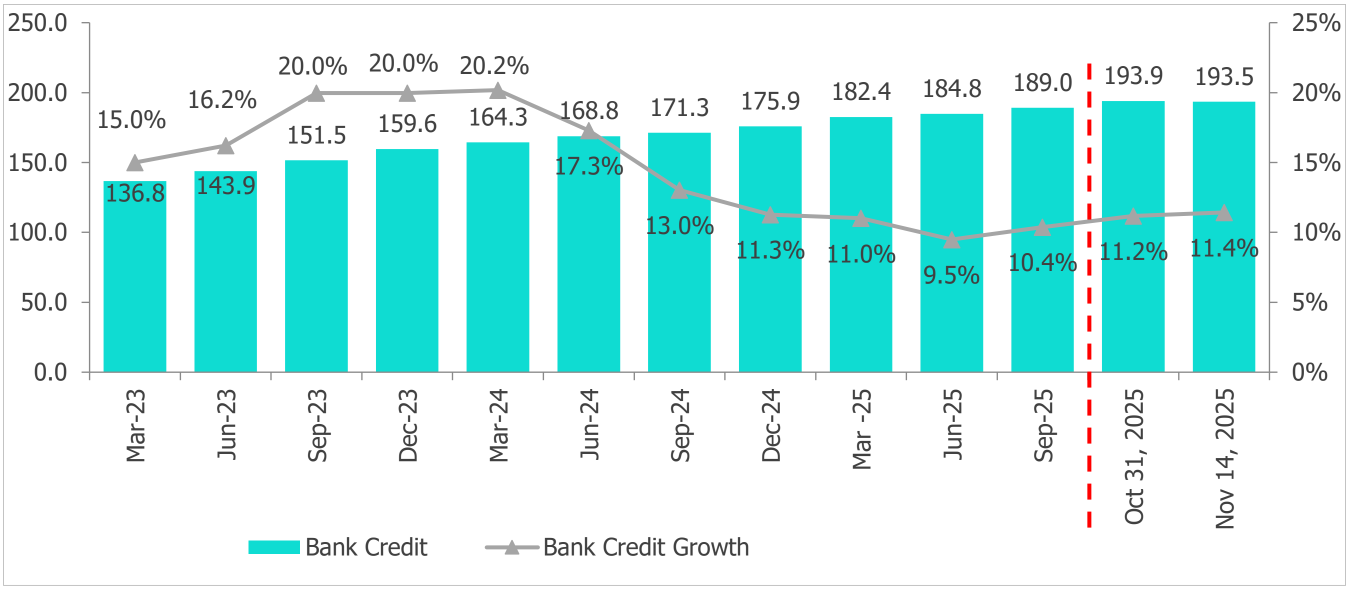
Synopsis

- On a year-on-year (y-o-y) basis, both bank credit offtake and deposit growth continued to expand; however, sequentially, both recorded a mild contraction.
  - As of November 14, 2025, total credit off-take rose to Rs 193.5 lakh crore, up 11.4% y-o-y. GST rate cuts, sustained retail and MSME activity, and some corporate borrowing amid rising bond yields all contributed to the increase. Meanwhile, this growth was slightly lower than the 11.6% growth in the same period last year due to reduced lending to certain segments.
  - Bank deposits rose 10.2% y-o-y to Rs 240.9 lakh crore, moderating from the 11.5% growth seen a year earlier (ex-merger). The moderation in growth is partly due to the ongoing rate-cut cycle, which has increased the attractiveness of alternative investments over conventional bank deposits.
- As of November 14, 2025, the weighted average call rate (WACR) eased to 5.37%, compared with 5.41% in the previous fortnight, and remained 13 bps below the repo rate of 5.50%.

Overall Bank Credit Growth Continues, Albeit at a Softer Pace

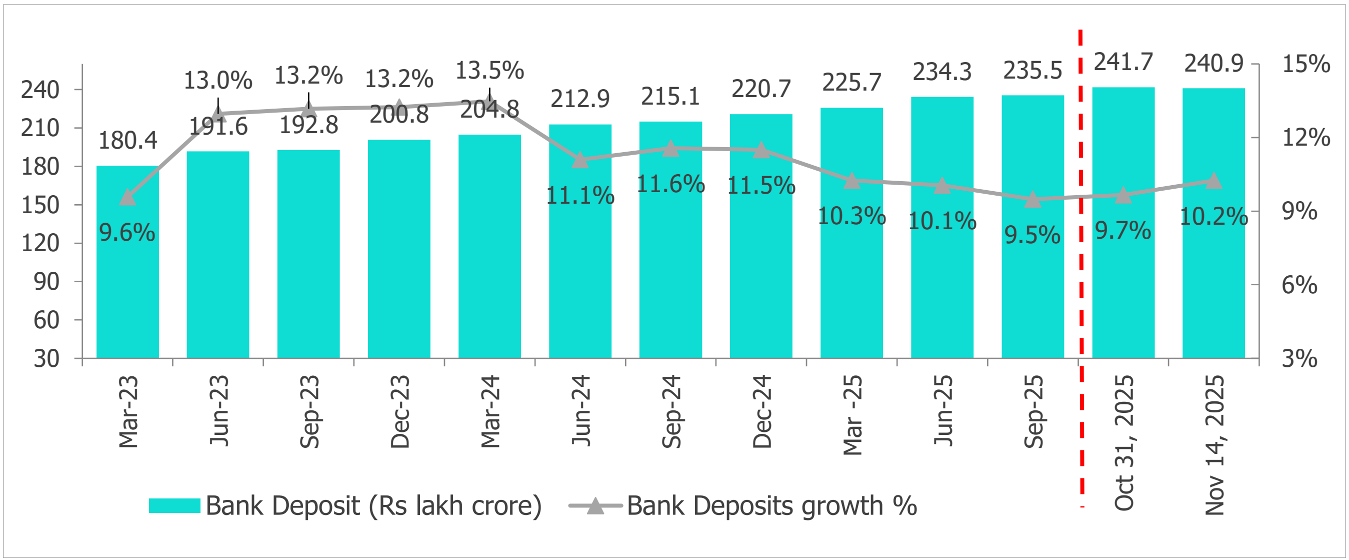
Figure 1: Bank Credit Growth Trend (y-o-y%, Rs lakh crore)



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

- Bank credit off-take registered a y-o-y growth of 11.4% as of the fortnight ending November 14, 2025, compared to 11.6% excluding merger impact, while recording a 0.4% sequential decline over the previous fortnight. In absolute terms, credit expanded by Rs 15.4 lakh crore during the past ten months, reaching Rs 193.5 lakh crore. Overall growth was driven by recent GST rate reductions, steady traction in retail and MSME segments, and an uptick in corporate borrowing amid elevated bond yields.

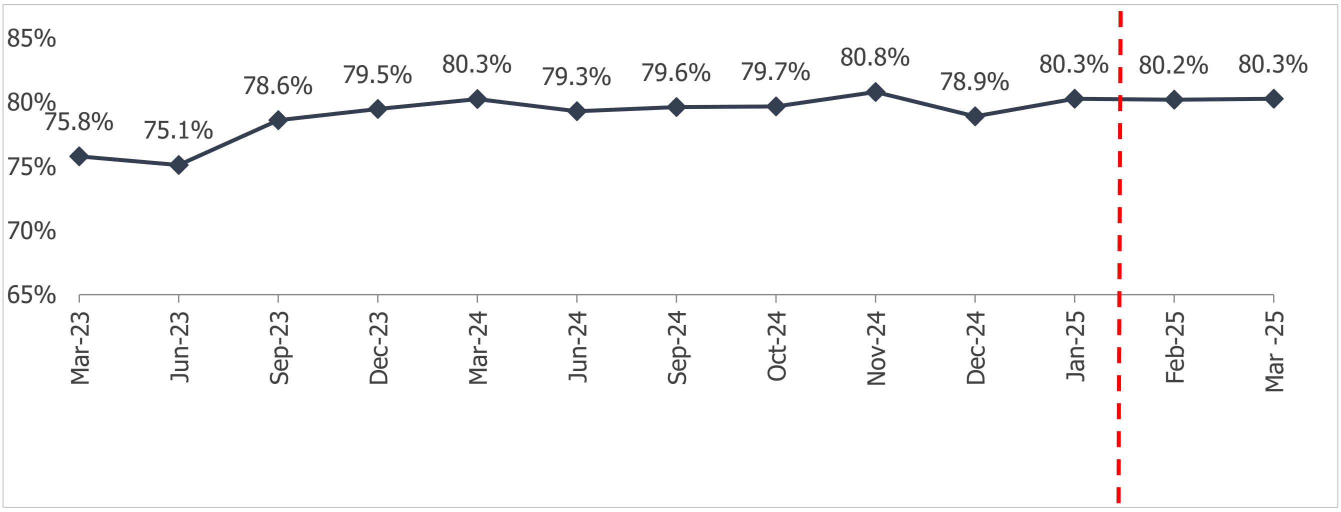
Figure 2: Bank Deposit Growth Rate Increases for the Fortnight (y-o-y, %)



Note: The quarter-end data reflects the last fortnight's data of that quarter; Source: RBI, CareEdge Ratings

- As of November 14, 2025, aggregate bank deposits stood at Rs 240.9 lakh crore, reflecting a 10.2% y-o-y increase, though marginally declining by 0.3% over the previous fortnight. Deposit growth continued to lag the 11.5% (ex-merger) expansion recorded in the corresponding period last year, largely due to a shift of funds towards higher-yielding alternative investment avenues. The latest fortnightly movement was influenced by seasonal factors, with demand deposits rising 19.0% y-o-y, significantly higher than the 8.9% growth seen a year earlier, supported by a favourable base and stronger festive-season inflows. Meanwhile, time deposits, which constitute 87.6% of the total deposit base, grew by 9.1% y-o-y to Rs 211 lakh crore, moderating from 11.5% in the same period last year.

Figure 3: CD Ratio Saw Marginal Uptick, And Stays Above 80% - incl. merger impact

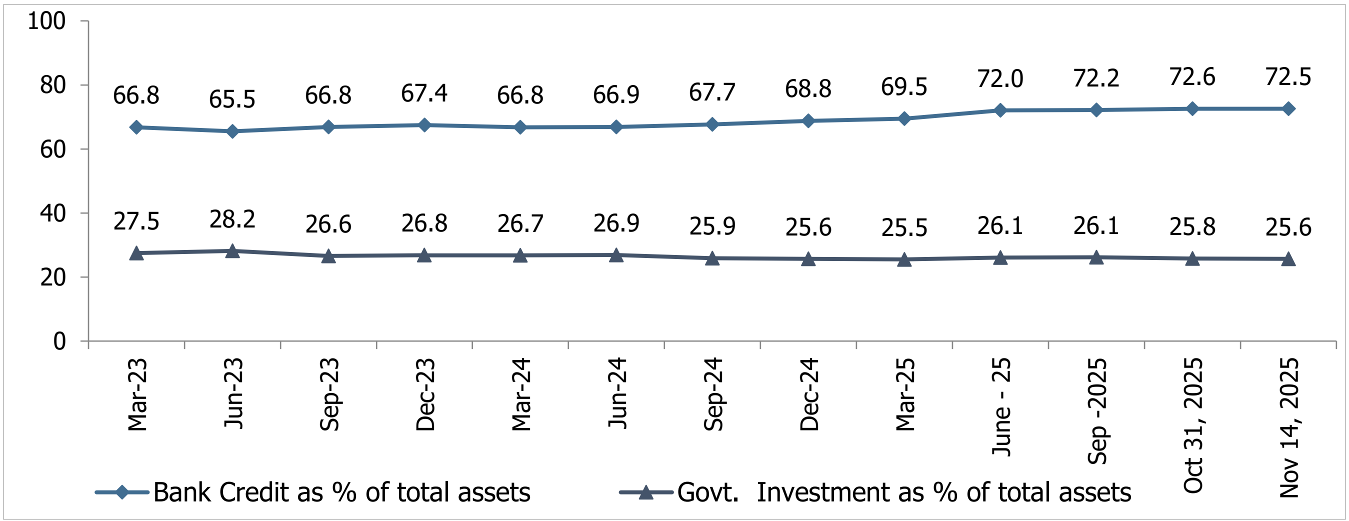


Note: The quarter-end data reflects last fortnight's data of the quarter and compares post-merger figures; Source: RBI, CareEdge Ratings

The credit-to-deposit (CD) ratio increased marginally to 80.3% in the fortnight ending November 14, 2025, though it continued to stay above the 80% mark.

Bank Credit Share and Government Investments See a Marginal Dip

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

The bank credit-to-total-assets ratio and the government investment-to-total-assets ratio eased slightly by one and two bps to 72.5% and 25.6% in the fortnight ending November 14, 2025. Total government investments stood at Rs 68.3 lakh crore, reflecting a 5.3% y-o-y increase and a modest sequential decline of 0.8%. Meanwhile, balances with other banks and money at call and short notice rose sequentially, reflecting the banking system's surplus liquidity, which averaged around Rs 2.87 lakh crore during the fortnight.

Certificates of Deposit (CDs) and O/s Commercial Papers (CPs) remain Elevated

Figure 5: Certificate of Deposit O/s

Fortnight ended	Amount Outstanding (Rs '000 crore)	Y-o-Y growth %
September 20, 2024	474.6	62.7
November 29, 2024	491.6	55.7
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
November 14, 2025	534.6	9.1

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

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

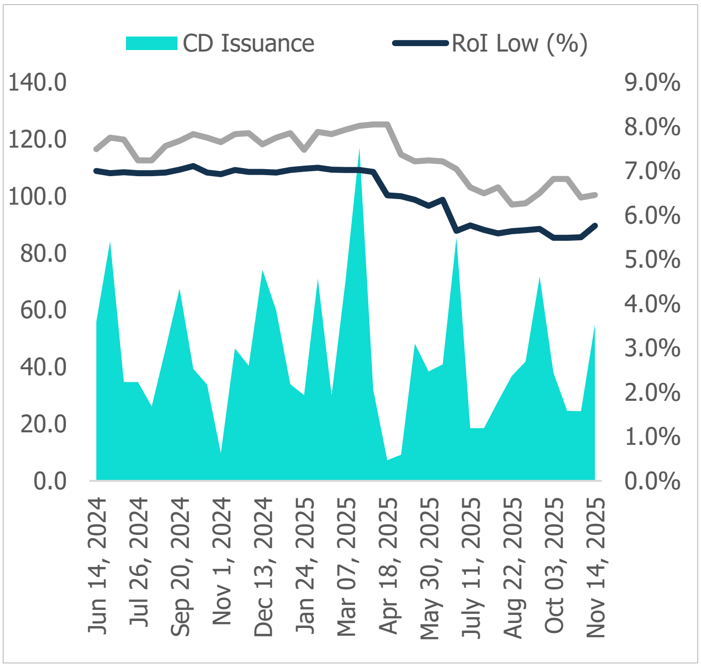
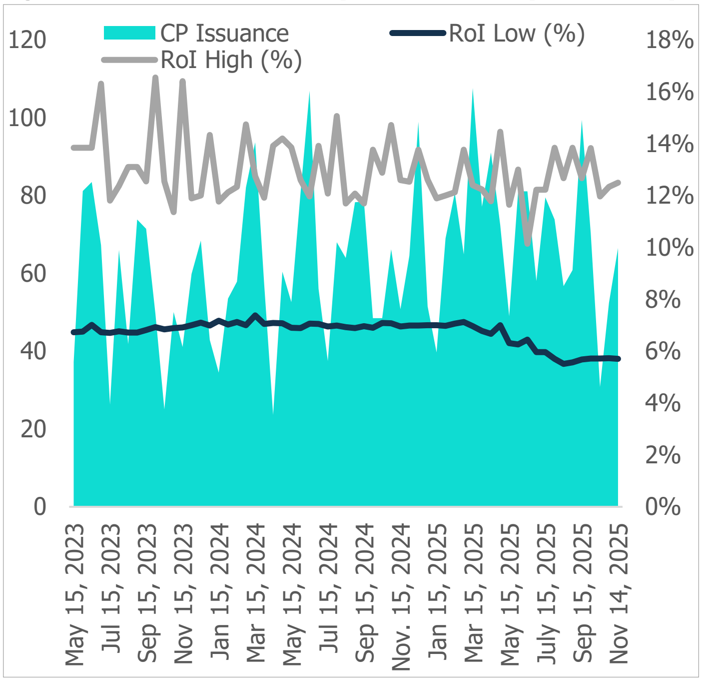


Figure 7: CP Outstanding

Fortnight ended	Amount Outstanding (Rs ' 000 crore)	Y-o-Y growth %
November 30, 2024	445.1	12.7
December 30, 2024	435.8	19.7
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
November 14, 2025	501.6	11.8

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 (%)



RBI Announcements

Announcement	Detail
Reserve Bank of India, Consolidated Master Directions	The Reserve Bank has recently undertaken a fundamental reorganisation of the regulatory instructions administered by its Department of Regulation, marking a paradigm shift in its regulatory communication. The comprehensive exercise involved consolidating more than 9,000 existing circulars/guidelines administered by the Department of Regulation into 238 function-wise Master Directions (MDs), specific to each category of regulated entity. Instructions issued by NABARD to Regional Rural Banks, State Co-operative Banks and Central Cooperative Banks were also consolidated in consultation with NABARD. This exercise is expected to enhance clarity, ease of access, and reduce compliance burden for REs, thereby supporting the broader objective of improving ease of doing business.

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