

CD issuances by banks up 34% in FY24, hit ₹9.56 trn

Amid tight liquidity conditions and sluggish growth in deposits, banks turned to mobilising funds through issuing certificates of deposit (CDs) in the financial year 2023-2024, which saw a surge of 31 per cent in CD issuance compared to the previous year.

Banks issued CDs worth ₹9.56 trillion in FY24 against ₹7.28 trillion in the previous financial year, according to Prime Database. However, the net amount raised was ₹71,300 crore

as banks issued short-term CDs to roll them over on maturity. The outstanding amount on CDs stood at ₹3.04 trillion as of March 24.

Banks raised the highest amount of ₹3.6 trillion in the last quarter of the financial year, against ₹2.5 trillion in the third quarter. In February, the issuance of CDs reached its peak for the financial year, totalling ₹1.49 trillion. This marked a

remarkable 162 per cent increase compared to the ₹56,795 crore raised in February 2023.

CD ISSUANCES

(in ₹ trn)

FY21	0.9
FY22	2.8
FY23	7.2
FY24	9.5

Source- Primedatabase

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