REPORT ON TREND AND PROGRESS OF BANKING IN INDIA

2024-25

Reserve Bank of India

Report on Trend and Progress of Banking in India for the year ended March 31, 2025 submitted to the Central Government in terms of Section 36(2) of the Banking Regulation Act, 1949

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RESERVE BANK OF INDIA

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December 29, 2025
8 Pausha 1947 (Saka)

The Secretary
Department of Financial Services
Ministry of Finance
Government of India
New Delhi – 110 001

Dear Secretary,

In pursuance of the provisions of Section 36(2) of the Banking Regulation Act, 1949, I have pleasure in transmitting herewith two copies of the Report on Trend and Progress of Banking in India for the year ended March 31, 2025.

Sincerely,

Sanjay Malhotra

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Contents

Sr. No.	Particulars	Page No.
Chapter I: Perspectives		
1.	Introduction	1
2.	Regulation and Supervision	2
3.	Payment and Settlement Systems	5
4.	Adoption of Emerging Technologies	6
5.	Financial Inclusion	8
6.	Consumer Protection	8
7.	Climate Finance	10
8.	Overall Assessment	10
Chapter II: Global Banking Developments		
1.	Introduction	11
2.	Global Macroeconomic Conditions	12
3.	Global Banking Policy Developments	14
4.	Performance of the Global Banking Sector	19
5.	World's Largest Banks	23
6.	Overall Assessment	25
Chapter III: Domestic Policy Environment		
1.	Introduction	27
2.	The Macroeconomic Policy Setting	28
3.	Regulatory and Supervisory Policies	29
4.	Technological Innovations	39
5.	Financial Markets	40
6.	Consumer Protection	42
7.	Credit Delivery and Financial Inclusion	42
8.	Payment and Settlement Systems	43
9.	Overall Assessment	45
Chapter IV: Commercial Banks		
1.	Introduction	46
2.	Balance Sheet Analysis	47
3.	Financial Performance	54

Sr. No.	Particulars	Page No.
4.	Soundness Indicators	57
5.	Sectoral Bank Credit: Distribution and Non-performing Assets	66
6.	Ownership Pattern	74
7.	Corporate Governance	75
8.	Foreign Banks' Operations in India and Overseas Operations of Indian Banks	76
9.	Payment Systems	77
10.	Technology Adoption *(Box IV.1: Evolving Technology and Innovation Priorities of Indian Banks)*	79
11.	Consumer Protection	79
12.	Financial Inclusion	83
13.	Regional Rural Banks	88
14.	Local Area Banks	90
15.	Small Finance Banks	91
16.	Payments Banks	92
17.	Overall Assessment	93
Chapter V: Co-operative Banks		
1.	Introduction	95
2.	Structure of the Co-operative Banking Sector	95
3.	Urban Co-operative Banks	97
4.	Rural Credit Co-operatives	105
5.	Overall Assessment	115
Chapter VI: Non-Banking Financial Institutions		
1	Introduction	117
2	Non-Banking Financial Companies	118
3	Housing Finance Companies	134
4	All India Financial Institutions	138
5	Primary Dealers	141
6	Overall Assessment	144

List of Tables

Sr. No.	Particulars	Page No.
II.1	Regulations for Stablecoins in Select Economies	18
II.2	Asset Quality	21
II.3	Regulatory Capital to Risk-weighted Assets Ratio	22
IV.1	Consolidated Balance Sheet of Scheduled Commercial Banks	47
IV.2	Bank Group-wise Maturity Profile of Select Liabilities/Assets	53
IV.3	Trends in Income and Expenditure of Scheduled Commercial Banks	55
IV.4	Cost of Funds and Return on Funds - Bank Group-wise	57
IV.5	Component-wise Capital Adequacy of SCBs	58
IV.6	Resources Raised by Banks through Private Placements	59
IV.7	Leverage Ratio and Liquidity Coverage Ratio	59
IV.8	Net Stable Funding Ratio	59
IV.9	Non-Performing Assets by Bank Group	60
IV.10	Classification of Loan Assets by Bank Group	61
IV.11	NPAs of SCBs Recovered through Various Channels	62
IV.12	Details of Financial Assets Securitised by Asset Reconstruction Companies	64
IV.13	Frauds in Various Banking Operations Based on the Date of Reporting	64
IV.14	Frauds in Various Banking Operations Based on the Date of Occurrence	65
IV.15	Enforcement Actions	66
IV.16	Sectoral Deployment of Gross Bank Credit by SCBs	67
IV.17	Credit Flow to the MSME Sector by SCBs	70
IV.18	Priority Sector Lending by Banks	70
IV.19	Weighted Average Premium on Various Categories of PSLCs	72
IV.20	Sector-wise GNPAs of Banks	72
IV.21	Independent Directors on the Board and its Committees	75
IV.22	Operations of Foreign Banks in India	76
IV.23	Payment Systems Indicators	78
IV.24	Number of ATMs	79
IV.25	Population Group-wise Distribution of ATMs of Bank Groups	79
IV.26	Number of Complaints Received by Offices of the RBI Ombudsman: Category-wise	81
IV.27	Bank Group-wise Insured Deposits	82
IV.28	Progress in Financial Inclusion Plan	84

Sr. No.	Particulars	Page No.
IV.29	Tier-wise Distribution of Newly Opened Bank Branches of SCBs	86
IV.30	Progress in MSME Financing through TReDS	88
IV.31	Consolidated Balance Sheet of Regional Rural Banks	89
IV.32	Financial Performance of Regional Rural Banks	89
IV.33	Purpose-wise Outstanding Advances by Regional Rural Banks	91
IV.34	Profile of Local Area Banks	91
IV.35	Financial Performance of Local Area Banks	91
IV.36	Consolidated Balance Sheet of Small Finance Banks	92
IV.37	Financial Performance of Small Finance Banks	92
IV.38	Consolidated Balance Sheet of Payments Banks	93
IV.39	Financial Performance of Payments Banks	93
V.1	Tier-wise Distribution of Urban Co-operative Banks	98
V.2	Balance Sheet of Urban Co-operative Banks	98
V.3	Investments by Urban Co-operative Banks	100
V.4	Distribution of UCBs by Size of Deposits, Advances and Assets	101
V.5	Financial Performance of Scheduled and Non-scheduled Urban Co-operative Banks	101
V.6	Select Profitability Indicators of UCBs	102
V.7	CRAR-wise Distribution of UCBs	102
V.8	Component-wise Capital Adequacy of UCBs	103
V.9	Non-Performing Assets of UCBs	104
V.10	Composition of Credit to Priority Sectors by UCBs	105
V.11	Share in Credit Flow to Agriculture	106
V.12	A Profile of Rural Co-operatives	106
V.13	Liabilities and Assets of State Co-operative Banks	108
V.14	Select Balance Sheet Indicators of Scheduled State Co-operative Banks	109
V.15	Financial Performance of State Co-operative Banks	109
V.16	Soundness Indicators of State Co-operative Banks	110
V.17	Liabilities and Assets of District Central Co-operative Banks	111
V.18	Financial Performance of District Central Co-operative Banks	111
V.19	Soundness Indicators of District Central Co-operative Banks	112

Sr. No.	Particulars	Page No.
VI.1	Classification of NBFCs by Activity under the Scale-Based Regulatory Framework..	119
VI.2	Composition of NBFCs	120
VI.3	Ownership Pattern of NBFCs	121
VI.4	Abridged Balance Sheet of NBFCs	122
VI.5	Major Components of Liabilities and Assets of NBFCs by Classification	123
VI.6	Sectoral Credit Deployment by NBFCs	124
VI.7	Sources of Borrowings of NBFCs	127
VI.8	Foreign Liabilities of NBFCs	130
VI.9	Financial Parameters of the NBFC Sector	131
VI.10	Ownership Pattern of HFCs	134
VI.11	Consolidated Balance Sheet of HFCs	135
VI.12	Financial Parameters of HFCs	137
VI.13	Financial Assistance Sanctioned and Disbursed by AIFIs	138
VI.14	AIFIs' Balance Sheet	139
VI.15	Resources Mobilised by AIFIs in 2024-25	139
VI.16	Resources Raised by AIFIs from the Money Market	139
VI.17	AIFIs' Sources and Deployment of Funds	140
VI.18	Financial Performance of AIFIs	141
VI.19	AIFIs' Select Financial Parameters	141
VI.20	Performance of PDs in the Primary Market	142
VI.21	Performance of SPDs in the Secondary Market for Central Government Dated Securities	143
VI.22	Sources and Applications of SPDs' Funds	143
VI.23	Financial Performance of SPDs	144

List of Charts

Sr. No.	Particulars	Page No.
II.1	Growth and Inflation	12
II.2	Monetary Policy Rates	13
II.3	Current Account Balance and General Government Debt	14
II.4	Bank Credit to Private Non-Financial Sector	20
II.5	Provision Coverage Ratio	21
II.6	Return on Assets	22
II.7	Leverage Ratio	23
II.8	Market-based Indicators of Banks' Health	24
II.9	Distribution of the Top 100 Global Banks by Tier 1 Capital	24
II.10	Asset Quality of the Top 100 Global Banks	25
II.11	Soundness of the Top 100 Global Banks	26
IV.1	Select Aggregates of SCBs	48
IV.2	Bank Group-wise Balance Sheet Composition	49
IV.3	Bank Deposit Growth and Monetary Transmission to Banks' Deposit Rates	49
IV.4	Bank Group-wise Credit Growth	50
IV.5	Monetary Transmission to Banks' Lending Rates	50
IV.6	Investments of Scheduled Commercial Banks	51
IV.7	Gap in Credit-Deposit Growth	52
IV.8	Maturity Bucket-wise Assets and Liabilities Gap	52
IV.9	International Assets and Liabilities of Banks	53
IV.10	Consolidated International Claims of Indian Banks	54
IV.11	Off-Balance Sheet Liabilities of Banks	54
IV.12	Profitability Ratios	55
IV.13	Net Interest Income and Net Interest Margin	56
IV.14	Provision Coverage Ratio	56
IV.15	Bank Group-wise CRAR and CET1 Ratio	58
IV.16	Reduction in Gross Non-Performing Assets	60
IV.17	Overall Stress *vis-à-vis* Stress in Large Borrowal Accounts	61
IV.18	Restructured Standard Advances (RSA) Ratio	62
IV.19	Stressed Asset Sale to ARCs	63
IV.20	Bank Group-wise Frauds	65

Sr. No.	Particulars	Page No.
IV.21	Area of Operation-wise Frauds	66
IV.22	Flow of Financial Resources to the Commercial Sector in India	68
IV.23	Sectoral Gross Non-Performing Assets Ratio	68
IV.24	Gross Non-Performing Assets Ratio in Various Sub-Sectors	69
IV.25	Trading Volume of Priority Sector Lending Certificates	71
IV.26	Buyers and Sellers in Priority Sector Lending Certificates Market	71
IV.27	Banks' Exposure to Sensitive Sectors	73
IV.28	Share of Unsecured Advances of Banks	74
IV.29	Ownership Pattern of Banks	74
IV.30	Components of Total Remuneration of MDs and CEOs	76
IV.31	Overseas Operations of Indian Banks	76
IV.32	Transaction Volume and Average Value of Retail Digital Payments	77
IV.33	Digital Payments Index	78
IV.34	Distribution of Complaints Received at ORBIOs	81
IV.35	Entity Type-wise Break-up of Major Complaint Categories: 2024-25	82
IV.36	Progress of Financial Inclusion in Select Countries	84
IV.37	RBI – Financial Inclusion Index	85
IV.38	Progress under PMJDY	85
IV.39	Population Group-wise Distribution of Newly Opened Bank Branches of SCBs	86
IV.40	Regional Penetration of Banks	87
IV.41	Regional Distribution of Bank Loans Disbursed to Self Help Groups	87
IV.42	Asset Quality of Regional Rural Banks	90
IV.43	Capital to Risk-weighted Assets Ratio (CRAR) of Regional Rural Banks	90
V.1	Structure of Credit Co-operatives	96
V.2	Distribution of Credit Co-operatives by Asset Size	96
V.3	Number of Urban Co-operative Banks	97
V.4	Consolidation Drive in Urban Co-operative Banks	97
V.5	Assets Growth	99
V.6	Deposits and Advances	99
V.7	Credit-Deposit Ratio of UCBs	99
V.8	Investments Growth	100

Sr. No.	Particulars	Page No.
V.9	Composition of Investments of UCBs	100
V.10	Profitability Indicators	102
V.11	Capital to Risk-weighted Assets Ratio	103
V.12	Provisioning and Asset Quality of UCBs	104
V.13	Stress in Large Borrowal Accounts	104
V.14	Priority Sector Lending - Target and Achievement	105
V.15	Share of Rural Credit Co-operatives in Total Assets of the Co-operative Sector	107
V.16	Long-term *vis-à-vis* Short-term RCCs	107
V.17	Regional Distribution of State Co-operative Banks' Profits	110
V.18	Capital Adequacy of State Co-operative Banks	110
V.19	GNPA Ratio: StCBs *vis-à-vis* DCCBs	112
V.20	Capital Adequacy of District Central Co-operative Banks	113
V.21	Composition of Liabilities and Assets of Long-term Rural Credit Co-operatives	114
VI.1	Structure of NBFIs under the Reserve Bank's Regulation	118
VI.2	NBFCs' Credit *vis-à-vis* SCBs' Credit and GDP	120
VI.3	Registrations and Cancellations of Certificates of Registration of NBFCs	121
VI.4	Nature of NBFCs' Loans and Advances	122
VI.5	Maturity Profiles of Receivables and Payables of NBFCs	123
VI.6	Distribution of NBFCs' Credit	124
VI.7	Credit to MSME Sector	125
VI.8	Select Retail Loans by NBFCs *vis--à-vis* Banks	125
VI.9	Micro-credit Outstanding across Regulated Entities	126
VI.10	Major Sources of Borrowings by NBFCs	127
VI.11	Banks' Exposure to NBFCs	128
VI.12	Nature of NBFCs' Borrowings	128
VI.13	Public Deposits with NBFC-D	129
VI.14	Loan Sales and Securitisation by NBFCs	129
VI.15	Structural Liquidity Statement of NBFCs	130
VI.16	Profitability Ratios of NBFCs	131
VI.17	Asset Quality of NBFCs	132
VI.18	Sectoral GNPA Ratios of NBFCs	133

Sr. No.	Particulars	Page No.
VI.19	Provision Coverage Ratio of NBFCs	133
VI.20	CRAR of NBFCs	134
VI.21	NBFCs' Exposure to Sensitive Sectors	134
VI.22	Credit to Housing Sector by HFCs, SCBs and NBFCs	135
VI.23	Resources Mobilised by HFCs	136
VI.24	Distribution of HFCs' Public Deposits	136
VI.25	Asset Quality of HFCs, by Layer	137
VI.26	Capital Adequacy of HFCs	137
VI.27	Distribution of AIFIs, by Asset Size	138
VI.28	Weighted Average Cost and Maturity of Rupee Resources Raised by AIFIs	140
VI.29	Long-term Prime Lending Rate Structure of Select AIFIs	140
VI.30	Return on Average Assets of AIFIs	141
VI.31	Soundness Indicators of AIFIs	142
VI.32	Average Rate of Underwriting Commission of PDs	143
VI.33	Capital and Risk-Weighted Asset Positions of SPDs	144

List of Appendix Tables

Sr. No.	Particulars	Page No.
IV.1	Indian Banking Sector at a Glance	145
IV.2	International Liabilities of Banks in India – By Type of Instruments	146
IV.3	International Assets of Banks in India – By Type of Instruments	147
IV.4	Consolidated International Claims of Banks on Countries other than India	148
IV.5	Consolidated International Claims of Banks: Residual Maturity and Sector	149
IV.6	Off-Balance Sheet Exposure of Scheduled Commercial Banks in India	150
IV.7	Frauds in Various Banking Operations Based on Date of Reporting	151
IV.8	Kisan Credit Card Scheme: State-wise Progress	154
IV.9	Bank Group-wise Lending to the Sensitive Sectors	156
IV.10	Shareholding Pattern of Domestic Scheduled Commercial Banks	157
IV.11	Overseas Operations of Indian Banks	159
IV.12	Branches and ATMs of Scheduled Commercial Banks	160
IV.13	Progress of Microfinance Programmes	163
IV.14	Major Financial Indicators of Regional Rural Banks – State-wise	164
IV.15	RRBs - PSL Target and Achievement – 2024-25	166
V.1	Indicators of Financial Performance: Scheduled UCBs	167
V.2	Select Financial Parameters: Scheduled UCBs	169
V.3	Salient Indicators of Financial Health of State Co-operative Banks	170
V.4	Salient Indicators of Financial Health of District Central Co-operative Banks	171
V.5	Details of Members and Borrowers of Primary Agricultural Credit Societies	172
V.6	Primary Agricultural Credit Societies	173
V.7	Select Indicators of Primary Agricultural Credit Societies – State-wise	174
V.8	Liabilities and Assets of State Co-operative Agriculture and Rural Development Banks	176
V.9	Financial Performance of State Co-operative Agriculture and Rural Development Banks	177
V.10	Asset Quality of State Co-operative Agriculture and Rural Development Banks	178
V.11	Financial Indicators of State Co-operative Agriculture and Rural Development Banks – State-wise	179

Sr. No.	Particulars	Page No.
V.12	Liabilities and Assets of Primary Co-operative Agriculture and Rural Development Banks	180
V.13	Financial Performance of Primary Co-operative Agriculture and Rural Development Banks	181
V.14	Asset Quality of Primary Co-operative Agriculture and Rural Development Banks	182
V.15	Major Financial Indicators of Primary Co-operative Agriculture and Rural Development Banks	183
VI.1	Consolidated Balance Sheet of NBFCs	184
VI.2	Consolidated Balance Sheet of NBFC-UL	185
VI.3	Consolidated Balance Sheet of NBFC-ML	186
VI.4	Consolidated Balance Sheet of NBFC-D	187
VI.5	Credit to Various Sectors by NBFCs	188
VI.6	Financial Performance of NBFC-UL	189
VI.7	Financial Performance of NBFC-ML	190
VI.8	Financial Assistance Sanctioned and Disbursed by Financial Institutions	191
VI.9	Financial Performance of Standalone Primary Dealers	195
VI.10	Select Financial Indicators of Primary Dealers	196

List of Select Abbreviations

AA	Account Aggregator
AAC	Advances against Commodities
ACB	Audit Committee of the Board
AD	Authorised Dealer
AePS	Aadhaar Enabled Payment System
AEs	Advanced Economies
AI	Artificial Intelligence
AID	All-inclusive Directions
AIFIs	All India Financial Institutions
AIFs	Alternative Investment Funds
AML	Anti-money Laundering
ANBC	Adjusted Net Bank Credit
APBS	Aadhaar Payment Bridge System
API	Application Programming Interface
ARCs	Asset Reconstruction Companies
ATMs	Automated Teller Machines
ATOs	AePS Touchpoint Operators
BCBS	Basel Committee on Banking Supervision
BC-ICT	Business Correspondents - Information and Communication Technology
BCs	Business Correspondents
BHIM	Bharat Interface for Money
BIS	Bank for International Settlement
bps	basis points
BSBDAs	Basic Savings Bank Deposit Accounts
BSE	Bombay Stock Exchange
CAB	Current Account Balance
CASA	Current Account and Savings Account
CBDC	Central Bank Digital Currency
CBS	Core Banking Solution
CCB	Capital Conservation Buffer
CCR	Counterparty Credit Risk
CD	Certificates of Deposit
CD	Credit-Deposit
CDS	Credit Default Swap
CEM	Current Exposure Method
CEOBSE	Credit Equivalent of Off-balance Sheet Exposures
CEOs	Chief Executive Officers
CEPCs	Consumer Education and Protection Cells
CEPD	Consumer Education and Protection Department
CET1	Common Equity Tier 1
CFLs	Centres for Financial Literacy
CICs	Credit Information Companies
CIs	Credit Institutions
CISBI	Central Information System for Banking Infrastructure
CLAs	Co-lending Arrangements
CMBs	Cash Management Bills
CME	Capital Market Exposure
CMS	Complaint Management System
CoR	Certificate of Registration
CP	Commercial Paper
CRAR	Capital to Risk-weighted Assets Ratio
CRE	Commercial Real Estate
CRILC	Central Repository of Information on Large Credits
CRM	Credit Risk Mitigation
CRPC	Centralised Receipt and Processing Centre
CRR	Cash Reserve Ratio
CTS	Cheque Truncation System
CVA	Credit Valuation Adjustment
DBIE	Database on Indian Economy
DBT	Direct Benefit Transfers
DCCBs	District Central Co-operative Banks

DDs	Demand Drafts
DICGC	Deposit Insurance and Credit Guarantee Corporation
DIP	Digital Intelligence Platform
DoT	Department of Telecommunications
DPI	Digital Public Infrastructure
DPIP	Digital Payments Intelligence Platform
DRTs	Debt Recovery Tribunals
EBT	Electronic Benefit Transfer
ECB	European Central Bank
ECBA	Eligibility Criteria for Business Authorisation
ECBs	External Commercial Borrowings
ECGC	Export Credit Guarantee Corporation of India
ECL	Expected Credit Loss
ECS	Electronic Clearance Service
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
EMI	Equated Monthly Instalments
ERP	Enterprise Resource Planning
ETF	Exchange Traded Funds
EU	European Union
EXIM Bank	Export-Import Bank of India
FBs	Foreign Banks
FI	Financial Inclusion
FIPs	Financial Inclusion Plans
FIRE	Format for Incident Reporting Exchange
FIs	Financial Institutions
FPIs	Foreign Portfolio Investors
FREE-AI	Framework for Responsible and Ethical Enablement of Artificial Intelligence
FSB	Financial Stability Board
FSWM	Financially Sound and Well Managed
GCCs	General Credit Cards
GDP	Gross Domestic Product
GENIUS Act	Guiding and Establishing National Innovation for U.S. Stablecoins Act
GFC	Global Financial Crisis
GML	Gold Metal Loans
GNPA	Gross Non-performing Asset
G-sec	Government Securities
HFCs	Housing Finance Companies
HHI	Herfindahl Hirshman Index
HQLA	High-quality Liquid Assets
IAC	Independent Advisory Committee
IBBI	Insolvency and Bankruptcy Board of India
IBC	Insolvency and Bankruptcy Code
ICT	Information and Communication Technology
IDR	Insured Deposits Ratio
IFR	Investment Fluctuation Reserve
IFSC	Indian Financial System Code
IIS	Investment in Securities
IMF	International Monetary Fund
IMPS	Immediate Payment Service
INR	Indian Rupees
IO	Internal Ombudsman
IS	Information Systems
IT	Information Technology
ITE	Intra-group Transactions and Exposures
IWG	Internal Working Group
JLGs	Joint Liability Groups
KCCs	Kisan Credit Cards
KYC	Know Your Customer
LABs	Local Area Banks
LAF	Liquidity Adjustment Facility

LCR	Liquidity Coverage Ratio
LEF	Large Exposures Framework
LSPs	Lending Service Providers
LTV	Loan-to-Value
MAS	Monetary Authority of Singapore
MDs	Managing Directors
MFIN	Microfinance Industry Network
MFIs	Microfinance Institutions
MFs	Mutual Funds
MiCA	Markets in Crypto-Assets
ML	Machine Learning
MPC	Monetary Policy Committee
MPFI	Monitoring Progress of Financial Inclusion
MSEs	Micro and Small Enterprises
MSF	Marginal Standing Facility
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NaBFID	National Bank for Financing Infrastructure and Development
NACH	National Automated Clearing House
NAFSCOB	National Federation of State Co-operative Banks Ltd.
NBFC-AA	Non-Banking Financial Company - Account Aggregator
NBFC-BL	Non-Banking Financial Company - Base Layer
NBFC-CIC	Non-Banking Financial Company - Core Investment Company
NBFC-ICC	Non-Banking Financial Company - Investment and Credit Company
NBFC-IDF	Non-Banking Financial Company - Infrastructure Debt Finance
NBFC-IFC	Non-Banking Financial Company - Infrastructure Finance Company
NBFC-MFIs	Non-Banking Financial Companies - Microfinance Institutions
NBFC-MGC	Non-Banking Financial Company - Mortgage Guarantee Company
NBFC-ML	Non-Banking Financial Company - Middle Layer
NBFC-NOFHC	Non-Banking Financial Company - Non-Operative Financial Holding Company
NBFCs	Non-Banking Financial Companies
NBFCs-D	Deposit-taking NBFCs
NBFCs-P2P	Non-Banking Financial Companies - Peer to Peer
NBFC-UL	Non-Banking Financial Company-Upper Layer
NBFIs	Non-bank Financial Intermediaries
NBFIs	Non-Banking Financial Institutions
NCFE	National Centre for Financial Education
NCLTs	National Company Law Tribunals
NDTL	Net Demand and Time Liabilities
NDS-OM	Negotiated Dealing System-Order Matching
NEFT	National Electronic Funds Transfer
NETC	National Electronic Toll Collection
NFB	Non-fund based
NHB	National Housing Bank
NII	Net Interest Income
NIM	Net Interest Margin
NNPA	Net Non-Performing Asset
NPA	Non-Performing Asset
NPCI	National Payments Corporation of India
NPL	Non-Performing Loans
NRC	Nomination and Remuneration Committee
NRO	Non-resident Ordinary
NSE	National Stock Exchange

NSFI	National Strategy for Financial Inclusion
NSFR	Net Stable Funding Ratio
OD	Overdraft
OECD	Organisation for Economic Co-operation and Development
OMO	Open Market Operation
ORBIOs	Offices of the Reserve Bank of India Ombudsman
OTP	One-time Password
OTS	One-time Settlement
P2M	Peer-to-Merchant
PA	Payment Aggregator
PACS	Primary Agriculture Credit Societies
PBs	Payment Banks
PCARDBs	Primary Co-operative Agriculture and Rural Development Banks
PCE	Partial Credit Enhancement
PCR	Provision Coverage Ratio
PDs	Primary Dealers
PFE	Potential Future Exposure
PFIs	Public Financial Institutions
PLR	Prime Lending Rate
PMJDY	Pradhan Mantri Jan-Dhan Yojana
PPI	Prepaid Payment Instrument
PRAVAAH	Platform for Regulatory Application, Validation and AutHorisation
PSBs	Public Sector Banks
PSL	Priority Sector Lending
PSLCs	Priority Sector Lending Certificates
PVBs	Private Sector Banks
PwD	Persons with Disability
QA	Qualifying Asset
QR	Quick Response
RB-CRIS	Reserve Bank – Climate Risk Information System
RBI	Reserve Bank of India
RBI-DPI	Reserve Bank of India-Digital Payments Index
RB-IOS	Reserve Bank - Integrated Ombudsman Scheme
RCB	Rural Co-operative Banks
RCCs	Rural Credit Co-operatives
REE	Real Estate Exposure
REs	Regulated Entities
RMCB	Risk Management Committee of Board
RoA	Return on Assets
RoE	Return on Equity
RRBs	Regional Rural Banks
RSA	Restructured Standard Advances
RSETIs	Rural Self Employment Training Institutes
RTGS	Real Time Gross Settlement
SA-CCR	Standardised Approach for Counterparty Credit Risk
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest
SCARDBs	State Co-operative Agriculture and Rural Development Banks
SCB	Scheduled Commercial Bank
SDF	Standing Deposit Facility
SEBI	Securities and Exchange Board of India
SFBs	Small Finance Banks
SHG	Self Help Group
SHG-BLP	Self-Help Group - Bank Linkage Programme
SIBC	Sector-wise and Industry-wise Bank Credit

SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio
SMA	Special Mention Accounts
SMF	Small and Marginal Farmers
SMS	Short Message Service
SOP	Standard Operating Procedure
SPDs	Standalone Primary Dealers
SRO	Self-regulatory Organisation
SSE	Shared Service Entity
SSE	Sensitive Sector Exposure
SSPL	Sahakar Sarathi Private Limited
StCBs	State Co-operative Banks
T-bill	Treasury Bill
TRAI	Telecom Regulatory Authority of India
TReDS	Trade Receivables Discounting System
TREP	Triparty Repo
UAE	United Arab Emirates
UCBs	Urban Co-operative Banks
ULI	Unified Lending Interface
UMI	Unified Markets Interface
UPI	Unified Payments Interface
UTs	Union Territories
V-CIP	Video Customer Identification Process
VRR	Variable Rate Repo
VRRR	Variable Rate Reverse Repo
WACR	Weighted Average Call Rate
WEO	World Economic Outlook
Y-o-y	Year-on-year

I PERSPECTIVES

The Indian banking and non-banking financial system remained robust and supportive of growth and financial inclusion. Regulations and macroprudential policies are being aligned to further strengthen resilience and competitiveness of the banking sector, while promoting ease of doing business. Going forward, balancing innovation with stability, supported by prudent regulation and supervision will be crucial for ensuring a resilient financial system.

Introduction

I.1 The global economy displayed significant resilience to shocks that were largely not anticipated in early 2025, even though the outlook continues to be clouded amid heightened uncertainty.[1] Inflation has been hovering above target in many major advanced economies, although global inflation outlook remains benign. Central banks are exercising caution while navigating through the shifting growth-inflation dynamics. Financial markets remain volatile, while risky assets valuation appears stretched amid slowing global growth.[2] Nonetheless, the global banking system remained resilient, backed by strong capital buffers and profitability. Policy makers, however, remain attentive to concerns related to interconnectedness in the financial system in view of the growing role of non-banking financial institutions and their complex linkages with banks in an environment of global uncertainty.

I.2 In the midst of a rapidly changing global landscape, the Indian economy recorded robust growth, and the near-term outlook remains positive, while inflation softened to a multi-year low.[3] Monetary policy continued with the neutral stance, with a reduction in the policy rate by 25 basis points (bps) on December 5, 2025, on top of the 100 bps cut in the first half of 2025. The Indian banking sector remained resilient, underpinned by a strong balance sheet, sustained profitability, steadily improving asset quality, and high capital buffers. Non-banking financial companies (NBFCs) also recorded robust performance, supported by double-digit credit growth, improved asset quality and comfortable capital buffers. On the back of strong macroeconomic fundamentals and soundness of the financial system, the Reserve Bank undertook various measures to strengthen the resilience and competitiveness of the banking sector, promote ease of doing business, and improve credit flow to meet the financing needs of a growing economy. Efforts to promote financial inclusion, responsible financial innovation, and customer protection continued.

I.3 Against this backdrop, this chapter outlines the key challenges and emerging opportunities for the banking and non-banking financial system, together with the policy priorities of the Reserve

[1] Reserve Bank of India (2025). Governor's Statement, October 1.

[2] International Monetary Fund (2025). *Global Financial Stability Report*, October.

[3] Policy Frameworks for Economic Resilience: The Case of Emerging Markets and India, Address by Dr. Poonam Gupta, October 29, 2025, at the Business Standard BFSI Insight Summit, Mumbai.

Bank. Section 2 presents an outlook on the evolving regulation and supervision, followed by developments in payment and settlement ecosystem in Section 3. Section 4 examines the opportunities and risks arising out of rapid adoption of emerging technologies. The subsequent sections address key thematic areas – financial inclusion, consumer protection, and climate-finance – which are of increasing relevance to inclusive growth and systemic resilience. The chapter concludes with an overall assessment in Section 8.

2. Regulation and Supervision

I.4 The Reserve Bank's regulatory endeavour has been to balance efficiency and stability, while aligning regulations with international standards and adapting to national priorities. The regulatory framework is based on five principles – proportionality, consultation, evidence-driven, principle-based and agility.[4] The evolution of the financial system and its regulatory framework, however, had resulted in proliferation of numerous circulars and directions over the years. To enhance clarity and applicability of regulatory instructions, reduce compliance costs, and thereby improve convenience and ease of doing business, the Reserve Bank consolidated more than 9,000 existing circulars/ guidelines pertaining to the Department of Regulation into 244[5] function-wise Master Directions, specific to 11 types of regulated entities (REs). Work is now being undertaken to consolidate the circulars and directions of other departments. Further, in order to make the regulatory process consultative, a Regulatory Review Cell has been operationalised within the Reserve Bank, effective from October 1, 2025. The Cell will review each regulation in a comprehensive and objective manner, channelising industry feedback into the periodic review. The Reserve Bank has undertaken development of comprehensive supervisory manuals for its senior supervisory managers (SSMs).

Guidelines on Assurance Functions

I.5 The Reserve Bank is in the process of consolidating and harmonising the guidelines on Assurance Functions (compliance, risk management and internal audit) for commercial banks, co-operative banks and NBFCs.

Counterparty Credit Risk

I.6 In India, counterparty credit risk capital charge is currently computed using the current exposure method (CEM). However, the CEM does not adequately differentiate between margined and unmargined transactions and does not sufficiently reflect the risk-mitigating impact of collaterals and netting. The existing guidelines are currently being reviewed for replacing with the Standardised Approach for Counterparty Credit Risk (SA-CCR) under the Basel III framework, which is a more risk-sensitive method.

Credit Valuation Adjustment Framework

I.7 Credit valuation adjustment (CVA) risk arises from mark-to-market losses on derivatives and securities financing transactions due to the deterioration of a counterparty's credit-worthiness. The current guidelines on CVA, issued in 2012, are being reviewed to reflect the improvements in the CVA framework, issued subsequently by the Basel Committee on Banking Supervision (BCBS) as revisions to the Basel III framework. The revised CVA framework offers

4 Inaugural Address by Shri Sanjay Malhotra, August 25, 2025, at the FIBAC 2025 Conference, Mumbai.

5 Including seven new Master Directions on digital banking channel authorisation.

granularity on the eligibility of CVA hedges and extent of their recognition, and introduces greater sensitivity on the supervisory risk weights for counterparties, based on the sector and credit quality.

Capital Market Exposure

I.8 Capital market exposures (CME) of the regulated entities, given the relatively higher risk involved in such exposures, have been subjected to various prudential regulations. The Reserve Bank issued Draft Directions on Capital Market Exposures to align the guidelines with evolving market practices and provide a more enabling framework for bank financing of CME, including bank finance for acquisitions by Indian corporates. The proposed measures are expected to promote credit growth while ensuring prudential safeguards and improve the domestic banks' competitiveness.

Expected Credit Loss

I.9 The current incurred loss approach to provisioning results in delayed stress recognition, with potential amplification of procyclicality. In order to address these concerns, the Reserve Bank proposed migration of scheduled commercial banks (SCBs) (excluding small finance banks, payments banks and regional rural banks) and all-India financial institutions (AIFIs) to expected credit loss (ECL) based framework from April 1, 2027, with a five-year transitional arrangement to smoothen the capital impact. This will help strengthen risk management practices, improve pricing of credit, enhance transparency and comparability of banks' financial statements, and foster discipline in credit origination.

Capital Charge for Credit Risks

I.10 The Reserve Bank issued draft directions on the capital charge for credit risk - standardised approach under the Basel III standards on October 7, 2025. The major changes proposed, *vis-à-vis* extant norms under Basel II standards, include: (i) granular risk weight treatment for exposures to corporates, micro, small and medium enterprises (MSMEs) and real estate; (ii) inclusion of 'transactors'[6] under regulatory retail category; (iii) revision in the credit conversion factors for reckoning the exposure for off-balance sheet exposures; and (iv) suitable adjustments to the risk weights applied to externally rated loans, on the basis of rating grade-wise default history for each credit rating agency, and due diligence by banks. The revisions will help in improving the resilience of the banking sector and align the regulatory framework with the international best practices.

Lending to Related Parties

I.11 The Reserve Bank issued a principle-based related-party lending draft framework on October 3, 2025, to rationalise the existing provisions. The major changes proposed in the draft framework include introduction of scale-based materiality thresholds beyond which lending to related parties of an RE shall need approval of the Board or its Committee and suitable supervisory reporting and disclosure requirements on transaction with related parties.

Review of Investment Fluctuation Reserve

I.12 Banks are required to maintain an investment fluctuation reserve (IFR) to provide them an additional buffer against depreciation in

[6] Transactors mean obligors in relation to facilities such as credit cards and charge cards where the balance has been repaid in full at each scheduled repayment date for the previous 12 months.

the value of investments. A comprehensive review of the existing instructions on IFR is underway to address certain operational constraints faced by banks in maintaining the IFR.

Non-Banking Financial Companies

I.13 The Reserve Bank has been undertaking several measures to strengthen risk management practices and governance standards, while harmonising regulation and supervision of NBFCs for sustainable growth and financial stability.[7]

I.14 The scale-based regulation framework for NBFCs envisages a differential regulatory treatment to NBFCs not availing public funds and not having customer interface. Towards this initiative, a review of the extant regulations is underway. Further, with a view to aligning the risk weights for infrastructure lending by NBFCs with the actual risk characteristics and to optimise the cost of infrastructure financing, it has been proposed to introduce a principle-based framework. In this direction, a draft framework has been issued for public consultation to promote better risk assessment and capital allocation.

Credit or Investment Concentration Norms–Government NBFCs

I.15 A draft circular issued in January 2024 proposed extending the credit concentration norms applicable to each category of NBFCs to Government-owned NBFCs and withdrawing any existing dispensations granted to them. To ensure a smooth transition, existing breaches would be permitted to run off until maturity. The Reserve Bank is currently in the process of issuing the final circular on this matter.

Co-operative Banks

I.16 Urban co-operative banks (UCBs) promote financial inclusion, but need stronger governance, professional management, timely oversight, and secure technology adoption for resilience.[8] Licensing of new UCBs has been paused since 2004. Recognising the positive developments in the sector in the recent period, the Reserve Bank proposes to publish a Discussion Paper on licensing of new UCBs.

I.17 In order to further financial inclusion by expanding the bouquet of financial products available to customers of regional rural banks (RRBs) and rural co-operative banks (RCBs), it is proposed to harmonise the guidelines for RRBs, UCBs and RCBs. In this connection, a comprehensive draft policy is proposed to simplify and update the instructions on para-banking activities for these institutions.

Chief Risk Officer

I.18 Harmonised instructions on appointment of Chief Risk Officer (CRO) in commercial banks, co-operative banks and NBFCs is under process.

Net Open Position

I.19 Capital charge for foreign exchange risk is computed in terms of a regulated entity's net open position in foreign exchange, including gold. The extant guidelines are being reviewed to ensure greater alignment with international standards and consistent implementation across various categories of REs.

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7 Shared Vision, Shared Responsibility – Strengthening NBFCs, Speech by Shri Swaminathan J., March 28, 2025, at the Conference of Non-Banking Financial Companies, Chennai.

8 Working Together, Growing Stronger: Responsible Governance for a Resilient UCB Sector, Valedictory Address by Shri Swaminathan J., July 11, 2025, at the Seminar for Directors of Urban Co-operative Banks, CAB, Pune.

Citizen and Regulatory Services

I.20 The revised Citizen's Charter of the Reserve Bank came into effect from July 1, 2025, which reaffirmed the Reserve Bank's commitment to improving accessibility, responsiveness, and transparency in its service delivery. A comprehensive review of the services offered by the Reserve Bank has been undertaken. The Charter now contains 204 services and the timelines have been rationalised. All regulatory services are available online through PRAVAAH which is a secure, centralised web-based portal for digitising the submission and processing of applications, requests and references from REs and individuals.

3. Payment and Settlement Systems

Digital Payments

I.21 The Reserve Bank adopted a soft-touch regulation approach for FinTech and payment ecosystem[9] to encourage financial innovation while safeguarding the system from emerging risks. Various measures were undertaken to make the economy digitally inclusive. At end-March 2025, 514 districts across 15 states and 6 union territories (UTs) were fully digitally enabled, with every eligible individual in the district having access to at least one digital payment mode.[10] Digital payments awareness week is being conducted each year in March. For promoting ease of access to digital payments for persons with disability (PwD), all system participants have been advised to review their payment systems/devices in line with accessibility standards issued by the Government of India.

Widening Access to Centralised Payment System

I.22 The feasibility of extending direct membership to centralised payment systems, *viz.,* real time gross settlement (RTGS) and national electronic funds transfer (NEFT), to additional categories of non-bank entities engaged in large volume and/or high value payment transactions will be explored. This is expected to reduce settlement timelines, mitigate concentration risks, and foster greater competition and innovation.

Advancing Cross-Border Payment Efficiency

I.23 The Reserve Bank has recently published draft guidelines to enhance efficiency of cross-border inward payments. By streamlining internal workflows, standardising payment intimation protocols, and adopting near real-time reconciliation mechanisms, the guidelines are expected to address the delay in cross-border inward payments through correspondent banking channel.

Internationalisation of Payment Systems

I.24 The Reserve Bank is actively pursuing measures to promote and expand the global acceptance of Indian payment instruments, which include enabling QR-based unified payments interface (UPI) acceptance for cross-border merchant (P2M) payments; interlinking UPI with fast payment systems in other countries for facilitating cross border remittance; and offering deployment of UPI and RuPay technology stack to other countries for development of similar fast payment system and domestic card scheme, respectively.

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[9] Address by Shri Sanjay Malhotra, March 10, 2025, at the Inauguration of Digital Payments Awareness Week 2025, RBI, Mumbai.

[10] Moving the Boundaries of Financial Inclusion - A Regulatory Perspective, Address by Shri M. Rajeshwar Rao, June 9, 2025, at the HSBC's event for Financial Inclusion, Mumbai.

Internationalisation of Rupee[11]

I.25 The Reserve Bank proposed various measures to enhance use of Indian rupee (INR) for international trade. For cross-border trade transactions, authorised dealer (AD) banks have been allowed to extend rupee loans to non-residents from Bhutan, Nepal and Sri Lanka. Further, the Reserve Bank proposed to establish transparent reference rates for currencies of India's major trading partners to facilitate INR based transactions. Special rupee vostro account balances have been made eligible for investment in corporate bonds and commercial papers.

4. Adoption of Emerging Technologies

I.26 Technological innovations are reshaping the financial services landscape. Over time, the role of technology in finance has shifted from improving operational efficiency to automating and centralising previously manual, fragmented processes and increasingly reshaping how financial services are delivered to customers. The digital public infrastructure (DPI) is providing foundations for rapid financial innovations[12] and playing a critical role in addressing barriers to inclusion. FinTechs are furthering financial innovations and bridging the digital divide, while fostering healthy competition. The Reserve Bank has been endeavouring to create an enabling regulatory environment for promoting innovation and ensuring financial system integrity. Through the HaRBInger initiative, the Reserve Bank invites people and entities from domestic as well as global markets to develop innovative solutions for the existing challenges in specified areas through problem statements.

Unified Lending Interface

I.27 Unified lending interface (ULI) ensures digital access to information from diverse data sources, positioning itself as a pivotal DPI in the lending space. It brings together financial service providers and multiple data providers through a standardised, protocol-driven architecture and an open application programming interface (API) framework. Operating on a plug-and-play model, ULI eliminates the need for complex one-to-one integrations between lenders and data providers, enabling lenders to connect to the platform once and access a broad array of data necessary for efficient credit assessments and decision-making. Through e-KCC platform of National Bank for Agriculture and Rural Development (NABARD), ULI is also expanding its reach to customers banking with district central co-operative banks (DCCBs) and RRBs. As on December 12, 2025, 64 lenders including 41 banks and 23 NBFCs are onboarded to ULI. These lenders are using more than 136 data services through ULI for 12 different type of loan journeys[13], including, *inter alia*, authentication and verification services, land records data from eight states, satellite service, transliteration, property search services, dairy insights and credit guarantee. Additional data services and data sources are being onboarded on the platform to enable efficient credit assessment and decision making.

Central Bank Digital Currency

I.28 India's central bank digital currency (CBDC), the Digital Rupee (e₹) is evolving as an important instrument with unique use cases. In CBDC-retail, multiple pilots under various direct

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11 Reserve Bank of India (2025). Statement on Developmental and Regulatory Policies, October 1.

12 Transformational Technologies and Banking: Key Issues, Keynote Address delivered by Shri T. Rabi Sankar, November 7, 2025, at the 12th SBI Banking & Economics Conclave - 2025, Mumbai.

13 Kisan Credit Card, digital cattle, MSME (unsecured), housing, personal, tractor, micro business, vehicle, digital gold, E-Mudra, pension and dairy maintenance loans.

benefit transfer schemes of state governments were tested. In respect of individuals, user level programmability was introduced with select banks, which would empower individuals to transfer programmed digital currency to other individuals. With regard to the cross-border segment, the Reserve Bank engaged bilaterally with the UAE and Singapore, and also recently joined multilateral projects led by the BIS Innovation Hub.

FinTech Sector

I.29 The Reserve Bank has been proactively engaging with the FinTech sector, with nearly 500 interactions during 2024-25. In addition, there are also regular interactions with innovators and entrepreneurs through structured platforms such as *Finteract* and *Finquiry*. During 2024-25, 12 editions of *Finteract* and 10 editions of *Finquiry* were conducted with a total attendance of about 1,100 participants. The Reserve Bank has also established a FinTech Repository to collect key information on activities, products and technology stack, enabling more informed and evidence-based policymaking for the FinTech sector. Acknowledging the diversity in the FinTech sector, the Reserve Bank granted recognition to a self regulatory organisation (SRO) in the sector in 2024 to enable FinTechs to operate with baseline governance standards and industry best practices.

Artificial Intelligence

I.30 In the financial sector, artificial intelligence (AI) can enhance credit risk assessment and scoring using alternative data, enabling lenders to provide credit to customers who lack traditional credit histories.[14] Through continuous learning, AI can also improve real-time fraud and mule-account detection, while enabling hyper-personalised loan solutions tailored to borrower needs and financial flows. Automation of credit appraisal and know your customer (KYC) through AI reduces cost, accelerates disbursement, and enables small loans in remote regions. Similarly, integrating AI in the grievance redressal lifecycle – from complaint lodging to closure – can result in a seamless, efficient, and data-driven processes, thus reducing the turnaround times.

I.31 AI, however, carries incremental risks including poor model explainability, data/concept drift, automation complacency, and skill gaps in AI oversight, which can lead to systemic errors or errors in credit assessments. REs need to be cognizant of the concomitant challenges such as data privacy, algorithmic bias and ethical considerations.[15]

I.32 Recognising these challenges, the Reserve Bank aims to foster an ecosystem wherein financial innovation flourishes without compromising systemic stability. In view of the growing use of models by REs across credit, operational, and other functional areas, the Reserve Bank has proposed to issue a comprehensive Model Risk Management Guidelines applicable to all models. To encourage the responsible and ethical adoption of AI in the financial sector, the FREE-AI (Framework for Responsible and Ethical Enablement of Artificial Intelligence) committee was constituted by the Reserve Bank in December 2024, which submitted its Report in August 2025. Following the examination of the recommendations, the

[14] Balancing Innovation and Prudence - AI's Role in India's Financial Future, Keynote Address by Shri M. Rajeshwar Rao, September 16, 2025, at 3rd edition of the CNBC-TV18 Banking Transformation Summit, Mumbai.

[15] Transforming Grievance Redress: The AI Advantage, Inaugural Address by Shri Sanjay Malhotra, March 17, 2025, at the Annual Conference of the RBI Ombudsmen, Mumbai.

Reserve Bank intends to formulate/update its policy guidance as necessary.

5. Financial Inclusion

I.33 In pursuit of the goal of sustainable financial inclusion, the Reserve Bank has undertaken various initiatives, such as framing the National Strategy for Financial Inclusion, rolling out Centres for Financial Literacy project, and implementing the Expanding and Deepening of Digital Payments Ecosytem programme. Reflecting policy efforts across the financial system, the Reserve Bank's financial inclusion index improved to 67.0 in March 2025 from 43.4 in March 2017. A review of the Index is being undertaken to improve its coverage and parameters.

National Strategy for Financial Inclusion 2025-30

I.34 The National Strategy for Financial Inclusion (NSFI): 2025-30 was released on December 1, 2025. The vision of NSFI: 2025-30 is to strengthen the financial inclusion ecosystem with the synergised efforts of stakeholders towards well-being of people by ensuring delivery of equitable, responsible, suitable, and affordable financial services duly supported by livelihood enablers, effective financial literacy, digital public infrastructure, and robust customer protection.

I.35 As part of financial inclusion initiatives, the Reserve Bank is in the process of reviewing the Business Correspondent (BC) model and the Kisan Credit Card (KCC) scheme. The Reserve Bank is also reviewing the Lead Bank Scheme (LBS) and working on a unified portal for data reporting under LBS.

I.36 The Reserve Bank was actively involved in a country-wide campaign for re-KYC of bank accounts, at *Gram Panchayat* level from July to October 2025. The Reserve Bank was also associated with a campaign for settlement of unclaimed deposits of account holders during the year.

UDGAM Portal

I.37 The UDGAM portal facilitates the search of unclaimed deposits/accounts across multiple banks at one place; and provides information on claim/settlement process of each bank. The Reserve Bank is working with the Ministry of Finance to develop a unified portal to enable savers and retail investors to claim all unclaimed assets across all asset classes such as bank deposits, pension fund, shares, and dividends. The integrated portal would make it easier for citizens to locate their unclaimed funds.

6. Consumer Protection

I.38 Consumer protection is fundamental to strengthening trust and confidence in the financial system. This, in turn, rests on fair treatment of customers and an efficient grievance redressal mechanism. While substantial progress has been made in improving consumer services, rising grievances continue to be a matter of concern. In this regard, consumer education and protection remains a policy priority of the Reserve Bank.

Internal Ombudsman

I.39 With a view to enhancing the effectiveness of the Internal Ombudsman (IO) mechanism in REs, the Reserve Bank issued Draft Master Direction in October 2025. It proposes a two-tier grievance redress structure within REs before escalating complaints to the IO, and empowerment of the IOs with compensation powers and access to the complainants. These measures will help in timely and meaningful resolution of customer grievances, improve service standards and consumer confidence.

Ombudsman Scheme

I.40 The Reserve Bank - Integrated Ombudsman Scheme (RB-IOS), 2021 provides customers of REs with a speedy, cost-free and expeditious alternate grievance redress mechanism. This Scheme was reviewed comprehensively, and a Draft Scheme was released in October 2025, based on operational experience, stakeholder feedback and global best practices. Further, the scope of the Scheme was extended to state co-operative banks and central co-operative banks, previously under NABARD, effective November 1, 2025. By allowing access to customers of rural co-operative banks, this Scheme will strengthen grievance redressal and boost customer confidence.

I.41 As part of customer centric measure, the Reserve Bank is conducting a special two-month campaign starting from January 1, 2026, with an aim to resolve all grievances pending for more than a month with the RBI Ombudsman.

Complaint Management System (CMS) 2.0

I.42 The Reserve Bank has undertaken development of the Complaint Management System (CMS) 2.0 for upgradation of the current system with improved customer user interface.

Digital Frauds

I.43 Building on several customer protection measures implemented so far, the Reserve Bank announced a principle-based framework on authentication of digital transactions, while exclusive internet domains and designated numbering series were introduced for REs to reduce cyber security threats. The Reserve Bank continues to work with stakeholders, including the Ministry of Home Affairs, to develop and operationalise measures to curb digital and cyber-enabled fraud and strengthen customer protection. REs need to put in place robust internal controls, ensure sufficient grievance redress officers at all levels, and enhance digital financial literacy to address digital frauds.

I.44 Recent initiatives by the Reserve Bank include development of MuleHunter.ai™ to facilitate system-wide learning to identify and flag potential mule accounts, which has been implemented in 23 banks as on December 17, 2025; and a digital payments intelligence platform (DPIP) to leverage AI to flag risky transactions and share intelligence for fraud detection and prevention.

Limiting Liability of Customers in Unauthorised Electronic Banking Transactions

I.45 Instructions related to limited liability of customers in unauthorised electronic banking transactions, issued in 2017, are being reviewed in view of major shifts in the banking landscape, including emergence of new payment channels, higher volumes of digital transactions, and evolving fraud patterns. This is expected to improve customer safeguards.

Guidelines on Mis-selling and Recovery of Loans

I.46 Mis-selling of financial products and services by REs has significant consequences for both customers as well as the financial sector. Hence, it is proposed to issue comprehensive instructions to different categories of REs on advertising, marketing and sales of financial products/ services, including aspects related to prevention of mis-selling. Further, it is proposed to review the extant instructions on conduct related matters associated with engagement of recovery agents and recovery of loans, and issue harmonised instructions in this regard.

Deposit Insurance

I.47 Deposit insurance is a key element of the financial safety net. To reduce moral hazard problem and to align with global best practices, the Reserve Bank, in December 2025, approved the framework to move away from the existing flat rate premium system to a risk-based deposit insurance premium, with the existing flat rate premium of 12 paise per ₹100 of assessable deposits per annum serving as the ceiling. The framework seeks to incentivise sound risk management by linking premium rates to the risk profile of banks and thereby enhancing the resilience of the banking system.

7. Climate Finance

I.48 Climate risks – both physical and transition – may affect credit, market, liquidity, and operational risks and pose material threats to financial stability. To strengthen resilience, comprehensive climate risk assessment underpinned by robust data infrastructure and information flow mechanisms are required. Initiatives such as the proposed Reserve Bank – Climate Risk Information System (RB-CRIS) and ongoing work for evolving climate-risk related disclosure reflect a systematic shift towards integrating climate considerations into financial risk assessment and management. Alongside, technology is being positioned as an enabler, with proposals for 'on-tap' applications under theme neutral cohort on climate change risks, and sustainable finance under the regulatory sandbox as an initiative to foster sustainable innovation in this field. The REs are also required to invest in structured upskilling and focus on board-level orientation and 'tone from the top' leadership to integrate physical and transition risks, and sustainable finance into core strategy. Climate finance is both a national imperative and a collective responsibility and it requires coordination across regulators, institutions, governments, and global actors.[16]

8. Overall Assessment

I.49 Banks and NBFCs remain resilient backed by strong capital buffers, improved asset quality, and robust earnings, ensuring credit flow to productive sectors and underserved population. The Reserve Bank continues to drive secure and interoperable digital payments domestically and their integration with global payments systems. It is also enabling responsible adoption of technology and use of alternative data to expand financial inclusion. The Reserve Bank's regulatory and supervisory policies remain focused on reinforcing cybersecurity, mitigating frauds, enhancing customer protection, integrating climate risk awareness, and preserving financial stability as an overarching goal. Balancing financial innovations with stability, strengthening public trust, and supporting sustainable development will continue to guide the Reserve Bank's policies going forward.

[16] Keynote Address by Shri Sanjay Malhotra, March 13, 2025, at the Policy Seminar on Climate Change Risks and Finance organised by the Reserve Bank of India, New Delhi.

II GLOBAL BANKING DEVELOPMENTS

The global banking sector remained resilient as reflected in strong capital buffers, high leverage ratio and improved profitability. Despite its current strength, global GDP growth is expected to slow down amidst trade policy uncertainty, while inflation to moderate. Central banks have responded with monetary policy easing. Global regulatory and supervisory initiatives have been directed at addressing concerns emanating from interconnectedness of banks and non-banks as well as integration of artificial intelligence and crypto-assets into the financial system. Policy makers need to remain vigilant to the evolving risks in the financial system amidst rising trade and geopolitical uncertainty, technological innovations and climate risks.

Introduction

II.1 The global economy showed resilience during 2025, supported by front-loaded imports, easing financial conditions and stimulative fiscal stance in major economies, *albeit* with some signs of slowdown in the second half. Inflation remained benign, aided by softer energy prices and subdued demand. Trade policy uncertainty, geoeconomic fragmentation, geopolitical tensions and high debt levels, however, weigh on the economic outlook.

II.2 The global banking sector successfully navigated these challenges, benefiting from strong capital buffers and improved profitability. Global financial markets remained volatile, *albeit* with low funding spread and rebound in equity prices. The role of non-bank financial intermediaries (NBFIs) is growing in the capital market and credit intermediation. Yet, valuation of risky assets appears stretched amid slowing global growth and expansion in banks' exposure to NBFIs. These global shifts can create vulnerabilities in the financial system. With debt continuing to shift towards the government sector and exposure of banks and non-banks remaining elevated, stress in sovereign bond markets can be transmitted directly to banks. The growing size of NBFIs along with banks' rising exposure raises concerns about risk-taking and interconnectedness in the financial system. Global foreign exchange markets remain vulnerable to macrofinancial uncertainty, raising risks of spillover into other asset classes and tightening of financial conditions. Policymakers remain attentive to risks from leverage, liquidity mismatches, and cross-border spillovers, even as financial innovations such as stablecoins and the use of artificial intelligence (AI) reshape market structures and supervisory practices. In this environment, strengthening of financial sector regulation and supervision remains crucial for financial stability.

II.3 Against this backdrop, this chapter covers developments in the global banking sector. Section 2 reviews current global macroeconomic conditions. Section 3 discusses recent global banking policy developments. The financial performance of the global banking sector is examined in Section 4, followed by an analysis of world's top 100 banks ranked by Tier 1 capital positions in Section 5. Section 6 concludes with an overall assessment.

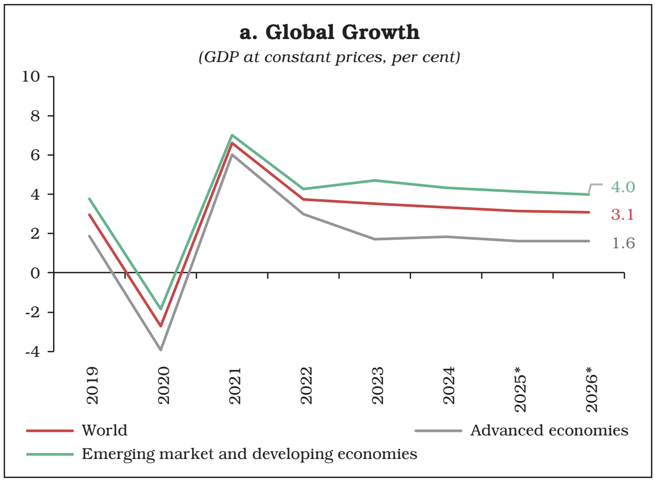
2. Global Macroeconomic Conditions

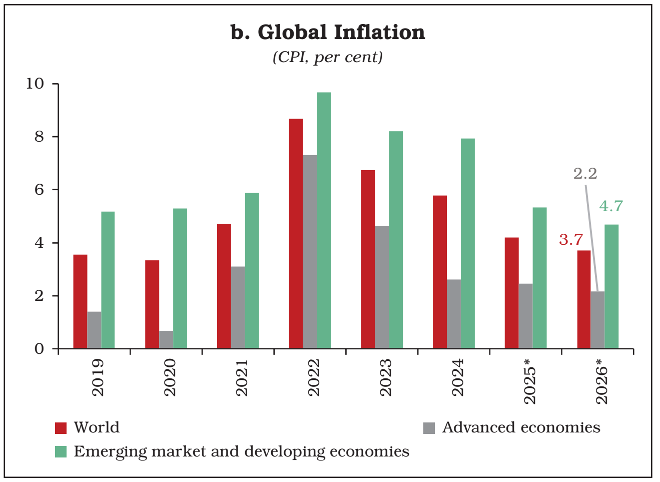
II.4 Global growth is projected to decelerate marginally to 3.2 per cent in 2025 and 3.1 per cent in 2026 from 3.3 per cent in 2024, amidst trade and geopolitical uncertainty.[1] This reflects the resilience of the global economy, which is partly supported by front-loading of trade and investment, and fiscal expansion in some major economies. Nonetheless, global growth remains below the pre-pandemic historical average of 3.7 per cent.[2] The risks to the outlook also remain tilted to the downside because of trade policy uncertainty and protectionism, which can dampen investment and disrupt supply chains. Emerging market and developing economies (EMDEs) are projected to grow by 4.2 per cent in 2025 and 4.0 per cent in 2026, as compared with 1.6 per cent for the advanced economies (AEs) (Chart II.1a). Easier financial conditions benefit EMDEs as they continue to demonstrate resilience on the back of improving policy frameworks.

II.5 Global inflation remains benign, with headline inflation projected to decline to 4.2 per cent in 2025 and further to 3.7 per cent in 2026, supported by subdued demand and softer energy prices. Nonetheless, inflation is projected to converge back to target earlier in AEs (2.2 per cent in 2026) as compared to EMDEs (4.7 per cent) (Chart II.1b).

II.6 Central banks responded to the easing of inflation and moderation in growth by reducing policy rates since the second half of 2024. This was a significant reversal from the extended period of monetary tightening by major central banks to counter the surge in inflation during 2022-2023. The policy path taken by central banks, however, varies across countries, driven by stickiness of inflation above target as well as growth and labour market concerns. The European Central Bank (ECB) reduced policy rates by a cumulative 250 basis points (bps) since its first rate cut in June 2024, while the Bank of

Chart II.1: Growth and Inflation





***:** Projections.
Source: World Economic Outlook, October 2025, IMF.

1 International Monetary Fund (IMF) (2025). *World Economic Outlook* (WEO), October.

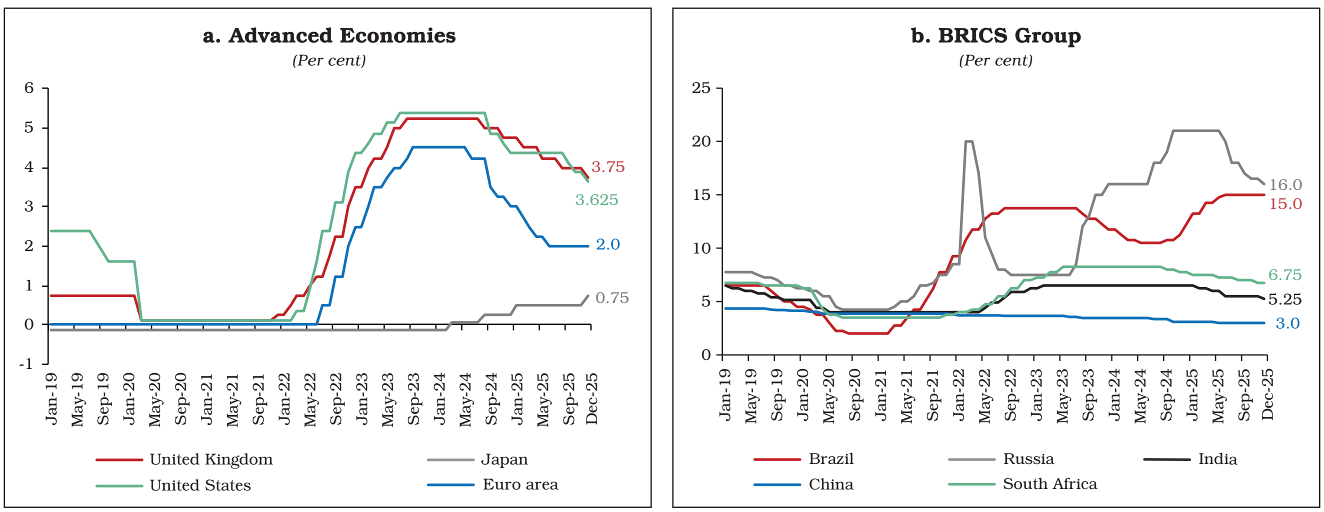
2 10-year average of world growth from 2010 to 2019.

England reduced rate by a total of 150 bps since the onset of its easing cycle in August 2024. The US Federal Reserve started easing policy rate in September 2024, with a cumulative reduction of 175 bps so far. In contrast, the Bank of Japan adopted a monetary tightening cycle, with a cumulative increase of 85 bps since March 2024 to curb rising inflation (Chart II.2a). Amongst the BRICS group, South Africa cut the policy rate in September 2024, followed by India in February 2025 and Russia in June 2025. After a pause since August 2023, China further reduced the rate in July 2024. Brazil, however, adopted a monetary tightening cycle since September 2024, increasing the policy rate by 450 bps, to bring inflation down to its target (Chart II.2b).

II.7 World trade remained robust despite protectionism, driven by front-loaded imports and exports in response to proposed high US import tariffs. Global trade volume is projected to grow faster at 3.6 per cent in 2025, before slowing down to 2.3 per cent in 2026.[3] AEs are projected to run a deficit in their current account in 2025 as against a surplus in 2024. This is mainly on account of continued trade deficit in the US and lowering surplus in the Euro area. In EMDEs, the current account surplus is projected to remain unchanged at 1.0 per cent of GDP in 2025, before declining to 0.6 per cent in 2026 (Chart II.3a). This is partly due to pre-emptive trade ahead of prospective tariffs widening the surplus for China.

II.8 The general government gross debt for AEs is projected to increase marginally to 110.2 per cent of GDP in 2025 and further to 111.8 per cent of GDP in 2026. The EMDEs are also under rising fiscal strain with the debt-GDP ratio projected to rise to 72.7 per cent in 2025 and 75.8 per cent in 2026, due to higher interest payments and growth moderation (Chart II.3b).

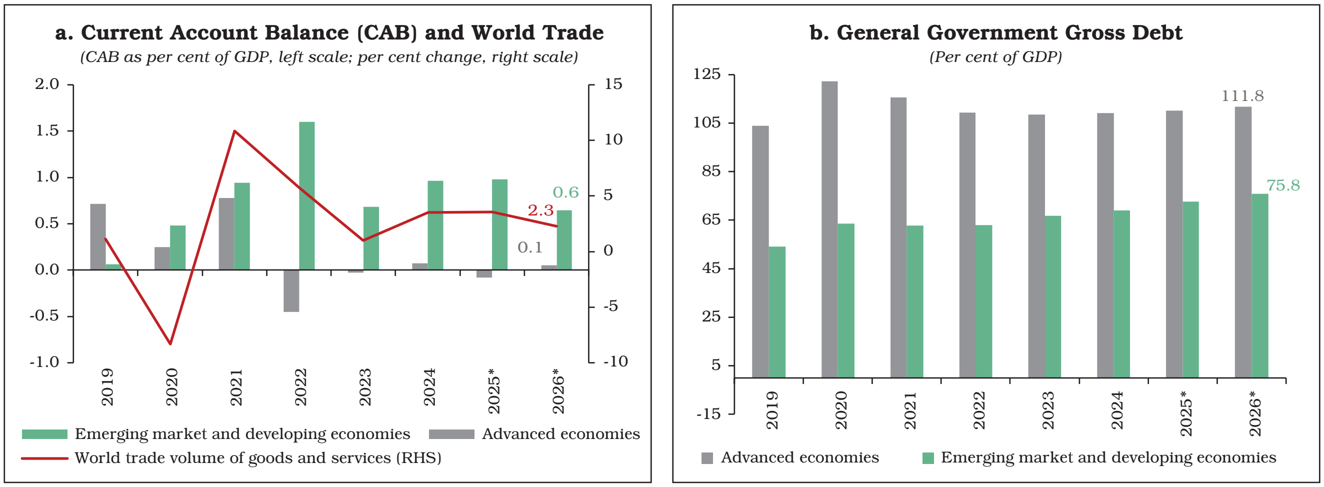
Chart II.2: Monetary Policy Rates



Source: Bank for International Settlements (BIS).

3 IMF (2025). *World Economic Outlook* (WEO), October.

Chart II.3: Current Account Balance and General Government Debt



*: Projections.
Source: World Economic Outlook, October 2025, IMF.

3. Global Banking Policy Developments

II.9 The global outlook has become more challenging amidst increased trade and economic policy uncertainty. The COVID-19 induced market turmoil of March 2020, and the banking stress of March 2023 demonstrated that vulnerabilities could unravel quickly, reinforcing the importance of vigilance, proactive policy responses and international cooperation to maintain global financial stability. Regulators and central banks are taking measures to mitigate systemic risks emanating from the growing size of NBFIs and their deepened ties with banks, integration of artificial intelligence and crypto-assets into the financial system, and the looming threat of climate change.

3.1 Building Resilient Financial Institutions[4]

II.10 Underlining the importance of prudent regulation and effective supervision, the Basel Committee on Banking Supervision (BCBS) has prioritised implementation of all the aspects of the Basel III framework effective January 1, 2023. As of September 2025, most member jurisdictions have published their rules implementing the final elements of Basel III. Since end-September 2024, the final Basel III standards became effective in more than 40 per cent of the 27 member jurisdictions. The revised credit risk and operational risk standards, as well as the output floor, have now become effective in around 80 per cent of the member jurisdictions, while the credit valuation adjustment standard in nearly 70 per cent, and the revised market risk standards in nearly 40 per cent.

II.11 There has been further progress in other Basel III standards that had implementation dates before January 1, 2023. Since end-September 2024, one additional jurisdiction has implemented margin requirements for non-centrally cleared derivatives, while another has completed implementing the interest rate risk in the banking book. Additionally, two member jurisdictions have published the final regulations on crypto-assets. To enhance transparency

[4] BIS (2025). RCAP on Timeliness: Basel III Implementation Dashboard, October 3 update.

and accountability, the Federal Reserve Board proposed revising its supervisory stress testing framework by publishing the stress test models and scenarios for public comments.

3.2 Cyber Resilience

II.12 In an increasingly digital and inter connected environment, cyber and operational incidents have become a growing threat to financial stability. Supervisory authorities depend on timely incident reporting to track disruptions and coordinate responses, but fragmented frameworks across jurisdictions pose challenges. To address this gap, the Financial Stability Board (FSB), in April 2025, published its final report on the Format for Incident Reporting Exchange (FIRE), introducing a standardised reporting format to reduce fragmentation and ease compliance for internationally active firms.[5] This has been developed in close collaboration with the private sector and is also designed to be applicable to third-party service providers and entities outside the financial sector. To support global implementation, the FSB has also issued a taxonomy package that includes a data model, which enables machine-readable formats of FIRE.[6]

3.3 G20 Financial Regulatory Reforms on Securitisation

II.13 The regulatory reforms introduced after the global financial crisis (GFC) aimed to improve transparency, address conflicts of interest, strengthen the regulatory capital treatment for banks' securitisation exposures and align incentives associated with securitisation. The FSB, based on the feedback received on the consultation report issued in July 2024, published a report evaluating these reforms in January 2025. It is noted that regulatory reforms improved the resilience of securitisation markets, with no strong evidence of material negative impact on financing activity.[7] Complex structures that played a role in the GFC, such as securitisation of subprime assets, collateralised debt obligations and re-securitisations, have significantly declined, while market transparency has improved. Further, the assessment finds that the reforms appear to have prompted a shift in the risk from banks to the NBFI sector, as banks have moved towards investing in higher-rated tranches. This shift is partly driven by the growing role of non-banks and their increased participation in the securitisation markets.

3.4 Vulnerabilities in Non-bank Commercial Real Estate Market[8]

II.14 The commercial real estate (CRE) market has experienced significant stress, driven by weak demand for offices and retail space since the pandemic and higher borrowing costs, following monetary policy tightening in 2022-2023. While banks continue to be the main source of financing for CRE, some jurisdictions have a sizeable share of non-bank investors' participation, especially property funds and real estate investment trusts.

II.15 The FSB highlighted three main vulnerabilities associated with these non-bank CRE investors – liquidity mismatches in open-ended funds, high financial leverage, and opacity in asset valuations. The report also highlighted a fourth broader vulnerability due to interlinkages between

[5] FSB (2025). Format for Incident Reporting Exchange (FIRE): Final Report, April.

[6] FSB (2025). Format for Incident Reporting Exchange (FIRE): Taxonomy Package. April.

[7] FSB (2025). Evaluation of the Effects of the G20 Financial Regulatory Reforms on Securitisation: Final Report. January.

[8] FSB (2025). Vulnerabilities in Non-bank Commercial Real Estate Investors. June.

banks and these non-bank CRE investors, raising the potential for spillover to the banking system.

3.5 Non-bank Financial Intermediation

II.16 The role of NBFIs in financing the real economy has expanded in the last decade, and the sector accounted for 51.0 per cent of the global financial assets in 2024. The experience of the global financial crisis of 2008, the market turmoil of March 2020, Archegos failure of March 2021 and commodities markets turmoil in 2022 demonstrate that NBFIs can also create or amplify systemic risk. The FSB highlights three main forms of linkages between banks and NBFIs: (i) funding and deposit relationships, where non-banks place deposits with banks; (ii) lending, repo and other credit exposures from banks to non-banks; and (iii) holdings of bank-issued securities by investment funds, insurers and pension funds.[9] The FSB is collaborating with standard-setting bodies across a wide range of areas to assess and address vulnerabilities that could lead to systemic risk. The policy objective has been to reduce excessive spikes in the demand for liquidity; enhance the resilience of liquidity supply in stress; and improve the risk monitoring and preparedness of authorities and market participants. The implementation of reforms in this direction continues to advance, *albeit* at an uneven pace across jurisdictions.

II.17 Over time, the NBFI sector has become more diverse and increasingly intricate, with business models and strategies that are constantly evolving and frequently employing leverage. The vulnerabilities from leverage and liquidity mismatches in parts of the NBFI sector that gave rise to market stress episodes continue with the global financial system.[10] The FSB recommends that authorities should: (i) have a domestic framework in place to identify and monitor financial stability risks created by NBFI leverage; and (ii) take steps to select, design and calibrate policy measures to address the identified financial stability risks in a flexible, targeted and proportionate way.

II.18 The incidents also highlight the need for policy adjustments to deal with liquidity strains in the NBFI sector, arising from spikes in margin and collateral calls in times of market stress.[11] The FSB sets out steps to enhance the liquidity preparedness of non-bank market participants for margin and collateral calls in centrally and non-centrally cleared derivatives and securities markets.

II.19 The FSB has identified several data-related challenges that impede authorities' ability to effectively assess vulnerabilities. Accordingly, it has established a Non-bank Data Task Force in July 2025 to strengthen authorities' ability to identify, assess and mitigate financial stability risks emanating from the non-bank sector. The FSB also puts out a workplan to address non-bank data challenges with two areas of high priority, *viz.*, leveraged trading strategies in core financial markets and private finance.[12]

3.6 Climate and Nature-related Risks

II.20 Climate transition plans have gained prominence as the means for financial

[9] FSB (2025). Global Monitoring Report on Nonbank Financial Intermediation, December.

[10] FSB(2025). Enhancing the Resilience of Nonbank Financial Intermediation: Progress Report, July.

[11] FSB(2024). Liquidity Preparedness for Margin and Collateral Calls: Final Report, December.

[12] FSB(2025). FSB Workplan to Address Nonbank Data Challenges, July.

institutions and non-financial companies to communicate their strategies and approaches to manage climate-related risks. As part of its roadmap for addressing financial risks from climate change, the FSB published a report in January 2025, assessing the relevance of transition plans for financial stability.[13] The report highlights the role of transition plans in addressing climate-related financial risks through three channels – contributing to better risk management, informing investment decisions and supporting authorities' macro-monitoring of transition and physical risks both in the financial system and the real economy. As they provide forward-looking information, transition plans hold potential for enhancing financial stability.

3.7 Cross-border Payments

II.21 In 2020, G20 launched a roadmap for faster, cheaper, more transparent and inclusive cross-border payments and endorsed a set of global quantitative targets in this regard. The FSB, in October 2025, published the consolidated progress report on this G20 roadmap.[14] The report has highlighted that while a majority of the roadmap actions are completed, these efforts have not yet translated into tangible improvements, with key performance indicators for 2025 showing only a slight improvement. The access to cross-border payments remained broad, with slight improvement in transparency of information to end-users. Although the global speed of wholesale cross-border payments improved, wide variations across regions persist with South Asia lagging in terms of speed of receiving wholesale payments. The average global cost of such payments varies widely across regions – lowest in Asia-Pacific and highest in Sub-Saharan Africa. Going forward, modernising domestic payment infrastructure and providing a level playing field for bank and non-bank payment service providers is essential to enhance cross-border payments.

3.8 Crypto-assets

II.22 Stablecoins – crypto-assets designed to maintain a stable value by referencing one or more fiat currencies – have become a key component of the digital asset ecosystem. The market capitalisation of stablecoins reached approximately US$ 300 billion at end-September 2025.[15] The increasing adoption of stablecoins raises concerns for both monetary policy and financial stability, particularly in EMDEs as their widespread use can weaken central banks' control over money supply and interest rates. Proliferation of stablecoins also creates risk of currency substitution, weakening the effect of monetary policy transmission and banking disintermediation.[16]

II.23 According to the Bank for International Settlements (BIS), any form of money should pass three tests to serve as the backbone of the monetary system – singleness, elasticity and integrity. Stablecoins perform poorly when assessed against these standards. Stablecoins often trade at varying exchange rates, thus undermining singleness. They also fail the elasticity test because the issuer's balance sheet cannot be expanded at will. Furthermore, as a

[13] FSB (2025). The Relevance of Transition Plans for Financial Stability, January.

[14] FSB (2025). G20 Roadmap for Enhancing Cross-border Payments: Consolidated Progress Report for 2025, October.

[15] IMF (2025), Global Financial Stability Report, October.

[16] Stablecoins – Do They Have a Role in the Financial System? Keynote address delivered by Shri T Rabi Sankar, December, 12, 2025, at the Mint Annual BFSI Conclave 2025, Mumbai.

Table II.1: Regulations for Stablecoins in Select Economies

Country	Regulation	Key Features
1	2	3
United States	Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act[17]	Dual federal-state regulation with 100 per cent backup in terms of issuers' holding of highly liquid assets.
EU	Markets in Crypto-Assets (MiCA) Regulation, 2024[18]	Classifies stablecoins into two categories – asset-referenced tokens and e-money tokens. Issuers must obtain licenses to operate within EU jurisdictions.
Singapore	Monetary Authority of Singapore (MAS) Stablecoin Regulatory Framework, 2023[19]	Applicable to single-currency stablecoins, pegged to the Singapore dollar or any G10 currency, that is issued in Singapore.
Japan	Regulatory Framework for Crypto-assets and Stablecoins[20]	Only banks, fund transfer service providers, and trust companies are entitled to issue digital-money type stablecoins.

digital bearer instrument on borderless public blockchains, stablecoins circulate without issuer oversight, compromising integrity and raising concerns about their use for financial crimes, such as money laundering and terrorism financing.[21]

II.24 Stablecoins are evolving under formal regulatory oversight, and many countries have put in place stablecoin regulations to safeguard investors (Table II.1). The FSB released a follow-up report of its global regulatory framework governing crypto-asset activities in November 2025. The report revealed that while progress has been made in regulating crypto-asset activities and global stablecoins, significant gaps remain. Global stablecoin regulation is fragmented, and cross-border coordination is inadequate, hindering effective oversight and timely responses to systemic risks.[22]

3.9 Artificial Intelligence and Tokenisation

II.25 Artificial intelligence (AI) has the potential to reshape the financial system by fostering innovation, boosting efficiency and strengthening resilience. It can help with regulatory compliance, enable advanced data analytics, produce personalised financial products and enhance fraud detection. The FSB, however, identified key AI-related vulnerabilities which may have implications for financial stability.[23] It identified a range of indicators to support monitoring of AI adoption and related vulnerabilities in the financial system. These include measuring the extent of AI adoption in the financial institution, concentration of third-party AI service providers and monitoring AI-related cyber events.[24]

II.26 At end-2024, the Irving Fisher Committee on Central Bank Statistics conducted a survey covering six dimensions to assess the current state of AI adoption: (i) scope and interest; (ii) expectations; (iii) applications; (iv) organisational policies, governance and risks; (v) IT stack; and (vi) collaborative strategies.[25] The survey highlighted two key findings: first,

[17] The Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act. Stablecoin Legislation: An Overview of the GENIUS Act of 2025, Library of Congress, USA.
[18] http://esma.europa.eu/esmas-activities/digital-finance-and-innovation/markets-crypto-assets-regulation-mica.
[19] https://www.sgpc.gov.sg/api/file/getfile/Media%20Release_MAS%20Finalises%20Stablecoin%20Regulatory%20Framework.pdf?path=/sgpcmedia/media_releases/mas/press_release/P-20230815-2/attachment/Media%20Release_MAS%20Finalises%20Stablecoin%20Regulatory%20Framework.pdf
[20] https://www.fsa.go.jp/en/news/2022/20220914-2/02.pdf.
[21] BIS (2025). Annual Economic Report, June.
[22] FSB(2025). Thematic Review on FSB Global Regulatory Framework for Crypto-asset Activities.
[23] FSB (2024). The Financial Stability Implications of Artificial Intelligence, November.
[24] FSB (2025). Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector, October.
[25] BIS (2025). Governance and Implementation of Artificial Intelligence in Central Banks, IFC Report No. 18.

effective deployment of AI requires robust governance frameworks, which are still evolving; and second, implementation of AI entails trade-offs in IT infrastructure, as rising computational demands raise costs and cloud-based solutions while offering scalability, pose data security and sovereignty challenges. Another important issue relates to the choice of closed *versus* open-source AI models.

II.27 Tokenisation — the recording of claims on real or financial assets from traditional ledgers onto programmable platforms — is emerging as a key element of next-generation financial market infrastructure. The BIS identified tokenisation as the next step in the evolution of monetary and financial system, as it enables the integration of messaging, reconciliation, and asset transfer into a single operation.[26] The report highlights its potential to reduce friction in existing systems and introduce more flexible and automated contracting mechanisms. In cross-border payments, tokenisation could streamline correspondent banking by replacing the current chain of intermediaries and sequential account updates with a single, integrated process. It can also improve the functioning of capital markets through better collateral management, margining, and delivery-*versus*-payment processes.

II.28 Tokenisation initiatives are gaining momentum globally. A BIS study[27] assessed the case for tokenised government bonds, highlighting their potential to become a foundational element in tokenised financial ecosystems, central bank reserves and commercial bank money. Tokenisation of government bonds, which accounts for the largest segment of global financial assets in 2024 with an outstanding amount of around US$ 80 trillion, could bolster trust, enhance settlement efficiency, and support monetary operations. The study, however, emphasised that these benefits remain contingent on scalability, regulatory clarity, and supporting infrastructure.

4. Performance of the Global Banking Sector

II.29 At end-December 2024, bank credit to private non-financial sector decelerated across advanced and emerging economies, with credit growth turning negative in AEs (Chart II.4a). Even though monetary policy started easing in H2:2024, the tight credit conditions weighed on activity through 2024, due to the long lags in transmission.[28] In H1:2025, credit growth picked up in both groups, *albeit* with a variation across countries. Among emerging market economies (EMEs), Brazil and South Africa were exceptions where credit growth increased in 2024 compared to 2023 (Chart II.4b and c). Brazil witnessed strong credit growth despite a tight monetary policy due to high income growth and success in expanding financial inclusion.[29]

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26 BIS (2025). Annual Economic Report, June.

27 Aldasoro, I., Cornelli, G., Frost, J., Koo Wilkens, P., Lewrick, U., & Shreeti, V. (2025). Tokenisation of Government Bonds: Assessment and Roadmap. *BIS Bulletin* No. 107, July.

28 Quaglietti, L. (2024). Recent Credit Dynamics across Advanced Economies: Drivers and Effects. *OECD Economics Department Working Papers*, No. 1826.

29 https://www.imf.org/en/News/Articles/2025/10/09/Explaining-Strong-Credit-Growth-in-Brazil-Despite-High-Policy-Rates.

Chart II.4: Bank Credit to Private Non-Financial Sector

Source: Total Credit Statistics, BIS.

4.1 *Asset Quality*

II.30 In 2024, the asset quality of banks, measured by the ratio of non-performing loans to total gross loans (NPL ratio), deteriorated for select AEs (Table II.2). Euro area banks' NPL ratios remained low despite a slight uptick in some economies in 2024, driven mainly by the corporate loan book (notably commercial real estate and small and medium loans).[30] For most EMDEs, asset quality showed improvement including for Vietnam, which continued to have high NPL ratio attributable to distress in key sectors, particularly real estate.[31]

4.2 *Provision Coverage Ratio*

II.31 A higher provision coverage ratio (PCR) indicates higher resilience of the bank to loan losses. Among select AEs, banks in the US maintained the highest PCR, despite some moderation in 2024 (Chart II.5a). The ratio, however, remained below 50 per cent in other AEs. Among EMDEs, banks in China maintained high PCR and the ratio improved in 2024. (Chart II.5b).

[30] https://www.ecb.europa.eu/press/financial-stability publications/fsr/html/ecb.fsr202505~0cde5244f6.en.html#toc2.

[31] Annual Consultation Report on Vietnam (2024). ASEAN+3 Macroeconomic Research Office. Available at - https://amro-asia.org/wp-content/uploads/2025/03/2024-Vietnam-ACR_publication_21Feb2025.pdf.

Table II.2: Asset Quality
(NPL Ratio)

(Per cent)

Country	2015	2020	2023	2024	Q1:2025	Q2:2025
1	2	3	4	5	6	7
Advanced Economies						
Australia	0.89	1.11	0.85	0.99	1.06	N.A.
Canada	0.52	0.53	0.45	0.57	0.65	0.68
Japan	1.47	1.22	1.28	1.10	1.10	N.A.
UK	1.01	0.98	0.98	1.02	0.98	0.96
US	1.47	1.07	0.85	0.97	0.95	0.93
Euro area						
France	3.52	2.38	2.06	2.09	2.07	N.A.
Germany	N.A.	N.A.	1.54	1.77	1.73	1.79
Italy	18.06	4.36	2.71	2.77	N.A.	2.71
Netherlands	2.71	1.88	1.55	1.64	1.58	1.48
Spain	5.09	2.85	3.06	2.87	2.82	2.69
Emerging Market and Developing Economies						
Brazil	2.85	1.87	2.84	2.72	3.08	N.A.
China	1.67	1.84	1.59	1.50	1.51	1.49
India	5.88	7.94	3.36	2.50	2.34	2.35
Indonesia	2.32	2.64	1.96	1.94	2.01	2.05
Mexico	2.60	2.56	2.08	2.02	2.00	2.10
Philippines	1.89	3.53	3.19	3.20	3.26	3.27
Russia	8.38	8.16	4.51	4.58	N.A.	N.A.
South Africa	3.12	5.18	4.72	4.54	4.60	N.A.
Thailand	2.68	3.23	2.76	2.81	2.92	N.A.
Vietnam	2.76	1.87	5.41	4.85	4.91	N.A.

N.A.: Data not available.
Notes: 1. Data for 2024 for Russia pertain to Q1:2024.
2. Annual data for Japan pertain to the first quarter of next year.
Source: Financial Soundness Indicators, IMF.

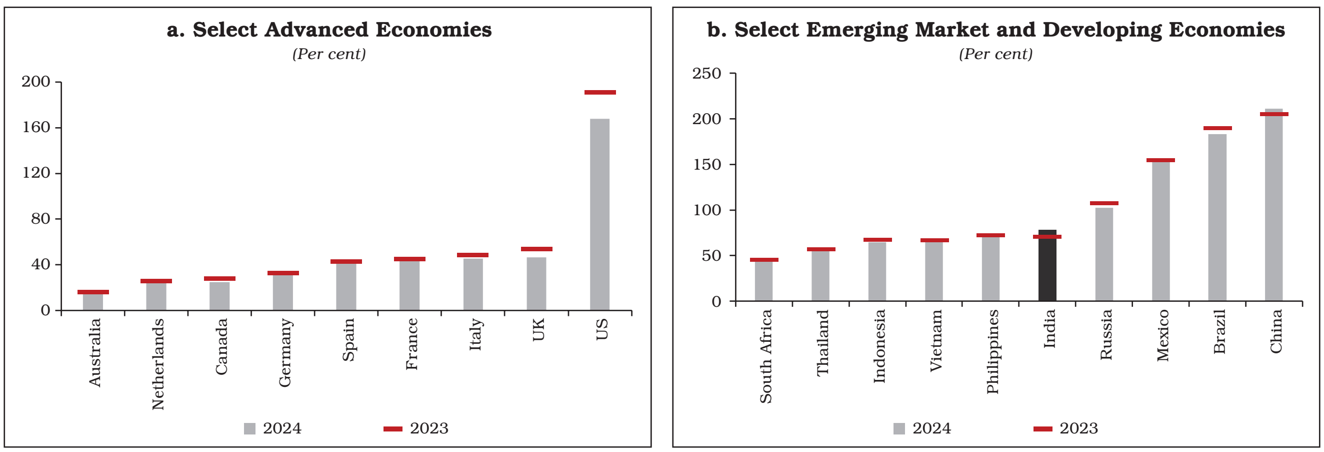
4.3 Bank Profitability

II.32 Profitability, measured by return on assets (RoA), increased in most AEs in 2024, with slight moderation in Australia and Netherlands (Chart II.6a). EMDEs also generally showed an improvement in profitability, *albeit* with a few exceptions (Chart II.6b). In 2024, widening net interest margins and, for larger banks, strong performance from asset management, advisory, and trading services expanded revenues. At the same time, the reduction of loan loss provisions has been a substantial driver of RoA across all regions.[32]

4.4 Capital Adequacy

II.33 Banks have substantially increased their capital levels, enhancing their ability to absorb losses. The capital adequacy, measured by regulatory capital to risk-weighted assets ratio (CRAR), remains above the Basel III norms in all major economies. The IMF's global stress test shows that the global banking sector remains broadly resilient. However, under the scenario of

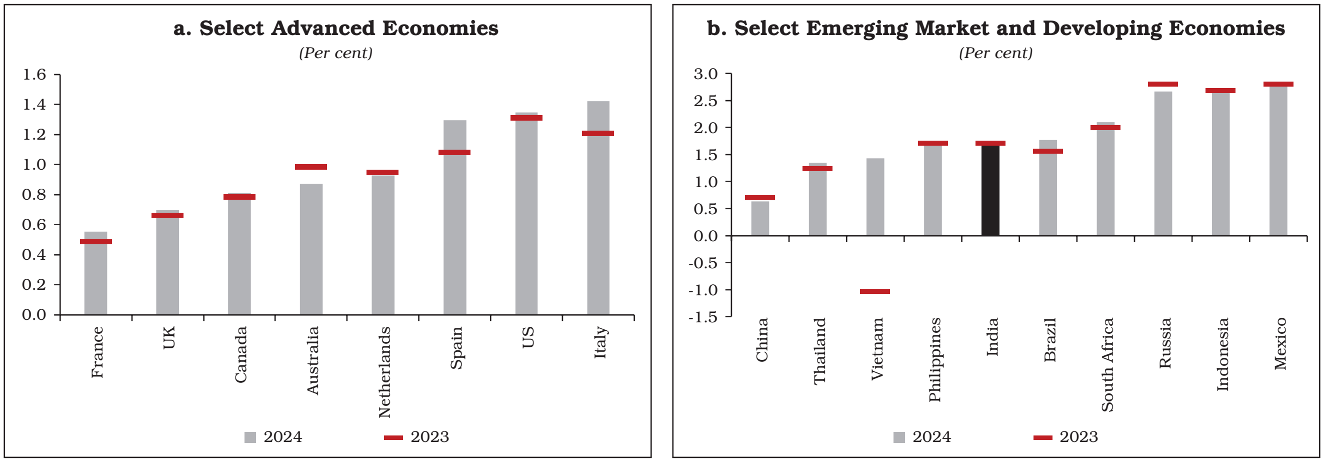
Chart II.5: Provision Coverage Ratio
(NPL provisions as per cent of non-performing loans)



Notes: 1. Bar size higher than the dash line indicates improvement in the indicator.
2. Data for 2024 for Russia pertain to Q1:2024.
Source: Financial Soundness Indicators, IMF.

32 IMF (2025). Global Financial Stability Report, April.

Chart II.6: Return on Assets



Notes: 1. Bar size higher than the dash line indicates improvement in the indicator.
2. Data for 2024 for Russia pertain to Q1:2024.
Source: Financial Soundness Indicators, IMF.

severe stagflation, common equity Tier 1 capital (CET1) ratio of banks representing about 18 per cent of global bank assets falls below 7 percent.[33] This is an improvement from 2023 stress test results due to improved capitalisation across most regions.

II.34 Amongst AEs, banks in the UK maintained high capital buffers, while banks in the US maintained lower CRAR, *albeit* with some improvement in 2024. In the Euro area, high internal capital generation in the form of retained earnings continued to have a strong positive effect on banks' capital ratios.[34] The capital ratios in EMDEs show a mixed pattern, with Indonesian banks maintaining CRAR above 25 per cent in 2024 (Table II.3).

4.5 Leverage Ratio

II.35 Leverage ratio, defined as regulatory Tier 1 capital to total assets, measures the extent to which bank assets are funded by equity, serving

Table II.3: Regulatory Capital to Risk-weighted Assets Ratio

(Per cent)

Country	2015	2020	2023	2024	Q1:2025	Q2:2025
1	2	3	4	5	6	7
Advanced Economies						
Australia	13.8	17.6	19.9	20.2	20.5	N.A.
Canada	14.2	16.1	17.1	16.8	16.9	17.5
Japan	15.9	16.6	16.4	16.7	16.7	N.A.
UK	19.6	21.6	21.3	21.3	20.7	20.5
US	14.1	16.3	15.9	16.3	16.3	16.8
Euro Area						
France	16.4	19.5	19.5	19.8	19.8	N.A.
Germany	N.A.	N.A.	19.9	20.5	20.1	20.5
Italy	14.8	19.3	19.4	19.7	N.A.	19.8
Netherlands	20.1	22.8	21.1	20.9	21.2	21.6
Spain	14.7	17.0	17.1	17.5	17.8	17.8
Emerging Market and Developing Economies						
Brazil	16.4	19.1	17.9	17.1	17.0	N.A.
China	13.5	14.7	15.1	15.7	15.3	15.6
India	12.7	15.6	15.6	16.4	17.0	17.4
Indonesia	18.9	22.1	25.8	25.1	23.7	24.3
Mexico	15.0	17.7	18.8	19.1	19.9	20.0
Philippines	15.3	16.3	16.3	15.8	15.9	15.7
Russia	12.7	13.8	13.1	12.9	N.A.	N.A.
South Africa	14.2	16.6	16.1	16.3	16.1	N.A.
Thailand	17.1	19.8	19.6	20.1	20.4	N.A.
Vietnam	12.8	11.1	11.7	12.3	12.4	N.A.

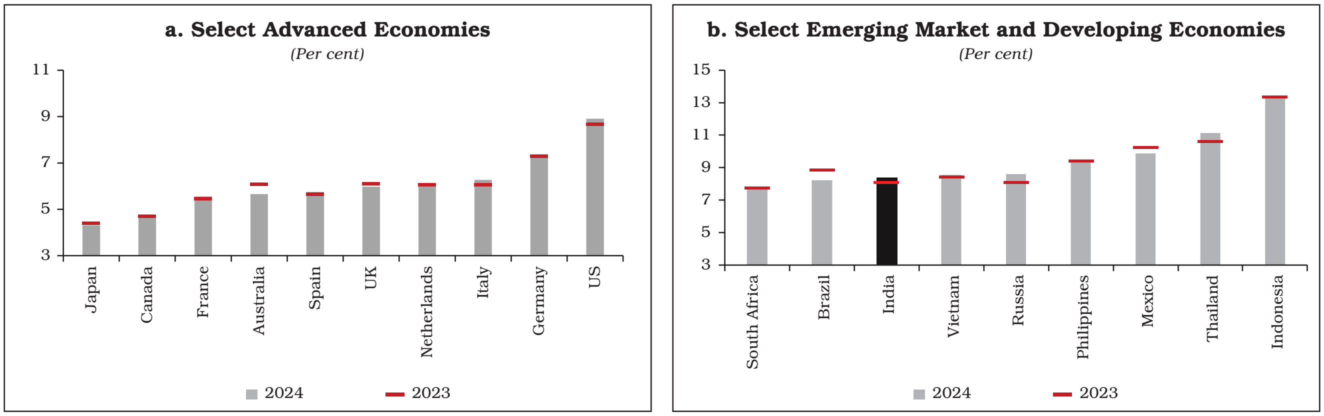
N.A: Data not available.
Notes: 1. Data for 2024 for Russia pertain to Q1:2024.
2. Annual data for Japan pertain to the first quarter of next year.
Source: Financial Soundness Indicators, IMF.

[33] IMF (2025). Global Financial Stability Report, October. The global stress test examined 669 banks from 29 countries, accounting for 74 per cent of global banking sector assets.

[34] ECB (2025). Financial Stability Review, November.

Chart II.7: Leverage Ratio

(Regulatory Tier 1 capital as per cent of total assets)



Notes: 1. Bar size higher than the dash line indicates improvement in the indicator.
2. Data for 2024 for Russia pertain to Q1:2024.
3. Annual data for Japan pertain to the first quarter of next year.

Source: Financial Soundness Indicators, IMF.

as a safeguard against excessive risk taking. Banks in both AEs and EMDEs maintained leverage ratio well above the minimum Basel III requirement of 3.0 per cent. Among AEs, banks in the US continued to maintain high leverage ratio (Chart II.7a). The ECB, in December 2024, subjected banks to increased capital on account of the risk of excessive leverage. Bank-specific mandatory requirements under the leverage ratio Pillar 2 requirement ranged between 10 and 40 basis points, in addition to the minimum required 3 per cent leverage ratio.[35] Banks in EMDEs generally maintained higher leverage ratio than AEs and the ratio improved in many economies in 2024 (Chart II.7b).

4.6 Financial Market Indicators

II.36 Tariffs and trade policy uncertainty are associated with increased financial market volatility. After abrupt tightening post April 2, 2025 tariff announcement, the rebound in asset prices globally alongside a weaker dollar eased financial conditions around the world. Bank equity prices, particularly in the Euro area, fell sharply following the US tariff announcement on April 2, 2025, reflecting investor concerns about rising trade tensions and their potential impact on global growth and financial stability. However, post a 90-day pause on implementation of tariffs announced on April 9, the stock indices showed signs of recovery. Recently, stronger-than-expected European bank earnings, which were boosted by trading on market volatility, have supported their stock prices (Chart II.8a).[36] After the recent peak in April 2025, following the tariff announcement, the credit default swap (CDS) spreads have narrowed, reflecting improved market sentiment and lower perceived default risk (Chart II.8b).

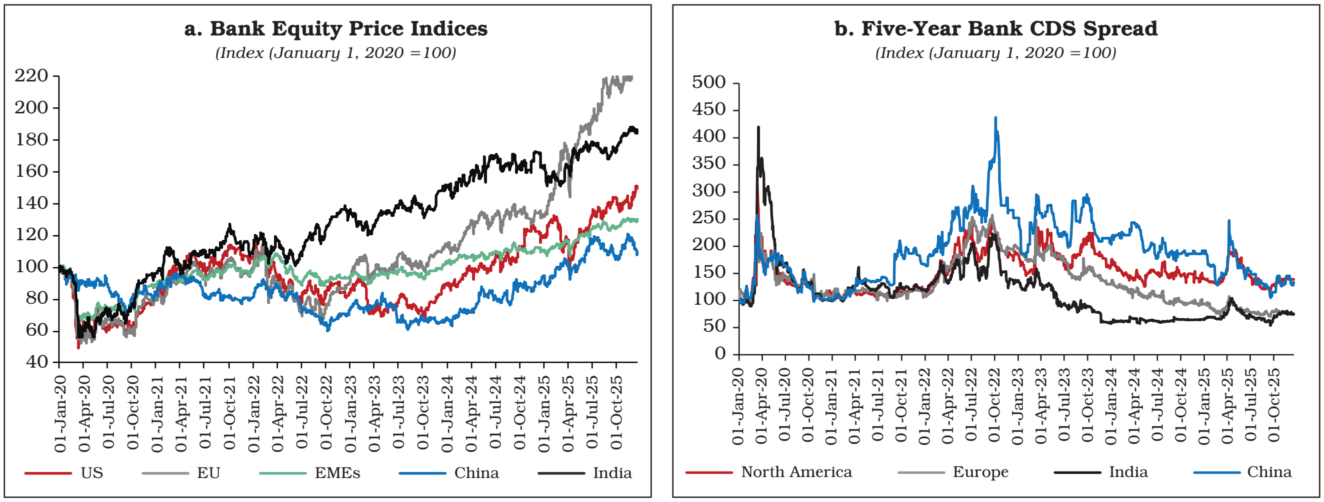
5. World's Largest Banks

II.37 The list of top 100 global banks, based on their Tier 1 capital, continues to be dominated

[35] Banking Supervision Press Release (2024). European Central Bank, December.

[36] Uysal, P., Lynch, K. & Zer, I. (2025). US Reciprocal Tariff Announcement and European Bank Stock Performance. FEDS Notes, Washington: Board of Governors of the Federal Reserve System, August 26.

Chart II.8: Market-based Indicators of Banks' Health

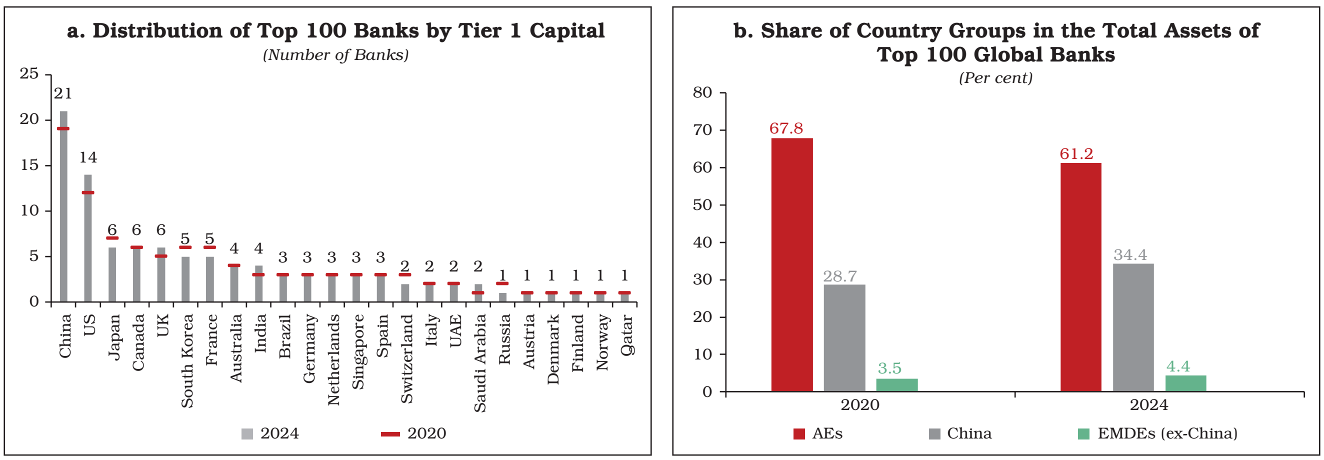


Sources: Refinitiv Datastream; and Bloomberg.

by China in 2024. (Chart II.9a). In terms of total assets, the distribution shifted between 2020 and 2024, with AEs holding a smaller share, and both China and other EMDEs increasing their respective shares (Chart II.9b). The trend of declining international business and growing focus on local markets continued for the largest banks in AEs.

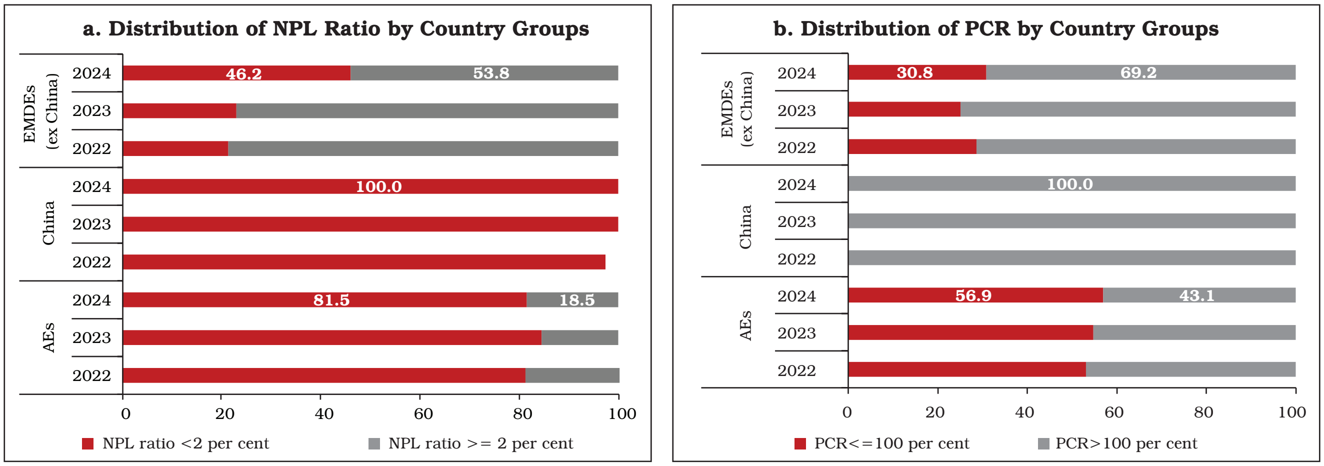
II.38 In 2024, the asset quality of banks in EMDEs improved, as reflected in the lower proportion of banks with NPL ratios greater than or equal to 2 per cent as compared to the previous year. In contrast, there was a marginal deterioration in the asset quality of banks in AEs. Additionally, all Chinese banks in the top 100 global banks list consistently maintained their NPL ratios below 2 per cent (Chart II.10a). The provision coverage ratio, an indicator of loss absorbing capacity, of all Chinese banks in the top 100 banks, remained above 100 per cent.

Chart II.9: Distribution of the Top 100 Global Banks by Tier 1 Capital



Notes: 1. Bar size higher than the dash line indicates increase in the number of banks in 2024 as compared to 2020.
2. Data labels represent number of banks in 2024.
Source: Banker Database, Financial Times.

Chart II.10: Asset Quality of the Top 100 Global Banks



NPL: Non-performing loans PCR: Provision coverage ratio
Note: Data in legends indicate per cent share of banks in total.
Source: Banker Database, Financial Times.

In other EMDEs, the share of banks with PCR more than 100 per cent decreased to 69.2 per cent in 2024 from 75.0 per cent a year ago. In contrast, more than 50 per cent of the banks in AEs had PCR below 100 per cent. (Chart II.10b).

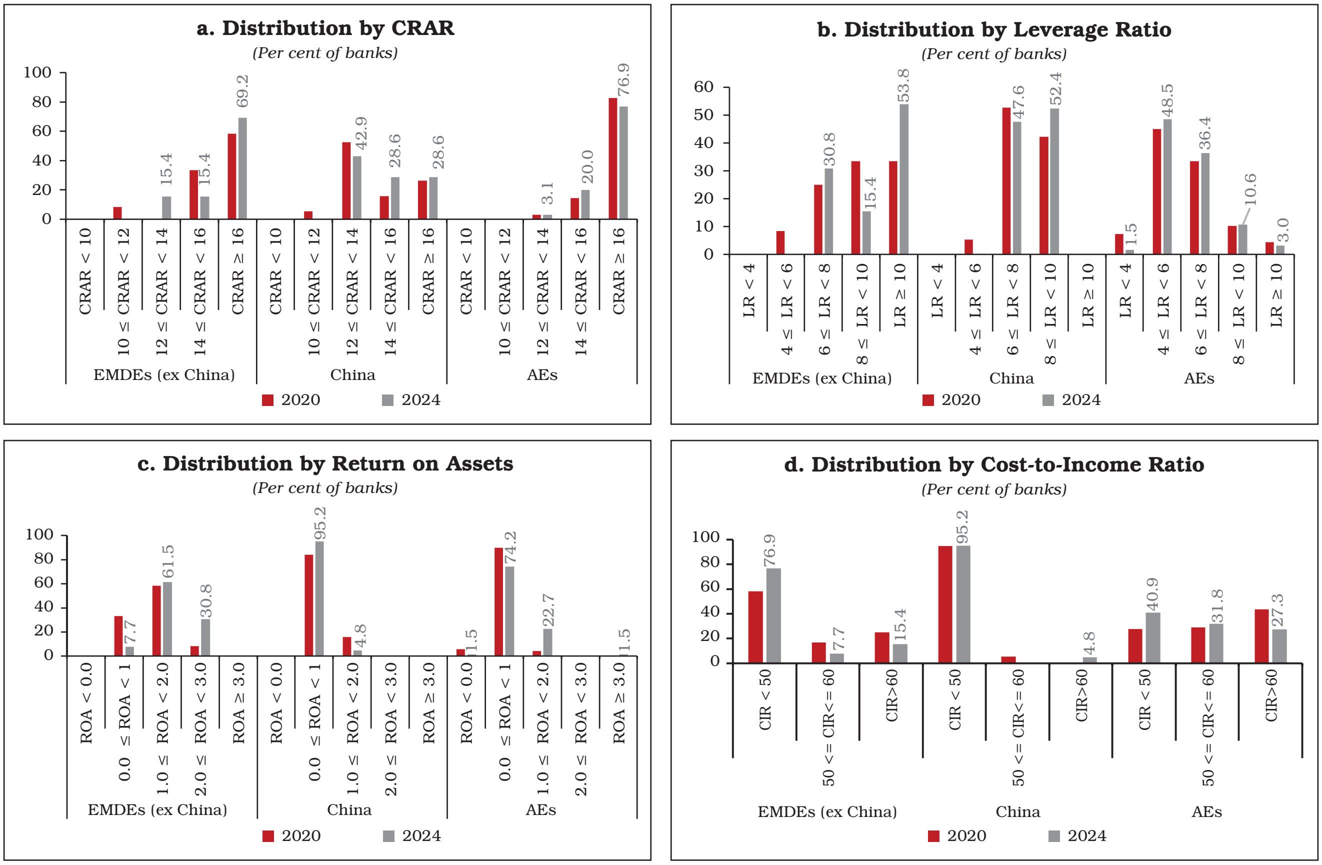
II.39 The global banking system showed resilience as banks remained well capitalised. In 2024, the modal class for capital adequacy ratio for banks in EMDEs (excluding China) and AEs was greater than or equal to 16 per cent, while the modal class of banks in China remained in the 12–14 per cent band. China and other EMDEs showed an increase in the share of banks in the highest capital bracket in 2024 *vis-à-vis* 2020 (Chart II.11a). Leverage ratio, calculated as ratio of Tier 1 capital to total assets, of large global banks strengthened in 2024. Banks in China and other EMDEs showed a notable improvement in leverage ratios, with modal class shifting upwards. In AEs, the modal class remained at four to six per cent (Chart II.11b).

II.40 In terms of profitability, top banks in EMDEs (excluding China) continued to demonstrate superior profitability than AE and Chinese counterparts. EMDEs had higher concentration of banks with return on assets (RoA) in the range of one to two per cent in 2024. In China, about 95 per cent of the banks had RoA in the range of zero to one per cent (Chart II.11c). Cost-to-income ratio is a key measure of operational efficiency of the bank. Chinese banks demonstrated greater efficiency than their counterparts in both emerging and advanced economies, as indicated by their consistently lower cost-to-income ratio (Chart II.11d).

6. Overall Assessment

II.41 The global macroeconomic conditions remained in a state of flux amidst trade tensions and geoeconomic fragmentations. The risks to growth outlook remain tilted to the downside. With growth moderating and inflation falling, most central banks continued with monetary policy easing cycles since 2024. The global banking sector remained broadly resilient supported by stronger capital positions and improved profitability, although bank credit growth moderated in 2024. While exposures to

Chart II.11: Soundness of the Top 100 Global Banks



Source: Banker Database, Financial Times.

non-bank financial institutions pose potential vulnerabilities, system-wide stress indicators remain contained.

II.42 Continued vigilance through robust supervision, effective macroprudential frameworks, and enhanced oversight of interconnectedness will be crucial to safeguard financial stability and to ensure that banks remain a reliable conduit for supporting global growth. Apart from prudent regulation and supervision, fiscal discipline and calibrated monetary policy actions also remain crucial for macro-financial stability in a state of heightened global uncertainty.

III DOMESTIC POLICY ENVIRONMENT

Monetary policy easing continued during 2025-26, with a neutral stance since June 2025, to strike the right growth-inflation balance amid the evolving macro-financial conditions. The Reserve Bank ensured comfortable system-level liquidity for smoother monetary policy transmission. The regulatory and supervisory policies focused on reducing compliance burden through consolidation of regulatory instructions, strengthening risk management, promoting harmonisation of prudential norms and addressing emerging risks. Efforts toward enhancing financial inclusion, improving governance standards and transparency, and promoting ease of doing business for regulated entities continued during the year.

Introduction

III.1 The Indian financial system remained resilient during 2024-25 and 2025-26, despite formidable global headwinds, including geopolitical risks, trade policy uncertainty and financial market volatility. This resilience was underpinned by a stable macroeconomic environment, sound macroeconomic policies and an agile regulatory and supervisory framework. The Reserve Bank remained watchful of the emerging risks and challenges to the financial sector, while continuing to support financial innovation and digital transformation. Regulatory efforts were further reinforced through a comprehensive set of measures including strengthening prudential norms, harmonising credit frameworks, improving liquidity risk management, enhancing customer protection *via* transparency and fair lending practices, including through digital and co-lending frameworks. Policy measures also focused on integrating climate-related financial risk management as well as leveraging technology to bolster cyber-resilience of the regulated entities (REs). These measures, in turn, helped ensure financial stability and resilience in a rapidly evolving global landscape.

III.2 Against this backdrop, the chapter provides an overview of the Reserve Bank's key policy initiatives across multiple domains. Section 2 outlines the major monetary and liquidity management measures undertaken during 2024-25 and 2025-26. Section 3 reviews key regulatory and supervisory initiatives undertaken by the Reserve Bank during the period under review. The policy measures related to technological innovations in the financial sector are discussed in Section 4, followed by financial market developments in Section 5. Sections 6 and 7 examine initiatives aimed at strengthening consumer protection, and measures to enhance credit delivery and promote financial inclusion, respectively. Section 8 details the initiatives undertaken to enhance the scope and reach of the payments system in a secure and inclusive manner. Section 9 concludes the chapter with an overall assessment.

2. The Macroeconomic Policy Setting

III.3 The Reserve Bank undertook a calibrated approach in the conduct of monetary policy to support economic growth, as easing inflationary pressures opened space for policy accommodation. After keeping the policy repo rate steady at 6.50 per cent through 2023-24 to Q3:2024-25, the monetary policy committee (MPC) reduced it by a cumulative 125 basis points (bps) – 25 bps each in February and April 2025, followed by a 50 bps reduction in June 2025 and the latest 25 bps reduction in December 2025 – to 5.25 per cent.

III.4 In the backdrop of benign domestic inflation outlook and moderate growth amidst global uncertainty, the MPC decided to change the policy stance from neutral to accommodative in April 2025. Acknowledging the limited space to further support growth amidst the fast-changing global economic situation, the MPC reverted to its neutral stance in June 2025 and maintained the stance thereafter, to strike the right growth-inflation balance. Alongside, the Reserve Bank provided sufficient liquidity to the banking system – through open market purchases, USD/INR Buy/Sell swaps and reduction in the cash reserve ratio (CRR) – to help improve monetary policy transmission.

Developments during 2024-25

III.5 The Reserve Bank undertook a slew of liquidity enhancing measures in Q4:2024-25 including term repo auctions, open market operation (OMO) purchases and USD/INR Buy/Sell swaps to inject durable liquidity into the banking system. The system liquidity, which had turned from surplus during July-November 2024 to deficit during December 2024-February 2025, returned to surplus by end-March 2025. During 2024-25, two-way fine-tuning operations were the key mechanism to manage frictional liquidity.

III.6 Reflecting the comfortable liquidity conditions, the weighted average call rate (WACR) – the operating target of monetary policy – remained broadly within the liquidity adjustment facility (LAF) corridor during 2024-25. Overnight rates in the collateralised segment moved in tandem with the WACR. In other segments of the money market, the average daily spread of certificates of deposit (CD) and commercial paper (CP) rates over treasury bill (T-bill) rates of corresponding maturity increased during 2024-25, mainly reflecting higher issuances of such instruments.

III.7 Government bond yields softened during the year on the back of lower market borrowing requirements by the central Government, inclusion of Indian government securities in the global bond indices[1], liquidity infusion by the Reserve Bank, onset of domestic monetary policy easing cycle, and positive global cues from easing US treasury yields. Corporate bond yields also eased tracking G-sec yields, *albeit* with a widening of spread.

Developments during 2025-26

III.8 In the wake of evolving macro-financial conditions and increased global uncertainty, the Reserve Bank continued providing sufficient liquidity to the banking system. Several measures taken by the Reserve Bank since December 2024 resulted in significant improvement in system liquidity during the year. To further ease liquidity

[1] JP Morgan Government Bond Index-Emerging Markets in June 2024, Bloomberg Emerging Market Local Currency Government Index in January 2025 and FTSE Russell Emerging Markets Government Bond Index in September 2025.

conditions and provide greater certainty to the banking system, the Reserve Bank in June 2025 announced a reduction in the CRR by 100 bps, from 4.0 per cent to 3.0 per cent of net demand and time liabilities (NDTL), which was implemented in a staggered manner between September and November 2025.[2]

III.9 Reflecting surplus liquidity, the WACR broadly hovered below the repo rate. After discontinuing the daily variable repo rate (VRR) auctions since June 11, 2025, due to surplus liquidity, variable rate reverse repo (VRRR) operations of varying maturity (2 to 7 days) commenced from June 27, 2025. They absorbed surplus liquidity and progressively aligned the WACR with the policy rate. The spread of WACR over the policy repo rate averaged (-)13 bps during 2025-26 (up to December 18), with overnight rates in collateralised segments moving in tandem. Yields on 3-month T-bills, CDs, and CPs issued by non-banking financial companies (NBFCs) moderated during 2025-26 (up to December 18), supported by comfortable liquidity in the banking system and policy rate cuts. In the bond market, yields at the shorter tenors declined significantly, while longer-end bond yields softened to a lesser extent on account of global uncertainty and demand-supply mismatches. The transmission of the cumulative 125 bps policy rate cut since February 2025 to banks' deposit and lending rates continued during the year.

Liquidity Management Framework

III.10 The Reserve Bank finalised the revised liquidity management framework on September 30, 2025, based on the recommendations of the internal working group (IWG) and feedback from stakeholders. The overnight weighted average call rate (WACR) remains the operating target of monetary policy, with continued monitoring of other overnight money market rates to ensure orderly evolution and smooth transmission. The symmetric corridor system is retained, with the policy repo rate at the center and the SDF and MSF forming the floor and ceiling, respectively, at ±25 bps.

III.11 To manage short-term/transient liquidity, the 14-day VRR/VRRR operations were discontinued as the main tool. This was replaced primarily by 7-day VRR/VRRR operations, while other tenors (overnight to 14 days) will be conducted at the Reserve Bank's discretion.

3. Regulatory and Supervisory Policies

III.12 The Reserve Bank of India recently undertook a major exercise to consolidate all the banking/non-banking instructions issued to its regulated entities over several decades. More than 9,000 instructions were screened and consolidated into 244 function-wise Master Directions (including seven new Master Directions on digital banking channel authorisation) organised across 11 types of REs including commercial banks, urban cooperative banks, non-banking financial companies, *etc.* Following the consolidation, 9,445 circulars were repealed. This is expected to significantly improve the accessibility of regulatory instructions for the REs, thereby reducing their compliance cost, as well as improve the clarity on applicability of each instruction to each type of entity. This also serves as a major push towards ease of doing business.

2 The reduction in the CRR announced on June 6, 2025, was carried out in four equal tranches of 25 bps each with effect from the fortnights beginning September 6, October 4, November 1, and November 29, 2025.

3.1 Credit Information Reporting

III.13 The Reserve Bank issued the Master Direction on Credit Information Reporting on January 6, 2025. The Directions established a standardised framework for reporting and dissemination of credit information, while safeguarding the confidentiality and security of sensitive credit data. It also provided mechanisms for consumers to access their credit information and grievance redressal on related matters. Subsequently, the Master Direction was withdrawn and the instructions contained therein for each RE were issued separately on November 28, 2025.

III.14 In view of the increasing reliance of credit institutions (CIs) on credit information reports (CIRs) in credit underwriting processes, Amendment Directions were issued on December 4, 2025 to ensure more frequent, accurate and timely reporting of credit information by CIs to credit information companies (CICs).

3.2 Project Finance

III.15 To establish a harmonised framework for financing of projects in infrastructure and non-infrastructure (including commercial real estate and commercial real estate-residential housing) sectors by REs, the Reserve Bank issued the Project Finance Directions on June 19, 2025, which have subsequently been subsumed under the consolidated Directions issued on November 28, 2025. The Directions adopt a principle-based approach to resolution of stress with stronger risk safeguards, while balancing flexibility for lenders. Key measures include rationalised timelines for extension of the date of commencement of commercial operations – up to three years for infrastructure projects and two years for non-infrastructure projects – along with calibrated standard asset provisioning starting with 1 per cent for under-construction projects (1.25 per cent for commercial real estate), which increases with each quarter of deferment. Overall, the framework seeks to support timely and disciplined financing of project while adequately mitigating risks associated with execution delays in under-construction exposures.

3.3 Review of Risk Weights on Microfinance Loans

III.16 The risk weight on consumer credit, excluding housing, education, vehicle loans, and loans secured by gold, was increased to 125 per cent on November 16, 2023. Subsequently, on February 25, 2025, the Reserve Bank revised the risk weight for microfinance loans, in the nature of consumer credit, to 100 per cent. Other microfinance loans fulfilling the qualifying criteria of regulatory retail portfolio shall continue to attract a risk weight of 75 per cent, subject to compliance with laid out policies and procedures. Additionally, all microfinance loans extended by regional rural banks (RRBs) and local area banks (LABs) shall attract a risk weight of 100 per cent.

3.4 Exposures of Scheduled Commercial Banks to Non-Banking Financial Companies

III.17 To address the growing reliance of NBFCs on scheduled commercial banks (SCBs) for funding, the Reserve Bank, on November 16, 2023, increased the applicable risk weights on SCBs' exposures to NBFCs by 25 percentage points in cases where the existing risk weight based on external ratings was below 100 per cent. Following a review, on February 25, 2025, risk weights on bank lending to NBFCs were restored to the levels aligned with the respective external ratings, in cases where such ratings prescribe a risk weight below 100 per cent.

3.5 Amendments to Liquidity Coverage Ratio Framework

III.18 To address concomitant increase in liquidity risks due to increased usage of technology, strengthen banks' short-term liquidity resilience, and further align with global standards, the Reserve Bank revised the Basel III liquidity coverage ratio (LCR) norms to be effective from April 1, 2026. The revised guidelines, *inter alia,* prescribe additional 2.5 per cent run-off factor[3] for retail deposits and unsecured wholesale funding from non-financial small business customers enabled with internet and mobile banking, and that the market price of government securities denominated as Level 1 high quality liquid assets would be adjusted for applicable haircuts in line with the margin requirements under the LAF and marginal standing facility (MSF). The guidelines clarified that other legal entities category, where 100 per cent run-off rate applies, shall include deposits and other funding from banks/insurance companies and financial institutions, and entities in the business of financial services, while non-financial corporates (eligible for 40 per cent run-off rate) shall also include trusts, partnerships, limited liability partnerships, and association of persons.

3.6 Digital Lending

III.19 Digital lending has emerged as a key innovation in India's financial system. At the same time, its rapid growth has led to concerns such as mis-selling, data-privacy breaches, unfair practices, opaque interest rates and fees, and unethical recovery methods, especially with the involvement of third-party lending service providers (LSPs). To safeguard public confidence, improve transparency and ensure responsible conduct, the Reserve Bank issued the Digital Lending Directions on May 8, 2025, consolidating all earlier regulatory instructions on digital lending (subsequently consolidated under Directions on Credit Facilities issued on November 28, 2025). The Directions introduced two new measures: (i) LSPs partnering with multiple REs must present loan offers in an unbiased manner to allow borrowers to compare them objectively to enhance borrower choice, ensure fair competition among lenders, and reduce the risk of biased product placement; and (ii) creation of a central directory of digital lending apps to help borrowers verify their legitimacy and association with REs and curb fraudulent practices.

3.7 Lending Against Gold and Silver Collateral

III.20 In order to address prudential and conduct-related gaps across REs and move towards a principle-based and harmonised framework, the Reserve Bank issued the Lending Against Gold and Silver Collateral Directions on June 6, 2025. For improving credit availability to borrowers requiring small value loans, the regulatory ceilings on loan-to-value (LTV) ratio for consumption loans against gold and silver collaterals were recalibrated. The previous LTV ceiling of 75 per cent was increased to 85 per cent for loans up to ₹2.5 lakh, and to 80 per cent for loans above ₹2.5 lakh but up to ₹5 lakh, while retaining the earlier limit of 75 per cent for loans above ₹5 lakh. The specific limits on amount of bullet repayment of loans against

[3] The runoff factor represents the estimated percentage of deposits a bank expects to be withdrawn or transferred during a period of stress.

gold collateral earlier applicable to co-operative banks and RRBs were removed.

III.21 To support borrowers engaged in industries using gold as input and to widen access to credit, the Reserve Bank amended the Lending Against Gold and Silver Collateral Directions on September 29, 2025. While banks are generally prohibited from lending for purchase of gold or lending against the collateral of primary gold/ silver, earlier guidelines permitted SCBs to grant need-based working capital loans to jewellers. The Reserve Bank has extended the permission further to Tier 3 and 4 UCBs to provide need-based working capital finance to borrowers who use gold or silver as a raw material, or as an input in their manufacturing or industrial processing activity.

3.8 Know Your Customer Amendments

III.22 In order to further ease the process of know your customer (KYC) updation for the customers, the Reserve Bank amended the KYC Directions on June 12, 2025. In respect of an individual customer, who is categorised as low risk, the RE shall allow all transactions and ensure the updation of KYC within one year of its due date for KYC or by June 30, 2026, whichever is later. Accounts of such customers shall be subjected to regular monitoring. Banks are allowed to use business correspondents (BCs) to obtain self-declarations from the customers in case of no change in KYC or change only in the address details, either electronically after biometric e-KYC authentication or in physical form until electronic options are available, with BCs providing acknowledgment and banks retaining ultimate responsibility. Additionally, the REs must send at least three advance notices, including one by letter, before the KYC due date, and at least three reminders after the due date, with easy to understand instructions for updating KYC, escalation options for seeking help and consequences of non-compliance, ensuring all communications are recorded, with implementation required by January 1, 2026. Banks are advised to organise camps and launch intensive campaigns, particularly in rural and semi-urban branches to clear the large pendency in periodic updation of KYC accounts.

III.23 To ease the process for customers, especially those with direct benefit transfers (DBT)/electronic benefit transfer (EBT), *Pradhan Mantri Jan-Dhan Yojana* (PMJDY), and scholarship accounts, the Reserve Bank amended instructions on updation/periodic updation of KYC on June 12, 2025. The revised framework allows BCs to assist in KYC updation, in addition to existing options such as *Aadhaar* OTP, DigiLocker, video customer identification process (V-CIP), and self-declarations through digital and non-digital channels.

III.24 To further enhance accessibility, inclusivity, and clarity in KYC compliance, the Reserve Bank issued amendments to the KYC Directions again in August 2025. The key changes include: (i) REs to ensure that onboarding or KYC updation applications are not rejected without due consideration and reasons for rejection are duly recorded; (ii) extending the reliance on customer due diligence done by a third party for occasional transactions of ₹50,000 or more and any international money transfers; (iii) mentioning Aadhaar Face Authentication as one of the modes of Aadhaar e-KYC authentication; and (iv) ensuring liveness checks during V-CIP shall not exclude persons with special needs.

3.9 Inoperative Accounts/ Unclaimed Deposits in Banks

III.25 The Reserve Bank amended its instructions on inoperative accounts and unclaimed deposits on June 12, 2025. Banks must now allow customers to update KYC for reactivating such accounts at all branches (including non-home branches), and also provide the option of video KYC (V-CIP). Banks may use authorised BCs to facilitate KYC updation for activation of these accounts.

III.26 To further the objective of reducing the stock of unclaimed deposits and fresh accretion to the Depositor Education and Awareness (DEA) Fund, the Reserve Bank, on September 30, 2025, launched the Scheme for Facilitating Accelerated Payout – Inoperative Accounts and Unclaimed Deposits, for a period of one year from October 1, 2025 to September 30, 2026. During this period, banks will be eligible for differential pay-out based on period of inoperativeness of account and amount of unclaimed deposits, for the inoperative accounts reactivated and unclaimed deposits paid to rightful claimants.

3.10 Pre-payment Charges on Loans

III.27 To ensure affordable and transparent financing for micro and small enterprises (MSEs) and prevent divergent practices and restrictive clauses by REs that cause customer grievances, the Reserve Bank issued the Pre-payment Charges on Loans Directions, 2025 on July 2, 2025, to be applicable in case of loans and advances sanctioned or renewed on or after January 1, 2026. Under these Directions, the REs shall, *inter alia*, adhere to the following Directions for floating rate loans and advances: (i) no pre-payment charges on loans granted to individuals for non-business purposes; and (ii) no pre-payment charges on loans granted by specified categories of REs for business purposes to individuals and MSEs subject to the threshold limit (*e.g.*, loans up to ₹50 lakh for small finance banks (SFBs), RRBs, rural co-operative banks (RCBs), NBFCs-Middle Layer and Tier 3 urban co-operative banks (UCBs)).

3.11 Investment in Alternative Investment Fund

III.28 To update and streamline regulatory guidelines for investments by REs in alternative investment funds (AIFs), the Reserve Bank issued Directions on July 29, 2025. Key provisions of the directions include: (i) individual RE contributions to an AIF scheme cannot exceed 10 per cent of its corpus, and collective contributions by all REs shall not exceed 20 per cent; (ii) if an RE invests over five per cent in an AIF scheme that has downstream non-equity exposure to the RE's debtor company, it must make 100 per cent provisioning for the proportionate exposure, capped at the direct exposure amount; and (iii) if the RE's contribution is in the form of subordinated units, the entire investment must be deducted from its capital funds, proportionately from both Tier 1 and Tier 2 capital, wherever applicable.

3.12 Co-Lending Arrangements

III.29 In order to provide a clear regulatory framework and broaden the scope of co-lending arrangements (CLAs) between REs, the Reserve Bank issued the Co-Lending Arrangements Directions on August 6, 2025. These Directions, effective January 1, 2026, aim to ensure prudential and conduct standards, transparency, and operational clarity. Key measures include: (i) expanding the co-lending framework to all loans – priority sector lending (PSL) or otherwise; (ii) reducing minimum loan retention by the originating lender from 20 per cent to 10 per cent; (iii) permitting default loss guarantee cover up to 5 per cent of outstanding loans; and (iv) mandating transfer of loan exposures within 15 days to avoid regulatory arbitrage. The Directions also strengthen borrower safeguards and market discipline. Collectively, these measures aim to encourage growth of the co-lending market while improving underwriting standards, ensuring transparency, and preventing misuse of co-lending structures.

3.13 Non-Fund Based Credit Facilities

III.30 To harmonise and consolidate guidelines on non-fund based (NFB) credit facilities such as guarantees, letters of credit, and co-acceptances as well as to broaden funding sources for infrastructure financing, the Reserve Bank issued the Directions on Non-Fund Based Credit Facilities on August 6, 2025. This framework explicitly recognises electronic guarantees and also introduces prudential safeguards, including specific limits on the issuance of guarantees by co-operative banks, RRBs and LABs. Key changes with regard to partial credit enhancement (PCE) guidelines include expansion of scope and rationalisation of the capital requirements for PCE to balance prudential oversight with market development.

3.14 Framework for Formulation of Regulations

III.31 To ensure that the formulation and amendment of regulations[4] follow a transparent, consultative, and standardised approach, the Reserve Bank issued Framework for Formulation of Regulations on May 7, 2025. The framework establishes broad principles for drafting, amending, and reviewing regulations by the Reserve Bank. Key processes include: (i) public consultation through issuance of a draft and a statement of particulars highlighting, *inter alia*, the objective of the regulation; (ii) impact analysis (to the extent feasible); (iii) issuance of general statement of response to the public comments received; and (iv) periodic review taking into account aspects such as the stated objectives, experience gained, relevance in a changed environment and the scope for reducing redundancies.

3.15 Nomination Facility Directions

III.32 To align the regulatory instructions on nomination facility with amendments in the Banking Regulation Act, 1949 and Nomination Rules, the Reserve Bank issued Nomination Facility in Deposit Accounts, Safe Deposit Lockers and Articles kept in Safe Custody with the Banks Directions on October 28, 2025. Under these Directions, all banks are required to offer nomination facility and must inform customers about the facility, record and acknowledge nominations after due verification within three working days of receiving the application form, and display “Nomination Registered” with nominee details in passbooks /statement of account /term deposit receipt.

3.16 Settlement of Claims in Respect of Deceased Customers of Banks

III.33 To reduce distress and inconvenience faced by the families of deceased customers and to simplify procedures for settlement of claims, the Reserve Bank issued Settlement of Claims in respect of Deceased Customers of

4 For the purpose of this Framework, “Regulations” include all regulations, directions, guidelines, notifications, orders, policies, specifications, and standards as issued by the Bank in exercise of the powers conferred on it by or under the provisions of the Acts and Rules.

Banks Directions on September 26, 2025. For accounts with a valid nomination or survivorship clause, banks shall pay balances directly to the nominee or survivor without requiring legal documentation such as Succession Certificates, Letter of Administration, Probate of Will, provided identity of the nominee /survivor and deceased status of the customer are verified and no court order restrains the bank from making or nominee /survivor from receiving the payment. For accounts without nominee / survivorship clause, banks shall set a threshold limit as prescribed in the circular or a higher limit as may be decided by them for settlement of claim. Further, documents as prescribed in the circular shall be obtained instead of being left to the discretion of the banks. Access to safe deposit lockers and articles kept in safe custody follows similar simplified rules. Banks must settle claims within 15 calendar days otherwise compensation shall be paid to the claimant.

3.17 Guidelines on Settlement of Dues of Borrowers by Asset Reconstruction Companies

III.34 A comprehensive review of the extant guidelines applicable to one-time settlement (OTS) of dues by asset reconstruction companies (ARCs) was undertaken and revised guidelines were issued on January 20, 2025. These guidelines, *inter alia*, prescribe that: (i) settlement should be done with the borrower after all possible ways to recover the dues have been examined and OTS is considered to be the best option available; (ii) settlement of accounts having aggregate outstanding value of more than ₹1 crore as well as of all accounts of borrowers classified as fraud or wilful defaulter should be done after the proposal is examined by an independent advisory committee (IAC) of professionals followed by a review by the Board of Directors comprising at least two independent directors; and (iii) settlement of accounts having aggregate outstanding value of less than ₹1 crore shall be done as per the Board approved policy, subject to the condition that any official who was part of the acquisition of the concerned financial asset shall not be part of processing/ approving the OTS proposal of the same financial asset.

3.18 Interest Rate on Advances

III.35 To benefit the borrowers, while providing greater flexibility to the lenders, the Reserve Bank revised the framework governing floating rate loans *vide* amendment to the Interest Rate on Advances Directions on September 29, 2025. Previously, while floating rate retail and micro, small and medium enterprise (MSME) loans were benchmarked to an external benchmark, banks could alter the spread components (other than credit risk premium) in such interest rates only once in three years. Further, the REs were mandated to offer borrowers the option to switch to fixed rates in respect of equated monthly instalments (EMI) based personal loans at the time of reset of interest rates. The amendment allows banks to reduce the other spread components earlier than three years for customer retention, on justifiable grounds, in a non-discriminatory manner, and in terms of the bank's policy. Further, REs may, at their option, provide a choice to the borrowers to switch over to a fixed rate at the time of reset, as per their Board approved policy.

3.19 Basel III Capital Regulations – Additional Tier 1 Capital Perpetual Debt Instruments Limit

III.36 To provide greater headroom to banks for augmenting their Tier 1 capital *via* overseas markets, the Reserve Bank revised the existing eligible limit applicable to perpetual debt instruments denominated in foreign currency/ rupee denominated bonds on September 29, 2025.

3.20 Gold Metal Loans

III.37 With a view to harmonising the extant Gold Metal Loan (GML) scheme, across eligible borrower segments, and providing more operational freedom to banks, the Reserve Bank has issued a comprehensive and principle-based regulations on GML on December 04, 2025[5] after the requisite public discussion. The key changes include: (i) permitting a bank to fix repayment tenor for GML to jewellers (other than jewellery exporters) as per its policy, in alignment with working capital cycle of the jeweller, subject to a ceiling of 270 days (revised from the existing 180 days); and (ii) expanding eligibility by permitting GML to jewellers who are not manufacturers themselves but outsource their manufacturing of jewellery on job basis to manufacturing firms /artisans / goldsmiths.

3.21 Large Exposures Framework and Intra-group Transactions and Exposures

III.38 In order to clarify prudential treatment of exposures of foreign bank branches in India to their head offices and other group entities, as also to harmonise certain norms under the large exposures framework (LEF) and intra-group transactions and exposures (ITE), the Reserve Bank on December 4, 2025 issued Commercial Banks – Concentration Risk Management Amendment Directions. The key changes include: (i) exposures of Indian branches of foreign banks to distinct legal entities within their own group shall be reckoned under ITEs. Further, exposures of Indian branches of foreign banks to their Head Office shall be reckoned under LEF and such exposures, centrally cleared or otherwise shall be considered on a gross basis; (ii) extension in the scope of credit risk mitigation (CRM) benefit for all exposures of foreign bank branches to their Head Office; (iii) alignment of ITE computation with LEF by permitting use of credit conversion factors and CRM offsets; and (iv) linking the ITE threshold to Tier 1 capital instead of paid-up capital and reserves.

3.22 Digital Banking Channels Authorisation

III.39 Recognising the growing importance of internet and mobile banking services and to facilitate the growth of digital banking services, a consolidated and updated framework for launching Digital Banking Channels for REs was issued on November 28, 2025.

3.23 Instructions on the Forms of Business and Investments by Banks

III.40 Keeping in view the need to ring fence banks from risk bearing activities as well as to have a streamlined bank group structure, final instructions on the Forms of Business and Investments by Banks were issued on December 5, 2025. The key provisions include: (i) insertion of the principle that each line of business shall preferably be carried out by a single entity in the bank group; (ii) prescription of specific conditions for group entities of banks undertaking lending business; (iii) requirement of framework for group-wide capital planning and allocation by banks; (iv) relaxation in general permission limit for undertaking investment in an entity by the

[5] Reserve Bank of India (Commercial Banks - Credit Facilities) Amendment Directions, 2025 and Reserve Bank of India (Small Finance Banks - Credit Facilities) Amendment Directions, 2025.

bank group (with or without investment by the bank); and (v) limiting sponsorship of a bank for ARCs to one ARC, with aggregate shareholding of a bank group in an ARC restricted to less than 20 per cent.

3.24 Transaction Account Directions

III.41 In order to enforce credit discipline among borrowers as well as to facilitate better monitoring by lenders, restrictions were placed on the operation of transaction accounts[6], for ensuring that cashflows of borrowers are routed through the lending bank(s). The instructions were reviewed to rationalise and simplify the restrictions while maintaining their underlying intent. Final guidelines were issued by the Reserve Bank in this regard on December 11, 2025. As cash credit account is primarily a working capital facility, no restrictions are placed on such accounts. Further, banks having minimum 10 per cent share either in banking system's aggregate exposure to the borrower; or in banking system's aggregate fund-based exposure to the borrower[7] can maintain current accounts and overdraft accounts without restrictions.

3.25 Withdrawal of Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism

III.42 The Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism were introduced in August 2016 with an objective to address the concentration risk arising from the aggregate credit exposure of the banking system to a single large corporate and encourage such large corporates to diversify their funding requirements. Upon a review, considering, *inter alia,* the changes evident in the profile of bank funding to the corporate sector since the introduction of the guidelines, it was proposed to withdraw the guidelines on October 1, 2025. After examination of the stakeholder's feedback, it was decided to repeal the extant instructions on Market Mechanism Framework on December 4, 2025. While the Large Exposures Framework addresses concentration risk at an individual bank-level, concentration risk at the banking system level will be monitored and managed as part of financial stability surveillance.

Non-Banking Financial Companies

3.26 Review of Qualifying Assets Criteria for Non-Banking Financial Companies – Microfinance Institutions

III.43 Based on recent developments in the microfinance sector, feedback from the industry, and to allow non-banking financial companies – microfinance institutions (NBFC-MFIs) to diversify their assets into relatively less vulnerable sectors, the Reserve Bank revised the qualifying asset (QA) criteria for NBFC-MFIs from the earlier prescription of 75 per cent of total assets to 60 per cent of total assets (netted off by intangible assets) on June 6, 2025.

Co-operative Banks

3.27 Review and Rationalisation of Prudential Norms of Urban Co-operative Banks

III.44 With a view to enhancing the credit flow to individual housing loans while balancing the exposures to riskier real estates, prudential

6 Current accounts, cash credit accounts and overdraft accounts are collectively referred to as transaction accounts.

7 These conditions are applicable for customers to whom the exposure of the banking system is ₹10 crore or more, while in case of less than ₹10 crore aggregate exposure, bank can maintain current account or overdraft account without any restrictions.

limits and reference parameter of UCBs' loans to real estate exposures were rationalised on February 24, 2025. The prudential ceilings on a UCB's aggregate exposures to 'non-priority sector housing loans to individuals', and 'real estate sector – excluding housing loans to individuals' were revised to 25 per cent and 5 per cent, respectively, of its total loans and advances from the previous aggregate ceiling of 10 per cent of total assets for all real estate exposures. No aggregate exposure limit is prescribed for housing loans to individuals eligible to be classified as priority sector. The limits on quantum of individual housing loans offered by Tier 3 and Tier 4 UCBs were enhanced to ₹2 crore and ₹3 crore, respectively, from the previous limit of ₹1.40 crore. The capital-linked monetary ceiling for a small value loan of a UCB was also increased from 0.2 per cent to 0.4 per cent of its Tier 1 capital, while simultaneously increasing the static cap on such loans from ₹1 crore to ₹3 crore. It will be pertinent to mention that UCBs are required to have at least 50 per cent of their aggregate loans and advances comprising of small value loans by March 31, 2026.

3.28 Business Authorisation for Co-operative Banks

III.45 To harmonise the framework for authorisation, regulation, and reporting of business activities of UCBs, state co-operative banks (StCBs), and district central co-operative banks (DCCBs), the Reserve Bank issued the Urban Cooperative Banks – Branch Authorisation Directions, 2025 and Rural Cooperative Banks – Branch Authorisation Directions, 2025 on December 4, 2025. The Directions replaced the earlier financially sound and well managed (FSWM) criteria applicable to UCBs with new eligibility criteria for business authorisation (ECBA) and same was extended to RCBs as well. Accordingly, banks are required to maintain a capital to risk weighted assets ratio (CRAR) of at least one percentage point above the regulatory minimum, net non-performing assets (NPAs) of not more than 3 per cent and net profits during the preceding two financial years, adhere to CRR/statutory liquidity ratio (SLR) prescriptions, and implement core banking solution (CBS) and governance standards.

III.46 UCBs are categorised into four tiers based on deposit size, with higher tiers subject to stricter prudential norms. Large UCBs in Tier 3 and 4, with minimum assessed net worth of ₹50 crore and ECBA compliance, were allowed to expand their operations beyond their state, that is, up to two states per year subject to Reserve Bank's approval along with sufficient headroom capital for at least five branches in each proposed state. Further, each UCB was allowed to extend to whole of its district and extend to up to three additional districts within the state of registration if ECBA-compliant, without prior approval.

3.29 Climate Change Risks

III.47 The regulatory landscape for climate change risks is evolving considering the global developments as well as the maturity of the domestic ecosystem. In this regard, the Reserve Bank is following a building block approach, focusing on development of specific capacities and technical expertise in the REs. Towards this end, extensive stakeholder discussions and capacity building initiatives were carried out over the year, which also included sensitising the board members and top management of the REs. The work regarding the operationalisation of Reserve Bank – Climate Risk Information System (RB-CRIS)[8] is underway.

4. Technological Innovations

III.48 The Reserve Bank introduced a series of technological advancements during the review period to strengthen and modernise the financial system. Key measures included: (i) the release of the framework for responsible and ethical enablement of artificial intelligence (AI) to promote safe and transparent adoption of artificial intelligence in financial services; (ii) the rollout of PRAVAAH, a unified web-based portal digitising all regulatory applications; and (iii) the introduction of exclusive internet domains like .bank.in and .fin.in to curb cyber fraud. Further, in order to strengthen the minimum two factor authentication framework and encourage innovation, the Reserve Bank issued a principle-based authentication framework, which will come into effect from April 1, 2026. Together, these efforts reflect the Reserve Bank's commitment to fostering a secure, seamless, and inclusive digital economy in India.

4.1 Framework for Responsible and Ethical Enablement of AI

III.49 The Reserve Bank released the Framework for Responsible and Ethical Enablement of AI (FREE-AI) on August 13, 2025, outlining a comprehensive approach to foster responsible and ethical adoption of AI in financial services, balancing innovation with risk mitigation. AI is recognised as a transformative technology, offering benefits in financial inclusion, efficiency, and customer service, while posing risks like bias, opacity, cybersecurity threats, and data privacy concerns. To guide AI adoption, the FREE-AI Committee conducted surveys, stakeholder consultations, and developed seven Sutras – Trust, People First, Innovation over Restraint, Accountability, Fairness & Equity, Understandable by Design, and Safety, Resilience & Sustainability – serving as core principles.

III.50 The Framework promotes innovation through three pillars — Infrastructure, Policy, and Capacity — including initiatives such as shared financial sector data platforms, AI innovation sandboxes, indigenous sector-specific AI models, integration with digital public infrastructure (DPI), funding support, and capacity-building programmes for both REs and the regulators. To mitigate risks, it establishes governance, protection, and assurance measures: Board-approved AI policies, data lifecycle and model governance, AI-specific product approvals, cybersecurity, red-teaming, business continuity planning, incident reporting, AI inventories, audits, and public disclosures.

III.51 Two distinct surveys conducted by the Reserve Bank revealed limited AI adoption among smaller UCBs, NBFCs, and ARCs, primarily using simple rule-based or moderately complex machine learning (ML) models, with larger banks exploring early-stage AI applications. Adoption barriers include high costs, talent gaps, insufficient data, and supportive infrastructure, while inclusion-oriented use cases show potential in alternate credit scoring, multilingual chatbots, automated KYC and agent banking.

4.2 Platform for Regulatory Application, Validation and AutHorisation (PRAVAAH)

III.52 PRAVAAH, a secure, centralised web-based portal for digitising the submission

8 To bridge climate-related data gaps and enable comprehensive climate risk assessments by the REs, RBI announced creation of a data repository, *viz.*, Reserve Bank – Climate Risk Information System (RB-CRIS) in October 2024.

and processing of applications, requests and references from REs and individuals was successfully launched on May 28, 2024, to ensure seamless and faster delivery of services in a transparent manner. It is integrated with *Sarthi*, the internal workflow application of the Reserve Bank, thereby ensuring end-to-end digitisation of the entire processing lifecycle of applications. PRAVAAH has facilitated ease of doing business for the REs and individuals. The Reserve Bank had mandated that from May 1, 2025, all REs must submit applications for regulatory authorisations, licenses, and approvals exclusively through the PRAVAAH portal. As on December 18, 2025, forms pertaining to 191 services are available in PRAVAAH.

4.3 Exclusive Internet Domains –.bank.in and .fin.in

III.53 To combat the rising instances of fraud in digital payments, an exclusive internet domain for Indian banks in the form of '.bank.in' was introduced on April 22, 2025, with a proposal to later extend it to non-bank entities in the financial sector through '.fin.in'. These domains aim to help customers identify legitimate bank websites and reduce the risk of phishing and other cyberattacks. As of December 1, 2025, 638 banks have initiated the process of obtaining the domain, of which 479 banks have migrated to the '.bank.in' domain.

4.4 Authentication Mechanisms for Digital Payment Transactions

III.54 To strengthen the safety and resilience of India's growing digital payments ecosystem, the Reserve Bank issued the Authentication Mechanisms for Digital Payment Transactions Directions on September 25, 2025. Effective April 1, 2026, the Directions require that at least one of the factors of authentication is dynamically created or proven. It emphasises robustness, interoperability, and risk-based checks, while making issuers fully liable for customer losses in case of non-compliance. It also mandates compliance with the Digital Personal Data Protection Act, 2023 and introduces mechanisms for validating cross-border card-not-present transactions, thereby enhancing both security and trust in digital transactions.

5. Financial Markets

III.55 Financial markets in India play a pivotal role in the country's economic development by facilitating efficient mobilisation and allocation of capital. By providing avenues for investment and liquidity, financial markets contribute to price discovery, risk management, and long-term capital formation. Furthermore, they support economic growth by encouraging savings, enhancing financial inclusion, and enabling businesses to raise funds for expansion. As India continues to liberalise and digitalise its financial ecosystem, the significance of well-regulated and deep financial markets becomes increasingly central to sustaining inclusive and resilient economic progress. In this direction, the Reserve Bank has continued to advance efforts to deepen and develop financial markets by simplifying regulations and encouraging innovations.

5.1 Repurchase Transactions (Repo) Directions

III.56 The extant directions on repo transactions included government securities issued by the central and state Governments, listed corporate bond and debentures, commercial papers, certificate of deposits and units of debt ETFs as eligible securities. On a review, municipal debt securities have been included as eligible securities for repo transactions. This would help improve the liquidity of such securities and provide a fillip to the market for municipal bonds while also adding to the suite of instruments available for the repo and reverse repo markets.

5.2 Review of the Regulatory Framework for Electronic Trading Platforms

III.57 Strengthening the regulatory framework for electronic trading platforms, the Master Directions on Electronic Trading Platforms, issued on June 16, 2025, replaced the 2018 framework facilitating transactions in eligible instruments like securities, money market instruments, foreign exchange instruments, and derivatives, on any electronic system excluding recognised stock exchanges. The framework prescribes detailed requirements for operations, risk management, and compliance, including fair access rules, due diligence in onboarding, transparent pre-trade and post-trade disclosures, dispute resolution, surveillance, information security, annual information technology (IT)/ information systems (IS) audits, business continuity planning, and strict data preservation norms. The framework also streamlines authorisation, adapts to emerging technologies like algorithmic trading, and balances regulatory oversight with operational flexibility for exempt entities.

5.3 Access of SEBI-registered Non-bank Brokers to Negotiated Dealing System-Order Matching

III.58 With a view to widening access, non-bank brokers registered with SEBI have been granted direct access to Negotiated Dealing System-Order Matching (NDS-OM) for secondary market transactions in government securities on behalf of their clients. These brokers may access NDS-OM subject to the regulations and conditions laid down by the Reserve Bank in this regard.

5.4 Introduction of Forward Contracts in Government Securities

III.59 To enable long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles, forward contracts in government securities have been introduced, which will also facilitate efficient pricing of derivatives that use bonds as underlying instruments.

5.5 Investments by Foreign Portfolio Investors in Corporate Debt Securities through the General Route – Relaxations

III.60 To provide greater ease of investment to foreign portfolio investors (FPIs), the Reserve Bank, on May 8, 2025, announced relaxations for FPIs investing in corporate debt securities under the General Route. Specifically, the requirement to adhere to the short-term investment limit and the concentration limit in debt instruments, has been withdrawn with immediate effect.

5.6 Extension of Market Timings for Money Market Segments

III.61 With a view to facilitating market development, enhancing price discovery, and optimising liquidity requirements, the Reserve Bank announced changes in the market timings of both the collateralised and uncollateralised segments of the money market. The market trading timings for call money transactions have been extended from 5:00 PM to 7:00 PM with effect from July 1, 2025, and for market repo and triparty repo (TREP) transactions, from 2:30 PM/3:00 PM to 4:00 PM with effect from August 1, 2025.

6. Consumer Protection

III.62 The Reserve Bank's customer protection policies reinforced its commitment to safeguarding consumer rights, improving service quality, enhancing awareness, and ensuring robust grievance redressal, with focus on combating emerging digital frauds. For consumer awareness, the Reserve Bank has been undertaking several initiatives including conducting town-hall meetings and awareness programmes, with a focus on specific groups such as students, senior citizens and women, and distributing awareness booklets to the trainees of Rural Self Employment Training Institutes (RSETIs) through their sponsor banks.

6.1 Institutional Safeguards against Voice and SMS Financial Frauds

III.63 To prevent financial frauds using voice calls and SMS, the Reserve Bank issued guidelines on January 17, 2025, directing all REs to strengthen safeguards against misuse of customer mobile numbers in frauds. REs were advised to utilise the mobile number revocation list on the Digital Intelligence Platform (DIP) of the Department of Telecommunications (DoT) to monitor and clean customer databases. REs were required to develop standard operating procedure (SOP) to, *inter alia*, verify and update registered mobile numbers, and enhance monitoring of accounts linked to revoked numbers to prevent fraudulent activities. REs were also advised to share their verified customer care numbers to DIP to be published on "*Sanchar Saathi*" Portal, to use only '1600xx' numbering series to undertake service/transactional calls and '140xx' numbering series for promotional calls, follow Telecom Regulatory Authority of India (TRAI) commercial communication guidelines, and undertake extensive awareness measures.

7. Credit Delivery and Financial Inclusion

III.64 The Reserve Bank has consistently recognised that meaningful financial inclusion requires both access and awareness. Accordingly, the Reserve Bank has undertaken several financial literacy initiatives to strengthen the demand side of inclusion. These include financial literacy camps conducted through Centres for Financial Literacy (CFLs) and the development and periodic updating of financial literacy content by the National Centre for Financial Education (NCFE), set up jointly by financial sector regulators. By promoting awareness alongside access, these initiatives aim to ensure responsible and equitable use of financial services, thereby reinforcing the broader financial inclusion agenda.

7.1 Voluntary Pledge of Gold and Silver – Agriculture and MSME Loans

III.65 The Reserve Bank, on December 6, 2024, announced an increase in the limit for collateral-free agriculture loans from ₹1.6 lakh to ₹2 lakh per borrower to enhance credit availability for small and marginal farmers. Further, to offer greater flexibility to farmers seeking to improve their credit worthiness by utilising their available assets, it was clarified on July 11, 2025 that the voluntary pledge of gold and silver as collateral for agriculture and MSME loans up to the collateral-free limit will not be considered a breach of the guidelines on collateral-free lending to the agriculture and MSME sectors.

7.2 Priority Sector Lending

III.66 The Reserve Bank released revised priority sector lending (PSL) guidelines, effective from April 1, 2025, following a comprehensive review and stakeholder consultation. Key changes include enhanced loan limits across several categories — particularly housing — to expand PSL coverage, broader eligibility for loans under the 'Renewable Energy' segment, and a revised overall PSL target of 60 per cent of adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposures (CEOBSE) (whichever is higher) for UCBs. Additionally, the guidelines expand the list of eligible borrowers under the 'Weaker Sections' category and remove the cap on loans extended by UCBs to individual women beneficiaries. These revisions aim to improve the targeting and flow of bank credit to critical sectors of the economy.

III.67 The Reserve Bank revised the PSL norms for small finance banks (SFBs), to be effective from financial year 2025-26. Under the new framework, the overall PSL obligation for SFBs is reduced from 75 per cent to 60 per cent of ANBC or CEOBSE, whichever is higher. The SFBs shall continue to allocate 40 percent of its ANBC or CEOBSE, whichever is higher, to different sub-sectors under PSL, such as agriculture, MSMEs, housing, and weaker sections *etc.*, as per the extant PSL prescriptions. The remaining 20 per cent, replaces the earlier 35 per cent flexible allocation, which can be allocated to any PSL categories where the bank has a competitive edge.

8. Payment and Settlement Systems

III.68 The Reserve Bank has been at the forefront of enhancing the payment and settlement system through technology-driven innovations, accessibility measures, and global outreach initiatives. The Reserve Bank strengthened digital payment security and efficiency of payment systems through comprehensive regulation of payment aggregators, mandating due diligence for Aadhaar Enabled Payment System (AePS) operators, beneficiary name verification for real-time gross settlement (RTGS) and national electronic funds transfer (NEFT), continuous cheque clearing and UPI access for full-KYC prepaid payment instruments through third-party applications. As a part of efforts to address the challenges of high cost, slow speed, and insufficient access and transparency in cross-border payments, the global reach of UPI is being expanded through bilateral and multilateral linkages for cross-border remittances, Quick Response (QR) code based acceptance of UPI at merchant locations abroad and collaboration with partner jurisdictions to deploy UPI-like sovereign payment systems. Further, RuPay technology stack is also offered to other countries for development of their sovereign domestic card scheme. These sustained efforts reflect a strategic vision of building an integrated, resilient, and globally connected digital payments ecosystem.

8.1 Regulation of Payment Aggregator

III.69 To enhance governance, transparency, and security of payment aggregators, the Reserve Bank issued the Master Direction on Regulation of Payment Aggregators (PAs) on September 15, 2025. This consolidates prior guidelines on PA and cross-border operations and establishes a comprehensive regulatory framework for all bank and non-bank entities engaged in payment aggregation in India. It establishes a rigorous authorisation process with eligibility criteria, minimum capital, governance standards, and fit-and-proper tests to allow only credible and financially sound entities to operate. PAs must conduct thorough KYC and AML checks on merchants to prevent fraud and protect consumer trust, while escrow account operations are regulated to ensure proper usage, accounting, reporting, and liquidity management.

8.2 Aadhaar Enabled Payment System (AePS) *– Due Diligence of AePS Touchpoint Operators*

III.70 Aadhaar Enabled Payment System, operated by National Payments Corporation of India (NPCI), enables interoperable banking transactions using Aadhaar authentication. To enhance the security and integrity of AePS transactions, it was considered necessary to specifically recognise AePS Touchpoint Operators (ATOs), streamline their onboarding, and strengthen risk management practices. Accordingly, on June 27, 2025, the Reserve Bank issued Directions mandating stricter due diligence and risk management for ATOs to be effective from January 1, 2026. Acquiring banks must conduct full KYC of ATOs (or adopt existing KYC, if already done by BCs /sub-agents), ensure periodic updates, and re-do KYC if an ATO remains inactive for over three months. Banks are also required to continuously monitor ATOs' activities through transaction monitoring systems, set and periodically review operational parameters (such as location, transaction volume and velocity), and strengthen fraud risk management measures. These measures aim to enhance security, prevent fraud, and protect customer trust in AePS.

8.3 Introduction of Beneficiary Account Name Look-up Facility

III.71 To reduce errors and prevent frauds in electronic fund transfers, the Beneficiary Account Name Look-up Facility for RTGS and NEFT was implemented. The Reserve Bank advised all banks to provide the facility to their customers through mobile app and net banking. Like the facility already available in UPI and immediate payment service (IMPS), this facility allows remitters to verify the beneficiary's account name before initiating a payment transaction. The facility, developed by NPCI, has been designed to fetch the account name from the beneficiary bank's core banking solution (CBS) based on the account number and Indian financial system code (IFSC) entered by the remitter.

8.4 Continuous Clearing of Cheques under Cheque Truncation System

III.72 With the objective of making cheque clearing faster and reducing settlement risks, continuous clearing and settlement on realisation was implemented in cheque truncation system (CTS), with phase 1 of the project going-live on October 4, 2025. Under this, cheques are scanned, presented, and passed in a few hours and on a continuous basis during business hours, instead of the batch processing approach followed earlier. Settlements occur based on positive or deemed confirmations, while dishonoured cheques are not settled. Once settlement is complete, presenting banks must credit customer accounts immediately, and no later than one hour after settlement.

8.5 UPI Access for Prepaid Payment Instruments through Third-party Applications

III.73 The Reserve Bank allowed full-KYC prepaid payment instrument (PPI) holders to make/receive UPI payments through third-party UPI applications. While UPI payments from bank accounts can be made by linking a bank account through the UPI App of the bank or using any third-party UPI application, the same facility was not available for PPIs. PPIs could be used to make UPI transactions only by using the application provided by the PPI issuer. Discovery and linking of full-KYC PPIs has now been permitted on third party UPI applications.

9. Overall Assessment

III.74 The Indian financial sector is undergoing a transformative phase, shaped by evolving market dynamics, technological innovations, and increasing sophistication of consumers and businesses. The Reserve Bank's policy measures aimed at strengthening the resilience and competitiveness of banks, enhancing credit flow, improving ease of doing business, promoting consumer protection, and further internationalising the Indian Rupee.

III.75 In the current uncertain global environment, these initiatives will support the ability of regulated entities to finance productive economic activities, manage risk prudently, and respond effectively to emerging challenges and opportunities. By aligning regulatory practices with international standards while adapting to India's national priorities, the Reserve Bank seeks to foster a robust, inclusive, and efficient financial system, ensure financial stability, bolster public confidence, and promote sustainable growth.

IV COMMERCIAL BANKS

Banking sector in India remained resilient during 2024-25, supported by a strong balance sheet, sustained profitability and improved asset quality. Bank credit and deposit growth continued in double-digits, albeit with a moderation. Capital and liquidity buffers remained well above the regulatory requirements across bank groups. Strong banking sector fundamentals provide a buffer against risks, which together with prudent regulation create conditions for sustained credit flow.

Introduction[1]

IV.1 The Indian commercial banking sector remained resilient during 2024-25, supported by double-digit balance sheet expansion. Deposits and credit of scheduled commercial banks grew in double digits, *albeit* with a moderation from last year. The transmission of policy rate easing during 2025 to deposit and lending rates continued. Profitability of scheduled commercial banks remained robust with an increase in return on assets. Banks maintained their strong capital position with capital to risk-weighted assets ratio and leverage ratio remaining well above the regulatory requirements. Asset quality strengthened further, with gross non-performing assets ratio declining to a multi-decadal low and slippage ratio falling for the fifth consecutive year. Liquidity buffers remained strong with liquidity coverage ratio and net stable funding ratio well above the regulatory requirements across bank-groups. Differentiated banks serving niche areas also witnessed a growth in their scale of operations, with performance indicators remaining broadly robust.

IV.2 The volume and value of digital payments continued to register healthy growth, with a sustained pickup in unified payments interface (UPI) transactions. Advancement in digital payments ecosystem, in turn, is furthering financial inclusion. On October 1, 2025, the Reserve Bank proposed several measures to broaden the scope of banks' lending activities, promote ease of doing business, and enhance protection of consumers' interest, including bolstering the deposit insurance framework, for strengthening the resilience and competitiveness of the banking sector.

IV.3 Against this backdrop, this chapter is organised into 17 sections. Balance sheet developments are analysed in Section 2, followed by an assessment of financial performance and soundness in Sections 3 and 4, respectively. Section 5 focuses on bank credit and its sectoral dynamics. Commercial banks' ownership pattern is discussed in Section 6, followed by corporate governance in Section 7. Operations of foreign banks in India and overseas operations of Indian banks are discussed in Section 8, followed by developments in payment systems (Section 9), technology adoption (Section 10), consumer protection (Section 11), and financial inclusion (Section 12). Developments relating to regional rural banks, local area banks, small finance banks, and payments banks are set out in Sections 13 to 16. An overall assessment of the domestic commercial banking system in Section 17 completes the chapter.

[1] Throughout this chapter, unless explicitly stated otherwise, data for scheduled commercial banks and private sector banks from July 2023 onwards are inclusive of merger of a non-bank with a private sector bank.

2. Balance Sheet Analysis

IV.4 At end-March 2025, India's commercial banking sector consisted of 12 public sector banks (PSBs), 21 private sector banks (PVBs), 44 foreign banks (FBs), 11 small finance banks (SFBs), six payments banks (PBs), 43 regional rural banks (RRBs), and two local area banks (LABs).[2] Out of these 139 commercial banks, 135 were classified as scheduled banks, while four were non-scheduled.[3]

IV.5 The consolidated balance sheet of scheduled commercial banks (SCBs) (excluding RRBs) increased by 11.2 per cent during 2024-25 as compared with 15.5 per cent during 2023-24 (Table IV.1 and Appendix Table IV.1). On the assets side, bank credit and investments

Table IV.1: Consolidated Balance Sheet of Scheduled Commercial Banks
(At end-March)

(₹ crore)

Item	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks		Payments Banks		Scheduled Commercial Banks	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Capital	72,877	75,209	32,832	33,781	1,18,319	1,37,462	7,844	8,307	5,001	5,303	2,36,873	2,60,063
2. Reserve and Surplus	9,56,917	11,32,923	12,14,000	14,19,882	1,79,507	2,05,019	32,957	36,339	-2,365	-2,141	23,81,016	27,92,021
3. Deposits	1,29,04,944	1,41,96,270	75,61,434	85,02,193	10,08,119	11,08,188	2,50,896	3,15,401	16,184	25,131	2,17,41,578	2,41,47,183
3.1. Demand Deposits	8,00,415	9,52,585	9,88,296	10,65,197	3,46,863	3,83,121	10,895	13,685	76	89	21,46,546	24,14,678
3.2. Savings Bank Deposits	41,83,455	43,18,072	20,23,907	21,41,306	57,827	63,020	59,691	68,666	16,108	25,042	63,40,988	66,16,106
3.3. Term Deposits	79,21,074	89,25,613	45,49,230	52,95,690	6,03,430	6,62,046	1,80,310	2,33,050	0	0	1,32,54,044	1,51,16,400
4. Borrowings	10,24,003	11,84,026	12,84,429	11,64,192	2,03,073	3,37,436	28,255	30,022	713	1,930	25,40,474	27,17,607
5. Other Liabilities and Provisions	5,34,493	5,53,322	4,28,932	4,62,542	1,96,692	2,63,798	15,328	15,394	5,135	6,320	11,80,579	13,01,376
Total Liabilities/Assets	**1,54,93,234**	**1,71,41,751**	**1,05,21,628**	**1,15,82,590**	**17,05,711**	**20,51,903**	**3,35,280**	**4,05,463**	**24,668**	**36,543**	**2,80,80,520**	**3,12,18,250**
1. Cash and Balances with RBI	6,18,769	7,08,963	5,32,750	5,60,941	1,05,980	1,26,006	17,503	26,780	3,004	3,555	12,78,007	14,26,245
2. Balances with Banks and Money at Call and Short Notice	4,34,252	5,42,068	1,89,051	2,86,458	74,865	1,46,574	6,259	5,777	4,313	6,488	7,08,740	9,87,364
3. Investments	40,50,865	42,68,092	23,23,647	26,37,218	8,07,328	9,26,786	74,283	87,286	14,286	23,445	72,70,409	79,42,827
3.1 In Government Securities (a+b)	34,84,382	35,89,786	19,88,718	22,47,035	7,35,661	8,40,631	63,873	70,755	14,271	23,418	62,86,905	67,71,625
a) In India	34,23,192	35,14,009	19,73,422	22,24,022	7,25,476	7,94,906	63,873	70,755	14,271	23,418	62,00,234	66,27,110
b) Outside India	61,190	75,777	15,296	23,013	10,185	45,725	0	0	0	0	86,671	1,44,515
3.2 Other Approved Securities	5	149	0	0	0	0	0	0	0	0	5	149
3.3 Non-approved Securities	5,66,477	6,78,157	3,34,929	3,90,183	71,667	86,155	10,410	16,531	15	27	9,83,499	11,71,053
4. Loans and Advances	95,06,329	1,07,50,234	68,61,388	74,76,925	5,48,443	6,19,967	2,26,148	2,72,481	0	0	1,71,42,309	1,91,19,608
4.1 Bills Purchased and Discounted	3,57,393	4,04,154	1,50,663	1,54,634	85,242	88,163	1,444	3,097	0	0	5,94,742	6,50,048
4.2 Cash Credits, Overdrafts, *etc.*	33,64,717	39,02,589	19,59,717	23,25,667	2,38,921	2,71,680	26,945	38,359	0	0	55,90,301	65,38,295
4.3 Term Loans	57,84,218	64,43,492	47,51,009	49,96,625	2,24,280	2,60,124	1,97,758	2,31,024	0	0	1,09,57,266	1,19,31,265
5. Fixed Assets	1,18,864	1,28,705	56,768	65,826	5,956	6,042	3,353	4,205	1,189	1,354	1,86,130	2,06,132
6. Other Assets	7,64,154	7,43,689	5,58,022	5,55,220	1,63,139	2,26,527	7,733	8,936	1,876	1,701	14,94,925	15,36,073

Notes: 1. Data for SCBs exclude RRBs.
2. Components may not add up to their respective totals as numbers have been rounded-off to ₹ crore.
3. Detailed bank-wise data on annual accounts are collated and published in Statistical Tables Relating to Banks in India, which is being released simultaneously with this Report and is available at https://data.rbi.org.in.

Source: Annual accounts of respective banks.

[2] The number of SFBs declined from 12 to 11 in 2024-25 following the merger of one SFB with another, effective April 1, 2024.

[3] Commercial banks are classified into scheduled and non-scheduled based on their inclusion or otherwise in the second schedule of the RBI Act, 1934. At end-March 2025, two PBs, *viz.*, Jio Payments Bank Ltd. and NSDL Payments Bank Ltd. and two LABs, *viz.*, Coastal Local Area Bank Ltd. and Krishna Bhima Samruddhi Local Area Bank Ltd. were non-scheduled commercial banks.

increased by 11.5 per cent and 9.2 per cent, respectively, in 2024-25. On the liabilities side, deposits increased by 11.1 per cent in 2024-25.

IV.6 Excluding the impact of merger, the growth in bank credit and investments was 12.5 per cent and 9.9 per cent, respectively, during 2024-25 as compared with 16.0 per cent and 11.6 per cent, respectively, in 2023-24. Deposit growth, excluding the impact of merger, was 11.4 per cent in 2024-25 as compared with 13.4 per cent a year ago (Chart IV.1).

IV.7 The share of PSBs in the consolidated balance sheet of SCBs declined to 54.9 per cent at end-March 2025 from 55.2 per cent at end-March 2024. The share of PVBs also moderated marginally to 37.1 per cent from 37.5 per cent over the same period. In contrast, the share of FBs, SFBs and PBs increased during 2024-25. Further, the share of PSBs in total advances of SCBs increased to 56.2 per cent, while their share in total deposits decreased to 58.8 per cent.

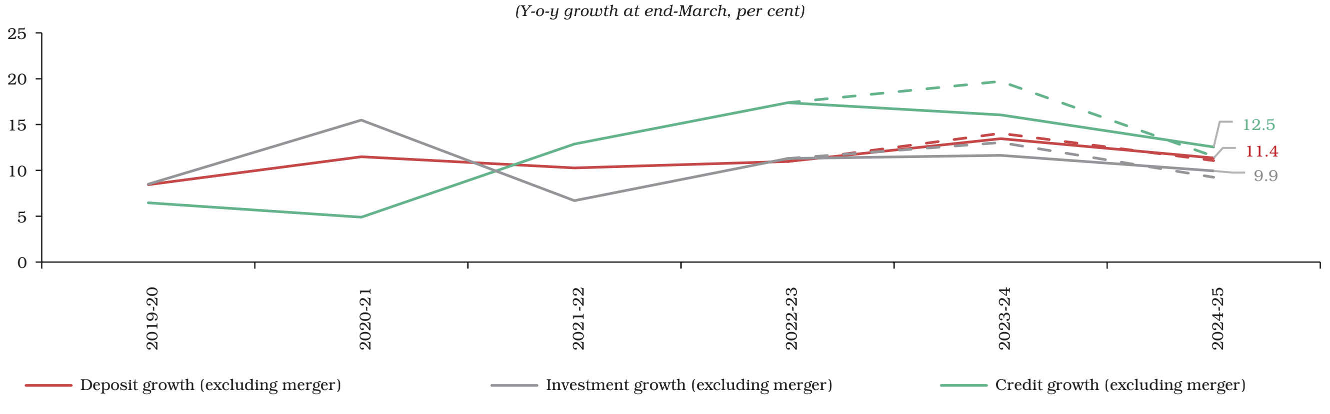
IV.8 The composition of consolidated balance sheet of SCBs in terms of deposits, borrowings, investments and loans during 2024-25, remained broadly similar to that of the previous year. The composition, however, varied across bank groups (Chart IV.2). The share of deposits in the total liabilities of PVBs increased amidst a reduction in the share of borrowings. The share of deposits in the total liabilities of PSBs declined.

2.1 Liabilities

IV.9 Deposit growth of SCBs moderated in 2024-25, led by private and foreign banks (Chart IV.3a). Component-wise, the moderation was mainly driven by a slowdown in growth of term deposits. The weighted average term deposit rate of SCBs increased by 259 basis points (bps) against the cumulative increase in policy repo rate by 250 bps during the tightening phase (May 2022-January 2025). In the subsequent easing phase, weighted average term deposit rate of SCBs declined by 105 bps (up to October 2025) following a 100 bps cut in the policy repo rate (February-June 2025)[4]. Public sector banks exhibited relatively higher transmission to deposit rates than private sector banks (Charts IV.3b and c).

Chart IV.1: Select Aggregates of SCBs

(Y-o-y growth at end-March, per cent)



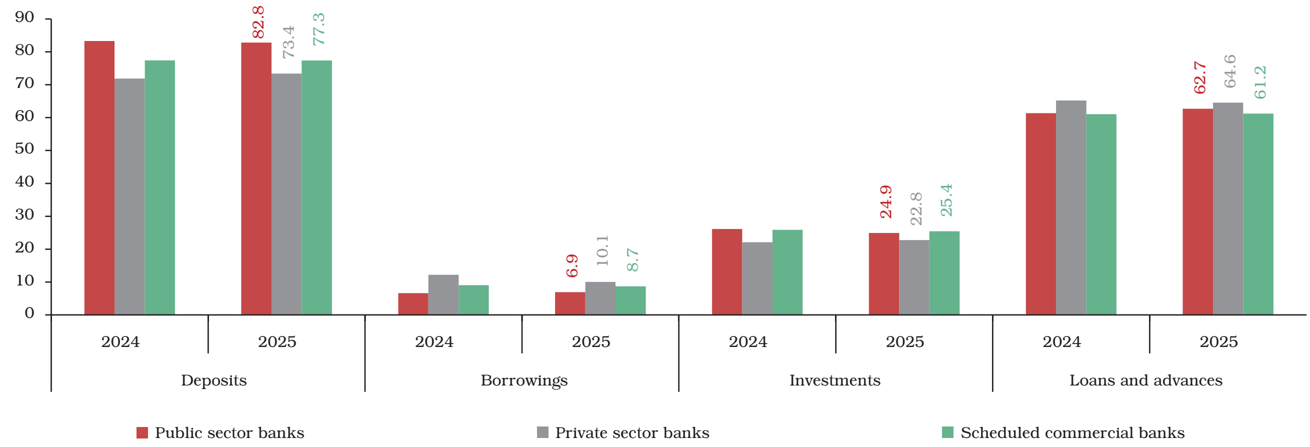
Notes: 1. Data for SCBs exclude RRBs.
2. Excluding merger indicates excluding the impact of merger of a non-bank with a private sector bank.
3. Data labels signify respective variables excluding the impact of merger.
4. Dotted lines represent respective variables including the impact of merger.

Source: Annual accounts of respective banks.

[4] Policy repo rate was further reduced by 25 bps to 5.25 per cent on December 5, 2025.

Chart IV.2: Bank Group-wise Balance Sheet Composition

(Share of total assets/liabilities at end-March in per cent)



Note: Data for SCBs exclude RRBs.
Source: Annual accounts of respective banks.

2.2 *Assets*

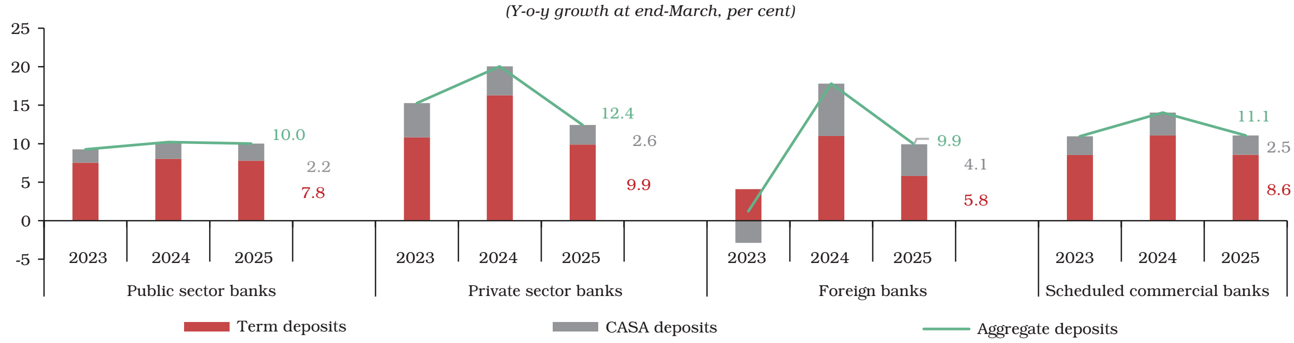
IV.10 Bank credit growth moderated during 2024-25 across the bank groups (Chart IV.4).

IV.11 The transmission of policy repo rate changes to lending rates varied during different phases and across bank groups. SCBs passed on

Chart IV.3: Bank Deposit Growth and Monetary Transmission to Banks' Deposit Rates

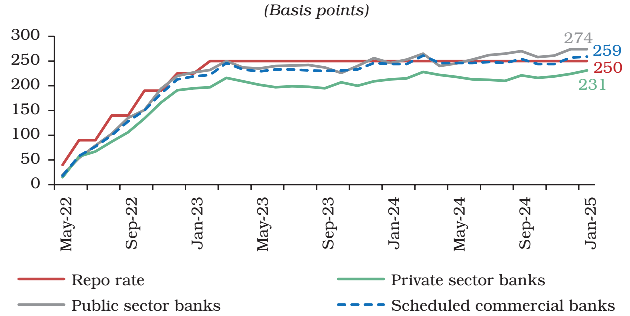
a. Weighted Contribution to Deposit Growth

(Y-o-y growth at end-March, per cent)



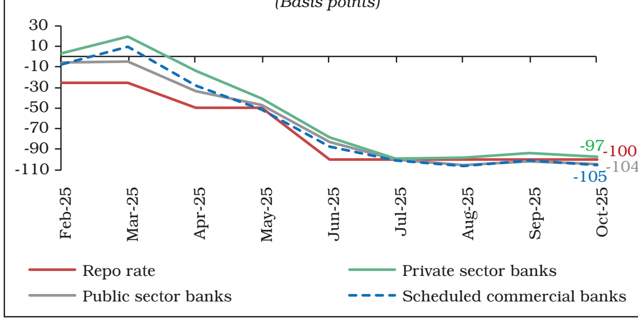
b. Transmission to Weighted Average Term Deposit Rates in Tightening Cycle (Fresh Deposits)

(Basis points)



c. Transmission to Weighted Average Term Deposit Rates in Easing Cycle (Fresh Deposits)*

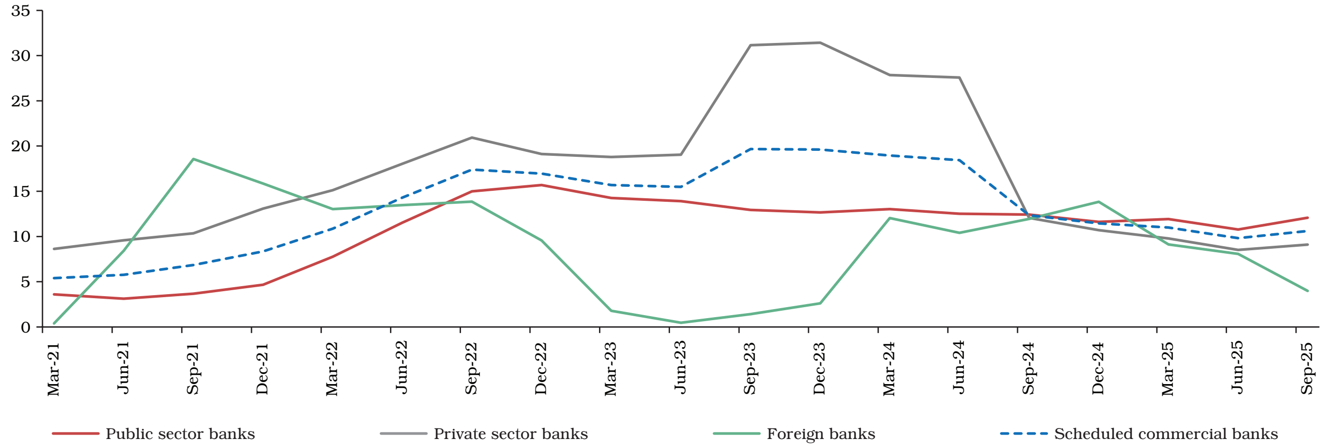
(Basis points)



CASA: Current accounts and savings accounts.
*: Policy repo rate was further reduced by 25 bps to 5.25 per cent on December 5, 2025.
Note: Data for SCBs exclude RRBs.
Sources: Annual accounts of banks and RBI.

Chart IV.4: Bank Group-wise Credit Growth

(Y-o-y, per cent)



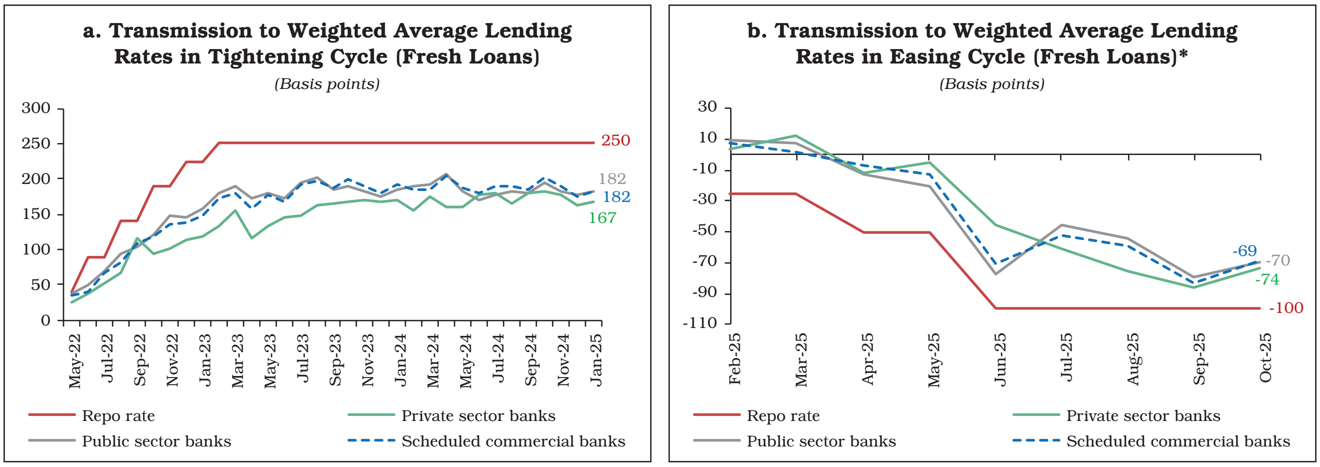
Note: Data for SCBs exclude RRBs.

Source: Spatial Distribution of Deposits and Credit, RBI.

182 bps of the 250 bps increase in the policy repo rate (May 2022–January 2025) to the weighted average lending rate on fresh loans during the tightening phase. During the subsequent easing phase, transmission was 69 bps (up to October 2025) against a 100 bps policy repo rate cut (February-June 2025)[5]. Transmission has been asymmetric between PSBs and PVBs (Charts IV.5 a and b).

IV.12 SCBs' investments growth decelerated during 2024-25 led by statutory liquidity ratio (SLR) investments. The share of SLR approved securities in SCBs' total investments declined to 80.8 per cent at end-March 2025 from 82.0 per cent a year ago (Chart IV.6a). Central government securities dominated SCBs' SLR investments, while non-SLR investments were majorly in debt securities. The share of state government securities and equities in SLR and

Chart IV.5: Monetary Transmission to Banks' Lending Rates



*: Policy repo rate was further reduced by 25 bps to 5.25 per cent on December 5, 2025.

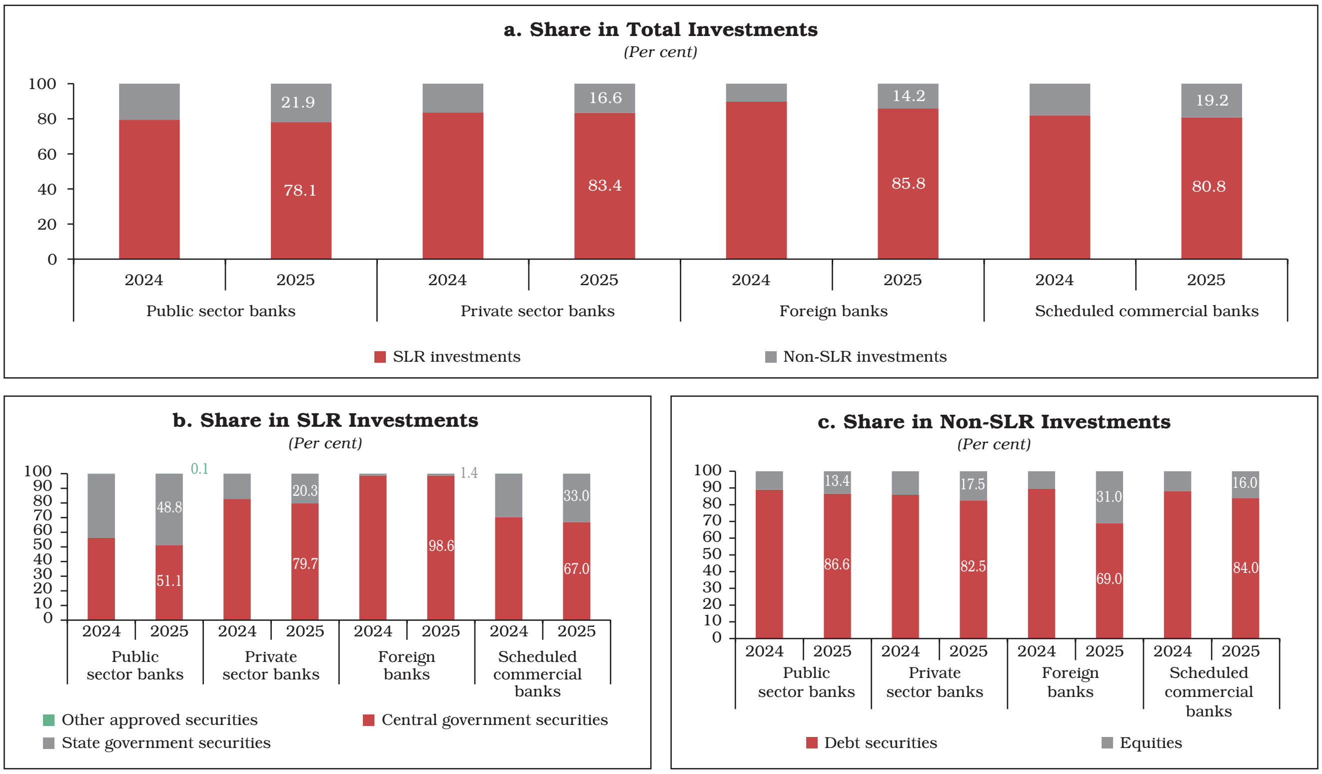
Note: Data for SCBs exclude RRBs.

Source: RBI.

[5] Policy repo rate was further reduced by 25 bps to 5.25 per cent on December 5, 2025.

Chart IV.6: Investments of Scheduled Commercial Banks

(At end-March)



SLR: Statutory liquidity ratio.

Notes: 1. Data for SCBs exclude RRBs.

2. The sum of components may not add up to 100 due to rounding off.

Source: Off-site returns (global operations), RBI.

non-SLR investments, respectively, increased during the year (Charts IV.6b and c).

IV.13 The credit-deposit growth gap narrowed during 2024-25 as compared with the previous year (Chart IV.7). The credit-deposit ratio of SCBs, however, stood higher at 79.2 per cent at end-March 2025 as compared with 78.8 per cent at end-March 2024. At end-November 2025, credit-deposit ratio of SCBs stood at 80.5 per cent.[6]

2.3 *Maturity Profile of Assets and Liabilities*

IV.14 Maturity mismatches between assets and liabilities are inherent to the banking system, as deposits — the main source of funds — are generally of short- to medium-term tenors, whereas loans are generally extended for the medium term. During 2024-25, maturity mismatch widened in the short-term[7] bucket as compared to the previous year, although it remained low relative to the pre-pandemic levels (Chart IV.8).

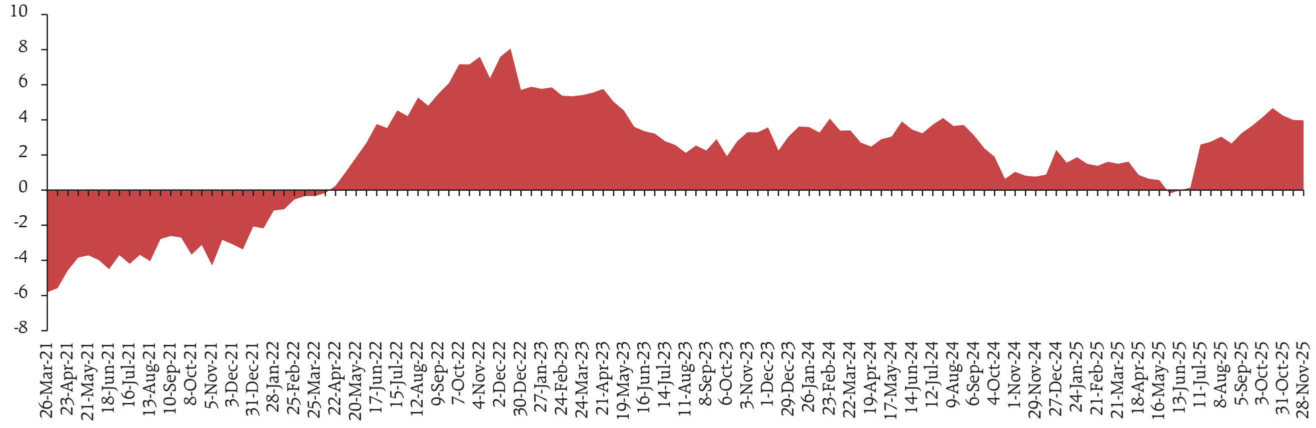
IV.15 At end-March 2025, the share of short-term deposits in total deposits increased across all bank groups. These deposits remained the dominant category for all bank groups, except payments banks. The share of short-term borrowings increased for SCBs, led by private and foreign banks. Loans and advances of

[6] Based on fortnightly Section-42 return. The data corresponds to the fortnight ended November 28, 2025.

[7] Short-term is defined as up to one year, medium term is over one year and up to five years, while long-term is defined as over five years.

Chart IV.7: Gap in Credit-Deposit Growth

(Percentage point)



Notes: 1. Data from July 1, 2023 till June 27, 2025 excludes the impact of merger of a non-bank with a private sector bank.
2. Gap in credit-deposit growth is calculated as the difference between credit growth and deposit growth.

Source: RBI.

both PSBs and PVBs were concentrated in the medium-term category. PSBs' investments were typically in long-term instruments, while all other bank groups preferred short-term exposures (Table IV.2).

2.4 *International Liabilities and Assets*

IV.16 The ratio of international assets to liabilities of Indian banks increased in 2024-25, following two consecutive years of decline (Chart IV.9). The growth of international assets of Indian banks increased during the year on account of increase in NOSTRO balances and placements abroad, loans to non-residents, and foreign currency loans to residents. The growth of international liabilities of banks in India decelerated mainly due to a deceleration in growth of non-resident ordinary (NRO) rupee

Chart IV.8: Maturity Bucket-wise Assets and Liabilities Gap

(Per cent of total assets/liabilities)

Notes: 1. Assets consist of loans and advances and investments.
2. Liabilities consist of deposits and borrowings.
3. Gap is calculated as assets minus liabilities.

Source: Annual accounts of banks.

Table IV.2: Bank Group-wise Maturity Profile of Select Liabilities/Assets
(At end-March)

(Per cent)

Liabilities/Assets	PSBs		PVBs		FBs		SFBs		PBs		SCBs	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9	10	11	12	13
I. Deposits												
a) Up to 1 year	38.4	39.6	39.3	39.4	62.2	63.3	49.0	55.7	22.6	29.1	39.9	40.8
b) Over 1 year and up to 3 years	22.0	21.7	27.9	26.2	30.7	29.8	44.8	38.5	77.4	70.9	24.7	24.0
c) Over 3 years and up to 5 years	11.0	10.8	8.3	8.9	7.1	6.9	4.5	3.9	0.0	0.0	9.8	9.9
d) Over 5 years	28.7	27.9	24.5	25.4	0.0	0.0	1.7	1.8	0.0	0.0	25.6	25.4
II. Borrowings												
a) Up to 1 year	58.1	53.1	33.8	44.7	82.8	89.8	51.3	48.5	100.0	93.3	47.7	54.0
b) Over 1 year and up to 3 years	16.7	16.0	37.8	27.0	16.2	8.5	35.7	34.6	0.0	6.7	27.5	20.0
c) Over 3 years and up to 5 years	6.9	7.4	9.9	9.8	0.4	0.4	7.3	9.1	0.0	0.0	7.9	7.6
d) Over 5 years	18.3	23.6	18.6	18.5	0.6	1.4	5.8	7.7	0.0	0.0	16.9	18.5
III. Loans and Advances												
a) Up to 1 year	28.0	28.4	27.3	28.6	59.5	58.7	37.7	38.1	-	-	28.9	29.6
b) Over 1 year and up to 3 years	36.5	36.1	34.6	34.8	23.8	23.6	36.0	32.6	-	-	35.3	35.1
c) Over 3 years and up to 5 years	12.1	11.5	12.5	12.3	8.2	8.7	10.1	11.6	-	-	12.1	11.7
d) Over 5 years	23.4	24.0	25.6	24.3	8.5	8.9	16.3	17.7	-	-	23.7	23.5
IV. Investments												
a) Up to 1 year	22.4	21.5	58.6	59.9	83.9	83.6	68.6	68.2	99.2	92.8	41.4	42.2
b) Over 1 year and up to 3 years	16.2	13.5	17.2	15.1	10.4	9.9	25.9	25.1	0.4	2.6	16.0	13.7
c) Over 3 years and up to 5 years	11.9	15.4	6.1	6.3	1.6	2.2	4.0	4.9	0.1	0.8	8.8	10.7
d) Over 5 years	49.4	49.6	18.1	18.7	4.1	4.4	1.5	1.8	0.3	3.8	33.8	33.4

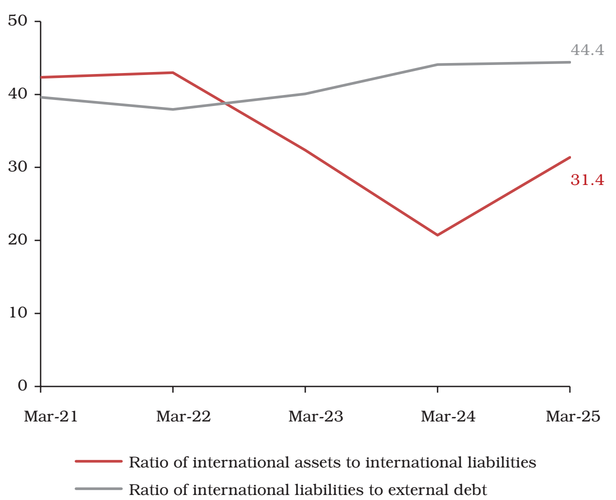
- : Not applicable.

Notes: 1. Figures denote share of each maturity bucket in each component of the balance sheet.
2. The sum of components may not add up to 100 due to rounding off.
3. Data for SCBs exclude RRBs.

Source: Annual accounts of banks.

accounts and equities of banks held by non-residents (Appendix Tables IV.2 and IV.3).

Chart IV.9: International Assets and Liabilities of Banks
(Per cent)



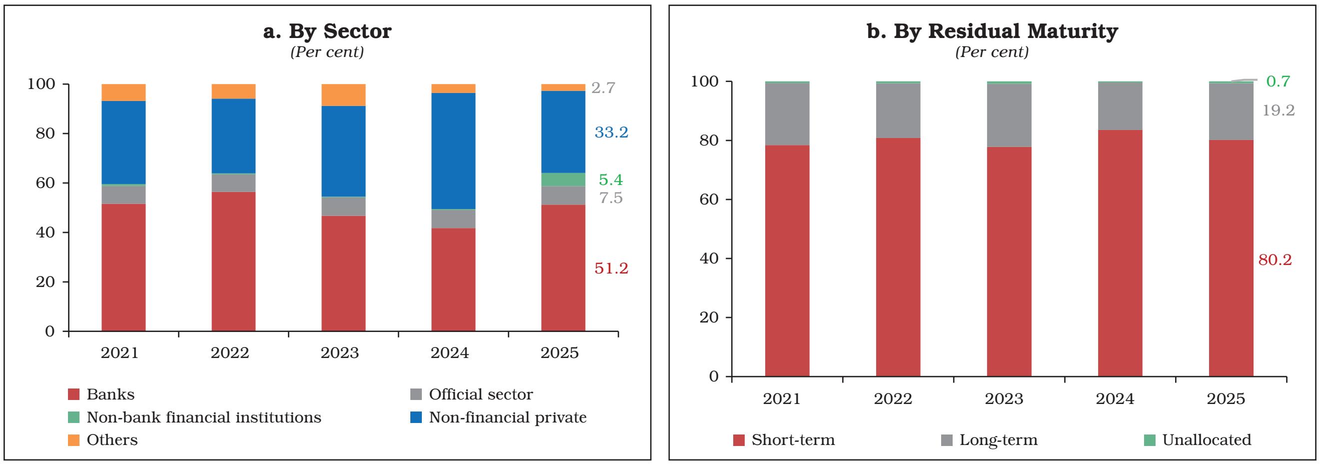
Sources: International Banking Statistics and Database on Indian Economy, RBI.

IV.17 The consolidated international claims of Indian banks on all the major economies, except Hong Kong, increased during 2024-25 (Appendix Table IV.4). The share of Indian banks' international claims on non-financial private sector moderated while the claims on banks and non-bank financial institutions increased (Chart IV.10a and Appendix Table IV.5). In terms of residual maturity, a majority of the international claims was short-term in nature, notwithstanding a decline in its share during 2024-25 (Chart IV.10b).

2.5 *Off-Balance Sheet Operations*

IV.18 Growth in contingent liabilities of SCBs accelerated during 2024-25, primarily driven by growth in forward exchange contracts. The off-

Chart IV.10: Consolidated International Claims of Indian Banks
(At end-March)



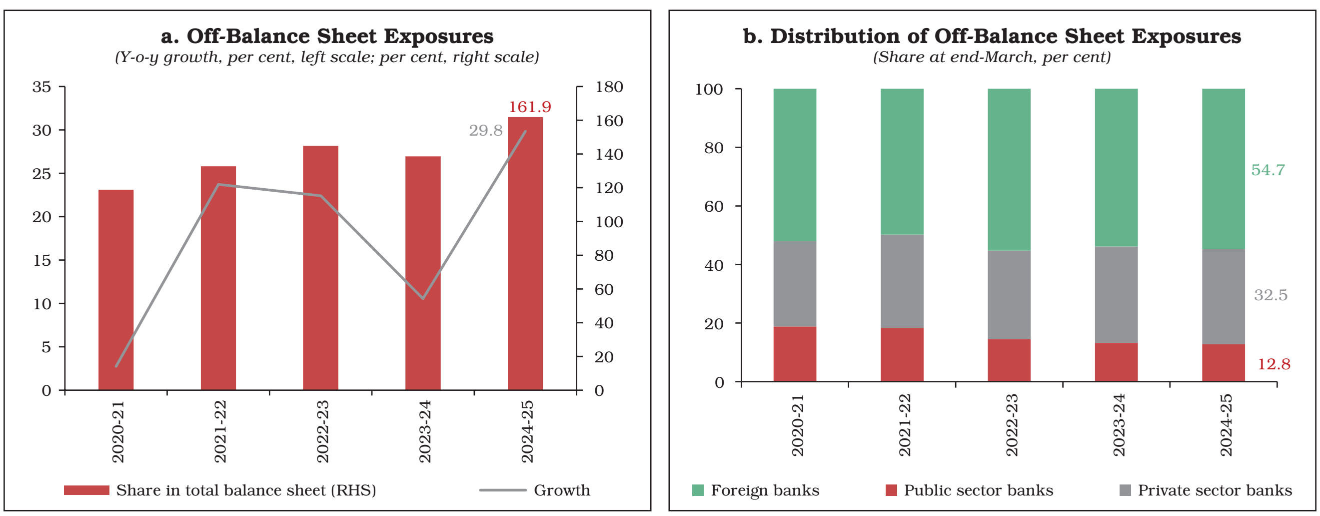
Note: Short-term and long-term claims are defined as claims having residual maturity up to one year and over one year, respectively.
Sources: International Banking Statistics and Database on Indian Economy, RBI.

balance sheet exposure of SCBs, as a proportion of their balance sheet size, increased to 161.9 per cent at end-March 2025 from 138.6 per cent at end-March 2024 (Chart IV.11a and Appendix Table IV.6). Foreign banks accounted for more than half of the total off-balance sheet exposures of SCBs. The share of PVBs in contingent liabilities of the banking sector increased from 29.1 per cent at end-March 2021 to 32.5 per cent at end-March 2025, while that of PSBs fell from 18.8 per cent to 12.8 per cent at end-March 2025 (Chart IV.11b).

3. Financial Performance

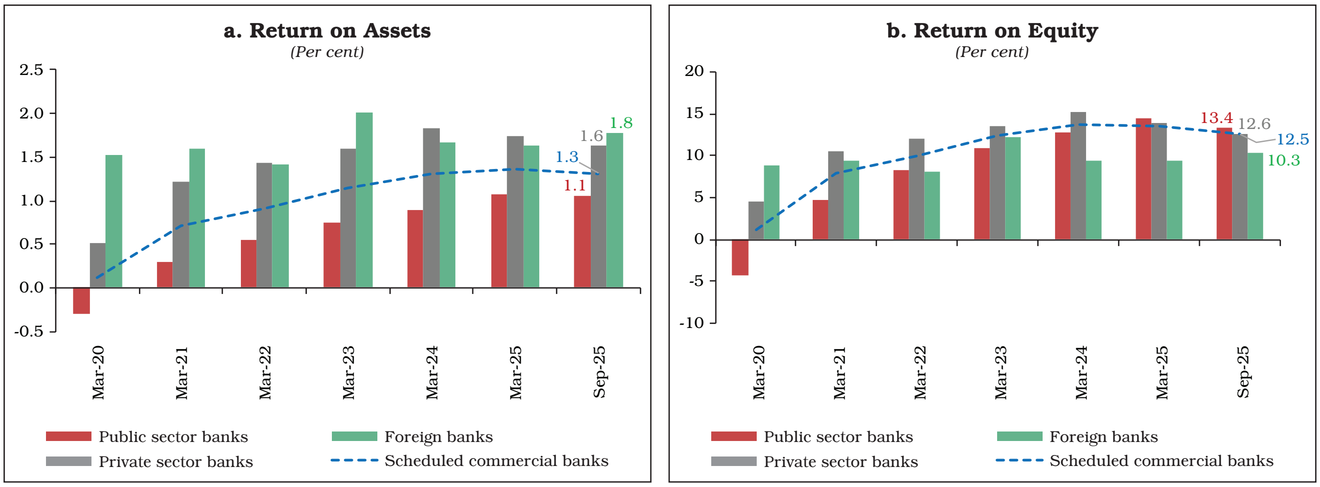
IV.19 Profitability of SCBs remained robust, with return on assets (RoA) increasing further to 1.4 per cent in 2024-25 from 1.3 per cent in the previous year. The return on equity (RoE) of SCBs at 13.5 per cent remained broadly stable. PSBs exhibited an improvement

Chart IV.11: Off-Balance Sheet Liabilities of Banks



Source: Annual accounts of banks.

Chart IV.12: Profitability Ratios



Note: Data for SCBs exclude RRBs.
Source: Off-site returns (domestic operations), RBI.

in RoA and RoE during 2024-25, while PVBs recorded a moderation. During H1: 2025-26, RoA and RoE of SCBs stood at 1.3 per cent and 12.5 per cent, respectively (Charts IV.12a and b).

IV.20 Net profits of SCBs increased during 2024-25, *albeit* at a slower pace compared to the previous year. This partly reflected the impact of moderation in growth of net interest income. Growth in operating expenses decelerated

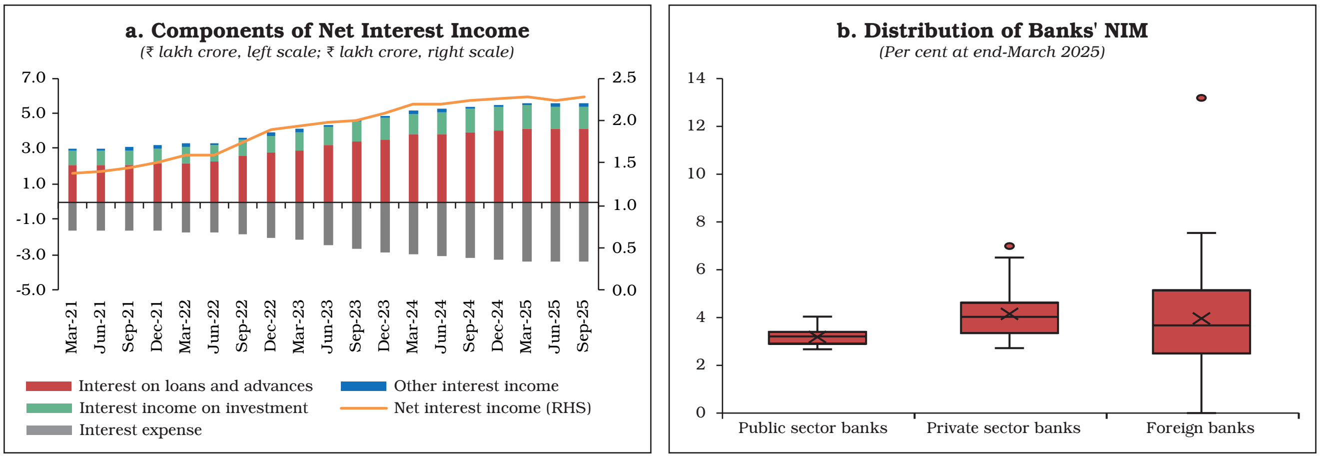
Table IV.3: Trends in Income and Expenditure of Scheduled Commercial Banks

(Amount in ₹ crore)

Item	PSBs		PVBs		FBs		SFBs		PBs		SCBs	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Income	12,12,665	13,65,244	9,41,870	10,70,709	1,29,838	1,46,580	45,400	54,223	7,102	6,937	23,36,876	26,43,694
	(24.8)	(12.6)	(36.4)	(13.7)	(20.1)	(12.9)	(34.3)	(19.4)	(19.0)	(-2.3)	(29.1)	(13.1)
i) Interest Income	10,66,243	11,89,294	7,96,578	9,10,560	1,06,045	1,20,478	39,647	46,782	1,416	1,694	20,09,929	22,68,809
	(25.3)	(11.5)	(36.8)	(14.3)	(27.3)	(13.6)	(33.0)	(18.0)	(64.6)	(19.7)	(29.9)	(12.9)
ii) Other Income	1,46,422	1,75,951	1,45,292	1,60,149	23,794	26,101	5,753	7,441	5,686	5,243	3,26,946	3,74,885
	(21.7)	(20.2)	(34.2)	(10.2)	(-4.1)	(9.7)	(43.8)	(29.3)	(11.4)	(-7.8)	(24.6)	(14.7)
B. Expenditure	10,71,463	11,86,881	7,66,573	8,81,498	1,02,953	1,16,665	39,181	50,727	7,103	6,743	19,87,273	22,42,514
	(23.6)	(10.8)	(35.3)	(15.0)	(32.0)	(13.3)	(32.2)	(29.5)	(21.5)	(-5.1)	(28.5)	(12.8)
i) Interest Expended	6,58,611	7,60,165	4,29,739	5,08,877	46,996	55,866	17,474	22,336	353	537	11,53,173	13,47,782
	(35.0)	(15.4)	(56.0)	(18.4)	(48.4)	(18.9)	(43.9)	(27.8)	(43.8)	(52.2)	(42.9)	(16.9)
ii) Operating Expenses	2,95,090	3,03,100	2,39,146	2,61,471	34,713	38,708	17,186	20,247	6,634	6,070	5,92,769	6,29,596
	(20.9)	(2.7)	(18.1)	(9.3)	(24.2)	(11.5)	(30.7)	(17.8)	(18.9)	(-8.5)	(20.2)	(6.2)
of which: Wage Bill	1,84,025	1,77,894	90,290	98,841	10,460	11,211	8,498	10,321	1,215	977	2,94,488	2,99,244
	(27.2)	(-3.3)	(27.9)	(9.5)	(3.9)	(7.2)	(26.8)	(21.4)	(32.9)	(-19.5)	(26.4)	(1.6)
iii) Provision and Contingencies	1,17,761	1,23,615	97,688	1,11,150	21,244	22,092	4,521	8,144	116	135	2,41,331	2,65,137
	(-12.8)	(5.0)	(10.5)	(13.8)	(15.8)	(4.0)	(3.8)	(80.1)	(488.4)	(16.9)	(-2.0)	(9.9)
C. Operating Profit	2,58,964	3,01,979	2,72,986	3,00,362	48,130	52,006	10,740	11,640	114	330	5,90,934	6,66,316
	(8.1)	(16.6)	(28.4)	(10.0)	(-0.8)	(8.1)	(26.1)	(8.4)	(-18.9)	(187.9)	(16.0)	(12.8)
D. Net Profit	1,41,202	1,78,364	1,75,297	1,89,211	26,886	29,915	6,219	3,496	-1	194	3,49,603	4,01,180
	(34.9)	(26.3)	(41.2)	(7.9)	(-10.8)	(11.3)	(49.4)	(-43.8)	-	-	(32.8)	(14.8)
E. Net Interest Income (NII) (Ai-Bi)	4,07,632	4,29,128	3,66,839	4,01,683	59,049	64,612	22,173	24,446	1,063	1,157	8,56,756	9,21,027
	(12.2)	(5.3)	(19.5)	(9.5)	(14.4)	(9.4)	(25.5)	(10.3)	(72.9)	(8.9)	(15.7)	(7.5)
F. Net Interest Margin (NIM)	2.8	2.6	3.9	3.6	3.6	3.4	7.4	6.6	4.5	3.8	3.3	3.1

-: Not applicable.
Notes: 1. Data for SCBs exclude RRBs.
2. NIM has been defined as NII as percentage of average assets.
3. Figures in parentheses refer to per cent variation over the previous year.
4. Percentage variations could be slightly different as absolute numbers have been rounded off to ₹ crore.
Source: Annual accounts of respective banks.

Chart IV.13: Net Interest Income and Net Interest Margin



Note: The whiskers of the boxplots are indicative of maximum and minimum values. A colored box shows distance between first quartile and third quartile. Horizontal line in each box shows the median, while 'X' shows the mean.
Source: Off-site returns (domestic operations), RBI.

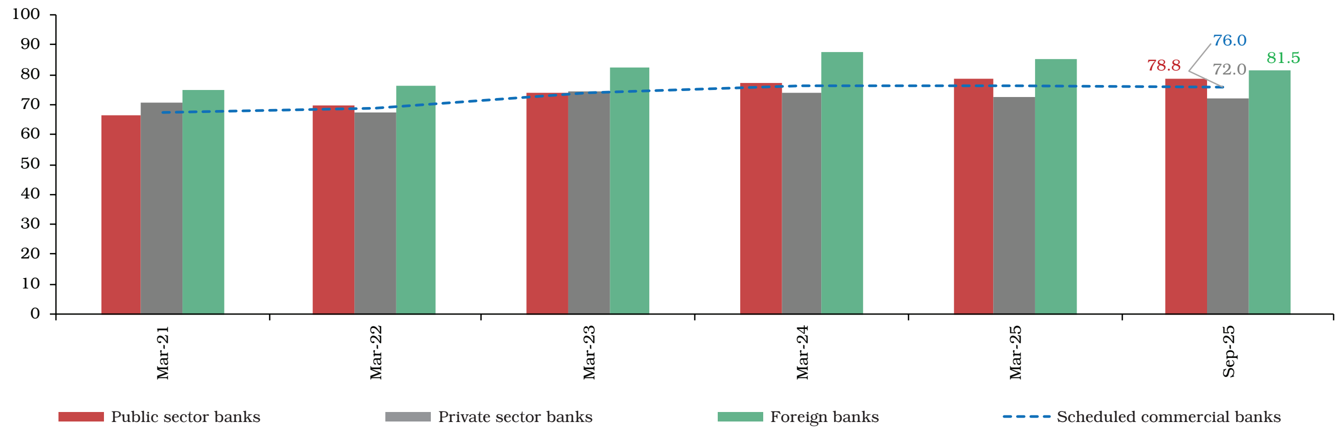
significantly, while provisions and contingencies expenditure increased during 2024-25 as against a decline in the previous year (Table IV.3).

IV.21 The interest expense to interest income ratio of SCBs increased to 59.4 per cent in 2024-25 from 57.4 per cent in the previous year (Table IV.3 and Chart IV.13a). The net interest margin (NIM) of SCBs moderated to 3.1 per cent in 2024-25 from 3.3 per cent in the previous year. The median NIM remained highest for PVBs, followed by that of FBs and PSBs. PSBs exhibited relatively uniform NIMs with limited cross-bank variation, whereas FBs displayed highest dispersion in their NIMs followed by PVBs (Chart IV.13b).

IV.22 The provision coverage ratio (PCR) (not adjusted for write-offs) of SCBs remained stable at 76.3 per cent at end-March 2025. During 2024-25, the PCR of PSBs increased to 78.5 per cent, while for PVBs it moderated to 72.6

Chart IV.14: Provision Coverage Ratio

(Per cent)



Notes: 1. Data for SCBs exclude RRBs.
2. Provision coverage ratio is not write-off adjusted.
Source: Off-site returns (domestic operations), RBI.

Table IV.4: Cost of Funds and Return on Funds – Bank Group-wise

(Per cent)

Bank Group	Year	Cost of Deposits	Cost of Borrowings	Cost of Funds	Return on Advances	Return on Investments	Return on Funds	Spread (columns 8-5)
1	2	3	4	5	6	7	8	9
PSBs	2023-24	4.8	7.3	5.0	8.5	6.7	8.0	3.0
	2024-25	5.0	7.3	5.2	8.5	6.8	8.0	2.8
PVBs	2023-24	4.8	9.2	5.4	10.4	6.8	9.5	4.1
	2024-25	5.1	8.2	5.5	10.0	6.8	9.2	3.7
FBs	2023-24	3.8	5.6	4.1	8.7	6.8	7.6	3.5
	2024-25	4.0	5.1	4.2	8.5	6.7	7.4	3.2
SFBs	2023-24	6.8	8.2	7.0	17.0	6.8	14.5	7.5
	2024-25	7.1	8.1	7.2	16.2	6.8	13.9	6.7
PBs	2023-24	2.0	11.2	2.4	10.0	7.6	7.6	5.2
	2024-25	1.9	11.7	2.4	9.1	6.7	6.7	4.3
SCBs	2023-24	4.8	8.1	5.1	9.4	6.7	8.6	3.5
	2024-25	5.0	7.5	5.3	9.2	6.8	8.5	3.2

Notes: 1. Data for SCBs excludes RRBs.
2. Cost of deposits = Interest paid on deposits/(Average of current and previous year's deposits).
3. Cost of borrowings = (Interest expended - Interest on deposits) / (Average of current and previous year's borrowings).
4. Cost of funds = Interest expended / (Average of current and previous year's deposits plus borrowings)
5. Return on advances = Interest earned on advances /(Average of current and previous year's advances).
6. Return on investments = Interest earned on investments /(Average of current and previous year's investments).
7. Return on funds = (Interest earned on advances + Interest earned on investments) / (Average of current and previous year's advances plus investments).

Sources: Annual accounts of banks and RBI staff calculations.

per cent. At end-September 2025, PCR of SCBs stood at 76.0 per cent (Chart IV.14).

IV.23 During 2024-25, a moderation in the return on funds alongside an increase in the cost of funds resulted in narrowing of spread for SCBs. SFBs continued to record the widest spread, reflecting relatively higher interest rates on their advances (Table IV.4).

4. Soundness Indicators

4.1 Capital Adequacy

IV.24 In India, the minimum regulatory capital to risk-weighted assets ratio (CRAR) requirement for banks is set at 9.0 per cent [11.5 per cent inclusive of capital conservation buffer (CCB)] and Tier 1 capital ratio requirement at 7.0 per cent, both one percentage point above the Basel III norms.[8] At end-March 2025, all bank groups remained well-capitalised, with CRAR and Tier 1 capital ratio remaining well above the minimum regulatory requirements. The CRAR of SCBs rose to 17.4 per cent at end-March 2025, with an increase witnessed across PSBs and PVBs. The Tier 1 capital ratio of SCBs also improved to 15.5 per cent at end-March 2025 led by an improvement in PSBs and PVBs (Table IV.5). The CRAR of SCBs stood at 17.2 per cent at end-September 2025.

IV.25 A wider dispersion in CRAR and common equity tier 1 (CET1) ratios was observed in case of PVBs as compared to PSBs in 2024-25. The mean as well as the median CRAR and CET1 ratio, of both PSBs and PVBs, recorded an increase during the year (Charts IV.15 a and b).

[8] The minimum regulatory CRAR requirement for SFBs is set at 15.0 per cent with Tier 1 capital requirement of at least 7.5 per cent of the total risk-weighted assets.

Table IV.5: Component-wise Capital Adequacy of SCBs
(At end-March)

(Amount in ₹ crore)

	PSBs		PVBs		FBs		SFBs		SCBs	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9	10	11
1. Capital Funds	**11,74,245**	**13,55,864**	**12,83,455**	**14,64,071**	**2,70,646**	**3,11,060**	**41,603**	**47,390**	**27,69,949**	**31,78,386**
i) Tier 1 Capital	9,94,510	11,66,550	11,55,051	13,42,472	2,43,842	2,82,833	37,330	41,475	24,30,733	28,33,330
ii) Tier 2 Capital	1,79,735	1,89,314	1,28,404	1,21,599	26,804	28,227	4,273	5,915	3,39,216	3,45,056
2. Risk Weighted Assets	**75,59,396**	**84,23,011**	**72,14,513**	**80,03,960**	**14,18,639**	**16,57,665**	**1,92,331**	**2,20,390**	**1,63,84,879**	**1,83,05,026**
3. CRAR (1 as % of 2)	**15.5**	**16.1**	**17.8**	**18.3**	**19.1**	**18.8**	**21.6**	**21.5**	**16.9**	**17.4**
Of which: Tier 1	13.2	13.8	16.0	16.8	17.2	17.1	19.4	18.8	14.8	15.5
Tier 2	2.4	2.2	1.8	1.5	1.9	1.7	2.2	2.7	2.1	1.9

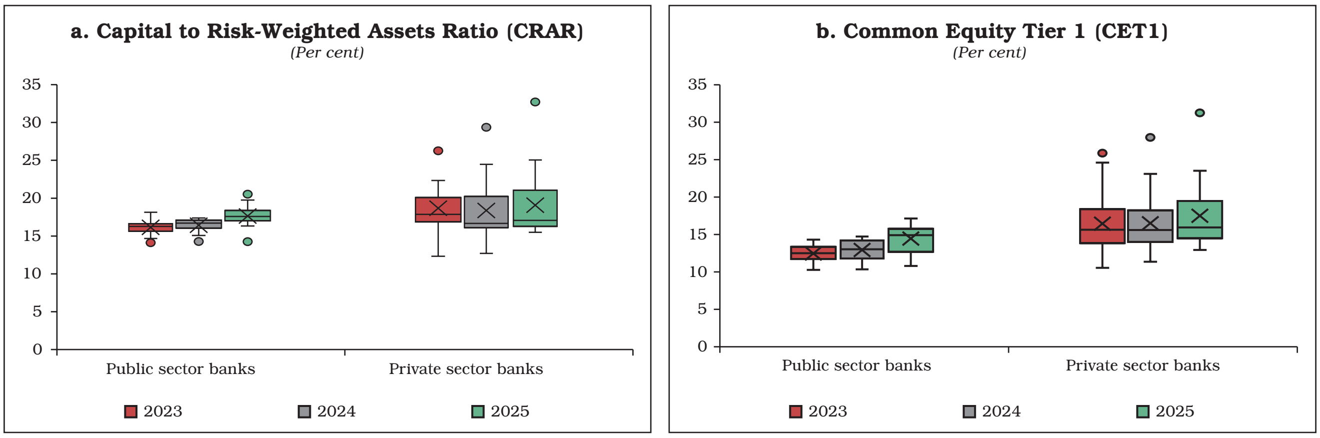
Notes: 1. Data for SCBs exclude RRBs and PBs.
2. Figures in per cent might not add up to the total due to rounding off of numbers.
Source: Off-site returns, RBI.

IV.26 Resources raised by banks through private placement of debt, qualified institutional placement, and preferential allotment of equity in the capital market increased during 2024-25. The increase was largely driven by PSBs which recorded a growth of 36.6 per cent in total amount raised through private placements, mostly through debt instruments (Table IV.6).

4.2 Leverage and Liquidity

IV.27 The leverage ratio is a non-risk based backstop measure complementing the Basel III risk-based capital framework. In India, the minimum leverage ratio requirement is 4.0 per cent for domestic systemically important banks and 3.5 per cent for other SCBs. The leverage ratio — the ratio of Tier 1 capital to total exposures — of SCBs' increased to 8.0 per cent at end-March 2025, with an improvement across PSBs and PVBs. The liquidity coverage ratio (LCR) — designed to withstand liquidity pressures in the short-term — requires banks to maintain high quality liquid assets to meet 30 days' net outgo under stressed conditions. For SCBs, the LCR improved to 132.6 per cent at end-March 2025. It remained well above the regulatory requirement of 100 per cent for all bank groups (Table IV.7).

Chart: IV.15: Bank Group-wise CRAR and CET1 Ratio
(At end-March)



Note: The whiskers of the boxplots are indicative of maximum and minimum values. A colored box shows distance between first quartile and third quartile. Horizontal line in each box shows the median, while 'X' shows the mean.
Source: Off-site returns, RBI.

Table IV.6: Resources Raised by Banks through Private Placements

(Amount in ₹ crore)

	2022-23		2023-24		2024-25		2025-26 (Up to November)	
	No. of issues	Amount raised	No. of issues	Amount raised	No. of issues	Amount raised	No. of issues	Amount raised
1	2	3	4	5	6	7	8	9
PSBs	27	70,260	26	97,380	28	1,33,000	6	40,719
PVBs	14	52,903	14	33,426	8	16,419	11	18,192
FBs	2	224	0	0	0	0	0	0
Total	**43**	**1,23,387**	**40**	**1,30,806**	**36**	**1,49,418**	**17**	**58,912**

Notes: 1. Include private placement of debt, qualified institutional placement and preferential allotment.
2. Data for 2025-26 are provisional.
3. Figures may not add up to the total due to rounding off.

Sources: SEBI, BSE, and NSE.

IV.28 The net stable funding ratio (NSFR) seeks to ensure that a bank's available stable funding exceeds its required stable funding over a one-year horizon on an ongoing basis. The minimum NSFR that banks in India are required to maintain is set at 100 per cent, in line with international standards. At end-March 2025, NSFR of SCBs stood at 126.4 per cent, much above the regulatory requirement (Table IV.8). At end-September 2025, NSFR of SCBs stood at 124.7 per cent.

4.3 Non-performing Assets

IV.29 The trend of improvement in asset quality of banks observed since 2018-19, measured by their declining GNPA ratios, continued during 2024-25. The GNPA ratio of SCBs declined further to a multi-decadal low of 2.2 per cent at end-March 2025 from 2.7 per cent at end-March 2024. During 2024-25, around 42.8 per cent of the reduction in GNPAs was attributable to recoveries and upgradations. The net NPA (NNPA) ratio also declined to 0.5 per cent at end-March 2025, partly reflecting higher provisioning (Table IV.9). As per supervisory data, at end-September 2025, the GNPA and NNPA ratios of SCBs stood at 2.1 per cent and 0.5 per cent, respectively.

IV.30 The slippage ratio of SCBs, which measures new accretions to NPAs as a share of standard advances at the beginning of the year, declined for the fifth consecutive year to 1.4 per cent at end-March 2025. Slippage ratio of both PSBs and PVBs declined, although it remained higher for PVBs (Charts IV.16a and b). For SCBs,

Table IV.7: Leverage Ratio and Liquidity Coverage Ratio

(Per cent)

	Leverage Ratio			Liquidity Coverage Ratio		
	Mar-24	Mar-25	Sep-25	Mar-24	Mar-25	Sep-25
1	2	3	4	5	6	7
PSBs	6.0	6.3	6.2	129.3	132.1	133.7
PVBs	9.7	10.2	10.3	127.1	128.6	122.1
FBs	10.8	10.3	10.6	145.0	149.6	157.0
SFBs	11.0	10.0	9.3	153.3	153.7	142.5
SCBs	**7.8**	**8.0**	**8.2**	**130.3**	**132.6**	**131.7**

Note: Data for SCBs exclude RRBs and PBs.
Source: Off-site returns, RBI.

Table IV.8: Net Stable Funding Ratio
(At end-March 2025)

(Amount in ₹ crore)

	Available Stable Funding	Required Stable Funding	Net Stable Funding Ratio (Per cent)
1	2	3	4
PSBs	1,22,35,851	96,31,010	127.0
PVBs	82,16,358	65,85,675	124.8
FBs	8,74,072	6,61,384	132.2
SFBs	2,87,381	2,26,049	127.1
SCBs	**2,16,13,661**	**1,71,04,118**	**126.4**

Notes: 1. Data for SCBs exclude RRBs and PBs.
2. Constituent items may not add up to the total due to rounding off.

Source: Off-site returns, RBI.

Table IV.9: Non-Performing Assets by Bank Group

(Amount in ₹ crore)

	PSBs	PVBs	FBs	SFBs	SCBs
1	2	3	4	5	6
Gross NPAs					
Closing Balance for 2023-24	3,39,541	1,29,164	6,523	5,590	4,80,818
Opening Balance for 2024-25	3,39,541	1,29,164	6,523	5,391	4,80,619
Addition during the year 2024-25	82,762	1,21,735	7,256	14,607	2,26,359
Reduction during the year 2024-25	1,38,653	1,18,224	8,458	10,009	2,75,344
i. Recovered	33,630	29,320	2,779	1,963	67,693
ii. Upgradations	13,847	30,360	3,322	2,559	50,087
iii. Written-off	91,176	58,544	2,357	5,486	1,57,563
Closing Balance for 2024-25	**2,83,650**	**1,32,674**	**5,321**	**9,989**	**4,31,634**
Gross NPAs as per cent of Gross Advances*					
2023-24	3.5	1.9	1.2	2.4	2.7
2024-25	2.6	1.8	0.9	3.6	2.2
Net NPAs					
2023-24	72,544	31,594	812	1,796	1,06,745
2024-25	55,634	35,069	776	3,910	95,388
Net NPAs as per cent of Net Advances					
2023-24	0.8	0.5	0.1	0.8	0.6
2024-25	0.5	0.5	0.1	1.4	0.5

*: Calculated by taking gross NPAs from annual accounts of respective banks and gross advances from off-site returns (global operations).

Notes: 1. Data for SCBs exclude RRBs and PBs.

2. Closing balance for 2023-24 is not equal to opening balance for 2024-25 due to merger of one SFB into another effective April 1, 2024. The balance NPA pertaining to the merged SFB— amounting to ₹199.54 crores — has been incorporated under GNPA additions during the year 2024–25.

3. Net NPAs=Gross NPA - deductions; net advances=gross advances - deductions. Deductions include: i) provisions held in the case of NPA accounts as per asset classification; ii) DICGC / ECGC claims received and held pending adjustment; iii) part payment received and kept in suspense account or any other similar account; iv) balance in sundry account (interest capitalisation – restructured accounts), in respect of NPA accounts; and v) floating provisions.

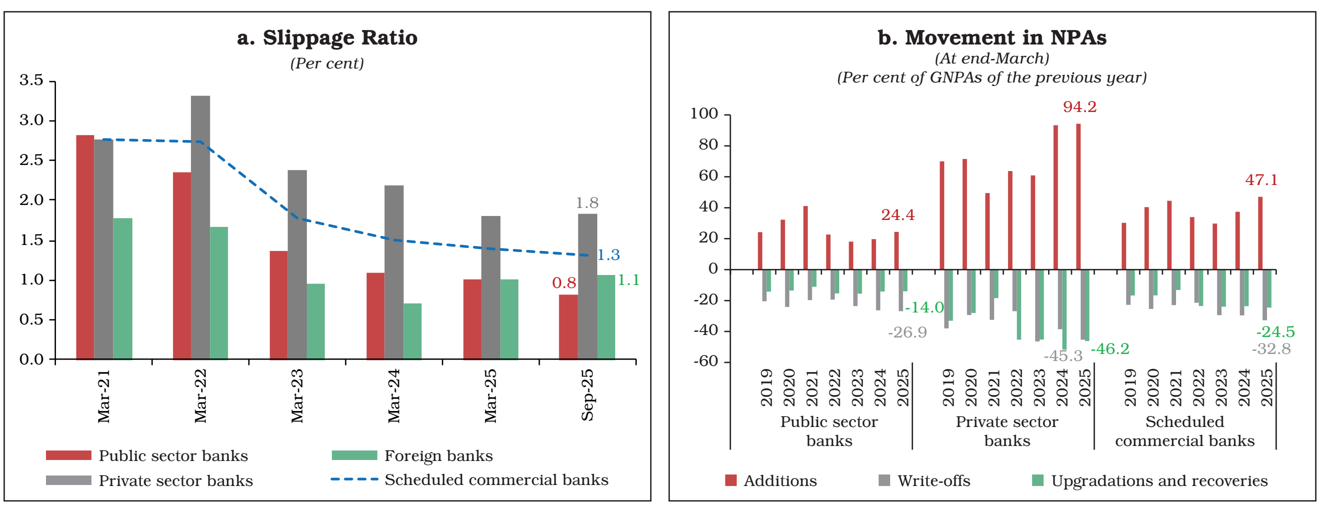
4. Constituent items may not add up to the total due to rounding off.

Sources: Annual accounts of banks and off-site returns (global operations), RBI.

slippage ratio further declined to 1.3 per cent at end-September 2025.

IV.31 Reflecting these gains in asset quality, the proportion of standard assets in total advances

Chart IV.16: Reduction in Gross Non-Performing Assets



Sources: Off-site returns (global operations), RBI and annual accounts of banks.

Table IV.10: Classification of Loan Assets by Bank Group

(Amount in ₹ crore)

Bank Group	End-March	Standard Assets		Sub-standard Assets		Doubtful Assets		Loss Assets	
		Amount	Per cent*	Amount	Per cent*	Amount	Per cent*	Amount	Per cent*
1	2	3	4	5	6	7	8	9	10
PSBs	2024	84,24,922	96.3	58,576	0.7	1,78,483	2.0	83,681	1.0
	2025	95,38,365	97.2	56,039	0.6	1,34,813	1.4	82,561	0.8
PVBs	2024	66,96,942	98.2	44,199	0.6	52,944	0.8	26,397	0.4
	2025	72,94,711	98.2	58,336	0.8	50,019	0.7	22,021	0.3
FBs	2024	5,39,598	98.8	1,344	0.2	4,228	0.8	950	0.2
	2025	6,12,992	99.1	1,520	0.2	2,629	0.4	1,172	0.2
SFBs	2024	2,24,245	97.6	4,005	1.7	1,514	0.7	71	0.0
	2025	2,68,585	96.4	8,423	3.0	1,498	0.5	68	0.0
SCBs	2024	1,58,85,707	97.2	1,08,125	0.7	2,37,169	1.5	1,11,099	0.7
	2025	1,77,14,653	97.7	1,24,317	0.7	1,88,959	1.0	1,05,822	0.6

*: As per cent of gross advances.

Notes: 1. Data for SCBs exclude RRBs and PBs.
2. Constituent items may not add up to the total due to rounding off.

Source: Off-site returns (domestic operations), RBI.

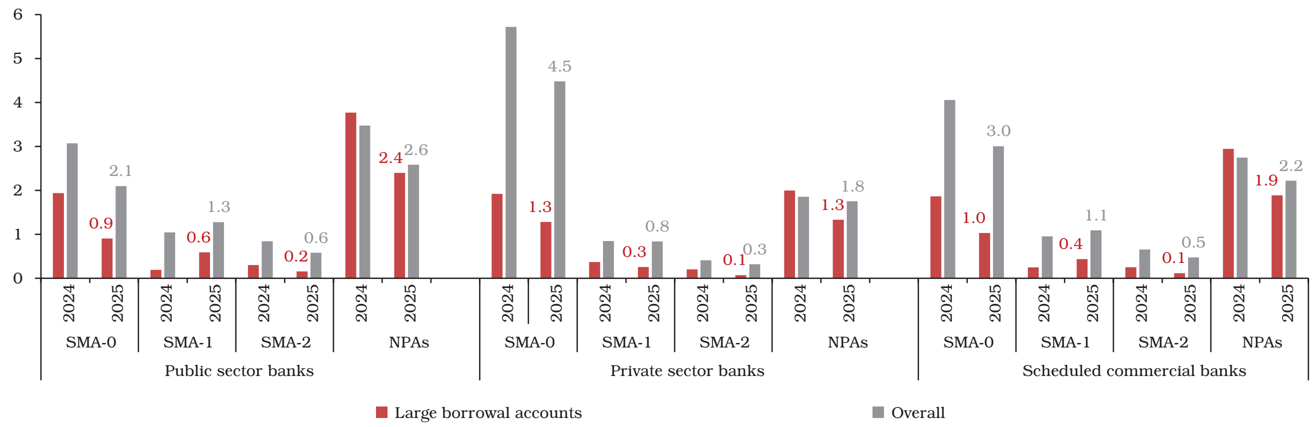
increased for SCBs at end-March 2025, led by PSBs and FBs (Table IV.10).

IV.32 The share of large borrowal accounts[9] in total advances of SCBs remained broadly unchanged at 43.9 per cent at end-March 2025. The special mention accounts-0 (SMA-0), special mention accounts-2 (SMA-2)[10] and NPAs as a proportion of gross advances of SCBs declined for both overall and large borrowal accounts in 2024-25. The special mention accounts-1 (SMA-1) ratio for SCBs increased during 2024-25, driven by an increase in SMA-1 for PSBs (Chart IV.17).

IV.33 Restructured accounts of SCBs had increased significantly in 2021-22 following the introduction of the resolution frameworks

Chart IV.17: Overall Stress *vis-à-vis* Stress in Large Borrowal Accounts

(At end-March, as per cent of amount outstanding)



Notes: 1. The ratios for large borrowal accounts and overall accounts are calculated as percentages of their respective amounts outstanding.
2. Data for SCBs exclude RRBs.

Sources: CRILC database and off-site returns (global operations), RBI.

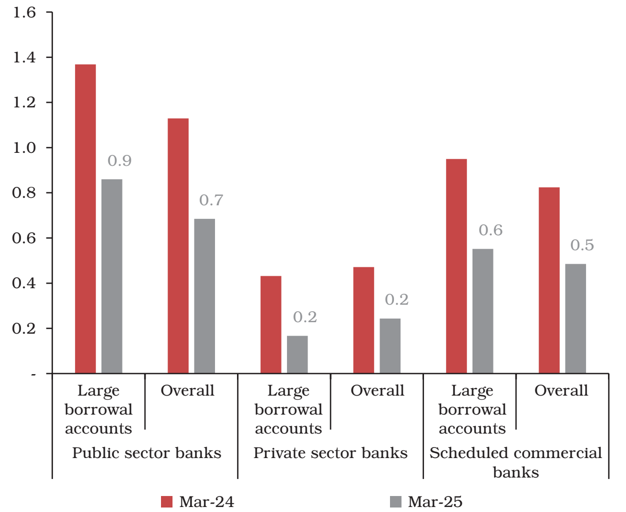
9 Large borrowal accounts refer to accounts with total exposure of ₹5 crore and above.

10 SMA-0 accounts are those wherein the principal or interest payment is not overdue for more than 30 days but account is showing signs of incipient stress. SMA-1 account are those wherein the principal or interest payment is overdue between 31-60 days. SMA-2 account are those wherein the principal or interest payment is overdue between 61-90 days.

1.0 and 2.0 in the aftermath of the pandemic. Subsequently, reflecting the expiry of deadlines for invocation of the restructured standard advances and also improvements in asset quality, the number of restructured accounts declined. Consequently, during 2024-25, restructured standard advances ratio declined for overall as well as for large borrowal accounts of SCBs, led by PSBs.[11] PVBs had a lower share of restructured standard advances in gross advances compared to PSBs at end-March 2025 (Chart IV.18).

Chart IV.18: Restructured Standard Advances (RSA) Ratio

(RSA as per cent of total advances)



Note: Data for SCBs exclude RRBs.
Source: CRILC database and off-site returns (global operations), RBI.

4.4 *Recoveries*

IV.34 During 2024-25, the number of cases referred for resolution decreased under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and Insolvency and Bankruptcy Code (IBC). The amount involved in referred cases for resolution under the SARFAESI Act decreased in 2024-25, while the recovery rate increased to 31.5 per cent. The recovery rate under the IBC also improved to 36.6 per cent in 2024–25. The IBC remained the dominant mode of recovery, followed by the SARFAESI route. The share of IBC in total amount recovered increased to 52.4 per cent in 2024-25 as compared with 49.5 per cent in the previous year (Table IV.11). Under the IBC, the realisable value stood at 170.1 per cent of liquidation value at end-September 2025 as compared to 161.1 per cent at end-September 2024.

Table IV.11: NPAs of SCBs Recovered through Various Channels

(Amount in ₹ crore)

Recovery Channel	2023-24				2024-25 (P)			
	No. of cases referred	Amount involved	Amount recovered*	Col. (4) as per cent of Col. (3)	No. of cases referred	Amount involved	Amount recovered*	Col. (8) as per cent of Col. (7)
1	2	3	4	5	6	7	8	9
Lok Adalats	1,23,41,783	1,81,934	3,308	1.8	1,49,12,705	1,97,907	4,742	2.4
DRTs	30,806	79,414	13,527	17.0	34,430	1,29,516	12,363	9.5
SARFAESI Act	2,16,571	1,19,554	30,416	25.4	2,15,709	1,03,180	32,466	31.5
IBC @	1,004	1,63,943	46,340	28.3	732	1,49,045	54,528	36.6
Total	**1,25,90,164**	**5,44,845**	**93,591**	**17.2**	**1,51,63,576**	**5,79,648**	**1,04,099**	**18.0**

P : Provisional. DRTs: Debt Recovery Tribunals.
* : Refers to the amount recovered during the given year, which could be with reference to the cases referred during the given year as well as during earlier years.
@ : Cases admitted by National Company Law Tribunals (NCLTs).
Sources: Off-site returns, RBI, and Insolvency and Bankruptcy Board of India (IBBI).

[11] Restructured standard advances ratio represents proportion of restructured standard advances in gross advances.

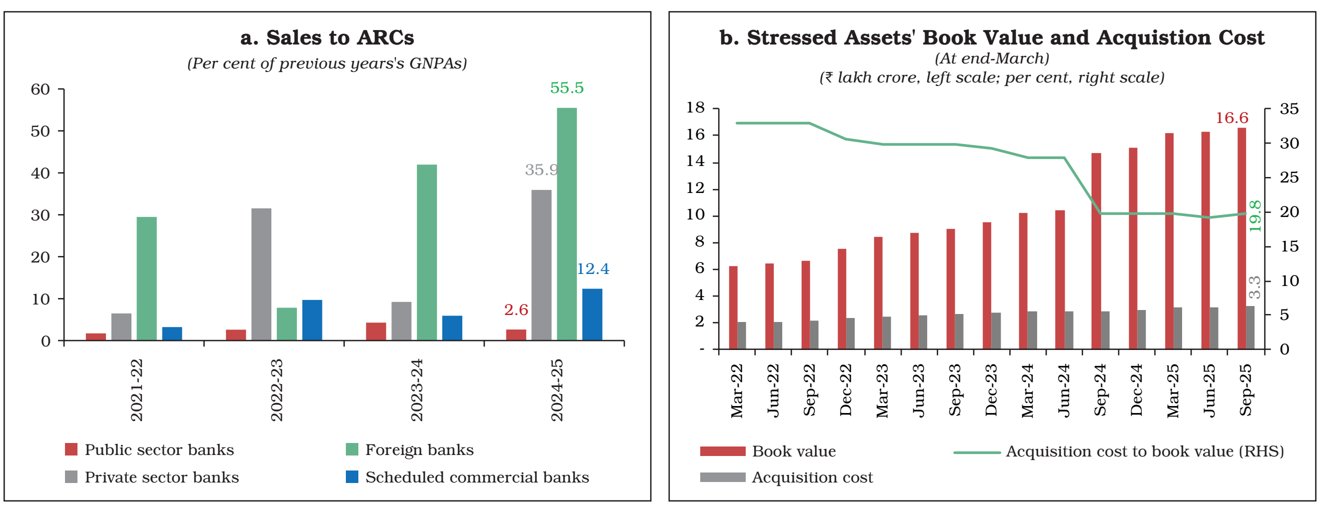
IV.35 Banks continued to clean up their balance sheets through sale of NPAs to asset reconstruction companies (ARCs). The ratio of asset sales to previous year's GNPAs for SCBs increased during 2024-25, even as banks continued to make recoveries through other channels (Chart IV.19a). In absolute terms, asset sales to ARCs increased for PVBs and foreign banks, while it declined for PSBs during 2024-25. The book value of assets acquired by ARCs grew at a faster pace than their acquisition cost, resulting in a decline in the acquisition cost-to-book value ratio at end-March 2025 (Chart IV.19b).

IV.36 The outstanding book value of assets acquired by ARCs increased by 57.9 per cent, partly reflecting the impact of acquisition of Stressed Asset Stabilisation fund. Security receipts issued increased by 13.3 per cent during 2024-25 as compared with an increase of 15.0 per cent in the previous year. The ratio of security receipts issued to book value of assets acquired declined to 19.8 per cent at end-March 2025 from 27.6 per cent at end-March 2024. The share of banks' subscriptions to total security receipts decreased to 58.9 per cent at end-March 2025 from 59.1 per cent last year. The share of other investors (qualified institutional buyers) continued to increase to 13.8 per cent from 13.1 per cent in the previous year. During 2024-25, the security receipts completely redeemed as per cent of the previous year's outstanding security receipts, an indicator of recovery through this mode, improved to 41.8 per cent from 38.2 per cent during the previous year (Table IV.12).

4.5 Frauds in the Banking Sector

IV.37 Frauds present multiple challenges by exposing financial institutions to reputational, operational and business risks, while also weakening customer trust. During 2024-25, based on date of reporting by banks, the total number of frauds decreased. However, the amount involved in frauds increased. This was mainly due to re-examination and reporting afresh of 122 fraud cases amounting to ₹18,336 crore after ensuring compliance with the

Chart IV.19: Stressed Asset Sale to ARCs



Sources: Quarterly statements submitted by ARCs and off-site returns (domestic operations), RBI.

Table IV.12: Details of Financial Assets Securitised by Asset Reconstruction Companies
(At end-March)

(Amount in ₹ crore)

	2023	2024	2025
1	2	3	4
Number of reporting ARCs	28	27	27
1. Book Value of Assets Acquired	8,39,126	10,25,429	16,19,124
2. Security Receipt issued by ARCs	2,46,290	2,83,323	3,20,887
3. Security Receipts Subscribed to by			
(a) Banks	1,49,253	1,67,517	1,89,025
(b) ARCs	49,519	57,283	64,656
(c) Financial Institutional Investors	19,383	21,495	22,778
(d) Others (Qualified Institutional Buyers)	28,135	37,027	44,427
4. Amount of Security Receipts Completely Redeemed	41,257	53,243	60,688
5. Amount of Security Receipts Partially Redeemed	65,610	84,938	1,06,875
6. Security Receipts Outstanding	1,39,422	1,45,140	1,53,323

Notes: 1. Total as at end of quarter (cumulative/stock figures).
2. Constituent items may not add up to the total due to rounding off.

Source: Quarterly statements submitted by ARCs.

judgement of the Hon'ble Supreme Court of India dated March 27, 2023 (Table IV.13 and Appendix Table IV.7).[12] Based on the date of occurrence of frauds, during 2024-25, the share of card / internet frauds in the total stood at 66.8 per cent in terms of number of cases. In terms of amount, the share of advances-related frauds was 33.1 per cent (Table IV.14).

IV.38 In 2024-25, PVBs accounted for 59.3 per cent of the total number of frauds reported, while PSBs accounted for 70.7 per cent of the amount involved (Charts IV.20 a and b). Within PVBs, card/internet-related frauds accounted for the largest share by number, while frauds related to advances constituted the largest share by value in 2024-25. In contrast, PSBs reported the highest share of frauds related to

Table IV.13: Frauds in Various Banking Operations Based on the Date of Reporting

(Amount in ₹ crore)

Area of Operation	2022-23		2023-24		2024-25		2024-25 (April-Sep)		2025-26 (April-Sep)	
	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved
1	2	3	4	5	6	7	8	9	10	11
Advances	3,989	15,065	4,113	9,160	7,934	31,911	3,518	15,521	4,255	17,501
Card/Internet	6,699	277	29,080	1,457	13,469	520	13,081	484	195	14
Cash	1,485	159	484	78	306	39	205	18	116	27
Cheques/DDs, *etc.*	118	25	127	42	122	74	49	54	51	8
Clearing Accounts, *etc.*	18	3	17	2	6	2	3	1	2	6
Deposits	652	259	2,002	240	1,207	521	934	363	222	131
Forex Transactions	13	12	19	38	23	16	6	1	21	124
Inter-Branch Accounts	3	0	29	10	14	26	3	0	19	19
Off-balance Sheet	13	280	10	199	8	270	-	-	3	1
Others	472	422	171	35	790	1,392	587	127	208	3,684
Total	**13,462**	**16,502**	**36,052**	**11,261**	**23,879**	**34,771**	**18,386**	**16,569**	**5,092**	**21,515**

-: Nil/negligible.

Notes: 1. Refers to frauds of ₹1 lakh and above.
2. The figures reported by banks and financial institutions are subject to change based on revisions filed by them.
3. Frauds reported in a year could have occurred several years prior to year of reporting.
4. Amounts involved are as reported and do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved in loan accounts is not necessarily diverted.
5. As on September 30, 2025, 942 frauds amounting to ₹1,28,031 crore were withdrawn by banks and financial institutions due to non-compliance with the principles of natural justice as per the judgment of the Hon'ble Supreme Court of India dated March 27, 2023.
6. Data pertaining to 2024-25 includes fraud classification in 122 cases amounting to ₹18,336 crore, pertaining to the previous financial years, reported afresh during the financial year 2024-25 after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court of India, dated March 27, 2023.
7. Post issuance of revised Master Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s).

Source: RBI.

[12] These were removed from fraud classification during the previous financial years due to non-compliance with Principles of Natural Justice.

Table IV.14: Frauds in Various Banking Operations Based on the Date of Occurrence

(Amount in ₹ crore)

Area of Operation	Prior to 2022-23		2022-23		2023-24		2024-25		2025-26 (April - Sep)	
	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved	Number of frauds	Amount involved
1	2	3	4	5	6	7	8	9	10	11
Advances	8,192	64,974	4,728	3,319	5,006	4,142	2,214	1,159	151	42
Card/Internet	1,902	191	11,994	628	27,663	1,192	7,756	252	128	4
Cash	584	61	1,057	121	473	72	219	40	58	8
Cheques/DDs, *etc.*	79	31	113	24	103	39	98	52	25	3
Clearing Accounts, *etc.*	12	4	15	1	13	2	1	1	2	6
Deposits	559	325	762	222	1,994	255	701	325	67	24
Forex Transactions	28	79	21	47	12	3	3	61	12	1
Inter-Branch Accounts	15	5	22	1	12	37	13	11	3	1
Off-balance Sheet	24	713	4	-	4	28	2	9	-	-
Others	298	3,324	422	515	250	86	608	1,587	63	22
Total	**11,693**	**69,707**	**19,138**	**4,878**	**35,530**	**5,856**	**11,615**	**3,497**	**509**	**111**

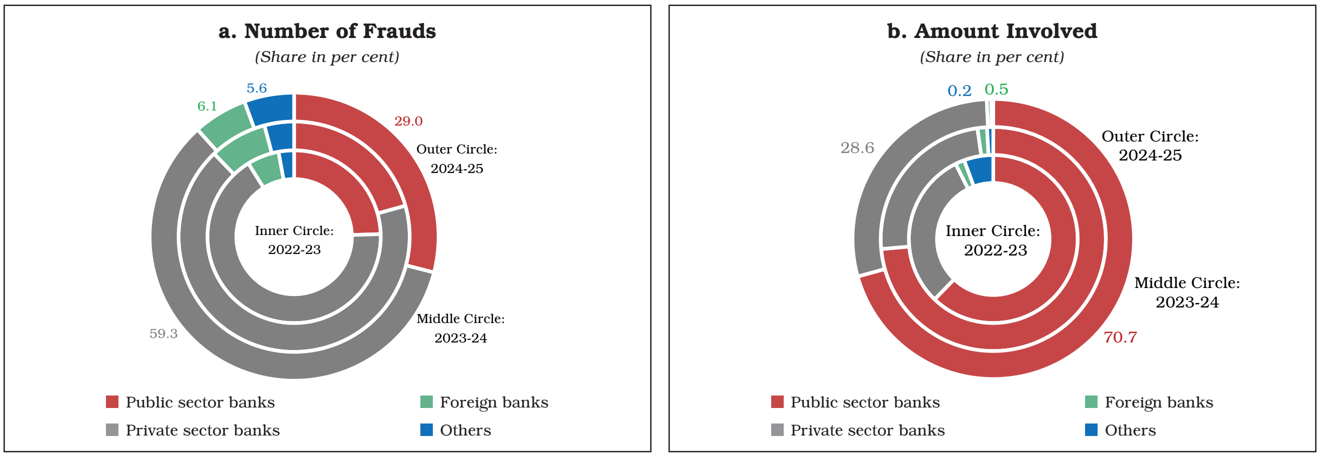
-: Nil/negligible.

Notes: 1. Refers to frauds of ₹1 lakh and above.
2. The figures reported by banks and financial institutions are subject to change based on revisions filed by them.
3. Data based on date of occurrence may change for a period of time as frauds reported late but having occurred earlier would get added.
4. Data in the table pertain to cases reported from FY 2022-23 till September 30, 2025.
5. Amounts involved are as reported and do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved in loan accounts is not necessarily diverted.
6. As on on September 30, 2025, 942 frauds amounting to ₹1,28,031 crore were withdrawn by banks and financial institutions due to non-compliance with the principles of natural justice as per the judgment of the Hon'ble Supreme Court of India dated March 27, 2023.
7. Data pertaining to 2024-25 includes fraud classification in 122 cases amounting to ₹18,336 crore, pertaining to the previous financial years, reported afresh during the financial year 2024-25 after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court of India, dated March 27, 2023.
8. Post issuance of revised Master Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s).

Source: RBI.

advances, both in terms of number of cases and the amount involved. The share of card/internet frauds declined across all bank groups in both number and amount involved during 2024–25. The share of advances-related frauds, both in terms of number and amount, increased across all bank groups (except for PSBs in terms of amount), primarily due to a significant portion

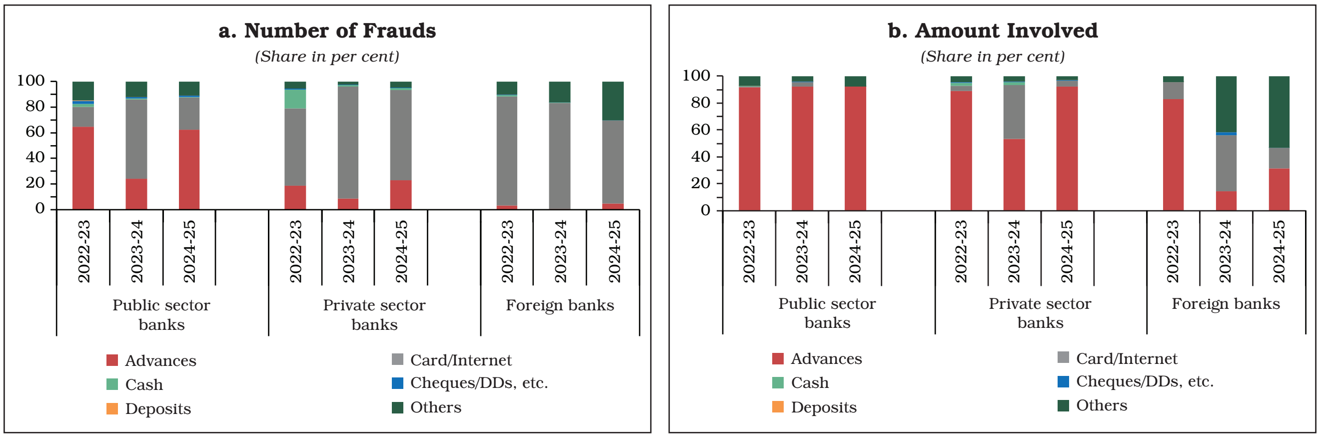
Chart IV.20: Bank Group-wise Frauds



Notes: 1. Frauds based on date of reporting.
2. Others include financial institutions, small finance banks, payments banks and local area banks.

Source: RBI.

Chart IV.21: Area of Operation-wise Frauds



DDs: Demand drafts.

Notes: 1. Frauds based on date of reporting.

2. Others include clearing accounts, forex transactions, inter-branch accounts, non-resident accounts, off-balance sheet accounts and others.

Source: RBI.

of reclassified frauds being associated with advances (Charts IV.21 a and b).

4.6 *Enforcement Actions*

IV.39 Enforcement actions endeavour to ensure regulatory compliance, achieve credible deterrence and maintain stability and integrity of the financial system. During 2024-25, instances of penalty imposed by the Reserve Bank increased across all regulated entities, except PSBs, PBs and CICs.[13] The penalty amount, however, fell compared to last year across all regulated entities, except Co-operative banks, SFBs, RRBs and HFCs (Table IV.15).

5. Sectoral Bank Credit: Distribution and Non-performing Assets

IV.40 Bank credit growth moderated during 2024-25 reflecting deceleration across all sectors, although it remained in double-digit. The slowdown was most pronounced in the personal loans segment, followed by services, agriculture and industry. The shares of services and personal loans in total bank credit increased at end-March 2025, while that of industry and agriculture registered a decline. Within the industrial sector, medium industries witnessed an acceleration in credit growth, while micro and small, and large industries recorded a

Table IV.15: Enforcement Actions

Regulated Entity	2023-24		2024-25	
	Instances of Imposition of Penalty	Total Penalty (₹ *crore*)	Instances of Imposition of Penalty	Total Penalty (₹ *crore*)
1	2	3	4	5
Public Sector Banks	16	23.68	8	11.11
Private Sector Banks	12	24.90	15	14.80
Co-operative Banks	215	12.07	264	15.63
Foreign Banks	3	7.04	6	3.52
Payments Banks	1	5.39	1	0.27
Small Finance Banks	1	0.29	2	0.72
Regional Rural Banks	4	0.12	6	0.59
NBFCs/ARCs	22	11.53	37	7.29
HFCs	3	0.08	13	0.83
CICs	4	1.01	1	0.02
Total	**281**	**86.11**	**353**	**54.78**

NBFCs: Non-banking financial companies, ARCs: Asset reconstruction companies, HFCs: Housing finance companies, CICs: Credit information companies.

Source: RBI.

[13] Major reasons for the imposition of monetary penalties included, *inter alia*, non-compliance with the provisions on transfer of unclaimed deposits to the Depositor Education and Awareness Fund; Exposure norms, Income Recognition and Asset Classification norms; reporting information on CRILC platform; submission of credit information to credit information companies; customer protection-limiting liability of customers in unauthorised electronic banking transactions; director related loans; know your customer (KYC) directions, frauds classification and reporting by regulated entities among others.

deceleration. In the services segment, growth was mainly contributed by trade and other services. Growth in housing loans remained the principal sub-segment driving the growth of personal loans at end-March 2025 (Table IV.16). At end-October 2025, bank credit growth accelerated across all sectors, except agriculture as compared with a year ago.

IV.41 During 2024-25, notwithstanding a moderation in bank credit, total flow of financial resources to commercial sector increased, driven by a pick up in flow from non-bank resources. The increase in funding from non-bank sources during 2024-25 was largely driven by buoyant domestic capital markets, reflected in higher equity issuances and increased corporate bond placements amidst easing market conditions, enhanced credit flow by non-banking financial companies (NBFCs), and a rebound in short-term external credit (Charts IV.22 a and b).

Table IV.16: Sectoral Deployment of Gross Bank Credit by SCBs

(Amount in ₹ crore)

Sector	Outstanding as on					Per cent variation (y-o-y)		
	Mar-23	Mar-24	Oct-24	Mar-25	Oct-25	Mar-24	Mar-25	Oct-25
1	2	3	4	5	6	7	8	9
1. Agriculture and Allied Activities	**17,26,410**	**20,71,251**	**22,05,579**	**22,87,060**	**24,02,610**	**20.0**	**10.4**	**8.9**
2. Industry (Micro and Small, Medium and Large)	**33,66,406**	**36,82,393**	**38,12,250**	**39,85,660**	**41,92,700**	**9.4**	**8.2**	**10.0**
2.1. Micro and Small	6,33,289	7,33,123	7,57,113	7,98,473	9,53,572	15.8	8.9	25.9
2.2. Medium	2,68,286	3,06,425	3,38,367	3,63,245	3,98,071	14.2	18.5	17.6
2.3. Large	24,64,831	26,42,844	27,16,770	28,23,942	28,41,057	7.2	6.9	4.6
3. Services, *of which*	**37,18,805**	**45,47,237**	**47,29,329**	**50,93,565**	**53,45,246**	**22.3**	**12.0**	**13.0**
3.1. Transport Operators	1,92,059	2,32,379	2,49,128	2,61,575	2,75,525	21.0	12.6	10.6
3.2. Computer Software	24,924	25,917	30,581	32,915	39,584	4.0	27.0	29.4
3.3. Tourism, Hotels and Restaurants	69,342	77,816	80,012	83,366	91,529	12.2	7.1	14.4
3.4. Trade	8,72,340	10,24,408	10,78,651	11,84,550	12,27,077	17.4	15.6	13.8
3.5. Commercial Real Estate	3,22,591	4,60,263	4,99,115	5,23,264	5,69,245	42.7	13.7	14.1
3.6. Non-Banking Financial Companies (NBFCs)*	13,42,539	15,23,054	15,35,999	16,35,102	17,03,567	13.4	7.4	10.9
3.7 Other Services**	7,20,969	9,85,815	10,15,601	11,23,459	11,80,689	36.7	14.0	16.3
4. Personal Loans, *of which*	**41,82,767**	**53,46,691**	**56,64,806**	**59,71,696**	**64,55,946**	**27.8**	**11.7**	**14.0**
4.1. Consumer Durables	20,985	23,445	23,415	23,201	23,646	11.7	-1.0	1.0
4.2. Housing (Including Priority Sector Housing)	19,91,164	27,18,712	28,71,841	30,10,477	31,87,475	36.5	10.7	11.0
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits *etc.*)	1,22,484	1,25,082	1,27,906	1,41,842	1,50,287	2.1	13.4	17.5
4.4. Advances to Individuals against share, bonds, *etc.*	7,633	8,492	9,060	10,080	10,006	11.3	18.7	10.4
4.5. Credit Card Outstanding	2,04,708	2,57,016	2,81,392	2,84,366	3,03,073	25.6	10.6	7.7
4.6. Education	96,482	1,19,380	1,30,308	1,37,456	1,49,442	23.7	15.1	14.7
4.7. Vehicle Loans	4,87,597	5,73,391	6,01,970	6,22,793	6,77,349	17.6	8.6	12.5
4.8. Loans against gold jewellery	89,370	93,301	1,47,724	2,06,284	3,37,580	4.4	121.1	128.5
5. Bank Credit	**1,36,75,235**	**1,64,32,164**	**1,74,19,532**	**1,82,43,972**	**1,93,90,500**	**20.2**	**11.0**	**11.3**
5.1 Non-food Credit	**1,36,55,330**	**1,64,09,083**	**1,73,89,477**	**1,82,07,441**	**1,93,20,128**	**20.2**	**11.0**	**11.1**

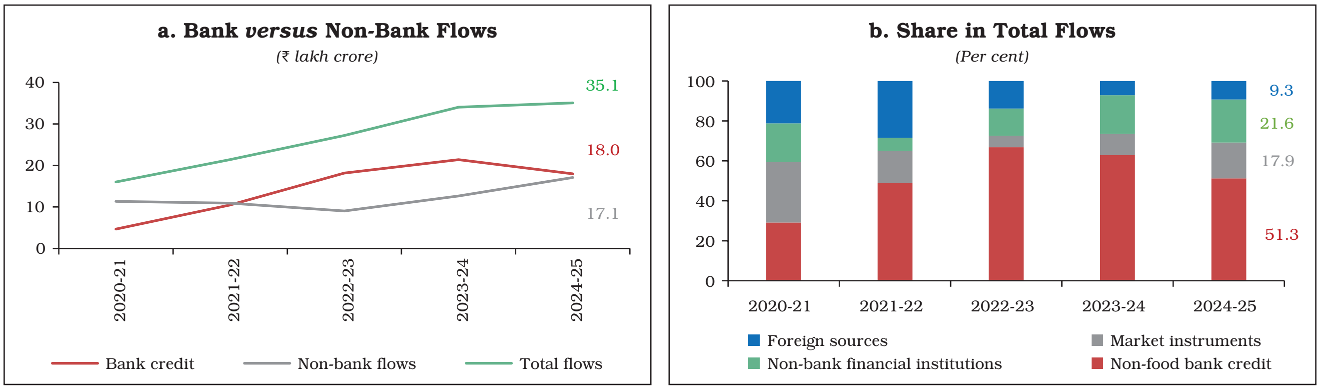
* : NBFCs include housing finance companies (HFCs), public financial institutions (PFIs), microfinance institutions (MFIs), NBFCs engaged in gold loan and others.

** : "Other Services" include mutual funds (MFs), banking and finance other than NBFCs and MFs, and other services which are not indicated elsewhere under services.

Notes: 1. Data are provisional. Bank credit, food credit and non-food credit data are based on fortnightly Section-42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs pertaining to the last reporting Friday of the month.

Source: RBI.

Chart IV.22: Flow of Financial Resources to the Commercial Sector in India

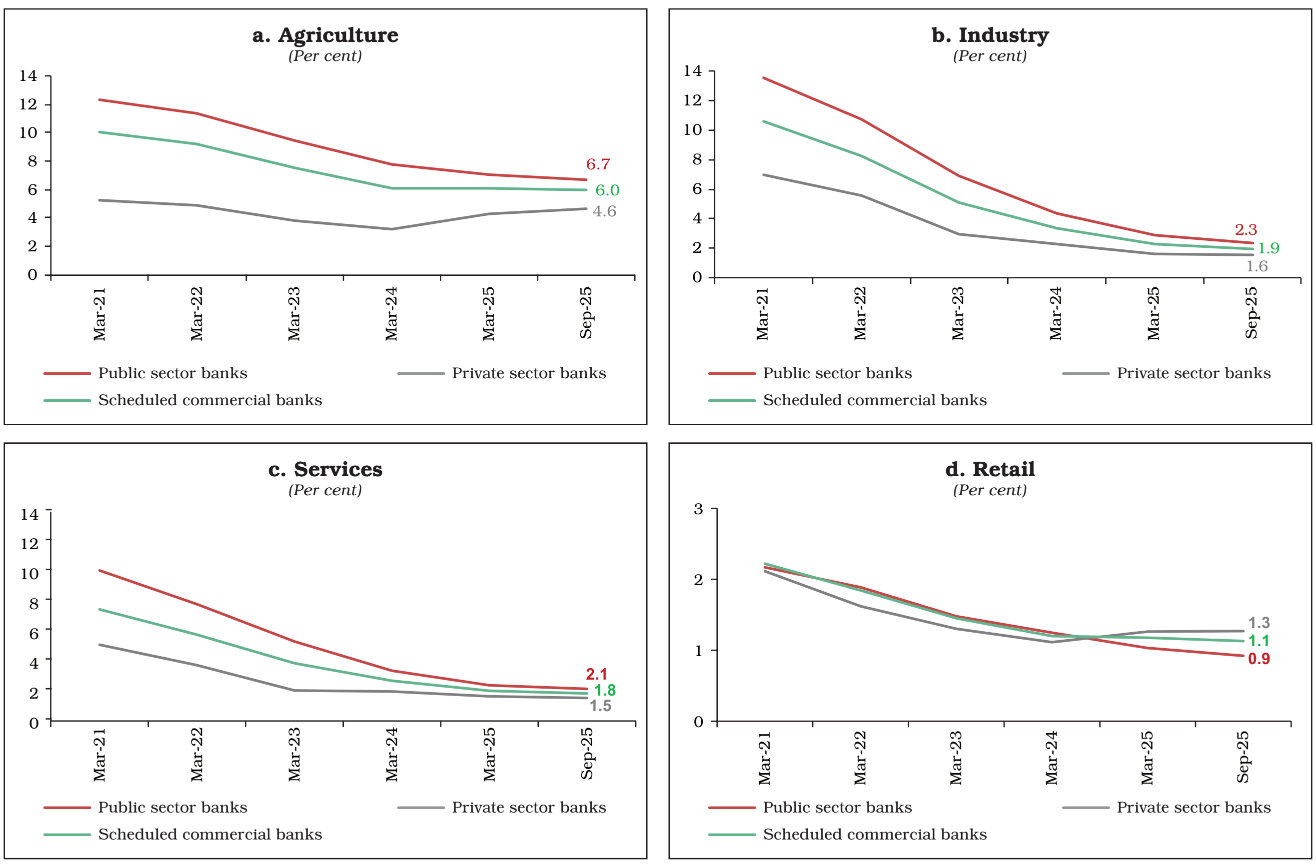


Notes: 1. Data for bank credit pertain to non-food bank credit based on Section-42 return.
2. Non-bank flows include flows from market instruments, non-bank financial institutions and foreign sources.
3. Market instruments include equities, corporate bonds, hybrid instruments and commercial papers; non-bank financial institutions include non-banking financial companies, housing finance companies and all-India financial institutions (AIFIs); and foreign sources include foreign direct investment, external commercial borrowings and short-term credit from abroad.

Sources: RBI; SEBI; NABARD; EXIM Bank; SIDBI; NHB; NaBFID; and RBI staff estimates.

IV.42 Sectoral GNPA ratios of SCBs varied across sectors at end-March 2025. The agriculture sector recorded the highest GNPA ratio, while it was the lowest in case of retail loans. Asset quality of industry and services sector improved further at end-March 2025 for both PSBs and

Chart IV.23: Sectoral Gross Non-Performing Assets Ratio



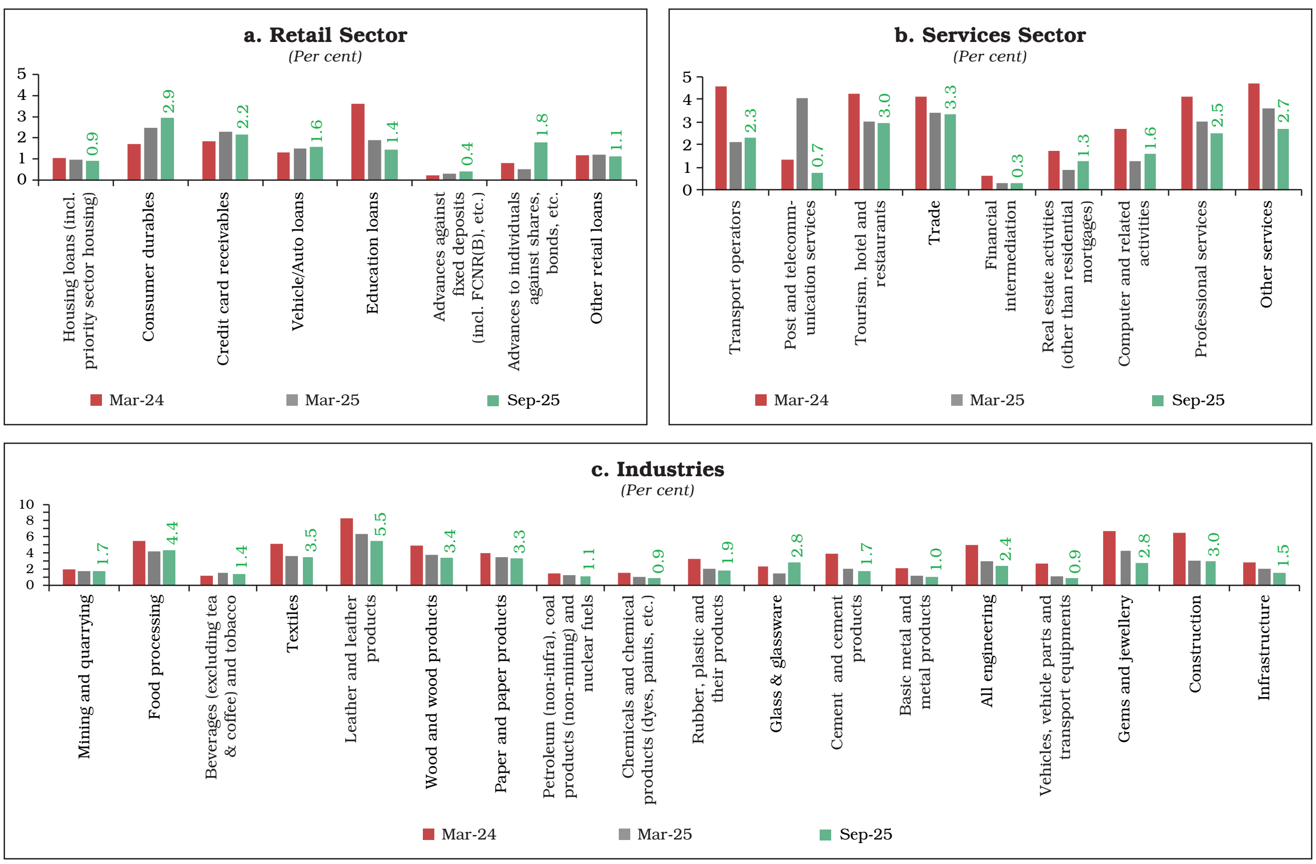
Source: Off-site returns (domestic operations), RBI.

PVBs. PSBs, however, had higher GNPA ratio across all sectors as compared to PVBs, except in the retail segment. At end-September 2025, the asset quality of SCBs continued to improve across all sectors (Chart IV.23).

IV.43 Within retail loan segment, the GNPA ratio of consumer durables was the highest, followed by credit card receivables and education loans. Asset quality of education loans and housing loans improved, while it weakened for consumer durables, credit card receivables and vehicle loans at end-March 2025 (Chart IV.24a). In the services sector, asset quality improved across all sub-sectors, except for post and telecommunication segment, which recorded the highest GNPA ratio within the sector (Chart IV.24b). Asset quality improved across all industrial sub-sectors, except for beverages and tobacco. Leather and leather products industry continued to have the highest GNPA ratio within industries, despite an improvement (Chart IV.24c).

IV.44 At end-September 2025, housing loans and education loans witnessed further improvement in asset quality within the retail segment, while leather and leather products continued to have the highest GNPA ratio within industry, despite some improvement. In contrast, credit card receivables and post and telecommunication segment recorded an improvement in asset quality at end-September 2025 as compared to end-March 2025.

Chart IV.24: Gross Non-Performing Assets Ratio in Various Sub-Sectors



Source: Off-site returns (domestic operations), RBI.

5.1 Credit to the MSME Sector

IV.45 Credit growth of SCBs to micro, small and medium enterprises (MSME) sector decelerated in 2024-25, although it continued to remain in double digits. Among bank groups, PSBs' credit growth to MSME accelerated, while it moderated for PVBs (Table IV.17). MSME credit as a proportion of SCBs' total adjusted net bank credit stood at 19.0 per cent at end-March 2025 as compared with 19.3 per cent at end-March 2024.

5.2 Priority Sector Credit

IV.46 The priority sector lending of SCBs increased by 12.5 per cent in 2024-25 as compared with an increase of 16.9 per cent a year ago. The moderation in growth was led by PVBs, while PSBs recorded a marginal increase. All bank groups managed to achieve their overall priority sector lending target (Table IV.18). The total amount outstanding under Kisan Credit Cards (KCCs) increased by 3.9 per cent during 2024-25 as compared with an increase

Table IV.17: Credit Flow to the MSME Sector by SCBs

(Number of accounts in lakh, amount outstanding in ₹ crore)

1	2	3	4	5
		2022-23	2023-24	2024-25
PSBs	No. of accounts	138.6 (-7.4)	144.5 (4.2)	124.6 (-13.7)
	Amount outstanding	10,84,954 (13.5)	12,22,687 (12.7)	14,15,994 (15.8)
PVBs	No. of accounts	58.0 (-35.2)	89.4 (54.2)	79.8 (-10.7)
	Amount outstanding	10,60,173 (12.7)	13,35,238 (25.9)	14,84,158 (11.2)
SFBs	No. of accounts	15.1 (-35.0)	20.4 (34.8)	35.9 (75.8)
	Amount outstanding	29,661 (1.2)	67,086 (126.2)	91,002 (35.6)
FBs	No. of accounts	1.6 (-26.3)	2.7 (72.5)	2.8 (4.1)
	Amount outstanding	85,349 (0.0)	1,00,261 (17.5)	1,17,808 (17.5)
SCBs	No. of accounts	213.3 (-19.4)	257.0 (20.5)	243.2 (-5.4)
	Amount outstanding	22,60,135 (12.4)	27,25,272 (20.6)	31,08,962 (14.1)

Notes: 1. Figures in parentheses indicate y-o-y growth rates.
2. Data for SCBs excludes RRBs and PBs.
3. Constituent items may not add up to the total due to rounding off.

Source: RBI.

Table IV.18: Priority Sector Lending by Banks

(At end-March 2025)

(Amount in ₹ crore)

Item	Target/ sub-target (per cent of ANBC/ CEOBSE	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks		Scheduled Commercial Banks	
		Amount outstanding	Per cent of ANBC/ CEOBSE	Amount outstanding	Per cent of ANBC/ CEOBSE	Amount outstanding	Per cent of ANBC/ CEOBSE	Amount outstanding	Per cent of ANBC/ CEOBSE	Amount outstanding	Per cent of ANBC/ CEOBSE
1	2	3	4	5	6	7	8	9	10	11	12
Total Priority Sector Advances	**40/75***	**35,91,872**	**42.3**	**27,06,678**	**44.3**	**2,64,854**	**41.8**	**1,63,079**	**84.3**	**67,26,484**	**43.6**
of which											
Agriculture	18.0	15,77,732	18.6	10,94,193	17.9	52,440	18.6	46,867	24.2	27,71,232	18.4
Small and Marginal Farmers	10.0	9,46,088	11.1	6,12,276	10.0	32,658	11.6	31,334	16.2	16,22,355	10.7
Non-corporate Individual Farmers#	13.8	12,62,213	14.8	8,41,598	13.8	41,658	14.8	44,678	23.1	21,90,147	14.5
Micro Enterprises	7.5	7,64,969	9.0	5,33,164	8.7	24,762	8.8	65,972	34.1	13,88,867	9.2
Weaker Sections	12.0	11,64,885	13.7	7,63,710	12.5	35,674	12.6	56,959	29.5	20,21,228	13.4

ANBC: Adjusted net bank credit; CEOBSE: Credit equivalent of off-balance sheet exposure.

*: Total priority sector lending target for small finance banks is 75 per cent. The target has been revised to 60 per cent effective from April 1, 2025.

#: Target for non-corporate farmers is based on the system-wide average of the last three years' achievement. For 2024-25, the applicable system wide average figure is 13.8 per cent.

Notes: 1. Amount outstanding and achievement percentage are based on the average achievement of banks for four quarters of the financial year.
2. Data for SCBs excludes RRBs and PBs.
3. For foreign banks having less than 20 branches, only the total PSL target of 40 per cent is applicable.
4. Data are provisional.
5. Constituent items may not add up to the total due to rounding off.

Source: RBI.

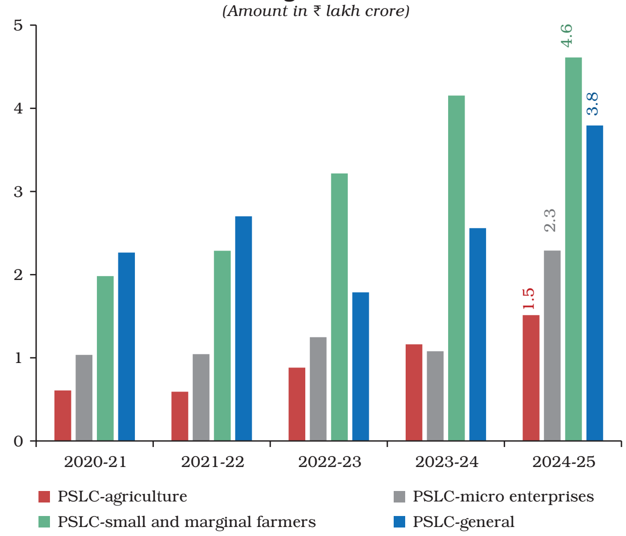
of 10.8 per cent a year ago. The share of SCBs in total number and amount outstanding under KCCs was 37.5 per cent and 58.9 per cent, respectively, at end-March 2025. Region-wise, the southern region had the highest share of amount outstanding under total KCCs, while northern region had the highest share of SCBs' amount outstanding under KCCs (Appendix Table IV.8).

IV.47 The total trading volume of priority sector lending certificates (PSLCs) increased by 36.4 per cent in 2024-25, led by PSLC-General and micro enterprises. Among the four PSLC categories, the small and marginal farmers (SMF) category recorded the highest trading volume. This reflects the concentration of lending to SMF by a few specialised banks and shortfall of others in achieving this sub-target through their direct lending (Chart IV.25).

IV.48 Private sector banks remained the largest buyers and sellers of PSLCs in 2024-25. The share of PSBs as buyers of PSLCs increased, while their share as sellers of PSLCs fell. RRBs continued to be the second largest sellers of PSLCs, reflecting their focused loan portfolio and comparative advantage in rural lending (Chart IV.26a and b).

Chart IV.25: Trading Volume of Priority Sector Lending Certificates

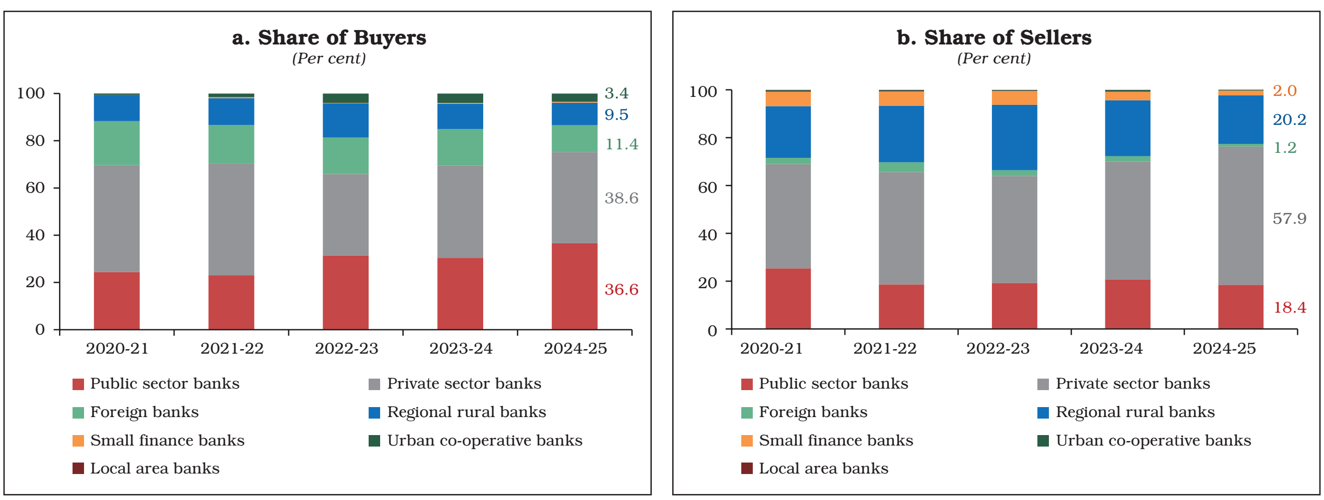
(Amount in ₹ lakh crore)



Source: RBI.

IV.49 The weighted average premium on PSLC-Agriculture increased in 2024-25, following a steady decline in the previous three years, amidst a moderation in agriculture credit growth. Premium for PSLC-SMF also increased in 2024-25 and remained the highest amongst

Chart IV.26: Buyers and Sellers in Priority Sector Lending Certificates Market



Source: RBI.

Table IV.19: Weighted Average Premium on Various Categories of PSLCs

(Per cent)

	2020-21	2021-22	2022-23	2023-24	2024-25	2024-25 (Apr-Sep)	2025-26 (Apr-Sep)
1	2	3	4	5	6	7	8
PSLC-Agriculture	1.55	1.37	0.62	0.24	0.48	0.29	1.30
PSLC-Micro Enterprises	0.88	0.95	0.16	0.04	0.01	0.01	0.01
PSLC-Small and Marginal Farmers	1.74	2.01	1.68	1.74	1.95	1.94	2.77
PSLC-General	0.46	0.60	0.19	0.02	0.01	0.01	0.01

Source: RBI.

all the categories. Premiums on PSLC–Micro Enterprises and PSLC–General continued to decline for the third consecutive year in 2024-25 (Table IV.19).

IV.50 Continuing the improvement in asset quality of priority sector advances since 2021-22, the GNPA ratio declined to 4.0 per cent at end-March 2025 from 4.4 per cent a year ago. Nonetheless, the share of priority sector in total GNPAs of SCBs increased to 64.7 per cent in 2024-25 from 58.2 per cent in the previous year, as the non-priority sector NPAs fell. Agriculture sector accounted for the highest share of GNPAs in the priority sector (Table IV.20).

IV.51 PSBs extended 42.3 per cent of their adjusted net bank credit (ANBC)/ credit equivalent of off-balance sheet exposure (CEOBSE) to the priority sector, however, the sector accounted for 72.6 per cent of their total NPAs. In comparison, priority sector exposure

Table IV.20: Sector-wise GNPAs of Banks

(At end-March)

(Amount in ₹ crore)

Bank Group	Priority Sector		*Of which*						Non-priority Sector		Total NPAs	
			Agriculture		Micro and Small Enterprises		Others					
	Amount	Per cent*	Amount	Per cent*	Amount	Per cent*	Amount	Per cent*	Amount	Per cent*	Amount	Per cent*
1	2	3	4	5	6	7	8	9	10	11	12	13
PSBs												
2024	2,09,837	65.4	1,07,647	33.6	78,592	24.5	23,598	7.4	1,10,903	34.6	3,20,740	100
2025	1,98,557	72.6	1,07,818	39.4	70,708	25.9	20,032	7.3	74,856	27.4	2,73,413	100
PVBs												
2024	49,986	40.5	21,211	17.2	18,340	14.8	10,435	8.4	73,553	59.5	1,23,540	100
2025	63,520	48.7	31,050	23.8	21,041	16.1	11,429	8.8	66,856	51.3	1,30,376	100
FBs												
2024	1,796	27.5	162	2.5	1,315	20.2	318	4.9	4,728	72.5	6,523	100
2025	1,659	31.2	147	2.8	1,235	23.2	277	5.2	3,662	68.8	5,321	100
SFBs												
2024	4,030	72.1	1,878	33.6	1,179	21.1	973	17.4	1,561	27.9	5,590	100
2025	7,602	76.1	3,978	39.8	2,254	22.6	1,370	13.7	2,387	23.9	9,989	100
SCBs												
2024	2,65,649	58.2	1,30,898	28.7	99,426	21.8	35,324	7.7	1,90,744	41.8	4,56,393	100
2025	2,71,338	64.7	1,42,992	34.1	95,238	22.7	33,108	7.9	1,47,761	35.3	4,19,099	100

*: Per cent of total NPAs.

Notes: 1. Constituent items may not add up to the total due to rounding off.
2. Data for SCBs excludes RRBs and PBs.

Source: Off-site returns (domestic operations), RBI.

of PVBs stood at 44.3 per cent, contributing 48.7 per cent to their total NPAs. For SFBs, the share of priority sector lending in their ANBC/CEOBSE declined to 84.3 per cent at end-March 2025 from 90.6 per cent a year ago, while the proportion of priority sector NPAs in their total NPAs increased to 76.1 per cent from 72.1 per cent (Table IV.18 and Table IV.20).

5.3 Credit to Sensitive Sectors

IV.52 Banks' exposure to the capital market and real estate is reckoned as sensitive in view of the risks inherent in asset price fluctuations. Based on annual accounts data[14], at end-March 2025, SCBs' exposure to these sensitive sectors, as a share of their total loans and advances at 27.1 per cent remained broadly similar to the previous year (Appendix Table IV.9).

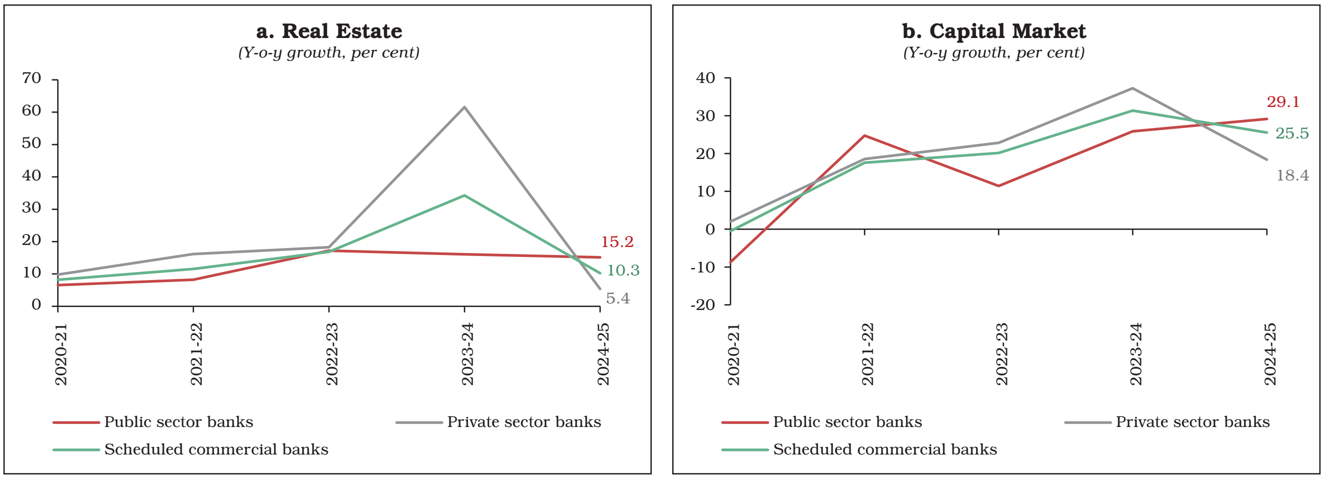
IV.53 PVBs witnessed a steep deceleration in growth of exposures to sensitive sectors during 2024-25, following a sharp increase in the previous year, reflecting the merger impact. On the contrary, PSBs' exposure growth to capital markets accelerated, while it fell marginally in case of real estate sector (Charts IV.27 a and b).

5.4 Unsecured Lending

IV.54 Unsecured lending, characterised by credit exposures not backed by tangible collateral, entails higher credit risk for banks in the event of default. At end-March 2025, the share of unsecured loans in SCBs' gross advances declined for the second consecutive year to 24.5 per cent. This partly reflects the impact of the Reserve Bank's risk containment measures announced in November 2023. Foreign banks continued to have the highest share of unsecured advances, while the share of public and private sector banks has gradually converged in recent years (Chart IV.28a). The mean, median as well as dispersion of bank-wise exposure to unsecured loans was the highest amongst foreign banks. In 2024-25, the mean exposure of PVBs to unsecured loans declined, while the median increased relative to the previous year.

Chart IV.27: Banks' Exposure to Sensitive Sectors

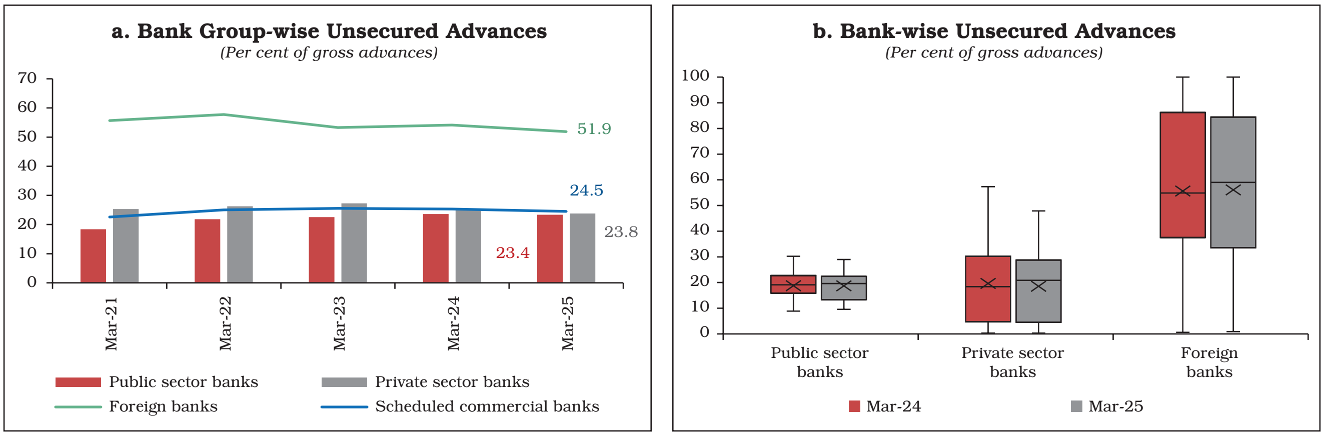
(At end-March)



Source: Annual accounts of banks.

[14] Statistical Tables Relating to Banks in India.

Chart IV.28: Share of Unsecured Advances of Banks



Notes: 1. Data for SCBs exclude RRBs.
2. The whiskers of the boxplots are indicative of maximum and minimum values. A colored box shows distance between first and third quartile. Horizontal line in each box shows the median, while 'X' shows the mean.

Source: Annual accounts of banks.

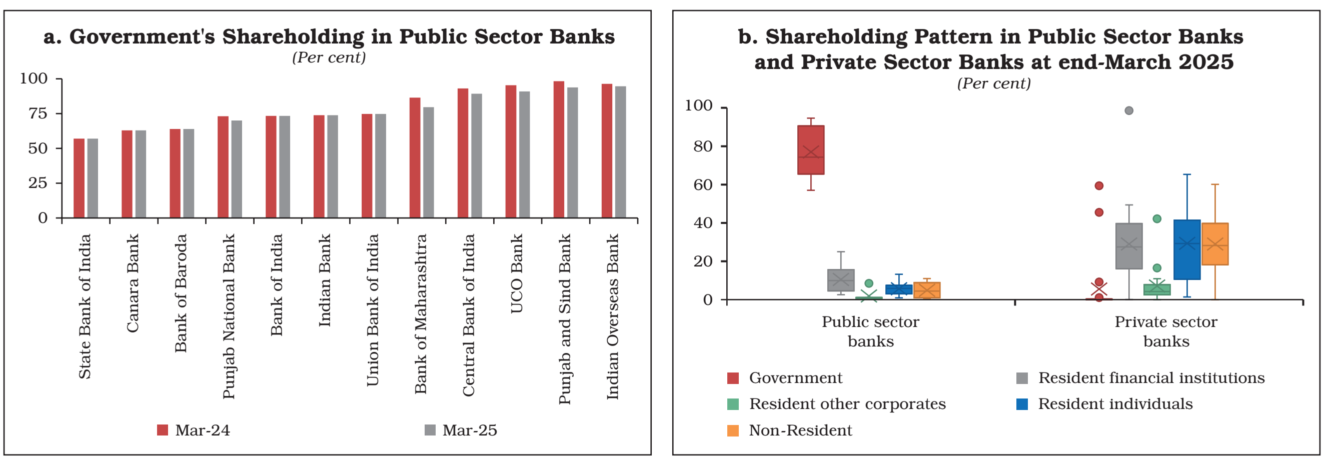
A similar, though less pronounced, pattern was observed for PSBs (Chart IV.28b).

6. Ownership Pattern

IV.55 PSBs are majorly owned and controlled by the Government of India. During 2024-25, six PSBs witnessed a decline in Government's shareholding as they raised equity funds from the capital market. Among them, five banks had Government's shareholding of more than 75 per cent at end-March 2025 (Chart IV.29a and Appendix Table IV.10).[15]

IV.56 PVBs have a more diversified ownership pattern with a higher share of institutional and foreign investors (Chart IV.29b). The aggregate foreign investment limit is 74 per cent for PVBs and 20 per cent for PSBs.[16]

Chart IV.29: Ownership Pattern of Banks



Note: The whiskers of the boxplots are indicative of maximum and minimum values. A colored box shows distance between first quantile and third quantile. Horizontal line in each box shows the median, while 'X' shows the mean.

Source: Off-site returns (domestic), RBI.

[15] The Government of India *vide* its notification dated July 19, 2024, granted exemption up to August 1, 2026 to listed public sector companies to meet the SEBI's minimum public shareholding requirement of 25 per cent.

[16] In case of SFBs, PBs, and LABs, the aggregate foreign investment limit is the same as applicable to PVBs.

7. Corporate Governance

IV.57 Good corporate governance is critical for efficiency in allocation of resources, protection of depositors' and other stakeholders' interests, and preservation of financial stability.

7.1 Composition of Boards

IV.58 Independent directors contribute to the Board's deliberations by providing independent judgement especially on issues of strategy, performance, risk management, resources, key appointments, and standard of conduct. The Reserve Bank on April 26, 2021 issued instructions for the composition of certain committees of the Board; Chair and meetings of the Board; age, tenure and remuneration of directors; and appointment of the whole-time directors for robust and transparent risk management and decision-making in banks.[17] At end-March 2025, the average share of independent directors in the Board was 63 per cent for PVBs and 67 per cent for SFBs (Table IV.21).[18]

IV.59 Banks are required to constitute a Risk Management Committee of Board (RMCB), with a majority of non-executive directors. The Chair of the Board may be a member of the RMCB only if he/she has the requisite risk management expertise. The proportion of PVBs in which the Chair is not a member of the RMCB decreased to 33 per cent at end-March 2025 from 38 per cent at end-March 2024. In case of SFBs, the proportion increased to 36 per cent at end-March 2025 from 33 per cent at end-March 2024.

7.2 Executive Compensation

IV.60 To maintain balance between short-term risk-taking and long-term stability, on November 4, 2019, the Reserve Bank issued revised guidelines on compensation of whole-time directors/ chief executive officers/ material risk takers and control function staff in banks.[19] At end-March 2024, the average share of actual variable pay in total remuneration of Managing Directors (MDs) & Chief Executive Officers (CEOs) increased to 46 per cent for PVBs, while it

Table IV.21: Independent Directors on the Board and its Committees

(At end-March)

(Share in per cent)

Bank Group	Board		Risk Management Committee of Board (RMCB)		Nomination and Remuneration Committee (NRC)		Audit Committee of the Board (ACB)	
	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9
Private Sector Banks	65	63	70	69	85	86	87	89
Small Finance Banks	67	67	73	75	79	80	82	84

Note: Figures in the table represent the average for a particular bank group.
Sources: Annual reports; and websites of banks.

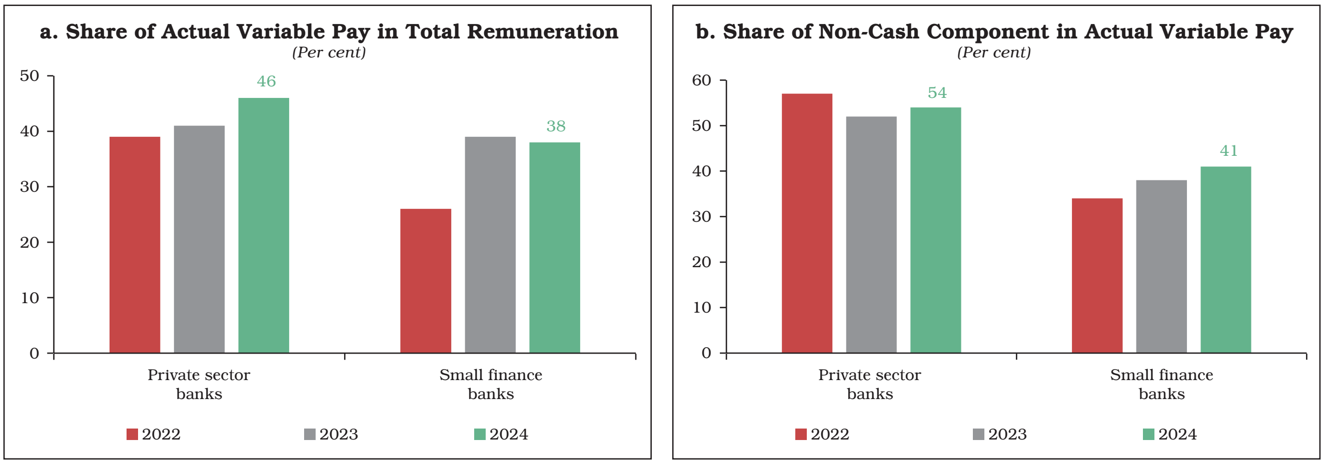
[17] These guidelines have since been consolidated under Reserve Bank of India (Governance) Directions, 2025, issued separately for commercial banks, SFBs and other banks.

[18] The instructions specify that at least half of the directors attending the meetings of the Board shall be independent directors; half of the members attending the meeting of the Risk Management Committee of Board shall be independent directors, of which at least one member shall have professional expertise/qualification in risk management; half of the members attending the meeting of the Nomination and Remuneration Committee shall be independent directors, of which one shall be a member of the Risk Management Committee; at least two-thirds of the members attending the meeting of the Audit Committee of the Board shall be independent directors.

[19] These guidelines have since been consolidated under Reserve Bank of India (Governance) Directions, 2025, issued separately for commercial banks, SFBs and other banks. These guidelines require a substantial portion of compensation (at least 50 per cent) to be variable and to be paid on the basis of individual, business-unit and firm-wide indicators that adequately measure performance. The guidelines also stipulate that if the target variable pay is up to 200 per cent (above 200 per cent) of fixed pay, then minimum 50 per cent (67 per cent) of target variable pay shall be *via* non-cash components.

Chart IV.30: Components of Total Remuneration of MDs and CEOs

(At end-March)



Note: Figures in the charts represent the average for a particular bank group.
Source: RBI.

decreased to 38 per cent for SFBs (Chart IV.30a). The average share of the non-cash component in the actual variable pay of MDs & CEOs increased for both PVBs and SFBs at end-March 2024 from a year ago (Chart IV.30b).

8. Foreign Banks' Operations in India and Overseas Operations of Indian Banks

IV.61 At end-March 2025, the number of foreign banks operating through branch/ wholly-owned subsidiary mode in India declined to 44, following the exit of one bank during the year. The change in number of branches of foreign banks reflect their continuous re-alignment of global business strategy and business value optimisation. The number of foreign banks having representative offices in India remained unchanged during the year (Table IV.22).

Table IV.22: Operations of Foreign Banks in India

(At end-March)

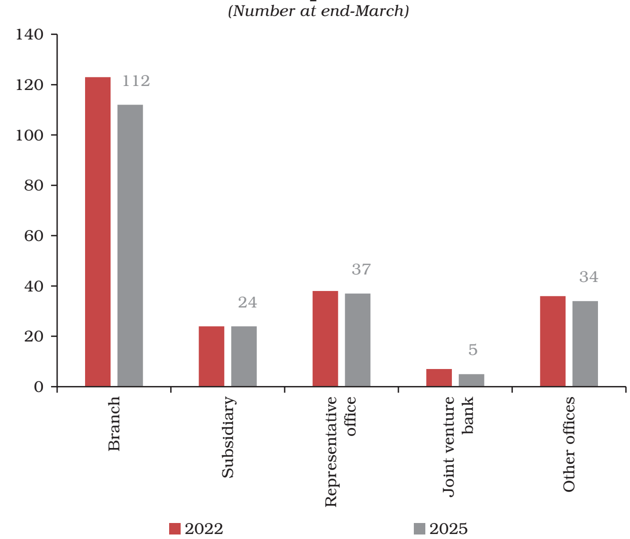
Period	Foreign banks operating through branch/ wholly-owned subsidiary mode		Foreign banks having representative offices
	No. of Banks	Branches#	
1	2	3	4
2022	45	861	34
2023	44	782	33
2024	45	780	31
2025	44	775	31

#: Including branches of two foreign banks, *viz.*, SBM Bank (India) Limited and DBS Bank (India) Limited which are operating through wholly-owned subsidiary mode.
Source: RBI.

IV.62 Indian banks too maintained geographical presence abroad for conduct of their overseas operations through branches, subsidiaries, representative offices, joint venture banks, and other offices (Chart IV.31). PSBs had a wider

Chart IV.31: Overseas Operations of Indian Banks

(Number at end-March)



Note: Data exclude IFSC banking unit (IBU) of Indian banks in GIFT City.
Source: RBI.

overseas presence than their private sector counterparts (Appendix Table IV.11).

9. Payment Systems

IV.63 India's payment systems have witnessed rapid strides in terms of acceptance infrastructure, availability, and user adoption, and are playing an integral role in supporting economic activity and fostering financial inclusion. Particularly, digital payment products have grown manifold aided by technological advancements, sound and supportive regulatory framework, and policy initiatives at promoting cashless transactions. In line with Payments Vision 2025, the Reserve Bank's policy initiatives focus on providing safe, secure, fast, convenient, accessible, and affordable e-payment options to every user.

9.1 Digital Payments

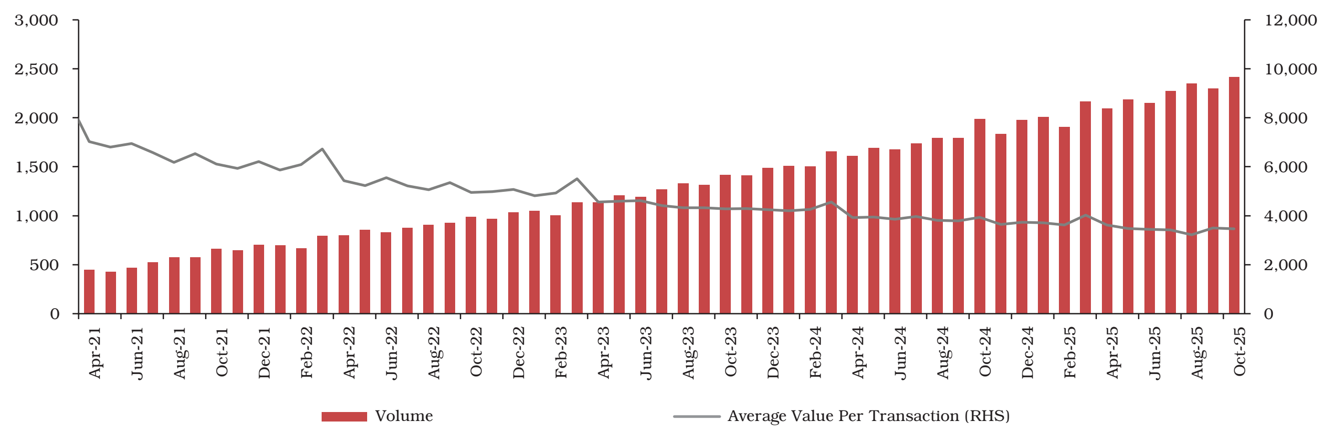
IV.64 During 2024-25, digital payments grew by 17.9 per cent in value terms, accounting for 97.6 per cent of India's total payments. In contrast, payments through paper-based instruments (cheques) declined during the year, representing the remaining 2.4 per cent. In volume terms, growth in digital payments was much higher at 35 per cent amidst increasing usage of digital methods for small value payments. Consequently, the average value of retail digital payments decreased to ₹3,830 during 2024-25 from ₹4,382 during 2023-24 (Chart IV.32).

IV.65 The unified payments interface (UPI) accounted for a majority share in the volume of transactions, while real time gross settlement (RTGS), which facilitates high value transactions, accounted for the largest share in value term. Furthermore, while the usage of debit cards has declined, payments through credit cards continued to increase in recent periods (Table IV.23).

IV.66 The Reserve Bank of India-Digital Payments Index (RBI-DPI), launched in January 2021 and computed semi-annually, captures the extent of digitalisation of payments across the country. The index comprises of five broad parameters: payment enablers; payment infrastructure – demand-side factors; payment infrastructure – supply-side factors; payment

Chart IV.32: Transaction Volume and Average Value of Retail Digital Payments

(Crore, left scale; ₹, right scale)



Note: Retail digital payments include AePS fund transfers, APBS, IMPS, NACH, NEFT, UPI, BHIM Aadhar Pay, NETC, card payments and prepaid payment instruments.
Source: RBI.

Table IV.23: Payment Systems Indicators

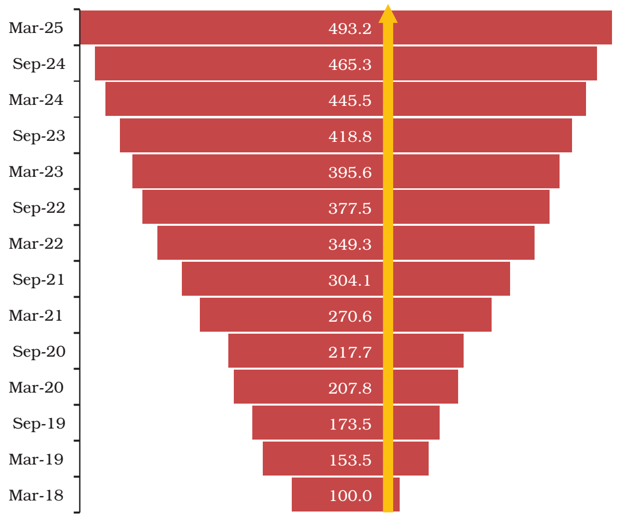
Item	Volume (lakh)			Value (₹ crore)		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
1	2	3	4	5	6	7
1. Large Value Credit Transfers – RTGS	2,426	2,700	3,025	14,99,46,286	17,08,86,670	20,13,87,682
2. Credit Transfers	9,83,621	14,86,107	20,61,015	5,50,09,620	6,75,42,859	7,98,81,976
2.1 AePS (Fund Transfers)	6	4	4	356	261	190
2.2 APBS	17,834	25,888	32,964	2,47,535	3,90,743	5,54,034
2.3 ECS Credit	0	0	0	0	0	0
2.4 IMPS	56,533	60,053	56,250	55,85,441	64,95,652	71,39,110
2.5 NACH Credit	19,257	16,227	16,939	15,41,815	15,25,104	16,70,223
2.6 NEFT	52,847	72,640	96,198	3,37,19,541	3,91,36,014	4,44,61,464
2.7 UPI	8,37,144	13,11,295	18,58,660	1,39,14,932	1,99,95,086	2,60,56,955
3. Debit Transfers and Direct Debits	15,343	18,250	21,660	12,89,611	16,87,658	22,08,583
3.1 BHIM Aadhaar Pay	214	194	230	6,791	6,112	6,907
3.2 ECS Debit	0	0	0	0	0	0
3.3 NACH Debit	13,503	16,426	19,762	12,80,219	16,78,769	21,99,327
3.4 NETC (linked to bank accounts)	1,626	1,629	1,668	2,601	2,777	2,349
4. Card Payments	63,325	58,470	63,861	21,52,245	24,23,563	26,05,110
4.1 Credit Cards	29,145	35,610	47,741	14,32,255	18,31,134	21,09,197
4.2 Debit Cards	34,179	22,860	16,120	7,19,989	5,92,429	4,95,914
5. Prepaid Payment Instruments	74,667	78,775	70,254	2,87,111	2,83,048	2,16,751
6. Paper-based Instruments	7,109	6,632	6,095	71,72,904	72,12,333	71,13,350
Total Digital Payments (1+2+3+4+5)	**11,39,382**	**16,44,302**	**22,19,815**	**20,86,84,872**	**24,28,23,799**	**28,63,00,103**
Total Retail Payments (2+3+4+5+6)	**11,44,065**	**16,48,234**	**22,22,885**	**6,59,11,490**	**7,91,49,461**	**9,20,25,771**
Total Payments (1+2+3+4+5+6)	**11,46,491**	**16,50,934**	**22,25,910**	**21,58,57,776**	**25,00,36,131**	**29,34,13,453**

AePS: Aadhaar-enabled Payment System, APBS: Aadhaar Payment Bridge System, BHIM: Bharat Interface for Money, ECS: Electronic Clearance Service, IMPS: Immediate Payment Service, NACH: National Automated Clearing House, NEFT: National Electronic Funds Transfer, NETC: National Electronic Toll Collection, RTGS: Real Time Gross Settlement, UPI: Unified Payments Interface.
Note: Components may not add up to total due to rounding off.
Source: RBI.

performance; and consumer centricity. The index value for March 2025 increased to 493.2 from 445.5 a year ago, driven by significant growth in payment infrastructure and payment performance across the country (Chart IV.33).

Chart IV.33: Digital Payments Index

Index (March 2018=100)



Source: RBI.

9.2 ATMs

IV.67 During 2024-25, the total number of automated teller machines (ATMs) declined moderately, driven by reduction in off-site ATMs even while on-site ATMs increased. Increase in digitalisation of payments has reduced the customers' requirement of transacting with ATMs. PSBs accounted for the highest share in the total number of ATMs, followed by PVBs, and white label ATMs – those owned and operated by non-bank entities, at end-March 2025 (Table IV.24 and Appendix Table IV.12).

Table IV.24: Number of ATMs*
(At end-March)

Bank Group	On-site ATMs		Off-site ATMs		Total ATMs	
	2024	2025	2024	2025	2024 (2+4)	2025 (3+5)
1	2	3	4	5	6	7
Public Sector Banks	77,033	79,865	57,661	53,679	1,34,694	1,33,544
Private Sector Banks	45,438	47,713	34,446	29,404	79,884	77,117
Foreign Banks	603	587	566	406	1,169	993
Small Finance Banks	3,042	3,158	26	29	3,068	3,187
Payments Banks	0	0	0	0	0	0
SCBs	**1,26,116**	**1,31,323**	**92,699**	**83,518**	**2,18,815**	**2,14,841**
White Label ATMs	0	0	34,602	36,216	34,602	36,216
Total	**1,26,116**	**1,31,323**	**1,27,301**	**1,19,734**	**2,53,417**	**2,51,057**

* Includes cash recycler machines.
Note: Data does not include ATMs of regional rural banks, local area banks, and co-operative banks.
Source: RBI.

IV.68 PSBs had a more even distribution of ATMs across population groups, while the presence of ATMs of other bank groups was towards metropolitan, urban, and semi-urban centres. In contrast, 79.4 per cent of the total white label ATMs were in rural and semi-urban centres at end-March 2025 (Table IV.25).

Table IV.25: Population Group-wise Distribution of ATMs of Bank Groups*
(At end-March 2025)

Bank Group	Rural	Semi-urban	Urban	Metropolitan	Total
1	2	3	4	5	6
Public Sector Banks	28,481 (21.3)	39,630 (29.7)	33,589 (25.2)	31,844 (23.8)	1,33,544 (100.0)
Private Sector Banks	7,569 (9.8)	20,811 (27.0)	18,945 (24.6)	29,792 (38.6)	77,117 (100.0)
Foreign Banks	82 (8.3)	282 (28.4)	265 (26.7)	364 (36.7)	993 (100.0)
Small Finance Banks	293 (9.2)	992 (31.1)	953 (29.9)	949 (29.8)	3,187 (100.0)
Payments Banks	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
SCBs	**36,425** (17.0)	**61,715** (28.7)	**53,752** (25.0)	**62,949** (29.3)	**2,14,841** (100.0)
White Label ATMs	16,578 (45.8)	12,164 (33.6)	4,733 (13.1)	2,741 (7.6)	36,216 (100.0)

*: Includes cash recycler machines.
Notes: 1. Figures in parentheses indicate percentage share of population groups in total ATMs for bank groups.
2. Components may not add up to total due to rounding off.
Source: RBI.

10. Technology Adoption

IV.69 The Reserve Bank has been working to create an enabling regulatory environment for fostering innovation and ensuring financial system integrity. Among various emerging technologies, artificial intelligence (AI) is a transformational technology with potential for improving customer engagement, unlocking new forms of credit assessment and delivery, strengthening risk management and fraud detection. Towards this end, the Reserve Bank's Framework for Responsible and Ethical Enablement of AI (FREE-AI) seeks to encourage innovation in the financial sector while balancing risk mitigation. The Report on FREE-AI was placed on the RBI website on August 13, 2025.

IV.70 A recent survey conducted by the Reserve Bank indicates that banks are increasingly viewing innovation as a structured component of long-term digital modernisation rather than an episodic experimentation (Box IV.1).

11. Consumer Protection

IV.71 Consumer protection is one of the key priorities of the Reserve Bank. The Reserve Bank promotes consumer education and protection by monitoring the internal grievance

Box IV.1: Evolving Technology and Innovation Priorities of Indian Banks[20]

To enhance understanding of how Indian banks are shaping, sequencing and operationalising technological modernisation within a prudentially regulated environment, the Reserve Bank undertook a survey during 2025. The sample included nine PSBs, 16 PVBs and six SFBs, accounting for around 66 per cent of total bank credit as on October 31, 2025.

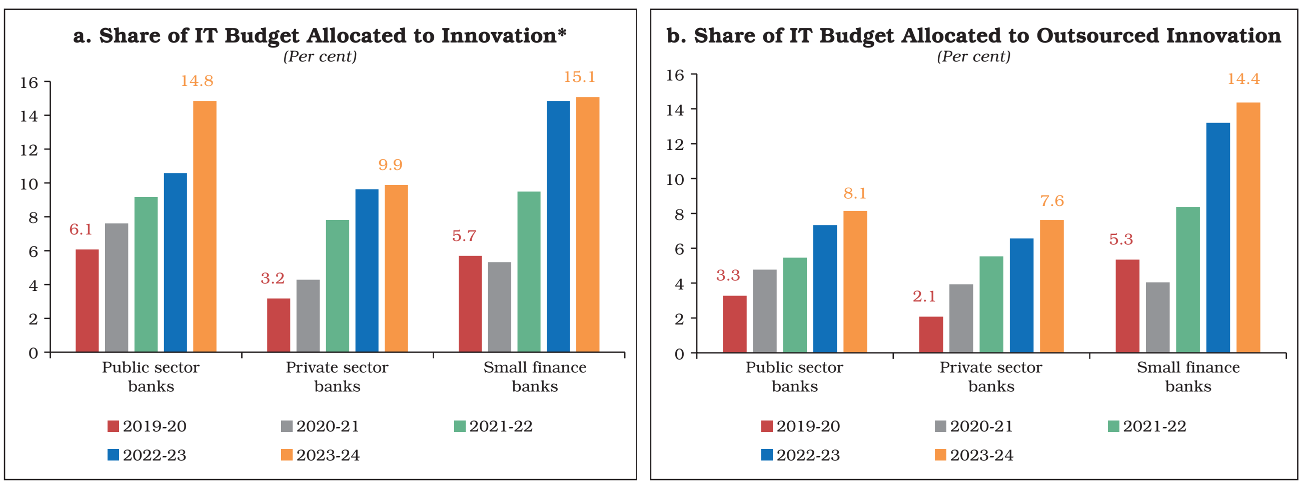
The surveyed banks are broadly aligned in recognising that innovation is central to sustaining competitiveness, strengthening resilience and enhancing customer experience. A number of banks view innovation as a catalyst for technology-enabled process re-engineering to deliver improved efficiency, service quality and risk management. Several banks view innovation as a capability-enhancing exercise for strengthening analytical depth, improving decision-making and enabling more agile service delivery, while others view innovation as an investment in strengthening the digital foundations for cybersecurity, operational resilience, and regulatory compliance.

Technology spending directed specifically towards innovative or transformative capabilities has increased significantly across all bank groups between 2019-20 to 2023-24 (Chart IV.1.1a). The share of innovation-related technology delivered through outsourcing/ third party arrangements has also increased, suggesting expanding role for specialised external providers (Chart IV.1.1b). Predominant technologies adopted through third parties include cloud-hosted platforms, vendor-supported cybersecurity solutions and modular digital platforms.

There is a substantial convergence on areas of innovation and transformative technologies receiving emphasis by banks. Cloud services, enterprise data and analytics platforms, AI/ML applications, and cybersecurity enhancements are increasingly shaping banks' longer-term technology strategies. Application programming interface (API)-based architectures and banking-as-a-service models feature prominently in the survey responses, while robotic process automation, digital identity systems, and distributed ledger technologies were also cited in several responses, though with relatively less emphasis.

Overall, the survey findings highlight an increase in innovation-related spending across bank groups, suggesting that digital transformation has become a core strategic and operational priority rather than a peripheral initiative.

Chart IV.1.1: Banks' Spending on Innovation



*: Includes both in-house and outsourced innovation.
Source: RBI.

redressal mechanism in its regulated entities, and administering the alternate grievance redress mechanism – comprising the RBI Ombudsman, Consumer Education and Protection Cells and Consumer Education and Protection Department.[21] As part of its customer-

[20] The analysis is based on inputs provided by surveyed banks and should not be interpreted as system-wide trends.

[21] The RBI Ombudsman functions under the framework of Reserve Bank-Integrated Ombudsman Scheme (RB-IOS), 2021, enabling the customers of regulated entities such as banks, non-banking financial companies, payment system participants and credit information companies to register their complaints at one centralised reference point. The Consumer Education and Protection Cells (CEPCs) take up complaints against regulated entities not falling under the ambit of RB-IOS, 2021. Consumer Education and Protection Department (CEPD) provides assistance to the Appellate Authority under the RB-IOS and processes the appeal cases.

centric approach, state co-operative banks and central co-operative banks were brought under the ambit of the Reserve Bank – Integrated Ombudsman Scheme, 2021, effective November 1, 2025.

11.1 Grievance Redressal

IV.72 During 2024-25, the Offices of the RBI Ombudsman (ORBIOs) received 2.96 lakh complaints[22], an increase of 0.8 per cent over the previous year. Majority of the complaints at ORBIOs was received from metropolitan and urban centres (Chart IV.34a). Complaints against PVBs and PSBs accounted for 72.3 per cent of the total complaints received by ORBIOs during the year (Chart IV.34b).

IV.73 Complaints relating to loans and advances, credit cards, mobile/ internet banking, and deposit accounts contributed to around four-fifths of the total complaints received by ORBIOs during 2024-25. The credit cards category witnessed the highest increase in the number of complaints during 2024-25 (Table IV.26).

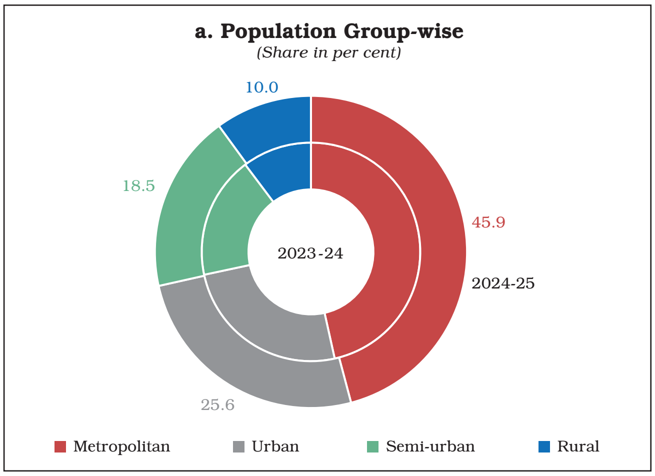
Table IV.26: Number of Complaints Received by Offices of the RBI Ombudsman: Category-wise

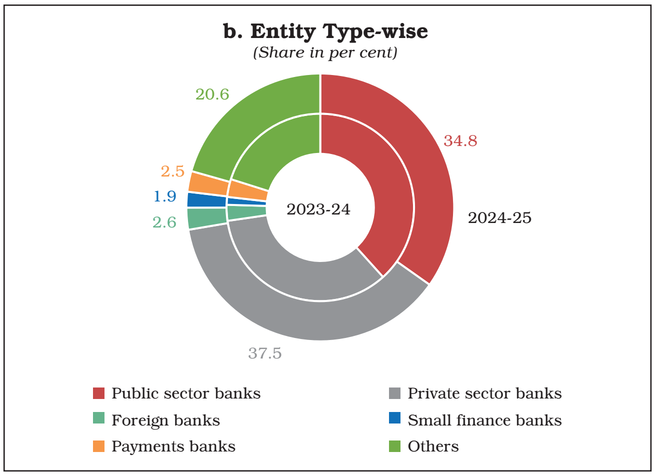
Item	2022-23	2023-24	2024-25
1	2	3	4
Loans and Advances	59,762	85,281	86,670
Credit Cards	34,151	42,329	50,811
Mobile/ Electronic Banking	43,167	57,242	49,951
Deposit Accounts	34,481	46,358	49,913
Others	22,587	24,355	30,760
ATM/ Debit Cards	29,929	25,231	18,082
Remittances	2,940	4,101	3,702
Para-banking	2,782	4,380	3,322
Pension Payments	4,380	4,108	2,719
Notes and Coins	511	539	391
Total	**2,34,690**	**2,93,924**	**2,96,321**

Source: RBI.

IV.74 Among banks, PVBs accounted for the highest share in complaints related to loans and advances and credit cards, while a majority of complaints relating to mobile/electronic banking, deposit accounts, and ATM/debit cards were against PSBs (Chart IV.35).

Chart IV.34: Distribution of Complaints Received at ORBIOs



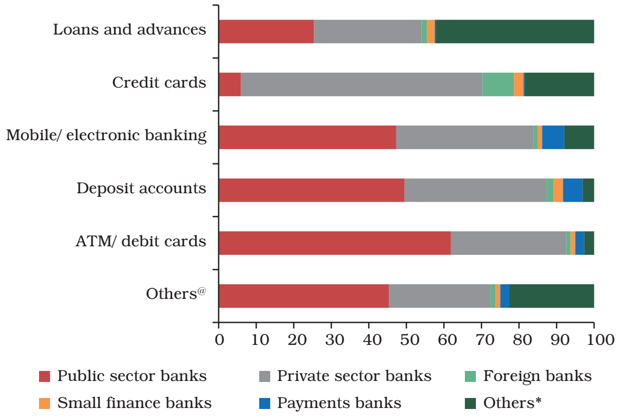


Note: Others include regional rural banks, local area banks, urban co-operative banks, NBFCs, credit information companies, and payment system participants.
Source: RBI.

22 Excluding complaints closed at Centralised Receipt and Processing Centre (CRPC) and complaints auto-closed by Complaint Management System (CMS) as non-maintainable complaints.

Chart IV.35: Entity Type-wise Break-up of Major Complaint Categories: 2024-25

(Per cent)



@: Include remittances, para-banking, pension payments, notes and coins, and others.
*: Include regional rural banks, local area banks, urban co-operative banks, NBFCs, credit information companies, and payment system participants.
Source: RBI.

IV.75 The ORBIOs disposed of a total of 2.91 lakh complaints out of 3.12 lakh handled complaints, maintaining a disposal rate of 93.1 per cent during 2024-25.[23]

11.2 Deposit Insurance

IV.76 Deposit insurance is an important feature of the financial safety-net system as it bolsters public confidence in the banking system. In India, the Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly owned subsidiary of the Reserve Bank, administers deposit insurance covering all commercial banks, including RRBs, LABs, and co-operative banks. At end-March 2025, DICGC extended insurance to 1,982 banks, including 139 commercial banks and 1,843 co-operative banks, with the deposit insurance coverage limit of ₹5 lakh per depositor (Table IV.27).

IV.77 The insurance coverage ratio in terms of the number of fully covered deposit accounts (*i.e.*, accounts with deposit balance up to ₹5 lakh) was 97.6 per cent at end-March 2025. In terms of value of deposits, the coverage as

Table IV.27: Bank Group-wise Insured Deposits

(Amount in ₹ crore)

Bank Group	As on March 31, 2024				As on March 31, 2025			
	No. of Insured Banks	Insured Deposits	Assessable Deposits	IDR {(3) / (4)}	No. of Insured Banks	Insured Deposits	Assessable Deposits	IDR {(7) / (8)}
1	2	3	4	5	6	7	8	9
I. Commercial Banks (i to vii)	**140**	**86,66,416**	**2,06,73,077**	**41.9**	**139**	**92,39,260**	**2,28,57,103**	**40.4**
i. Public Sector Banks	12	56,47,846	1,15,76,001	48.8	12	59,53,830	1,26,11,152	47.2
ii. Private Sector Banks	21	23,63,912	72,35,902	32.7	21	25,71,103	81,93,195	31.4
iii. Foreign Banks	44	50,568	10,08,506	5.0	44	52,084	10,91,743	4.8
iv. Small Finance Banks	12	89,532	2,15,426	41.6	11	1,07,719	2,70,601	39.8
v. Payments Banks	6	16,794	16,937	99.2	6	26,142	26,294	99.4
vi. Regional Rural Banks	43	4,96,827	6,19,010	80.3	43	5,27,364	6,62,709	79.6
vii. Local Area Banks	2	937	1,295	72.4	2	1,018	1,409	72.2
II. Co-operative Banks (i to iii)	**1,857**	**7,46,290**	**11,79,084**	**63.3**	**1,843**	**7,72,805**	**12,48,939**	**61.9**
i. Urban Co-operative Banks	1,472	3,71,846	5,56,962	66.8	1,457	3,80,142	5,84,450	65.0
ii. State Co-operative Banks	33	64,202	1,48,080	43.4	34	66,285	1,57,076	42.2
iii. District Central Co-operative Banks	352	3,10,242	4,74,041	65.4	352	3,26,378	5,07,412	64.3
Total (I+II)	**1,997**	**94,12,705**	**2,18,52,160**	**43.1**	**1,982**	**1,00,12,065**	**2,41,06,042**	**41.5**

IDR: Insured Deposits Ratio. It is the ratio of insured deposits to total assessable deposits in per cent.
Note: Components may not add up to total due to rounding off.
Source: DICGC.

[23] Complaints handled during the year include complaints received during the year, complaints brought forward from the previous year, and complaints received by email / from CEPCs before the start of the year but registered / assigned to ORBIOs on or after start of the year.

measured by insured deposits ratio decreased to 41.5 per cent at end-March 2025 from 43.1 per cent a year ago.

IV.78 The deposit insurance fund is constituted with DICGC to settle the claims of insured deposits in the event of (i) imposition of all-inclusive directions on bank by the Reserve Bank[24]; (ii) liquidation of bank; and (iii) merger/amalgamation of bank, if the scheme requires payment to depositors in terms of DICGC Act, 1961. During 2024-25, DICGC settled claims amounting to ₹476 crore through the fund and made a total recovery of claims amounting to ₹1,309 crore.[25] At end-March 2025, the balance in deposit insurance fund at ₹2.29 lakh crore recorded a y-o-y growth of 15.2 per cent, while insured deposits rose by 6.4 per cent. Consequently, the reserve ratio – the ratio of deposit insurance fund to insured deposits – improved to 2.29 per cent at end-March 2025 from 2.11 per cent a year ago.

IV.79 Since inception, DICGC levied a flat rate premium on banks to fund the deposit insurance scheme, with the current applicable premium rate at 12 paise per ₹100 of assessable deposits. In December 2025, the Reserve Bank approved the risk-based deposit insurance framework for banks to incentivise sound risk management and promote financial stability.

12. Financial Inclusion

IV.80 Financial inclusion is important for fostering inclusive and sustainable economic growth. The Government and the Reserve Bank's policy initiatives along with technology-driven innovations have played a pivotal role in empowering the underserved population by ensuring equitable access to financial services. India has complemented digitalisation with expansion of bank branch network and ATMs in furthering inclusion. This contrasts with most other countries where digitalisation is leading to a decline in traditional channels of accessing financial services. Furthermore, the penetration of bank branches in India is higher than most other EMDEs, while availability of ATMs per capita remains comparatively low in India (Charts IV.36a and b).

12.1 Financial Inclusion Plans

IV.81 Financial Inclusion Plans (FIPs) capture banks' achievements on parameters such as the number of banking outlets (branches), business correspondents (BCs) outlets, basic savings bank deposit accounts (BSBDAs), overdraft facilities availed in these accounts, transactions in Kisan Credit Cards and General Credit Cards and transactions through the Business Correspondents - Information and Communication Technology channel.[26] The number of BSBDAs increased by 2.6 per cent to 72.4 crore at end-March 2025, while the aggregate balance in these accounts increased by 9.5 per cent to 3.3 lakh crore. Further, a majority of BSBDAs continues to be channelised through the BC model, indicating their effectiveness at the grassroots level (Table IV.28).

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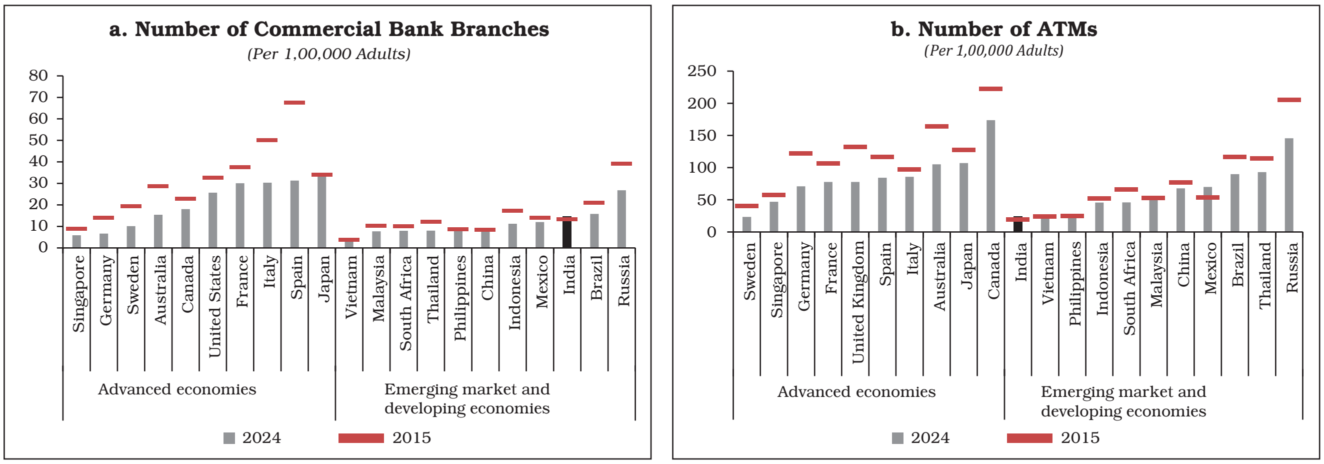
[24] The Reserve Bank imposes all-inclusive directions (AID) under Section 35A of Banking Regulation Act, 1949 and advises bank placed under AID of the restrictions imposed on deposit/withdrawals with an endorsement to the DICGC, where the bank is registered for deposit insurance.

[25] DICGC has the mandate to recover the insurance pay-outs under Section 21 of DICGC Act, 1961 and rules framed thereunder.

[26] In order to meet the need to capture detailed and disaggregated financial inclusion data across the banking system, the coverage of Monitoring Progress of Financial Inclusion (MPFI) return has been extended to all the banks (except Tier 1 & 2 urban co-operative banks). Subsequently, FIP return has been discontinued for submission by the banks from FY 2025-26.

Chart IV.36: Progress of Financial Inclusion in Select Countries



Notes: 1. 2024 commercial bank branch data for Germany pertains to 2023.
2. 2024 ATM data for Sweden, Germany and France pertains to 2023.

Source: Financial Access Survey, 2025, IMF.

12.2 Financial Inclusion Index

IV.82 The Reserve Bank's Financial Inclusion (FI) Index tracks the progress of financial inclusion in the country. It captures data on 97 indicators pertaining to banking, investments, insurance, postal, and pension sector on three

Table IV.28: Progress in Financial Inclusion Plan

(At end-March)

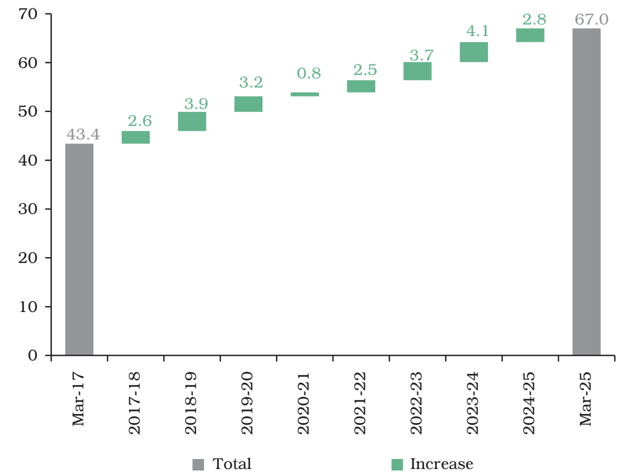
Item	2015	2020	2024	2025 (P)
1	2	3	4	5
Banking Outreach				
1. Banking Outlets in Villages - Branches	49,571	54,561	54,198	56,829
2. BC Outlets in Villages with Population > 2,000	90,877	1,49,106	12,66,756	10,38,208
3. BC Outlets in Villages with Population < 2,000	4,08,713	3,92,069	2,80,922	2,72,764
4. Total BC Outlets in Villages	4,99,590	5,41,175	15,47,678	13,10,972
5. Urban Locations Covered Through BCs	96,847	6,35,046	3,06,658	3,09,182
Basic Saving Bank Deposits Account (BSBDA)				
6. BSBDA - Through Branches (No. in lakh)	2,103	2,616	2,768	2,751
7. BSBDA - Through Branches (Amt. in ₹ crore)	36,498	95,831	1,46,306	1,54,028
8. BSBDA - Through BCs (No. in lakh)	1,878	3,388	4,290	4,491
9. BSBDA - Through BCs (Amt. in ₹ crore)	7,457	72,581	1,53,489	1,74,243
10. BSBDA - Total (No. in lakh)	3,981	6,004	7,059	7,242
11. BSBDA - Total (Amt. in ₹ crore)	43,955	1,68,412	2,99,796	3,28,271
12. OD Facility Availed in BSBDAs (No. in lakh)	76	64	48	45
13. OD Facility Availed in BSBDAs (Amt. in ₹ crore)	1,991	529	564	564
Kisan Credit Card (KCC) and General Credit Card (GCC)				
14. KCC - Total (No. in lakh)	426	475	515	501
15. KCC - Total (Amt. in ₹ crore)	4,38,229	6,39,069	8,47,238	8,83,682
16. GCC - Total (No. in lakh)	92	202	23	21
17. GCC - Total (Amt. in ₹ crore)	1,31,160	1,94,048	34,340	37,563
Business Correspondents				
18. ICT-A/Cs-BC-Total Transactions (No. in lakh) #	4,770	32,318	36,390	39,676
19. ICT-A/Cs-BC-Total Transactions (Amt. in ₹ crore) #	85,980	8,70,643	13,11,078	14,46,451

P: Provisional, BC: Business Correspondent, OD: Overdraft, ICT: Information and Communication Technology.
#: Transactions during the financial year.
Source: Financial Inclusion Plan returns submitted by PSBs, PVBs and RRBs.

dimensions – access, usage and quality. These dimensions are represented through three sub-indices, *viz*., FI-access, FI-usage and FI-quality. The composite FI-Index value rose to 67.0 in March 2025 from 64.2 in March 2024 with all sub-indices registering an increase. Growth was mainly contributed by usage and quality dimension, reflecting deepening of financial inclusion and sustained financial literacy initiatives (Chart IV.37).

Chart IV.37: RBI – Financial Inclusion Index

(Index)



Note: The index value ranges between zero and 100, where zero indicates complete financial exclusion and 100 indicates full financial inclusion.
Source: RBI.

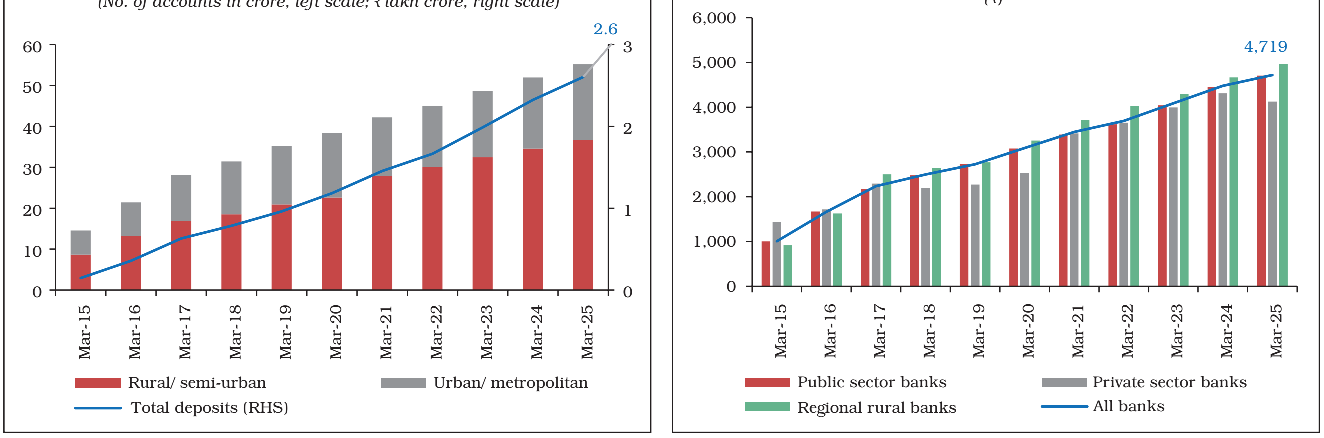
12.3 Pradhan Mantri Jan Dhan Yojana

IV.83 Since its launch by the Government of India in 2014, the Pradhan Mantri Jan Dhan Yojana (PMJDY) has integrated unbanked individuals into the formal financial system and fostered financial inclusion. A large number of accounts opened under the PMJDY are in rural and semi-urban areas and for females. At end-March 2025, the total number of PMJDY accounts reached 55.2 crores, with 96.4 per cent being maintained by PSBs and RRBs. Total deposits in PMJDY accounts increased by 12 per cent to ₹2.6 lakh crore at end-March 2025 (Chart IV.38a). The average deposit in PMJDY accounts has increased by more than four times during March 2015 to March 2025 (Chart IV.38b). During July-October 2025, banks participated in a country-wide campaign for saturation of financial inclusion schemes, including conduct of re-KYC of bank accounts, at *Gram Panchayat* and Urban Local Bodies level. At end-November 2025, the total number of PMJDY accounts reached 57.1 crores with deposits of ₹2.7 lakh crore.

Chart IV.38: Progress under PMJDY

a. Number and Total Deposits of PMJDY Accounts *(No. of accounts in crore, left scale; ₹ lakh crore, right scale)*

b. Average Balance in PMJDY Accounts *(₹)*



Note: Data pertains to last Wednesday of the year.
Source: PMJDY, Government of India.

12.4 New Bank Branches by SCBs

IV.84 Physical bank branches continue to expand alongside digitalisation for customer engagement. At end-March 2025, there were 1.64 lakh domestic branches of SCBs, an increase of 2.8 per cent over the previous year. New branch openings by SCBs, which had accelerated in the previous two years, moderated slightly during 2024-25. Nearly half of the new bank branches opened during the year were in Tier 1 (urban/ metropolitan) centres, with the remaining half in Tier 2-6 (semi-urban/ rural) centres (Table IV.29).

IV.85 New bank branch openings by PSBs accelerated while there was a decline in branch openings by PVBs. Consequently, the share of PVBs in total new branches opened by SCBs declined to 51.8 per cent in 2024-25 from 65.5 per cent in 2023-24. Further, 67.3 per cent of the new branches of PSBs were opened in rural and semi-urban centres, while the proportion for PVBs was 37.5 per cent (Chart IV.39 and Appendix Table IV.12).

Table IV.29: Tier-wise Distribution of Newly Opened Bank Branches of SCBs

Tier	2021-22	2022-23	2023-24	2024-25
1	2	3	4	5
Tier 1	1,567 (48.2)	2,323 (43.6)	2,681 (49.8)	2,413 (48.3)
Tier 2	233 (7.2)	471 (8.8)	451 (8.4)	375 (7.5)
Tier 3	424 (13.0)	809 (15.2)	684 (12.7)	654 (13.1)
Tier 4	292 (9.0)	544 (10.2)	433 (8.0)	472 (9.5)
Tier 5	227 (7.0)	424 (7.9)	368 (6.8)	352 (7.1)
Tier 6	509 (15.7)	763 (14.3)	762 (14.2)	725 (14.5)
Total	**3,252** **(100.0)**	**5,334** **(100.0)**	**5,379** **(100.0)**	**4,991** **(100.0)**

Notes: 1. 'Tier 1' includes centres with population of 1,00,000 and above, 'Tier 2' includes centres with population of 50,000 to 99,999, 'Tier 3' includes centres with population of 20,000 to 49,999, 'Tier 4' includes centres with population of 10,000 to 19,999, 'Tier 5' includes centres with population of 5,000 to 9,999, and 'Tier 6' includes centres with population of less than 5,000. All population figures are as per census 2011.
2. Data exclude digital banking units and administrative offices.
3. Figures in parentheses represent the number of branches opened in a particular tier *as* per cent of the total.
4. Components may not add up to total due to rounding off.

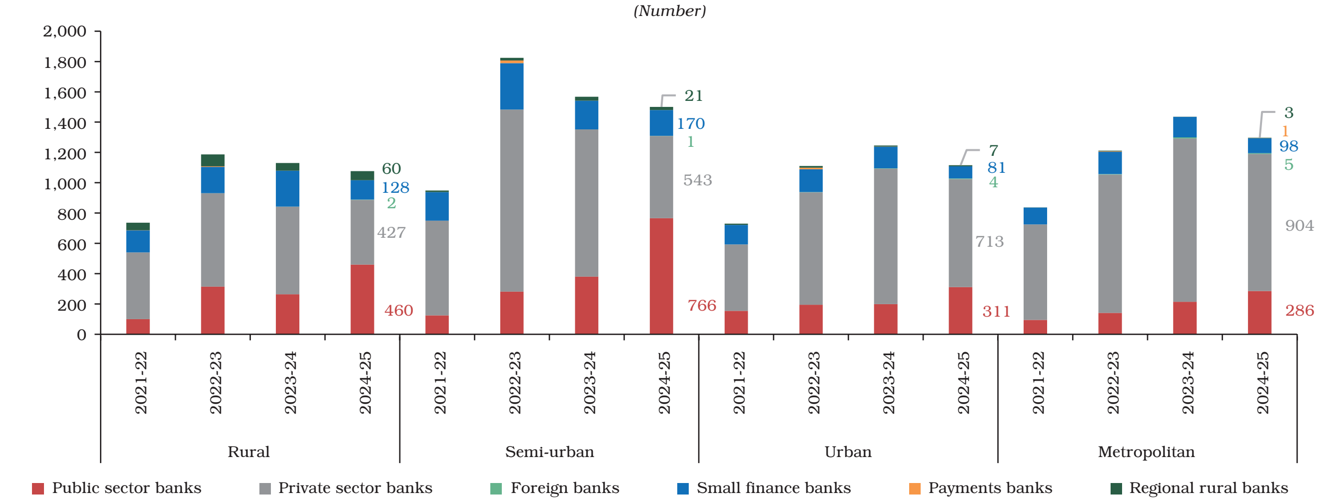
Source: Central Information System for Banking Infrastructure (CISBI), RBI. CISBI data are updated based on information received from banks.

12.5 Regional Banking Penetration

IV.86 The southern region accounts for the largest number of bank branches, while banking

Chart IV.39: Population Group-wise Distribution of Newly Opened Bank Branches of SCBs

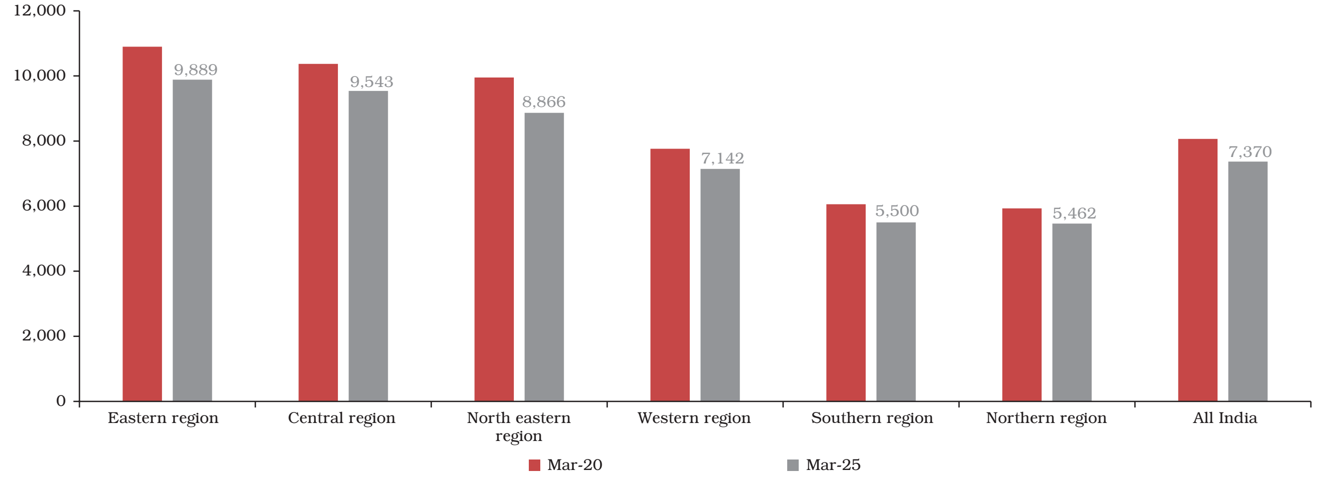
(Number)



Source: CISBI, RBI.

Chart IV.40: Regional Penetration of Banks

(Population per Bank Branch)



Sources: RBI; and Office of the Registrar General & Census Commissioner of India, Ministry of Home Affairs, Government of India.

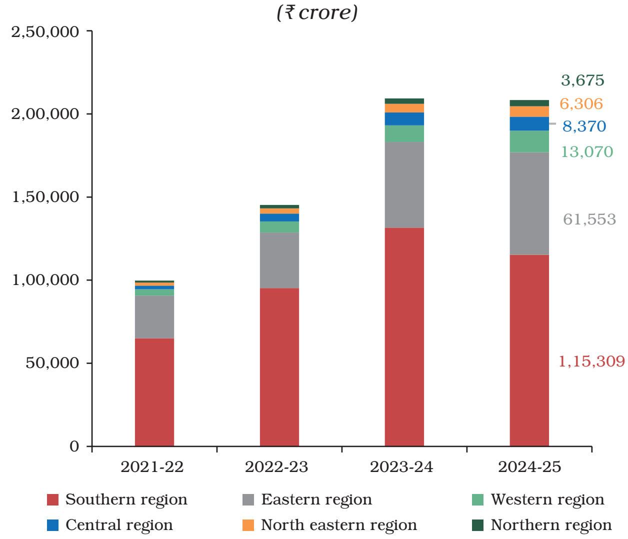
penetration is highest for the northern region at end-March 2025.[27] In recent years, the banking penetration has improved across all regions, with the sharpest improvement in north-eastern region (Chart IV.40).

12.6 Microfinance Programme

IV.87 Microfinance serves as an effective instrument for advancing financial inclusion, entailing the delivery of financial services, including small-value credit, to the underserved and the unbanked segments of the population, thereby fostering social equity and empowerment. The Self-Help Group - Bank Linkage Programme (SHG-BLP), which aims at extending formal savings and credit facilities to the rural poor, has emerged as the world's largest micro-finance movement. The number of SHGs accessing credit from banks increased to 55.6 lakh in 2024-25 from 54.8 lakh in the previous year. However, the amount of loans disbursed by banks to SHGs moderated slightly on account of lower disbursements in the southern region (Chart IV.41). At end-March 2025, the savings balances of SHGs with banks increased by 9.7 per cent to ₹ 0.7 lakh crore, while their outstanding loans from banks increased by 17.2 per cent to ₹ 3 lakh crore.

Chart IV.41: Regional Distribution of Bank Loans Disbursed to Self Help Groups

(₹ crore)



Source: NABARD.

[27] Banking penetration is measured by population per branch. Higher population per bank branch indicates lower penetration.

IV.88 The amount of loans disbursed by banks to joint liability groups (JLGs), which are informal credit groups of small borrowers, declined by 58 per cent during 2024-25 (Appendix Table IV.13).

12.7 Trade Receivables Discounting System (TReDS)

IV.89 TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of micro, small and medium enterprises (MSME) due from corporates and other buyers such as Government departments and public sector undertakings. TReDS gained further traction in 2024-25 with a sharp increase in both the number and amount of invoices uploaded and financed. The success rate, measured as the percentage of uploaded invoices that get financed, improved to 95.3 per cent in 2024-25 from 94.4 per cent in 2023-24 (Table IV.30).

13. Regional Rural Banks

IV.90 Regional rural banks were established as professionally managed alternative channel for credit dispensation to small and marginal farmers, agricultural labourers, and socio-economically weaker sections of the population. Their functional focus areas have been agriculture, trade, commerce, and small-scale industries in the rural areas. At end-March 2025, there were 43 RRBs sponsored by 12 SCBs operating through 22,158 branches in 26 states and three union territories (Puducherry, Jammu & Kashmir, and Ladakh).

Table IV.30: Progress in MSME Financing through TReDS

(Amount in ₹ crore)

Financial Year	Invoices Uploaded		Invoices Financed	
	Number	Amount	Number	Amount
1	2	3	4	5
2021-22	17,33,553	44,112	16,40,824	40,309
2022-23	27,24,872	83,955	25,58,531	76,646
2023-24	44,04,148	1,51,343	41,58,554	1,38,241
2024-25	64,04,936	2,47,796	61,01,384	2,33,711

Source: RBI.

IV.91 In line with their mandate, nearly 92 per cent of RRB branches were in the rural and semi-urban areas. The southern region has the highest number of RRBs, contributing 42.1 per cent of the total profits of all RRBs during 2024-25 (Appendix Table IV.14). Guided by the principle of 'One State-One RRB', the Government of India notified the Phase-IV amalgamation of RRBs on April 5, 2025.[28] Accordingly, the total number of RRBs was reduced from 43 to 28 with effect from May 1, 2025.

13.1 Balance Sheet Analysis

IV.92 The combined balance sheet of RRBs grew by 7.6 per cent in 2024-25 as against 8.9 per cent in the previous year. RRBs relied more on deposits and their owned funds to meet lending requirements as the borrowings contracted marginally during the year (Table IV.31).

IV.93 Deposits accounted for 79 per cent of RRBs' total liabilities, although their deposit growth remained below that of other SCBs during 2024-25. Low-cost CASA deposits had a share of 53.5 per cent in RRBs' total deposits at end-March 2025, the highest amongst all categories of SCBs, except payments banks.[29] The credit-deposit (CD) ratio of RRBs[30] increased to 73.1 per cent at end-March 2025, its highest level

[28] The Government of India initiated structural consolidation of RRBs to improve their operational viability and take advantage of economies of scale. The earlier three rounds of amalgamation had led to a reduction in the number of RRBs to 43 in 2020-21 from 196 in 2004-05.

[29] PBs are not permitted to mobilise term deposits.

[30] Calculated as the ratio of gross advances to deposits of RRBs.

Table IV.31: Consolidated Balance Sheet of Regional Rural Banks

Item	Amount as at end-March (₹ crore)		Y-o-y growth (per cent)	
	2024	2025	2024	2025
1	2	3	4	5
1. Share Capital	19,042	19,303	10.5	1.4
2. Reserves	46,659	53,060	16.3	13.7
3. Deposits	6,59,815	7,13,800	8.4	8.2
3.1 Current	11,952	13,375	0.1	11.9
3.2 Savings	3,47,193	3,68,574	8.6	6.2
3.3 Term	3,00,670	3,31,851	8.5	10.4
4. Borrowings	92,444	92,268	9.1	-0.2
4.1 NABARD	77,166	77,455	5.5	0.4
4.2 Sponsor Bank	4,293	7,949	26.0	85.2
4.3 Others	10,986	6,864	34.2	-37.5
5. Other Liabilities	22,120	25,495	5.9	15.3
Total Liabilities/Assets	**8,40,080**	**9,03,925**	**8.9**	**7.6**
1. Cash in Hand	2,933	2,764	1.6	-5.8
2. Balances with RBI	30,990	30,065	5.7	-3.0
3. Balances in Current Account	8,173	9,752	14.3	19.3
4. Investments	3,19,099	3,21,213	1.8	0.7
5. Loans and Advances	4,45,286	5,02,434	15.1	12.8
6. Fixed Assets	1,581	1,979	12.4	25.2
7. Other Assets, *of which*,	32,019	35,718	5.6	11.6
7.1 Accumulated Losses	8,921	8,435	-9.4	-5.4

Note: Data are provisional for end-March 2025.
Source: NABARD.

in 35 years, as growth in loans and advances outpaced deposit growth.

13.2 Financial Performance

IV.94 RRBs recorded a decline in profits during 2024-25. This was mainly on account of increase in wage bill following the implementation of the pension scheme and computer increment liability with effect from November 1, 1993 in pursuance of a directive from the Hon'ble Supreme Court of India (Table IV.32).[31] RRBs' miscellaneous income registered a healthy growth primarily driven by the issuance of PSLCs leveraging their strong priority sector lending portfolio.

Table IV.32: Financial Performance of Regional Rural Banks

Item	Amount (₹ crore)		Y-o-y growth (per cent)	
	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5
A. Income (i+ii)	**70,443**	**78,090**	**18.5**	**10.9**
i. Interest Income	61,341	67,422	14.4	9.9
ii. Other Income	9,101	10,668	57.3	17.2
B. Expenditure (i+ii+iii)	**62,872**	**71,270**	**15.5**	**13.4**
i. Interest Expended	33,237	37,153	24.5	11.8
ii. Operating Expenses	21,267	27,129	-2.8	27.6
of which, Wage Bill	15,305	20,200	-8.3	32.0
iii. Provisions and Contingencies	8,368	6,989	42.5	-16.5
of which, Income Tax	2,430	2,186	70.7	-10.0
C. Profit				
i. Operating Profit	15,938	13,809	47.0	-13.4
ii. Net Profit	7,571	6,820	52.2	-9.9
D. Financial Ratios (Per cent)				
i. Operating Profit	2.0	1.6		
ii. Net Profit	1.0	0.8		
iii. Income (a+b)	8.9	9.1		
a. Interest Income	7.8	7.9		
b. Other Income	1.2	1.2		
iv. Expenditure (a+b+c)	7.9	8.3		
a. Interest Expended	4.2	4.3		
b. Operating Expenses	2.7	3.2		
of which, Wage Bill	1.9	2.4		
c. Provisions and Contingencies	1.1	0.8		
E. Analytical Ratios (Per cent)#				
Gross NPA Ratio	6.2	5.4		
CRAR	14.2	14.4		

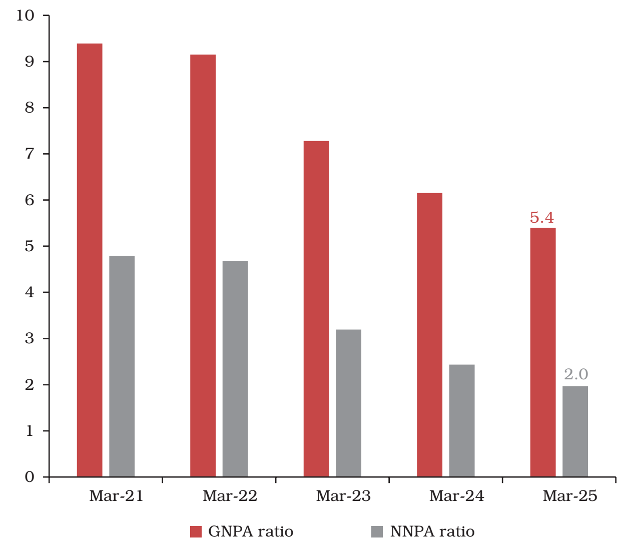
#: As at end-March.
Notes: 1. Data are provisional for 2024-25.
2. Financial ratios are calculated as per cent of average of current and previous year's total assets.
Source: NABARD.

IV.95 The consolidated GNPA ratio of RRBs declined to a 13-year low of 5.4 per cent at end-March 2025 (Chart IV.42). The improvement in asset quality was accompanied by higher provision buffers, resulting in a decline in NNPA ratio to 2.0 per cent at end-March 2025. Nonetheless, the number of loss-making RRBs

[31] In view of the difficulties expressed in meeting the additional pension liability in a single year, which would adversely impact the financial health of a number of RRBs, RBI permitted RRBs to amortise the additional pension liability over a period not exceeding five years beginning with the financial year ending 31 March 2025.

Chart IV.42: Asset Quality of Regional Rural Banks

(Per cent)



Source: NABARD.

increased to five during 2024-25 from three in the previous year largely on account of the one-off increase in wage bill mentioned earlier, and rise in state-specific NPA ratio (Appendix Table IV.14).

IV.96 The consolidated CRAR of RRBs reached an all-time high of 14.4 per cent at end-March 2025 (Chart IV.43a). There has been a steady decline in the number of RRBs with CRAR below the regulatory minimum of 9.0 per cent since 2021-22 onwards consequent to their recapitalisation and improved profitability (Chart IV.43b).

IV.97 Priority sector advances accounted for 84.7 per cent of the RRBs' total loan portfolio at end-March 2025 (Table IV.33). During 2024-25, all RRBs met their overall target of lending 75 per cent of their adjusted net bank credit/ credit equivalent of off-balance sheet exposure to the priority sector (Appendix Table IV.15).

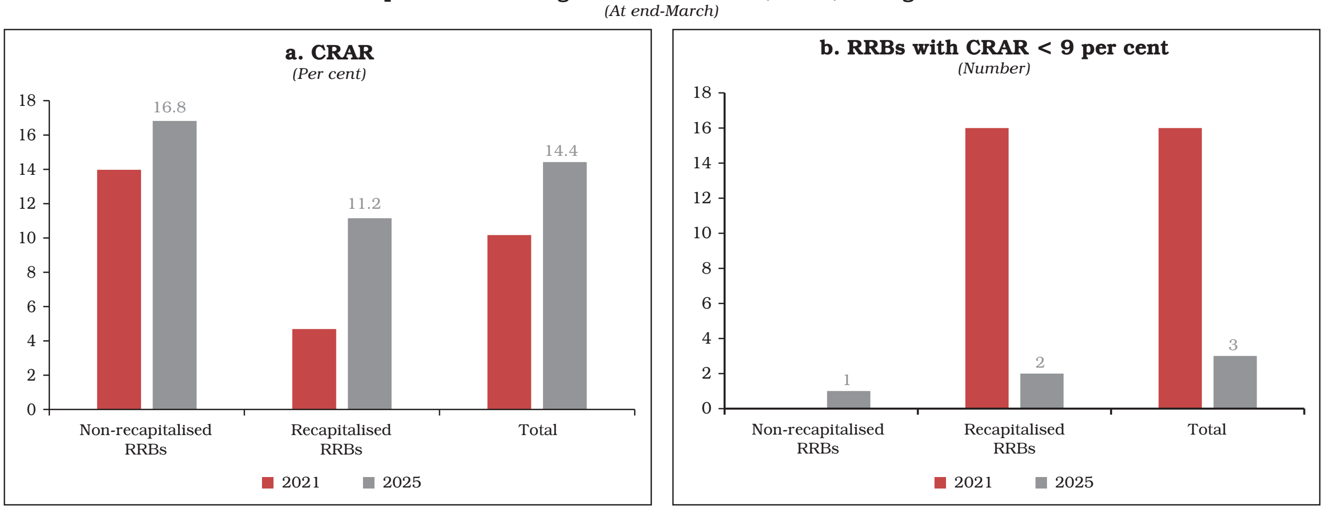
14. Local Area Banks

IV.98 Local Area Banks (LABs) are small, privately-owned banks established with the objective of functioning as low-cost entities to offer efficient and competitive financial intermediation services. LABs have a defined geographical area of operation, specifically targeting rural and semi-urban regions encompassing contiguous districts. At end-March 2025, there were two LABs with 79 branches in operation.

IV.99 During 2024-25, the combined balance sheet size of LABs increased by 9.3 per cent, with both advances as well as deposits growing at a higher pace *vis-à-vis* previous year. With

Chart IV.43: Capital to Risk-weighted Assets Ratio (CRAR) of Regional Rural Banks

(At end-March)



Source: NABARD.

Table IV.33: Purpose-wise Outstanding Advances by Regional Rural Banks
(At end-March)

(Amount in ₹ crore)

Purpose	2024	2025 (P)
1	2	3
I. Priority (i to v)	**4,08,810**	**4,42,041**
Per cent of total loans outstanding	*87.0*	*84.7*
i. Agriculture	3,16,671	3,42,253
ii. Micro, Small and Medium Enterprises	57,639	58,784
iii. Education	1,609	1,582
iv. Housing	26,047	27,411
v. Others	6,843	12,010
II. Non-priority (i to vi)	**61,300**	**79,872**
Per cent of total loans outstanding	*13.0*	*15.3*
i. Agriculture	17	7
ii. Micro, Small and Medium Enterprises	187	179
iii. Education	343	442
iv. Housing	13,620	16,627
v. Personal Loans	17,788	17,720
vi. Others	29,345	44,898
Total (I+II)	**4,70,109**	**5,21,913**

P: Provisional.
Source: NABARD.

credit growth above deposit growth, the credit-deposit ratio increased to 85.6 per cent at end-March 2025 from 81.4 per cent a year ago (Table IV.34).

14.1 Financial Performance

IV.100 Net profits of LABs declined during 2024-25. Profitability was lower on account of lower income growth *vis-à-vis* expenditure growth, as interest income growth more than halved and provisions and contingencies increased during 2024-25 (Table IV.35).

Table IV.34: Profile of Local Area Banks
(At end-March)

(Amount in ₹ crore)

Item	2024	2025
1	2	3
1. Assets	1,584 (7.5)	1,731 (9.3)
2. Deposits	1,271 (6.8)	1,385 (9.0)
3. Gross Advances	1,034 (7.2)	1,186 (14.7)

Note: Figures in parentheses represent y-o-y growth in per cent.
Source: Off-site returns (domestic operations), RBI.

Table IV.35: Financial Performance of Local Area Banks

Item	Amount (₹ crore)		Y-o-y growth (per cent)	
	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5
A. Income (i+ii)	**197**	**209**	**10.1**	**6.1**
i. Interest Income	172	182	12.8	5.8
ii. Other Income	25	27	-5.7	8.8
B. Expenditure (i+ii+iii)	**162**	**180**	**13.7**	**11.2**
i. Interest Expended	79	88	25.9	11.9
ii. Operating Expenses	68	72	14.6	6.9
of which, Wage Bill	33	36	13.5	10.9
iii. Provisions and Contingencies	15	19	-26.0	27.0
C. Profit				
i. Operating Profit	50	48	-11.9	-4.0
ii. Net Profit	35	29	-3.9	-17.6
D. Net Interest Income	**93**	**94**	**3.7**	**0.5**
E. Financial Ratios (Per cent)				
i. Operating Profit	3.3	2.9		
ii. Net Profit	2.3	1.7		
iii. Income (a + b)	12.9	12.6		
a. Interest Income	11.3	11.0		
b. Other Income	1.6	1.6		
iv. Expenditure (a+b+c)	10.6	10.9		
a. Interest Expended	5.2	5.3		
b. Operating Expenses	4.4	4.4		
of which, Wage Bill	2.1	2.2		
c. Provisions and Contingencies	1.0	1.2		
v. Net Interest Income	6.1	5.6		

Note: Financial ratios are calculated as per cent of average of current and previous year's total assets.
Source: Off-site returns (domestic operations), RBI.

15. Small Finance Banks

IV.101 Small finance banks (SFBs) are specialised institutions set up to provide formal saving avenues to the unserved and underserved sections of the population, and supply credit to small business units, small and marginal farmers, micro and small industries and other unorganised sector entities through high technology and low-cost operations. At end-March 2025, 11 SFBs were operational with 7,403 domestic branches in India.[32]

[32] The number of SFBs declined from 12 to 11 in 2024-25 following the merger of one SFB with another, effective April 1, 2024.

15.1 Balance Sheet

IV.102 SFBs' combined balance sheet size continued to increase in double-digits during 2024-25, outpacing the growth in other categories of SCBs. Term deposits accounted for 73.9 per cent of the total deposits of SFBs at end-March 2025. With deposit growth remaining higher than credit growth, the credit-deposit (CD) ratio of SFBs moderated to 86.4 per cent at end-March 2025 from 90.1 per cent a year ago (Table IV.36).

15.2 Financial Performance

IV.103 Profitability of SFBs moderated during 2024-25 despite robust balance sheet growth. Net profits of SFBs declined due to a sharp increase in expenditure on provisions and contingencies. Asset quality of SFBs recorded a decline, with an increase in GNPA ratio to 3.6 per cent at end-March 2025. The SFBs, however, remain well-capitalised with the CRAR at 21.5 per cent and core CRAR (Tier 1 capital) at 18.8 per cent at end-March 2025 (Table IV.37).

Table IV.36: Consolidated Balance Sheet of Small Finance Banks

Item	Amount as at end-March (₹ crore)		Y-o-y growth (per cent)	
	2024	2025	2024	2025
1	2	3	4	5
1. Capital	7,844	8,307	0.4	5.9
2. Reserves & Surplus	32,957	36,339	39.9	10.3
3. Deposits	2,50,896	3,15,401	31.1	25.7
3.1 Demand	10,895	13,685	46.7	25.6
3.2 Savings	59,691	68,666	9.2	15.0
3.3 Term	1,80,310	2,33,050	39.5	29.2
4. Borrowings	28,255	30,022	-9.4	6.3
5. Other Liabilities and Provisions	15,328	15,394	12.5	0.4
Total Liabilities/Assets	**3,35,280**	**4,05,463**	**25.3**	**20.9**
1. Cash and Balances with RBI	17,503	26,780	-1.9	53.0
2. Balances with Banks and Money at Call and Short Notice	6,259	5,777	38.2	-7.7
3. Investments	74,283	87,286	27.9	17.5
4. Loans and Advances	2,26,148	2,72,481	27.1	20.5
5. Fixed Assets	3,353	4,205	22.6	25.4
6. Other Assets	7,733	8,936	19.6	15.6

Source: Annual accounts of banks.

Table IV.37: Financial Performance of Small Finance Banks

Item	Amount (₹ crore)		Y-o-y growth (per cent)	
	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5
A. Income (i+ii)	**45,400**	**54,223**	**34.3**	**19.4**
i. Interest Income	39,647	46,782	33.0	18.0
ii. Other Income	5,753	7,441	43.8	29.3
B. Expenditure (i+ii+iii)	**39,181**	**50,727**	**32.2**	**29.5**
i. Interest Expended	17,474	22,336	43.9	27.8
ii. Operating Expenses	17,186	20,247	30.7	17.8
of which, Wage Bill	8,498	10,321	26.8	21.4
iii. Provisions and Contingencies	4,521	8,144	3.8	80.1
C. Profit				
i. Operating Profit	10,740	11,640	26.1	8.4
ii. Net Profit	6,219	3,496	49.4	-43.8
D. Financial Ratios (Per cent)				
i. Operating Profit	3.6	3.1		
ii. Net Profit	2.1	0.9		
iii. Income (a+b)	15.1	14.6		
a. Interest Income	13.2	12.6		
b. Other Income	1.9	2.0		
iv. Expenditure (a+b+c)	13.0	13.7		
a. Interest Expended	5.8	6.0		
b. Operating Expenses	5.7	5.5		
of which, Wage Bill	2.8	2.8		
c. Provisions and contingencies	1.5	2.2		
E. Analytical Ratios (Per cent)#				
Gross NPA Ratio	2.4	3.6		
CRAR	21.6	21.5		
Core CRAR (Tier 1 Capital)	19.4	18.8		

#: As at end-March.
Note: Financial ratios are calculated as per cent of average of current and previous year's total assets.
Sources: Annual accounts of banks; and off-site returns (domestic operations), RBI.

16. Payments Banks

IV.104 Payments banks (PBs) are specialised financial institutions established with the objective of enhancing financial inclusion by leveraging technological advancements. At end-March 2025, six payments banks were operational with 81 branches.

16.1 Balance sheet

IV.105 During 2024-25, the combined balance sheet size of PBs recorded strong growth led by deposits on the liability side and investments on the asset side (Table IV.38). Deposits – savings and current – constituted 68.1 per cent of the total liabilities of PBs at end-March 2025. The assets side was dominated by SLR investments in accordance with the restriction on their lending activities. All PBs complied with the regulatory minimum CRAR of 15 per cent.

16.2 Financial Performance

IV.106 PBs, which had registered losses in the initial years of their operations, remained profitable for the third consecutive year in 2024-25. Operating profits increased supported by a rise in interest income, even as non-interest income declined. Net profit remained positive, *albeit* with a marginal decline reflecting a rise in provisions and contingencies (Table IV.39).

IV.107 Reflecting the decline in net profits, the return on assets and return on equity of PBs moderated during 2024-25. PBs' investments as a proportion of total assets increased, while their net interest margin moderated during the year. PBs continued to register efficiency gains as cost-to-income ratio declined further during 2024-25.

Table IV.38: Consolidated Balance Sheet of Payments Banks

Item	Amount as at end-March (₹ crore)		Y-o-y growth (per cent)	
	2024	2025	2024	2025
1	2	3	4	5
1. Total Capital and Reserves	3,440	3,584	17.1	4.2
2. Deposits	16,330	25,605	33.6	56.8
3. Other Liabilities and Provisions	6,385	8,403	-23.8	31.6
Total Liabilities/Assets	**26,155**	**37,592**	**11.1**	**43.7**
1. Cash and Balances with RBI	3,094	3,715	26.1	20.1
2. Balances with Banks and Money Market	4,350	6,636	-13.1	52.6
3. Investments	14,627	24,037	18.0	64.3
4. Fixed Assets	1,266	1,339	125.3	5.8
5. Other Assets	2,819	1,865	-9.6	-33.9

Note: Data pertains to six payments banks, including both scheduled and non-scheduled payments banks.
Source: Off-site returns (domestic operations), RBI.

Table IV.39: Financial Performance of Payments Banks

Item	Amount (₹ crore)		Y-o-y growth (per cent)	
	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5
A. Income (i+ii)	**7,857**	**7,697**	**20.7**	**-2.0**
i. Interest Income	1,441	1,733	64.3	20.3
ii. Non-Interest Income	6,416	5,964	14.0	-7.0
B. Expenditure (i+ii+iii)	**7,762**	**7,605**	**-21.0**	**-2.0**
i. Interest Expended	356	548	44.1	54.1
ii. Operating Expenses	7,292	6,923	18.5	-5.1
iii. Provisions and Contingencies	115	134	688.6	16.7
of which,				
Risk Provisions	11	0.3	185.3	-97.3
Tax Provisions	68	3	773.4	-95.3
C. Profit				
i. Operating Profit	209	226	97.0	8.2
ii. Net Profit	94	92	3.0	-2.2
D. Net Interest Income	**1,085**	**1,185**	**72.2**	**9.2**
E. Analytical Ratios (Per cent)				
Return on Assets	0.4	0.3		
Return on Equity	3.0	2.6		
Investments to Total Assets#	55.9	63.9		
Net Interest Margin	6.0	4.6		
Cost-to-Income Ratio	97.2	96.8		
Operating Profit to Working Funds	0.8	0.7		
Net Profit Margin	1.3	1.3		

#: As at end-March.
Note: Data pertains to six payments banks, including both scheduled and non-scheduled payments banks.
Source: Off-site returns (domestic operations), RBI.

17. Overall Assessment

IV.108 During 2024-25, scheduled commercial banks' balance sheet expanded at a healthy pace, driven by double digit growth in deposits and credit, *albeit* with some moderation. Profitability remained strong as reflected in an increase in their return on assets. Asset quality improved further as gross non-performing assets ratio declined to a multi-decadal low. Banks remain well-capitalised with leverage and liquidity ratios well above the regulatory minimum. These strong fundamentals provide a buffer against risks and support the banking sector's capacity to sustain credit expansion.

IV.109 Going forward, banks will continue to face competition from non-bank sources in meeting the resource requirements of the commercial sector. Furthermore, rapidly changing technology and digitalisation could change the way people transact with banks for their savings and credit needs, while also exposing the banking system to newer risks including cyber risk. Strengthening risk assessment and improving operational efficiency through responsible technology adoption remain essential, with continued emphasis on financial inclusion, consumer education and protection. Robust corporate governance with strong risk management practices remains critical for banks' long-term success.

V CO-OPERATIVE BANKS

Urban co-operative banks' balance sheet expanded during 2024-25 on higher credit growth supported by deposits and borrowings. Their financial performance remained robust on the back of improved profitability, better asset quality and strong capital buffers. These gains were aided by ongoing consolidation and regulatory measures to strengthen resilience under the four-tier framework. Rural co-operatives continued to support agricultural credit delivery, although their performance varied across short-term and long-term institutions.

Introduction

V.1. Co-operative banks play an important role in India's financial system by extending last-mile credit and supporting localised financial intermediation. In recent years, urban co-operative banks are witnessing a steady consolidation through voluntary mergers and regulatory rationalisation under the four-tier regulatory framework. They recorded balance sheet expansion during 2024-25, supported by improved credit growth and higher deposit mobilisation. Their profitability improved on account of lower provisioning and higher non-interest income, while capital buffers and asset quality strengthened further. Among rural co-operatives, short-term credit institutions — comprising state and district central co-operative banks and primary agricultural credit societies — continue to play a pivotal role in agricultural finance. Both state co-operative banks and district central co-operative banks reported profits with improvement in asset quality during 2024-25. Performance of long-term cooperatives remains mixed with variation observed across states.

V.2. Against this backdrop, the rest of the chapter focuses on analysing the performance of urban and rural co-operative banks during the period under review.[1] Section 2 outlines the evolving structure of the co-operative banking sector, followed by an assessment of profitability, asset quality and capital adequacy of urban co-operative banks in Section 3. Financial performance of short-term and long-term rural co-operatives is examined in Section 4, which is followed by an overall assessment in Section 5.

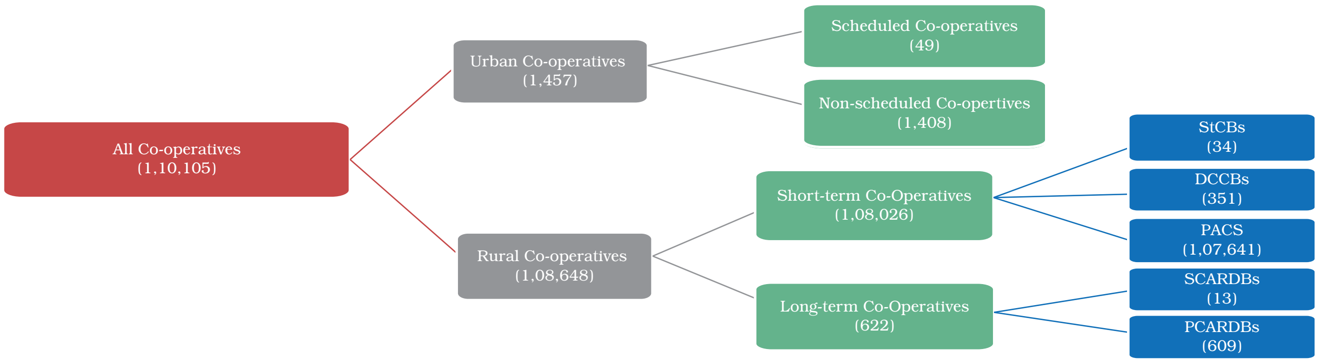
2. Structure of the Co-operative Banking Sector

V.3. Co-operative banking structure in India includes urban co-operative banks (UCBs) and rural credit co-operatives (RCCs). While UCBs primarily serve the credit needs of urban and semi-urban areas, RCCs mainly cater to the agricultural and allied sectors in rural areas. UCBs are classified as scheduled or non-scheduled, based on (i) whether they are included in the second schedule of the Reserve Bank of India Act, 1934[2]; and (ii) their geographical outreach in terms of single-state or multi-state presence. RCCs, on the contrary, are classified into short-

[1] Primary agricultural credit societies and long-term rural credit co-operatives are outside the regulatory purview of the Reserve Bank. However, a brief description of their activities and performance is given in this chapter for the sake of completeness of the analysis.

[2] Apart from scheduled co-operative banks, scheduled commercial banks are also included in the same schedule of the Act.

Chart V.1: Structure of Credit Co-operatives



StCBs: State co-operative banks; DCCBs: District central co-operative banks; PACS: Primary agricultural credit societies; SCARDBs: State co-operative agriculture and rural development banks; PCARDBs: Primary co-operative agriculture and rural development banks.

Note: Figures in parentheses indicate the number of institutions at end-March 2025 for UCBs, StCBs and DCCBs, and at end-March 2024 for other RCCs.

Sources: RBI; National Bank for Agriculture and Rural Development (NABARD); and National Federation of State Co-operative Banks Ltd. (NAFSCOB).

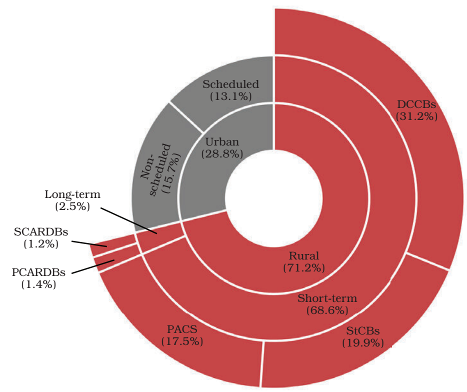
term and long-term institutions. During the period under review, there were 1,457 UCBs and 1,08,648 RCCs (Chart V.1).[3]

V.4. Regulation and supervision of these entities follow a differentiated framework. UCBs are regulated and supervised by the Reserve Bank, whereas state co-operative banks (StCBs) and district central co-operative banks (DCCBs) are regulated by the Reserve Bank but supervised by the National Bank for Agriculture and Rural Development (NABARD). Primary agricultural credit societies (PACS), state co-operative agriculture and rural development banks (SCARDBs) and primary co-operative agriculture and rural development banks (PCARDBs) lie outside the purview of the Banking Regulation Act, 1949.

V.5. The consolidated assets of the co-operative sector stood at ₹ 24.5 lakh crore at end-March 2024. RCCs accounted for 71.2 per cent of the assets of the total co-operative sector, with 68.6 per cent contributed by short-term co-operatives and 2.5 per cent by long-term co-operatives (Chart V.2).

Chart V.2: Distribution of Credit Co-operatives by Asset Size

(At end-March 2024, per cent)



Notes: 1. The sunburst chart represents layers in the co-operative banking sector. The size of each segment is proportional to its share (mentioned in parentheses) in total assets of the sector.

2. Shares may not add up due to rounding off to one decimal.

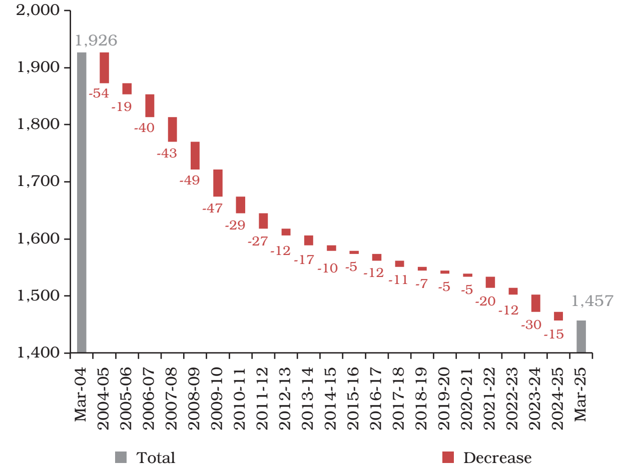
Sources: RBI; NABARD; and NAFSCOB.

[3] Data for primary agricultural credit societies (PACS), state co-operative agriculture and rural development banks (SCARDBs) and primary co-operative agriculture and rural development banks (PCARDBs) are available with a lag of one year, *i.e.*, they relate to 2023-24.

3. Urban Co-operative Banks

V.6. The Reserve Bank initiated the process of consolidation of UCBs in 2004-05, including amalgamation of unviable UCBs with their viable counterparts, closure of non-viable UCBs, and suspension of issuance of new licenses. Consequently, the number of UCBs declined steadily from 1,926 at end-March 2004 to 1,457 at end-March 2025 (Chart V.3).

Chart V.3: Number of Urban Co-operative Banks



Source: Off-site returns, RBI.

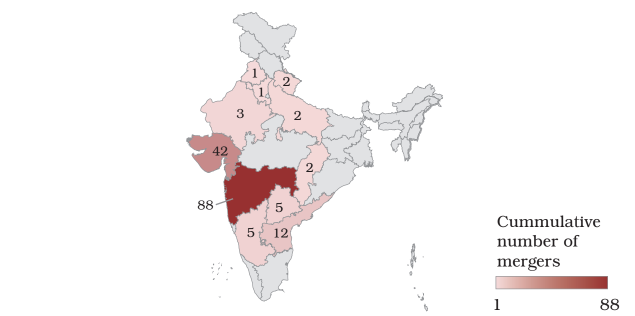
V.7. During 2024-25, seven mergers of UCBs—six in Maharashtra and one in Telangana—were effected. With this, the total number of mergers since 2004-05 rose to 163, of which more than half were in Maharashtra (Chart V.4a). In addition, licenses of eight non-scheduled UCBs—two each in Uttar Pradesh and Andhra Pradesh, and one each in Bihar, Maharashtra, Assam and Tamil Nadu—were cancelled during the year. With this, the total number of license cancellations since 2020-21 increased to 57, concentrated mainly in the non-scheduled category (Chart V.4b).

V.8. Given the heterogeneity in the co-operative sector, the Reserve Bank, on December 1, 2022, adopted a four-tiered regulatory framework for UCBs in line with the recommendations of the Expert Committee on Urban Co-operative Banks (Chairman: Shri N. S. Vishwanathan).[4]

Chart V.4: Consolidation Drive in Urban Co-operative Banks

a. Geographical Distribution of Mergers

(Number of mergers during 2004-05 to 2024-25)



b. Number of Licence Cancellations

Note: The license of Shimsha Sahakara Bank Niyamitha, Karnataka was cancelled as notified in the press release dated July 05, 2024, subsequently, writ petition (WP No 19767 of 2024) was filed by the bank before the Hon'ble High Court of Karnataka, wherein the Hon'ble Court *vide* interim order dated July 25, 2024, stayed the speaking order dated July 05, 2024, till the next date of hearing. The bank is currently under all-inclusive directions as notified in the RBI press release dated August 8, 2024.
Source: RBI.

[4] UCBs with deposits up to ₹100 crore have been classified as Tier 1; those with deposits more than ₹100 crore and up to ₹1,000 crore as Tier 2; those with deposits more than ₹1,000 crore and up to ₹10,000 crore as Tier 3; and those above ₹10,000 crore are placed in Tier 4. As per the circular dated December 01, 2022, all unit UCBs and salary earners' UCBs (irrespective of deposit size) are classified as Tier 1 UCBs. The deposits referred to above shall be reckoned as per the audited balance sheet as on 31st March of the immediate preceding financial year.

Table V.1: Tier-wise Distribution of Urban Co-operative Banks
(At end-March 2025)

(Amount in ₹ crore, share in per cent)

Tier Type	No. of Banks		Deposits		Advances		Total Assets	
	Number	Share	Amount	Share	Amount	Share	Amount	Share
1	2	3	4	5	6	7	8	9
1	838	57.5	65,760	11.3	43,991	11.9	89,089	12.1
2	535	36.7	1,78,433	30.5	1,09,980	29.7	2,24,705	30.4
3	78	5.4	2,01,311	34.4	1,22,712	33.1	2,48,549	33.6
4	6	0.4	1,38,910	23.8	93,542	25.3	1,76,386	23.9
All UCBs	**1,457**	**100.0**	**5,84,415**	**100.0**	**3,70,225**	**100.0**	**7,38,729**	**100.0**

Notes: 1. Data are provisional.
2. Components may not add up to the total due to rounding off.
Source: Off-site returns, RBI.

The regulation aimed to balance the spirit of mutuality and co-operation that is more prevalent in smaller banks with limited area of operation *vis-à-vis* the growth ambitions of the large-sized UCBs through geographical spread and diverse business activities. At end-March 2025, 57.5 per cent of the UCBs were classified as Tier 1. Tier 3 and Tier 4 UCBs, together with less than 6 per cent share in the total number of UCBs, dominated the sector, accounting for more than half of deposits, advances and total assets (Table V.1).

3.1. *Balance Sheet*

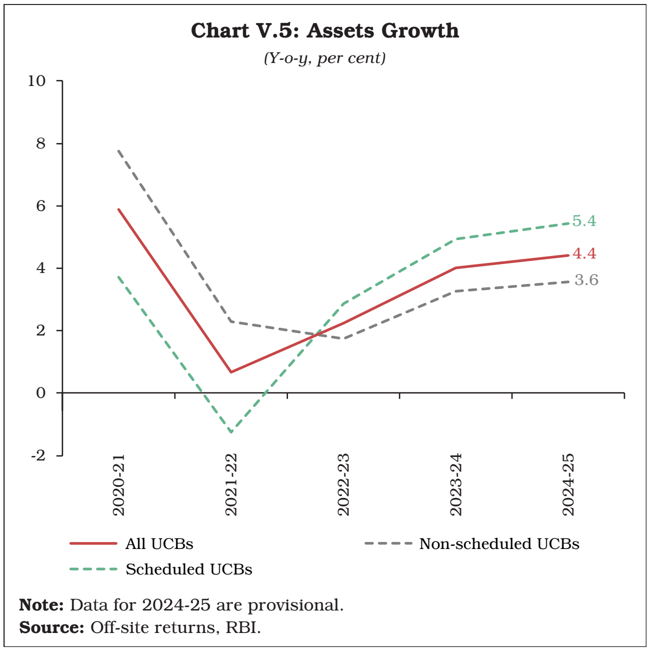
V.9. The consolidated balance sheet of UCBs grew by 4.4 per cent during 2024-25, marginally higher than 4.0 per cent in the previous year (Table V.2). Within UCBs, the growth was

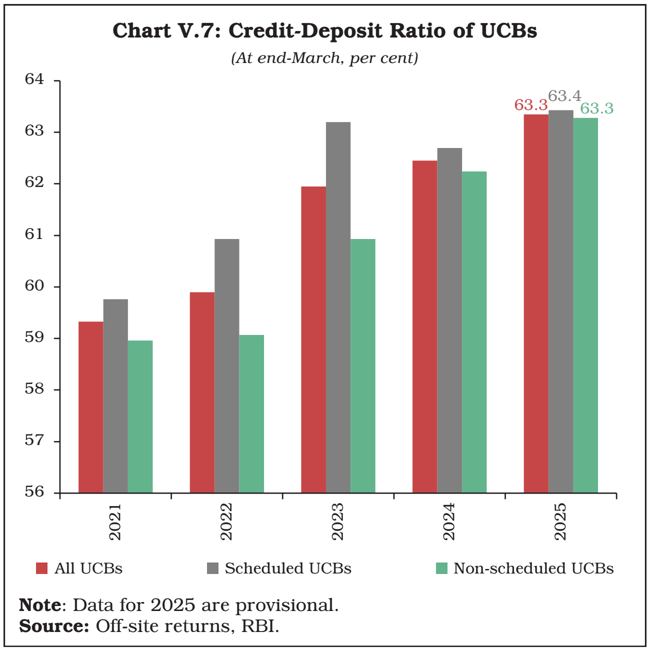
Table V.2: Balance Sheet of Urban Co-operative Banks
(At end-March)

(Amount in ₹ crore)

Items	Scheduled UCBs		Non-scheduled UCBs		All UCBs		All UCBs (y-o-y growth rate in per cent)	
	2024	2025	2024	2025	2024	2025	2023-24	2024-25
1	2	3	4	5	6	7	8	9
1) Capital	4,293 (1.3)	4,271 (1.3)	10,828 (2.8)	11,217 (2.8)	15,120 (2.1)	15,489 (2.1)	2.8	2.4
2) Reserves and Surplus	25,290 (7.9)	27,029 (8.0)	29,383 (7.6)	32,276 (8.1)	54,673 (7.7)	59,305 (8.0)	13.3	8.5
3) Deposits	2,54,479 (79.1)	2,70,209 (79.7)	3,00,931 (78.0)	3,14,207 (78.6)	5,55,410 (78.5)	5,84,415 (79.1)	4.1	5.2
4) Borrowings	5,082 (1.6)	5,534 (1.6)	293 (0.1)	243 (0.1)	5,375 (0.8)	5,776 (0.8)	-13.9	7.5
5) Other Liabilities and Provisions	32,579 (10.1)	32,158 (9.5)	44,382 (11.5)	41,586 (10.4)	76,961 (10.9)	73,744 (10.0)	-0.7	-4.2
Total Liabilities/ Assets	**3,21,723** **(100.0)**	**3,39,200** **(100.0)**	**3,85,816** **(100.0)**	**3,99,529** **(100.0)**	**7,07,539** **(100.0)**	**7,38,729** **(100.0)**	**4.0**	**4.4**
1) Cash in Hand	1,759 (0.5)	1,764 (0.5)	4,424 (1.1)	4,194 (1.0)	6,183 (0.9)	5,958 (0.8)	5.1	-3.6
2) Balances with RBI	13,778 (4.3)	13,687 (4.0)	4,544 (1.2)	4,688 (1.2)	18,322 (2.6)	18,375 (2.5)	12.0	0.3
3) Balances with Banks	24,701 (7.7)	30,263 (8.9)	47,756 (12.4)	50,374 (12.6)	72,457 (10.2)	80,637 (10.9)	8.6	11.3
4) Money at Call and Short Notice	2,367 (0.7)	2,908 (0.9)	1,033 (0.3)	1,370 (0.3)	3,401 (0.5)	4,278 (0.6)	-1.1	25.8
5) Investments	86,626 (26.9)	86,619 (25.5)	1,07,018 (27.7)	1,06,851 (26.7)	1,93,644 (27.4)	1,93,471 (26.2)	1.6	-0.1
6) Loans and Advances	1,59,553 (49.6)	1,71,391 (50.5)	1,87,300 (48.5)	1,98,833 (49.8)	3,46,853 (49.0)	3,70,225 (50.1)	5.0	6.7
7) Other Assets	32,939 (10.2)	32,568 (9.6)	33,741 (8.7)	33,218 (8.3)	66,679 (9.4)	65,786 (8.9)	0.1	-1.3

Notes: 1. Data for 2025 are provisional.
2. Figures in parentheses are the proportion to total liabilities/ assets (in per cent).
3. Components may not add up to the total due to rounding off.
Source: Off-site returns, RBI.

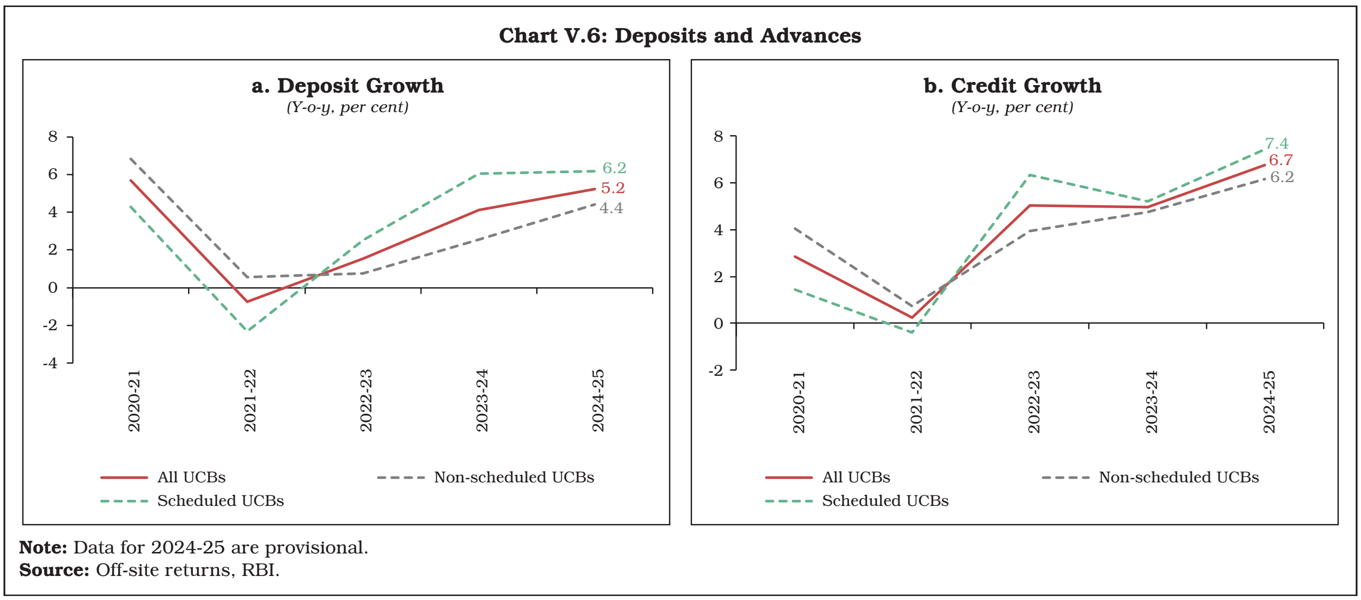




higher for scheduled UCBs (5.4 per cent) compared with non-scheduled UCBs (3.6 per cent) (Chart V.5).

V.10. Deposit growth of UCBs improved to 5.2 per cent during 2024-25 from 4.1 per cent a year ago (Chart V.6a). Credit growth of UCBs also accelerated to 6.7 per cent, highest in six years, with improvement across both the scheduled and the non-scheduled UCBs (Chart V.6b). At end-September 2025, deposit growth and credit growth of UCBs stood at 6.8 per cent and 6.4 per cent, respectively.

V.11. On account of higher credit growth relative to deposit growth, the credit-deposit (CD) ratio of UCBs improved to 63.3 per cent at end-March 2025 from 62.4 per cent at end-March 2024 (Chart V.7).



V.12. UCBs rely predominantly on deposits for funding, with borrowings accounting for only 0.8 per cent of total liabilities at end-March 2025. During 2024-25, investments growth of UCBs moderated for the fourth consecutive year and turned negative, partly reflecting their strategy to reallocate funds from investments to loans and advances (Chart V.8).

V.13. Over the last decade, on an average, SLR investments accounted for around 89 per cent of the total investments of UCBs. The composition of SLR investments, however, is shifting towards state government securities with their share rising from 15.2 per cent at end-March 2015 to 36.8 per cent at end-March 2025 (Table V.3 and Chart V.9).

V.14. At end-March 2025, 46.3 per cent of UCBs had advances less than ₹50 crore, while largest 57 UCBs accounted for 53.9 per cent of total advances of UCBs. In terms of assets, 23.9 per cent of UCBs had assets size less than ₹50 crore while UCBs with assets more than ₹1000 crore accounted for 65.5 per cent of total assets of UCBs (Table V.4). A similar pattern was observed for deposits, with concentration of deposits continuing in the higher size brackets. The increasing share of large UCBs reflects the ongoing consolidation and scaling-up within the sector.

Table V.3: Investments by Urban Co-operative Banks

(Amount in ₹ crore)

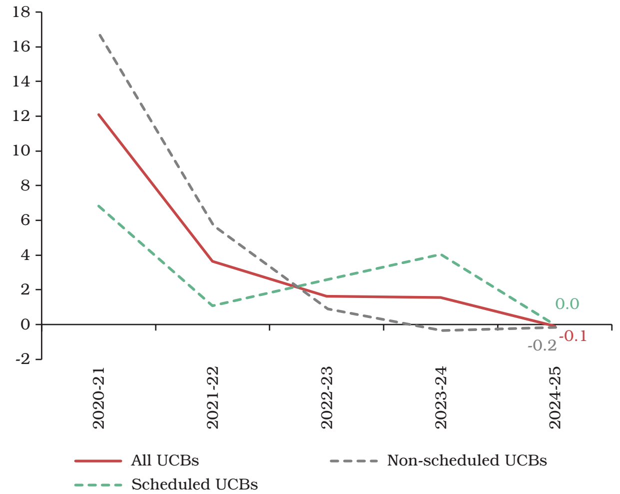
Item	Amount outstanding (At end-March)		Variation (in per cent)	
	2024	2025	2023-24	2024-25
1	2	3	4	5
Total Investments (A + B)	1,93,644 (100.0)	1,93,471 (100.0)	1.6	-0.1
A. SLR Investments [(i) + (ii)+ (iii)]	1,74,332 (90.0)	1,72,799 (89.3)	1.5	-0.9
(i) Central Government Securities	1,06,270 (54.9)	99,916 (51.6)	-0.4	-6.0
(ii) State Government Securities	67,673 (34.9)	71,213 (36.8)	4.6	5.2
(iii) Other Approved Securities	389 (0.2)	1,670 (0.9)	27.9	329.5
B. Non-SLR Investments	19,312 (10.0)	20,672 (10.7)	1.9	7.0

Notes: 1. Data for 2025 are provisional.
2. Figures in parentheses are the proportion to total investments (in per cent).
3. Components may not add up to the total due to rounding off.

Source: Off-site returns, RBI.

Chart V.8 Investments Growth

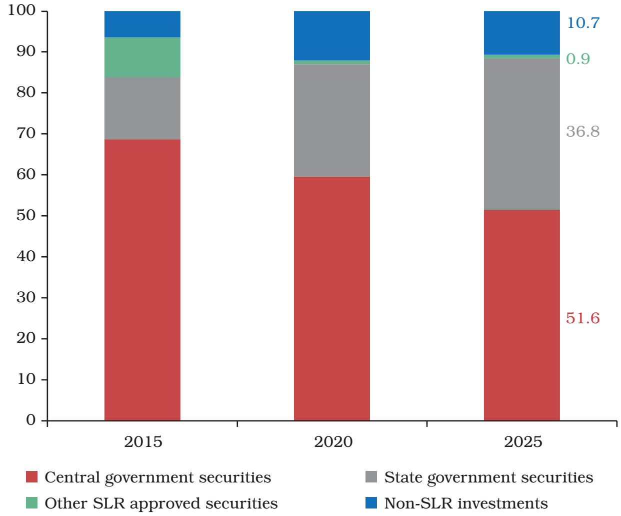
(Y-o-y, per cent)



Note: Data for 2024-25 are provisional.
Source: Off-site returns, RBI.

Chart V.9: Composition of Investments of UCBs

(At end-March, share in per cent)



Note: Data for 2025 are provisional.
Source: Off-site returns, RBI.

Table V.4: Distribution of UCBs by Size of Deposits, Advances and Assets
(At end-March 2025)

(Amount in ₹ crore)

Item	Deposits		Advances		Assets	
	No. of UCBs	Amount	No. of UCBs	Amount	No. of UCBs	Amount
1	2	3	4	5	6	7
0 ≤ X < 10	76	426	161	894	43	250
10 ≤ X < 25	158	2,772	240	4,024	107	1,901
25 ≤ X < 50	236	8,741	273	9,777	198	7,201
50 ≤ X < 100	289	20,811	253	17,978	297	21,542
100 ≤ X < 250	320	52,010	267	41,517	360	58,874
250 ≤ X < 500	167	59,779	137	48,504	193	68,858
500 ≤ X < 1000	109	74,624	69	48,066	136	96,262
1000 ≤ X	102	3,65,252	57	1,99,464	123	4,83,841
Total	**1,457**	**5,84,415**	**1,457**	**3,70,225**	**1,457**	**7,38,729**

Notes: 1. Data are provisional.
2. 'X' indicates amounts of deposits, advances, and assets.

Source: Off-site returns, RBI.

3.2. Financial Performance and Profitability

V.15. The financial performance of UCBs improved during 2024-25, *albeit* with a variation across constituents. Operating profits of non-scheduled UCBs increased by 8.4 per cent, driven by growth in non-interest income.[5] In contrast, operating profits of scheduled UCBs contracted by 5.5 per cent, reflecting a faster increase in total expenditure relative to total income (Table V.5 and Appendix Table V.1).

V.16. Overall, UCBs' net profits after tax grew by 14.2 per cent in 2024-25, on top of 52 per cent growth recorded in 2023-24, aided by reduced provisioning pressure on account of improved asset quality. Improvement in profitability was also evident in higher returns on assets (RoA) and returns on equity (RoE). Net interest margin (NIM) of UCBs, however, moderated due to faster growth of interest expenditure compared to interest income (Table V.6). Within UCBs, non-scheduled UCBs had higher NIM and RoA than

Table V.5: Financial Performance of Scheduled and Non-scheduled Urban Co-operative Banks

(Amount in ₹ crore)

Item	Scheduled UCBs		Non-scheduled UCBs		All UCBs		All UCBs (y-o-y growth in per cent)	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5	6	7	8	9
A. Total Income [i+ii]	**24,161 (100.0)**	**26,059 (100.0)**	**31,036 (100.0)**	**33,293 (100.0)**	**55,198 (100.0)**	**59,352 (100.0)**	**5.4**	**7.5**
i. Interest Income	21,476 (88.9)	23,065 (88.5)	29,223 (94.2)	30,296 (91.0)	50,698 (91.8)	53,361 (89.9)	6.5	5.3
ii. Non-interest Income	2,686 (11.1)	2,993 (11.5)	1,814 (5.8)	2,997 (9.0)	4,499 (8.2)	5,990 (10.1)	-5.9	33.1
B. Total Expenditure [i+ii]	**19,785 (100.0)**	**21,925 (100.0)**	**25,985 (100.0)**	**27,819 (100.0)**	**45,771 (100.0)**	**49,745 (100.0)**	**7.9**	**8.7**
i. Interest Expenditure	12,838 (64.9)	14,542 (66.3)	17,444 (67.1)	18,850 (67.8)	30,282 (66.2)	33,392 (67.1)	10.2	10.3
ii. Non-interest Expenditure	6,947 (35.1)	7,383 (33.7)	8,541 (32.9)	8,969 (32.2)	15,488 (33.8)	16,352 (32.9)	3.7	5.6
of which: Staff Expenses	2,999	3,288	4,367	4,785	7,365	8,073	2.1	9.6
C. Profits								
i. Operating Profits	4,376	4,133	5,051	5,474	9,427	9,607	-5.4	1.9
ii. Provision and Contingencies	1,214	1,154	1,912	1,568	3,127	2,722	-43.9	-12.9
iii. Provision for Taxes	752	737	868	803	1,620	1,540	22.8	-4.9
iv. Net Profit before Taxes	3,162	2,980	3,139	3,905	6,300	6,885	43.2	9.3
v. Net Profit after Taxes	2,410	2,243	2,270	3,102	4,680	5,345	52.0	14.2

Note: 1. Data for 2024-25 are provisional.
2. Figures in parentheses are the proportion to total income/ expenditure (in per cent).
3. Components may not add up to the total due to rounding off.

Source: Off-site returns, RBI.

5 The increase in non-interest income is driven by increase in miscellaneous income, profit on sale of fixed assets, and profit on trading and sale of securities.

Table V.6: Select Profitability Indicators of UCBs

(Per cent)

Item	Scheduled UCBs		Non-scheduled UCBs		All UCBs	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5	6	7
Return on Assets	0.77	0.68	0.63	0.79	0.70	0.74
Return on Equity	8.54	7.37	6.18	7.40	7.18	7.39
Net Interest Margin	3.60	3.38	4.08	3.83	3.86	3.62

Note: Data for 2024-25 are provisional.
Source: Off-site returns, RBI.

Table V.7: CRAR-wise Distribution of UCBs
(At end-March 2025)

(Number of banks)

CRAR (in per cent)	Scheduled UCBs	Non-scheduled UCBs	All UCBs
1	2	3	4
CRAR < 3	1	28	29
3 <= CRAR < 6	2	8	10
6 <= CRAR < 9	0	10	10
9 <= CRAR < 12	0	66	66
12 <= CRAR	46	1,296	1,342
Total	**49**	**1,408**	**1,457**

Note: Data are provisional.
Source: Off-site returns, RBI.

scheduled UCBs (Chart V.10a and b). During H1:2025-26, RoA and RoE of UCBs stood at 0.8 per cent and 8.2 per cent, respectively.

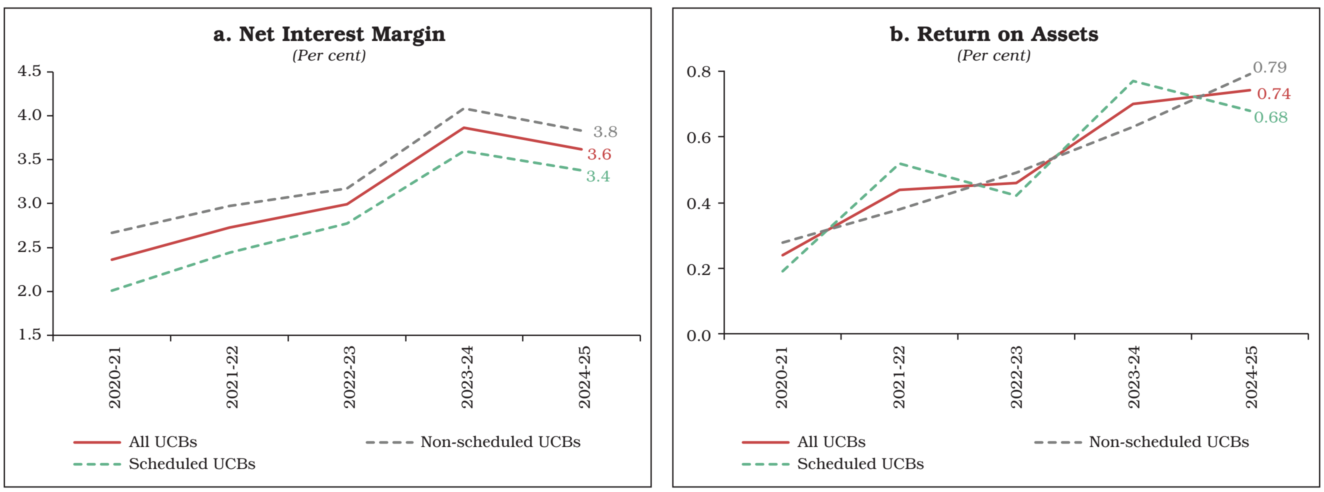
3.3. Penalties and DICGC Claims

V.17. The number of instances of penalty imposition on co-operative banks (including UCBs) increased by 22.8 per cent to 264 during 2024-25. The total amount of penalty imposed also increased to ₹15.6 crore during 2024-25 from ₹12.1 crore in the previous year (Table IV.15 in Chapter IV). The Deposit Insurance and Credit Guarantee Corporation (DICGC) settled claims of ₹476 crore during 2024-25, which pertained entirely to the co-operative banks placed under liquidation/ all-inclusive directions (AID) of the Reserve Bank.

3.4. Capital Adequacy

V.18. As per the revised regulatory framework effective from April 1, 2023, a minimum capital to risk-weighted assets ratio (CRAR) of 9 per cent for Tier 1 UCBs and 12 per cent for Tier 2 to 4 UCBs are to be maintained on an ongoing basis. At end-March 2025, 92.1 per cent of the UCBs maintained CRAR above 12 per cent (Table V.7 and Appendix Table V.2).

Chart V.10: Profitability Indicators



Note: Data for 2025 are provisional.
Source: Off-site returns, RBI.

Table V.8: Component-wise Capital Adequacy of UCBs

(At end-March)

(Amount in ₹ crore)

Item	Scheduled UCBs		Non-scheduled UCBs		All UCBs	
	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7
1. Capital Funds	**25,966**	**28,320**	**32,560**	**36,782**	**58,526**	**65,101**
i) Tier 1 Capital	20,128	21,960	28,423	32,401	48,550	54,362
ii) Tier 2 Capital	5,838	6,359	4,138	4,380	9,976	10,740
2. Risk-weighted Assets	**1,57,720**	**1,69,923**	**1,78,224**	**1,91,098**	**3,35,944**	**3,61,022**
3. CRAR (1 as per cent of 2)	**16.5**	**16.7**	**18.3**	**19.2**	**17.4**	**18.0**
Of which:						
Tier 1	12.8	12.9	15.9	17.0	14.5	15.1
Tier 2	3.7	3.7	2.3	2.3	3.0	3.0

Notes: 1. Data for end-March 2025 are provisional.
2. Components may not add up to the total due to rounding off.

Source: Off-site returns, RBI.

V.19. During 2024-25, UCBs remained well capitalised, with CRAR improving to 18.0 per cent from 17.4 per cent a year ago, primarily on account of an improvement in Tier 1 capital ratio (Table V.8 and Chart V.11a). Within UCBs, non-scheduled UCBs have maintained a higher CRAR than scheduled UCBs (Chart V.11b). The CRAR remained stable at 18.0 per cent at end-September 2025.

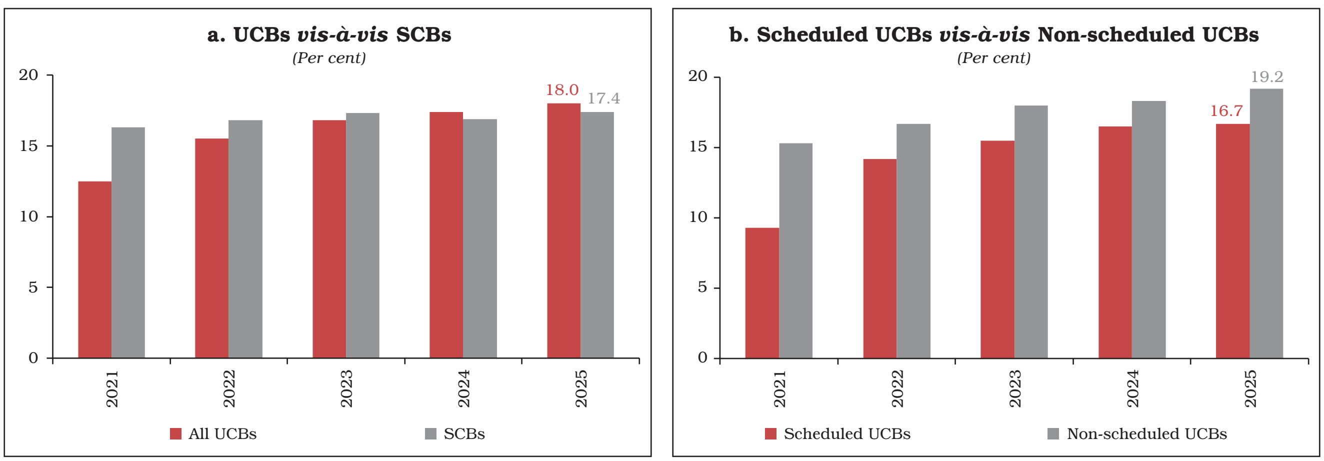
3.5. *Asset Quality*

V.20. The asset quality of UCBs, measured by gross non-performing assets (GNPA) ratio, improved for the fourth consecutive year with GNPA ratio at 6.2 per cent at end-March 2025, down from the peak of 12.1 per cent at end-March 2021 (Chart V.12). At end-September 2025, GNPA ratio of UCBs was 7.6 per cent as compared with 9.3 per cent a year ago.

V.21. The improvement in asset quality during 2024-25 was broad based, with decrease in GNPA ratio observed in both scheduled and non-scheduled UCBs. Along with the fall in GNPAs, the provision coverage ratio (PCR) of UCBs improved further to 90.1 per cent. This improvement was partly due to the

Chart V.11: Capital to Risk-weighted Assets Ratio

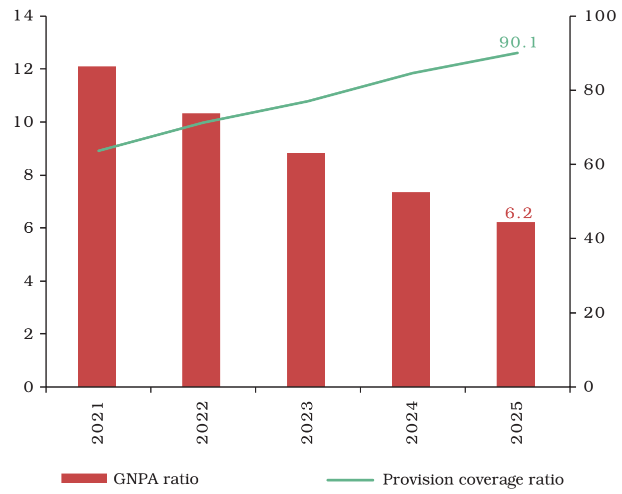
(At end-March)



Note: Data for SCBs exclude regional rural banks.

Sources: Off-site returns, RBI; and annual accounts of respective banks.

Chart V.12: Provisioning and Asset Quality of UCBs
(At end-March, per cent, left scale; at end-March, per cent, right scale)



Note: Data for 2025 are provisional.
Source: Off-site returns, RBI.

harmonisation of UCBs' provisioning norms for standard advances.[6] Net NPA ratio of UCBs decreased to 0.7 per cent at end-March 2025 from 1.2 per cent a year ago (Table V.9).

V.22. Exposure of UCBs to large borrowal accounts, defined as accounts with exposure of ₹5 crore and above, moderated during 2024-25. Its share in UCBs' total lending decreased to 23.4 per cent at end-March 2025, though scheduled UCBs have a higher proportion (40.9 per cent) relative to non-scheduled UCBs (8.2 per cent). Large borrowal accounts contributed to about one-third of total GNPAs of UCBs, with wide variation between scheduled UCBs (64.8 per cent) and non-scheduled UCBs (16.6 per cent). For the sector as a whole, special mention accounts-1 (SMA-1) declined during the year, while SMA-0 accounts increased, mainly driven by scheduled UCBs (Chart V.13).

3.6. Priority Sector Lending

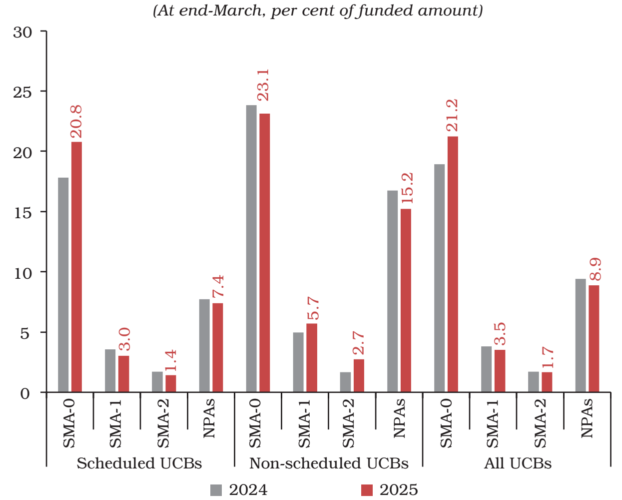
V.23. As per the priority sector lending (PSL) guidelines of March 2025, the Reserve Bank revised the overall PSL target for UCBs to 60 per cent of adjusted net bank credit (ANBC) or credit-equivalent amount of off-balance sheet exposure (CEOBSE), whichever is higher,

Table V.9: Non-Performing Assets of UCBs
(At end-March 2025)

Item	Scheduled UCBs		Non-scheduled UCBs		All UCBs	
	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7
Gross NPAs (₹ crore)	8,422	8,015	16,973	15,057	25,395	23,072
Gross NPA Ratio (Per cent)	5.3	4.7	9.1	7.6	7.3	6.2
Net NPAs (₹ crore)	1,960	1,561	1,954	711	3,914	2,273
Net NPA Ratio (Per cent)	1.3	0.9	1.1	0.4	1.2	0.7
Provisioning (₹ crore)	6,462	6,454	15,019	14,346	21,481	20,800
Provisioning Coverage Ratio (Per cent)	76.7	80.5	88.5	95.3	84.6	90.1

Note: Data for 2025 are provisional.
Source: Off-site returns, RBI.

Chart V.13: Stress in Large Borrowal Accounts
(At end-March, per cent of funded amount)

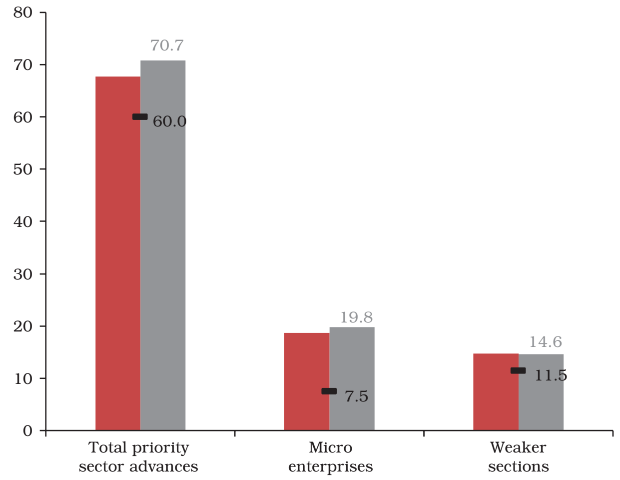


SMA: Special mention accounts; NPAs: Non-performing assets.
Note: Large borrowal accounts are defined as accounts with exposure of ₹5 crore and above.
Source: Off-site returns, RBI.

[6] The erstwhile Tier 1 UCBs, which were maintaining standard asset provision of 0.25 per cent on 'all other loans and advances not included above', were required to increase the provisioning requirement in a staggered manner to reach: 0.30 per cent by March 31, 2024; 0.35 per cent by September 30, 2024; and 0.40 per cent by March 31, 2025.

Chart V.14: Priority Sector Lending - Target and Achievement

(Per cent)



Source: RBI.

effective from 2024-25.[7] During 2023-24, UCBs achieved the overall PSL target of 60 per cent, as well as the sub-targets of 7.5 per cent for micro enterprises and 11.5 per cent for weaker sections (Chart V.14).

V.24. At end-March 2025, micro, small and medium enterprises (MSMEs) had the largest share of UCBs' total advances, although it decreased marginally to 36.5 per cent driven by small enterprises. In contrast, the share of credit to micro enterprises increased, indicating improved credit flow to smaller borrowers. Priority lending in 'others' category declined, leading to moderation in the share of total priority sector lending in total advances during 2024-25 (Table V.10).

Table V.10: Composition of Credit to Priority Sectors by UCBs
(At end-March)

(Amount in ₹ crore)

Item	2024		2025	
	Amount	Share in Total Advances (per cent)	Amount	Share in Total Advances (per cent)
1	2	3	4	5
1. Agriculture [(i)+(ii)+(iii)]	16,344	4.7	17,032	4.6
(i) Farm Credit	12,343	3.6	13,203	3.6
(ii) Agriculture Infrastructure	1,224	0.4	1,028	0.3
(iii) Ancillary Activities	2,777	0.8	2,801	0.8
2. Micro Small and Medium Enterprises [(i) + (ii) + (iii) + (iv)]	1,29,130	37.2	1,35,228	36.5
(i) Micro Enterprises	56,340	16.2	62,609	16.9
(ii) Small Enterprises	48,653	14.0	47,791	12.9
(iii) Medium Enterprises	23,554	6.8	24,407	6.6
(iv) Advances to Khadi and Village Industries (Including 'Other Finance to MSMEs')	583	0.2	422	0.1
3. Export Credit	723	0.2	101	0.0
4. Education	3,226	0.9	3,526	1.0
5. Housing	29,269	8.4	30,688	8.3
6. Social Infrastructure	1,038	0.3	977	0.3
7. Renewable Energy	1,419	0.4	1,546	0.4
8. Others	25,288	7.3	17,091	4.6
9. Total (1 to 8)	**2,06,438**	**59.5**	**2,06,189**	**55.7**
of which, Loans to Weaker Sections	42,771	12.3	44,227	11.9

Notes: 1. Data for 2025 are provisional.
2. Percentages are with respect to the total credit of UCBs.
3. Components may not add up to the total due to rounding off.

Source: Off-site returns, RBI.

4. Rural Credit Co-operatives

V.25. Rural credit co-operatives (RCCs) play an important role in agricultural credit delivery through their wide network at the grassroots level. They provide affordable and timely credit for farming and allied activities, supporting agricultural production and rural development. However, due to increasing reach of commercial banks *via* technology, branch expansion and business correspondents, the share of RCCs in total agriculture credit has moderated over the years (Table V.11).

V.26. In the rural credit co-operative structure, at end-March 2025, there were 34 state co-operative banks (StCBs) with 2,146 branches

[7] The earlier circular dated June 8, 2023 (which now stands superseded by circular dated March 24, 2025) required UCBs to achieve an overall target of 75 per cent of ANBC or CEOBSE, whichever is higher, by 2025-26, with interim targets of 60 per cent in 2023-24 and 65 per cent in 2024-25.

Table V.11: Share in Credit Flow to Agriculture

(Per cent)

Item	Rural Credit Co-operatives	Regional Rural Banks	Commercial Banks
1	2	3	4
2021-22	13.1	11.0	75.9
2022-23	11.0	11.2	77.8
2023-24	9.5	11.1	79.4
2024-25	9.0	10.8	80.2

Note: Data for commercial banks exclude regional rural banks.
Source: NABARD (ENSURE portal).

and 351 district central co-operative banks (DCCBs) operating through 13,825 branches. At end-March 2024, within short-term co-operatives, the network of 1,07,641 primary agricultural credit societies (PACS) covered over 6.5 lakh villages (Table V.12). These short-term institutions primarily extend crop loans and provide working capital support to farmers and rural artisans. At end-March 2024, the long-term co-operative structure comprised 13 state co-operative agriculture and rural development banks (SCARDBs) with 695 branches, and 609 primary co-operative agriculture and rural development banks (PCARDBs). These long-term institutions cater to capital-intensive needs in agriculture, including land development, farm mechanisation, minor irrigation, rural industries and housing.

V.27. RCCs are structurally different from UCBs in terms of their balance sheet composition. While UCBs mainly depend on deposits to raise funds,

Table V.12: A Profile of Rural Co-operatives
(At end-March 2024)

(Amount in ₹ crore)

Item	Short-term			Long-term		Rural Credit Co-operatives	
	StCBs	DCCBs	PACS	SCARDBs[P]	PCARDBs[P]	Mar-23	Mar-24
1	2	3	4	5	6	7	8
A. Number of Co-operatives	**34**	**351**	**1,07,641**	**13**	**609**	**1,07,961**	**1,08,648**
B. Balance Sheet Indicators							
i. Owned Funds (Capital + Reserves)	33,392	60,362	59,478	6,743	5,658	1,46,171	1,65,633
ii. Deposits	2,56,819	4,76,610	2,03,532	2,679	1,804	8,77,263	9,41,444
iii. Borrowings	1,73,116	1,61,728	2,27,931	12,517	16,840	5,32,778	5,92,132
iv. Loans and Advances	2,94,577	4,13,161	2,12,601	21,048	15,922	8,73,466	9,57,310
v. Total Liabilities/Assets	4,88,266	7,65,577	4,29,103^	28,851	33,324	16,18,761	17,45,121
C. Financial Performance							
i. Institutions in Profits							
a. No.	32	312	49,238	9	345	48,492	49,936
b. Amount of Profit	2,727	3,297	2,609	288	220	8,512	9,142
ii. Institutions in Loss							
a. No.	2	39	37,662	4	263	37,660	37,970
b. Amount of Loss	35	1,403	3,524	563	421	4,989	5,947
iii. Overall Profits (+)/Loss (-)	2,691	1,894	-915	-275	-201	3,523	3,195
D. Non-performing Assets							
i. Amount	14,537	36,958	53,149^^	8,070	6,144	1,08,002	1,18,857
ii. As Percentage of Loans Outstanding	4.9	8.9	26.2	38.3	38.6	12.4	12.4
E. Recovery of Loans to Demand Ratio* (Per cent)	92.4	76.8	77.6	40.8	43.1	-	-

StCBs: State Co-operative Banks, DCCBs: District Central Co-operative Banks, PACS: Primary Agricultural Credit Societies, SCARDBs: State Co-operative Agriculture and Rural Development Banks, PCARDBs: Primary Co-operative Agriculture and Rural Development Banks.
P: Data are provisional.
^: Working capital.
^^: Total overdue.
*: This ratio captures the share of outstanding demand amount (amount due) that has been recovered at end-June 2023.
-: Not available.
Notes: 1. Data for financial year 2023-24 are available in respect of 608 out of 609 PCARDBs.
2. Components may not add up to the total due to rounding off.
Sources: NABARD and NAFSCOB.

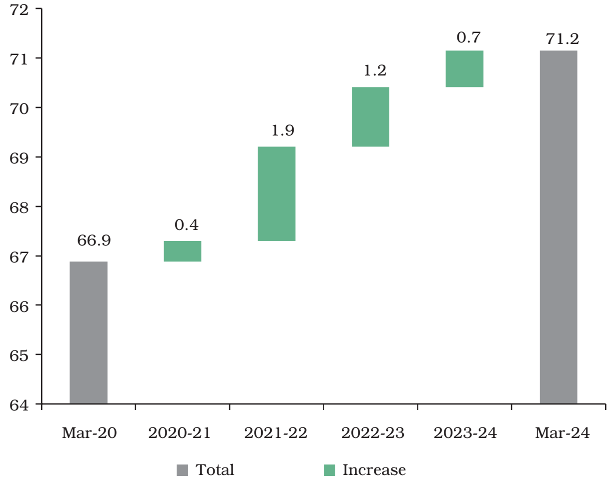
RCCs rely heavily on borrowings. At end-March 2024, deposits constituted 78.5 per cent of UCBs' total liabilities as compared to 53.9 per cent for RCCs. In contrast, the share of borrowings was 33.9 per cent for RCCs as compared with 0.8 per cent in case UCBs.

V.28. Owing to faster growth of credit, deposits and borrowing in RCCs relative to UCBs, the share of RCCs in total assets/liabilities of the co-operatives (urban and rural combined) expanded to 71.2 per cent at end-March 2024 (Chart V.15).

V.29. Within rural co-operatives, the share of short-term credit co-operatives increased steadily over the years, reaching 96.4 per cent at end-March 2024 (Chart V.16a). Short-term and long-term credit co-operatives differ in terms of their balance sheet composition and soundness indicators. While short-term credit co-operatives depend primarily on deposits, long-term co-operatives rely more on borrowings and owned funds. The asset quality of long-term co-operatives remains relatively weak, with a higher NPA ratio compared to their short-term counterparts (Chart V.16b). RCCs continue to face the challenges of lending portfolio concentration compared to UCBs.

Chart V.15: Share of Rural Credit Co-operatives in Total Assets of the Co-operative Sector

(Per cent)



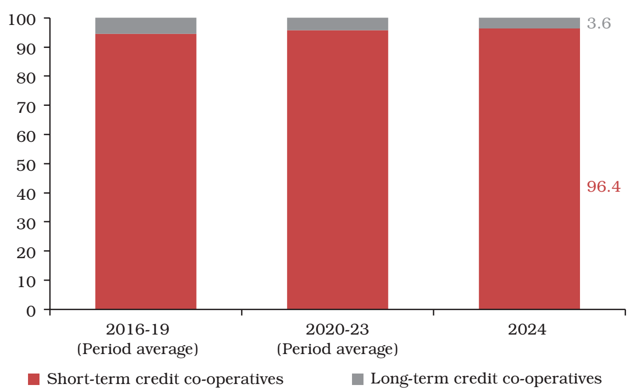
Note: Increase may not add up to total due to rounding off.
Sources: RBI; NABARD; and NAFSCOB.

V.30. RCCs remained profitable, *albeit* with some moderation in net profits during 2023-24, driven by losses in PACS and long-term credit co-operatives. The number of profit-making RCCs as per cent of total RCCs improved to 46.0 per cent at end-March 2024, from 44.9 per

Chart V.16: Long-term *vis-à-vis* Short-term RCCs

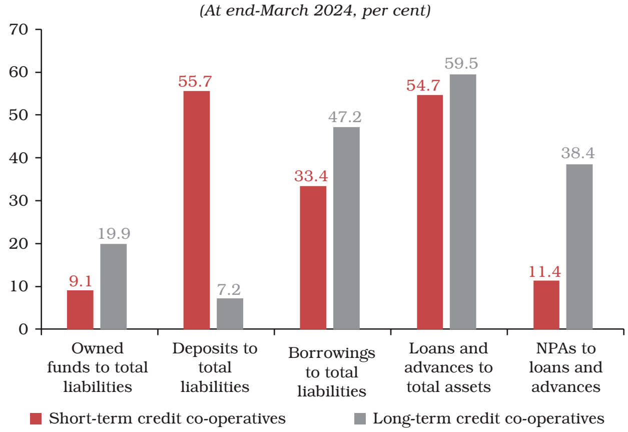
a. Share in Total Assets of RCCs

(At end-March, per cent)



b. Balance Sheet and Soundness Indicators

(At end-March 2024, per cent)



Sources: NABARD and NAFSCOB.

cent a year ago. Asset quality of RCCs remained stable during the year, as improvement in StCBs, DCCBs, PCARDBs was offset by deterioration in that of PACS and SCARDBs.

V.31. In April 2025, the Reserve Bank accorded regulatory approval for setting up of a shared service entity (SSE) for rural co-operative banks. NABARD, in co-ordination with the Ministry of Cooperation, Government of India is establishing an SSE named Sahakar Sarathi Private Limited (SSPL), to provide centralised technological, operational, and support services for rural co-operative banks. The initiative is designed to enhance service quality, reduce costs, and enable the swift adoption of emerging technologies. Further, to enhance transparency and accountability in the co-operative banking sector, the Reserve Bank-Integrated Ombudsman Scheme has been extended to include StCBs and DCCBs from November 1, 2025.

4.1. Short-term Rural Credit Co-operatives

V.32. Short-term rural credit co-operatives – comprising StCBs at the apex level, DCCBs at the district level, and PACS at the base level – play a pivotal role in meeting the short-term and seasonal credit needs of the agricultural sector and allied activities such as dairy and fisheries. Over time, their operations are expanding to cover non-farm activity and microfinance. The short-term co-operative structure operates in two, three or mixed-tier formats. Two-tier systems are largely prevalent in the north-eastern states where StCBs lend directly through their branches and PACS, while in the three-tier system, StCBs function as apex banks for DCCBs operating at the district level. In states with mixed-tier structure, StCBs function directly in some districts and through DCCBs in others.

4.1.1. State Co-operative Banks

V.33. StCBs, positioned at the apex level of the short-term co-operative credit structure, play a crucial role in channelising resources to DCCBs and PACS. They provide refinance, liquidity support, and technical assistance to the lower tiers of the co-operative credit system, thereby facilitating the flow of short-term agricultural credit.

Balance Sheet Operations

V.34. During 2024-25, the balance sheet of StCBs expanded by 7.7 per cent as compared with 8.1 per cent a year ago. On the liability side, deposits growth accelerated to 6.8 per cent from 6.0 per cent in previous year (Table V.13). The share of current account and savings account

Table V.13: Liabilities and Assets of State Co-operative Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2024	2025P	2023-24	2024-25P
1	2	3	4	5
1. Capital	10,531 (2.2)	10,992 (2.1)	7.7	4.4
2. Reserves	22,861 (4.7)	26,220 (5.0)	11.3	14.7
3. Deposits	2,56,819 (52.6)	2,74,183 (52.2)	6.0	6.8
4. Borrowings	1,73,116 (35.5)	1,89,549 (36.1)	11.7	9.5
5. Other Liabilities	24,940 (5.1)	24,781 (4.7)	2.9	-0.6
Total Liabilities/Assets	**4,88,266 (100.0)**	**5,25,725 (100.0)**	**8.1**	**7.7**
1. Cash and Bank Balances	22,661 (4.6)	22,764 (4.3)	6.7	0.5
2. Investments	1,55,826 (31.9)	1,68,690 (32.1)	4.8	8.3
3. Loans and Advances	2,94,577 (60.3)	3,20,004 (60.9)	10.9	8.6
4. Accumulated Losses	1,146 (0.2)	1,185 (0.2)	-15.0	3.4
5. Other Assets	14,057 (2.9)	13,081 (2.5)	-6.3	-6.9

P: Provisional.

Notes: 1. Figures in parentheses are the proportion to total liabilities/assets (in per cent).
2. Components may not add up to the total due to rounding off.

Source: NABARD.

(CASA) deposits in total deposits moderated to 17.4 per cent (from 18.6 per cent a year ago), reflecting their limited branch network. On the contrary, the share of borrowings increased to 36.1 per cent from 35.5 per cent a year ago, driven by borrowings from NABARD.

V.35. On the assets side, loans and advances increased by 8.6 per cent compared with 10.9 per cent a year ago. Agriculture loans accounted for 43.4 per cent of total loans and advances, of which 77.7 per cent were crop loans/ short-term loans. With credit growth surpassing deposit growth, the credit-deposit ratio of StCBs increased further to 116.7 per cent at end-March 2025 from 114.7 per cent a year ago. Due to higher growth in investments placed as term deposits with other banks, the share of SLR investments in total investments moderated to 45.8 per cent at end-March 2025 from 51.2 per cent a year ago.

V.36. At end-March 2025, 24 out of the 34 StCBs were scheduled banks. The business growth of scheduled StCBs, both in terms of deposits and credit, decelerated during 2024-25 (Table V.14).

Table V.14: Select Balance Sheet Indicators of Scheduled State Co-operative Banks
(At end-March)

(Amount in ₹ crore)

Item	2024	2025
1	2	3
Deposits	2,15,540 (5.4)	2,19,976 (2.1)
Credit	2,78,147 (8.8)	2,97,426 (6.9)
SLR Investments	77,525 (3.8)	79,410 (2.4)
Credit *plus* SLR Investments	3,55,671 (7.6)	3,76,836 (6.0)

Notes: 1. Data pertain to the last reporting Friday of March of the financial year.
2. Figures in parentheses are growth rates over the previous year, in per cent.

Source: Form B under Section 42 of RBI Act.

Profitability

V.37. During 2024-25, despite a fall in provisioning, net profits of StCBs declined as operating expenses increased, and growth in interest expended outpaced the growth in interest income (Table V.15). The increase in interest expended partly reflected a fall in the share of low-cost CASA deposits.

V.38. During 2024-25, 32 out of 34 StCBs reported profits. StCBs in northern, north-eastern, and central regions reported improvement in profitability during the year, whereas profits of StCBs in eastern, western and southern region moderated (Chart V.17 and Appendix Table V.3).

Table V.15: Financial Performance of State Co-operative Banks

Item	Amount (in ₹ crore)		Variation (in per cent)	
	2023-24	2024-25P	2023-24	2024-25P
1	2	3	4	5
A. Income (i+ii)	**32,401** **(100.0)**	**36,134** **(100.0)**	**17.2**	**11.5**
i. Interest Income	30,974 (95.6)	34,329 (95.0)	16.2	10.8
ii. Other Income	1,427 (4.4)	1,804 (5.0)	43.6	26.4
B. Expenditure (i+ii+iii)	**29,710** **(100.0)**	**33,524** **(100.0)**	**17.9**	**12.8**
i. Interest Expended	23,793 (80.1)	27,158 (81.0)	24.9	14.1
ii. Provisions and Contingencies	1,979 (6.7)	1,810 (5.4)	3.0	-8.6
iii. Operating Expenses	3,938 (13.3)	4,557 (13.6)	-6.8	15.7
Of which, Wage Bill	2,077 (7.0)	2,178 (6.5)	0.8	4.9
C. Profits				
i. Net Interest Income	7,181	7,171	-5.7	-0.1
ii. Operating Profits	4,670	4,419	6.7	-5.4
iii. Net Profits	2,691	2,609	9.5	-3.0

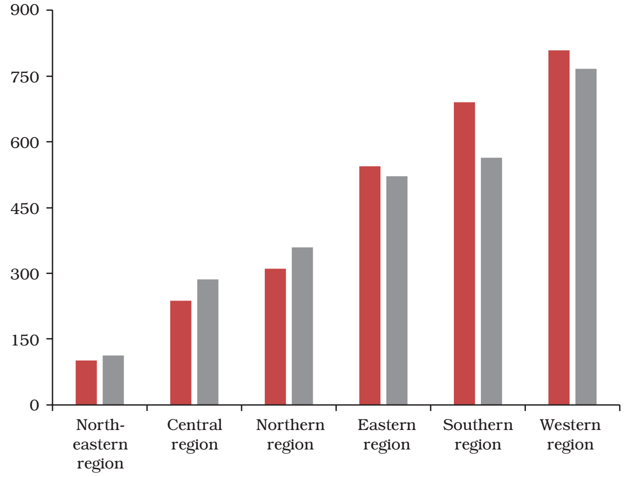
P: Provisional.

Notes: 1. Figures in parentheses are the proportion to total income/ expenditure (in per cent).
2. Components may not add up to the total due to rounding off.

Source: NABARD.

Chart V.17: Regional Distribution of State Co-operative Banks' Profits

(Amount in ₹ crore)



*: Provisional
Source: NABARD.

Asset Quality

V.39. The asset quality of StCBs improved for the fourth consecutive year, with the GNPA ratio declining to 4.8 per cent at end-March 2025 from 6.7 per cent at end-March 2021. The share of doubtful assets in total NPAs reduced further to 50.5 per cent from 56.7 per cent a year ago (Table V.16). Reflecting the moderation in GNPA and the provision coverage ratio during the year, net NPA ratio remained stable at 2.0 per cent. Except the central region, the GNPA ratio declined across all other regions (Appendix Table V.3).

Capital Adequacy

V.40. At the consolidated level, StCBs remained well capitalised, with CRAR increasing to 13.6 per cent at end-March 2025 from 12.9 per cent a year ago (Chart V.18). At the bank level, only two StCBs reported a CRAR lower than the regulatory minimum of 9 per cent.

4.1.2. District Central Co-operative Banks

V.41. DCCBs function as the second tier in the three-tier cooperative banking structure. They mobilise funds through public deposits, borrowings from StCBs, and refinance from NABARD. DCCBs have better access to CASA deposits compared to StCBs due to their larger branch network. Their total advances and

Table V.16: Soundness Indicators of State Co-operative Banks

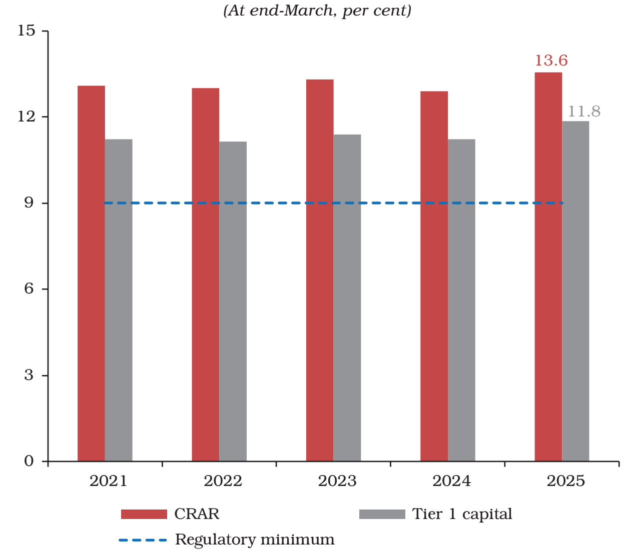
(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2024	2025P	2023-24	2024-25P
1	2	3	4	5
A. Total NPAs (i+ii+iii)	14,537	15,407	1.7	6.0
i. Sub-standard	4,974 (34.2)	5,980 (38.8)	7.9	20.2
ii. Doubtful	8,237 (56.7)	7,782 (50.5)	-0.7	-5.5
iii. Loss	1,326 (9.1)	1,645 (10.7)	-4.9	24.1
B. Gross NPA Ratio (Per cent)	4.9	4.8		
C. Net NPA Ratio (Per cent)	2.0	2.0		
D. Provision Coverage Ratio (Per cent)	68.5	64.1		
E. Recovery to Demand Ratio (Per cent)	92.4	87.5		

P: Provisional.
Notes: 1. Figures in parentheses are the proportion to total NPAs (in per cent).
2. Recovery-to-demand ratio captures the share of outstanding demand amount (amount due) that has been recovered at end-June 2024 and 2025.
Source: NABARD.

Chart V.18: Capital Adequacy of State Co-operative Banks

(At end-March, per cent)



Source: NABARD.

agricultural advances are tilted towards PACS/ societies.

Balance Sheet Operations

V.42. During 2024-25, balance sheet growth of DCCBs decelerated mainly reflecting slowdown in deposits growth on the liabilities side, and loans and advances on the assets side (Table V.17). On the liabilities side, CASA deposits accounted for 40.5 per cent of total deposits. Borrowings from StCBs and NABARD constituted 89.3 per cent and 9.2 per cent, respectively, of total borrowings of DCCBs.

V.43. On the assets side, growth in credit moderated as compared to last year, while growth in investment increased. Nonetheless, with credit growth outpacing deposit growth, the credit-deposit ratio increased to 87.6 per cent at end-March 2025 from 86.7 per cent a year ago. The share of agriculture loans in total loans and advances marginally decreased to 53.6 per cent from 54.6 per cent in the previous year. Investments of DCCBs were primarily placed as term deposits with other banks (57.0 per cent), while statutory liquidity ratio (SLR) investments constituted 38.4 per cent of total investments.

Profitability

V.44. During 2024-25, growth in net interest income of DCCBs moderated as interest expenditure grew faster than interest income. However, net profits increased by 12.1 per cent, aided by lower provisioning requirements on account of improved asset quality and increase in other income (Table V.18).

Table V.17: Liabilities and Assets of District Central Co-operative Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2024	2025[P]	2023-24	2024-25[P]
1	2	3	4	5
1. Capital	28,661 (3.7)	30,940 (3.7)	8.2	8.0
2. Reserves	31,701 (4.1)	36,472 (4.4)	10.3	15.1
3. Deposits	4,76,610 (62.3)	5,09,002 (61.5)	10.0	6.8
4. Borrowings	1,61,728 (21.1)	1,79,760 (21.7)	9.9	11.1
5. Other Liabilities	66,876 (8.7)	71,450 (8.6)	8.7	6.8
Total Liabilities/Assets	**7,65,577 (100.0)**	**8,27,625 (100.0)**	**9.8**	**8.1**
1. Cash and Bank Balances	38,705 (5.1)	40,904 (4.9)	14.6	5.7
2. Investments	2,65,692 (34.7)	2,88,716 (34.9)	7.2	8.7
3. Loans and Advances	4,13,161 (54.0)	4,45,748 (53.9)	11.4	7.9
4. Accumulated Losses	9,405 (1.2)	10,576 (1.3)	12.5	12.5
5. Other Assets	38,615 (5.0)	41,681 (5.0)	6.1	7.9

P: Provisional.

Notes: 1. Figures in parentheses are the proportion to total liabilities/ assets (in per cent).
2. Components may not add up to the total due to rounding off.

Source: NABARD.

Table V.18: Financial Performance of District Central Co-operative Banks

Item	Amount (in ₹ crore)		Percentage Variation	
	2023-24	2024-25[P]	2023-24	2024-25[P]
1	2	3	4	5
A. Income (i+ii)	**52,408 (100.0)**	**58,181 (100.0)**	**13.2**	**11.0**
i. Interest Income	49,989 (95.4)	55,520 (95.4)	13.7	11.1
ii. Other Income	2,420 (4.6)	2,661 (4.6)	3.3	10.0
B. Expenditure (i+ii+iii)	**50,515 (100.0)**	**56,057 (100.0)**	**13.7**	**11.0**
i. Interest Expended	32,731 (64.8)	37,543 (67.0)	18.6	14.7
ii. Provisions and Contingencies	5,733 (11.3)	5,700 (10.2)	1.7	-0.6
iii. Operating Expenses	12,051 (23.9)	12,815 (22.9)	7.7	6.3
Of which, Wage Bill	7,430 (14.7)	7,778 (13.9)	7.0	4.7
C. Profits				
i. Net Interest Income	17,257	17,977	5.4	4.2
ii. Operating Profits	7,627	7,823	1.4	2.6
iii. Net Profits	1,894	2,124	0.7	12.1

P: Provisional.

Notes: 1. Figures in parentheses are the proportion to total income/ expenditure (in per cent).
2. Components may not add up to the total due to rounding off.

Source: NABARD.

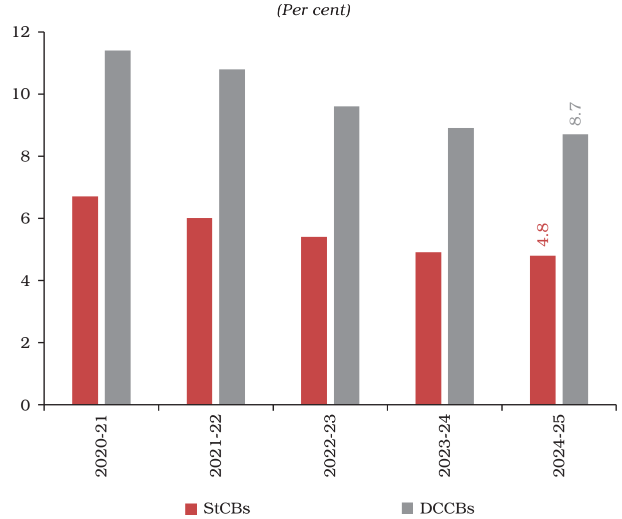
V.45. During 2024-25, there were 301 profit-making DCCBs and 50 loss-making DCCBs. Profit-making DCCBs were geographically well-distributed across all regions, with a relatively higher concentration in Uttar Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu, and Karnataka. The number of loss-making DCCBs increased during the year. Of the 50 loss-making DCCBs, nearly 82 per cent were concentrated in five states, *viz.*, Rajasthan, Madhya Pradesh, Punjab, Bihar and Maharashtra (Appendix Table V.4).

Asset Quality

V.46. The asset quality of DCCBs improved for the fifth consecutive year, with the GNPA ratio declining to 8.7 per cent at end-March 2025. The GNPA ratio, however, remained higher than that of StCBs (Chart V.19). The improvement in asset quality was broad-based with the GNPA ratio declining across all regions, except the western region (Appendix Table V.4). DCCBs in the central region have the highest GNPA ratio, followed by those in the western region. The fall in GNPA ratio along with the increased provision coverage ratio resulted in the moderation in net NPA ratio to 3.0 per cent at end-March 2025 from 3.4 per cent a year ago (Table V.19).

Chart V.19: GNPA Ratio: StCBs *vis-à-vis* DCCBs

(Per cent)



StCBs: State co-operative banks; DCCBs: District central co-operative banks.
Source: NABARD.

Table V.19: Soundness Indicators of District Central Co-operative Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2024	2025P	2023-24	2024-25P
1	2	3	4	5
A. Total NPAs (i+ ii + iii)	36,958	38,709	3.5	4.7
i) Sub- standard	13,433 (36.3)	14,288 (36.9)	7.1	6.4
ii) Doubtful	20,912 (56.6)	21,397 (55.3)	0.8	2.3
iii) Loss	2,612 (7.1)	3,024 (7.8)	7.0	15.8
B. Gross NPA Ratio (Per cent)	8.9	8.7		
C. Net NPA Ratio (Per cent)	3.4	3.0		
D. Provision Coverage Ratio (Per cent)	83.9	84.3		
E. Recovery to Demand Ratio (Per cent)	76.8	76.4		

P: Provisional.
Notes: 1. Figures in parentheses are the proportion to total NPAs (in per cent).
2. Recovery-to-demand ratio captures the share of outstanding demand amount (amount due) that has been recovered at end-June 2024 and 2025.
Source: NABARD.

Capital Adequacy

V.47. Over the years, consolidated CRAR of DCCBs remained broadly stable at around 12 per cent (Chart V.20). During 2024-25, the number of DCCBs with CRAR less than the regulatory requirement of 9.0 per cent decreased to 38 from 39 a year ago. More than 75 per cent of these DCCBs were concentrated in four states/UTs, *viz.*, Madhya Pradesh (14), Punjab (6), Rajasthan (5), and Maharashtra (4).

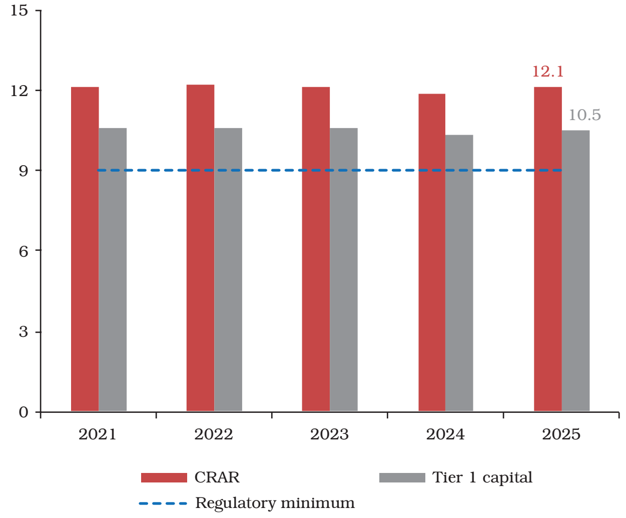
4.1.3. Primary Agricultural Credit Societies

V.48. PACS are the grass root level arm of the short-term credit cooperatives.[8] PACS are owned by member individuals, mostly farmers, and

[8] The PACS are outside the purview of the Banking Regulation Act and are not permitted to use, as part of their name or in connection with their business, the words “bank”, “banker”, or “banking”.

Chart V.20: Capital Adequacy of District Central Co-operative Banks

(At end-March, per cent)



Source: NABARD.

aim at promoting thrift and mutual help among the members. They cater to credit requirements of members and provide credit-linked services like input supply, storage and marketing of agricultural produce. At end-March 2024, PACS had 16.37 crore members, and they served 4.95 crore borrowers. Of the total membership, 44.2 per cent were small farmers and 24.9 per cent were from scheduled castes/ scheduled tribes. Borrower to member ratio – a metric to gauge credit penetration of PACS – was 30.2 per cent at end-March 2024 as compared to 30.7 per cent a year ago (Appendix Table V.5).

V.49. During 2023-24, growth in total resources of PACS decelerated to 9.8 per cent from 14.2 per cent a year ago. This was led by a slowdown in deposit growth, which accounted for 41.5 per cent of their total resources. More than 80 per cent of total loans and advances outstanding were for short duration and were extended for agriculture. A reduction in short term loans growth contributed to deceleration in growth of total loans and advances (Appendix Table V.6).

V.50. The western region – with 29.4 per cent share in total number of PACS – dominates the sector. However, the southern region continued to dominate in terms of deposits, and loans and advances, with a share of 76.9 per cent and 49.6 per cent, respectively. During 2023-24, the number of PACS reporting profits increased to 49,238 from 47,794 a year ago. The number of loss-making PACS also increased slightly to 37,662, from 37,357 in the previous year. Overall, PACS recorded lower net losses in 2023-24 compared to the previous year. At the regional level, PACS in the northern, north-eastern and western regions reported net profits while the southern and central regions reported net losses (Appendix Table V.7). There was, however, a deterioration in the asset quality of PACS, with the GNPA ratio increasing to 26.2 per cent at end-March 2024 from 23.3 per cent at end-March 2023.

V.51. Over the years, concerted efforts are being made to transform PACS into modern, multi-functional entities. The Government of India is administering a centrally sponsored scheme from 2022-23 to 2026-27 for computerisation of PACS to onboard nearly 80,000 PACS onto a unified enterprise resource planning (ERP) platform to strengthen accounting, supervision, and linkage with DCCBs and StCBs. The Government of India also launched a plan to establish 2 lakh new multipurpose PACS, dairy and fishery cooperatives within five years. PACS are also being integrated into the 'Cooperative Stack' digital ecosystem to deliver a wide range of rural services and financial products. Further, convergence initiatives enabled PACS to function as common service centres, jan aushadhi kendras, and LPG and fertiliser distribution points, expanding their role in last-mile delivery. These measures aim to deepen financial inclusion, improve operational viability, and reposition PACS as comprehensive rural service institutions within the cooperative credit structure.

4.2. Long-term Rural Credit Co-operatives

V.52. Long-term rural credit co-operatives were set up to primarily cater to the long-term credit needs of the agriculture sector and the rural economy. The long-term structure consists of SCARDBs at the state level and PCARDBs at the district/taluka level in a few States/UTs.[9]

V.53. At end-March 2024, the long-term rural credit co-operatives were functional in 13 states/ union territories, operating under unitary, federal, or mixed-tier structures.[10] In the unitary structure, SCARDB functions through its own network of branches across the state, with customers directly linked to the bank through membership and receiving loans from its branches. Under the federal structure, SCARDB serves as the apex institution for all affiliated PCARDBs operating at the district or taluka level, which in turn, enroll members and extend credit to them. In some states, long-term rural credit co-operatives follow a mixed structure, wherein SCARDBs operate both through PCARDBs and their own branch network.

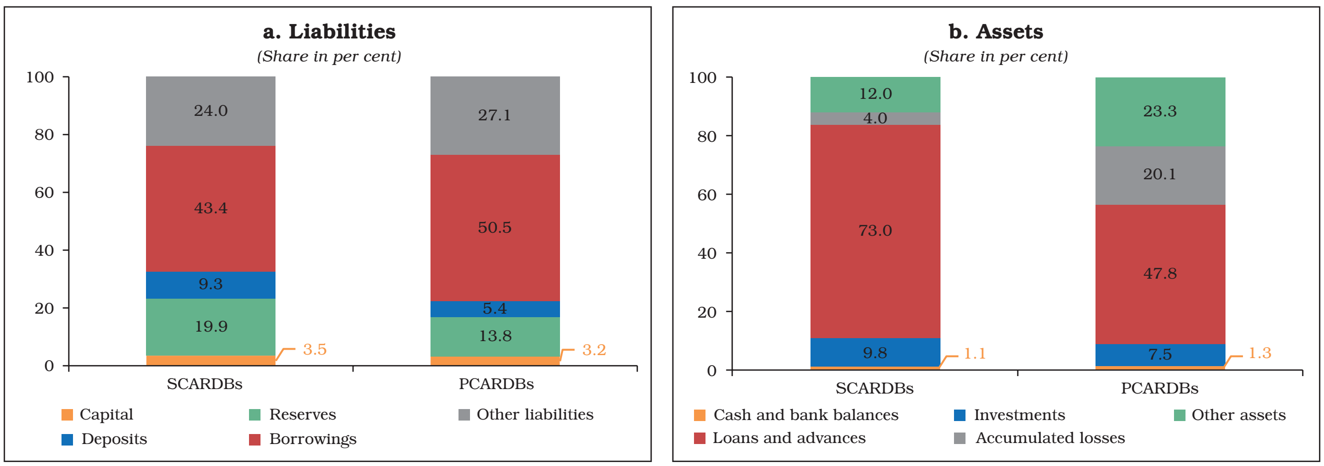
V.54. The business model of SCARDBs and PCARDBs depends on borrowings, where SCARDBs primarily borrow from NABARD, while PCARDBs receive financial assistance from SCARDBs (Chart V.21a). Loans and advances constituted a larger share of assets in SCARDBs relative to PCARDBs (Chart V.21b).

4.2.1. State Co-operative Agriculture and Rural Development Banks

V.55. At end-March 2024, SCARDBs were operational in 13 states with 695 branches, of which 46.5 per cent branches were in Uttar Pradesh. The consolidated balance sheet size of

Chart V.21: Composition of Liabilities and Assets of Long-term Rural Credit Co-operatives

(At end-March 2024)



SCARDBs: State co-operative agriculture and rural development banks; PCARDBs: Primary co-operative agriculture and rural development banks.
Source: NABARD.

9 Agricultural and rural development banks (both state and primary) are not governed by the Banking Regulation Act, 1949, and they are not permitted to mobilise demand deposits from non-members.

10 Long-term rural credit co-operatives operate in a unitary structure in Gujarat, Jammu and Kashmir, Puducherry, Tripura, and Uttar Pradesh; federal structure in Haryana, Karnataka, Kerala, Punjab, Rajasthan, and Tamil Nadu; and mixed structure in Himachal Pradesh and West Bengal.

SCARDBs (net of accumulated losses) improved marginally during 2023-24, led by the increased loans and advances and other assets (Appendix Table V.8). The accumulated losses of SCARDBs increased during the year, driven by increase in losses incurred by SCARDBs in the northern region.

V.56. At the consolidated level, financial performance of SCARDBs weakened during 2023-24, with total income declining by 27.9 per cent following a growth of 38.9 per cent in the previous year (Appendix Table V.9). The decline was primarily on account of a fall in non-interest income. On the expenditure side, total expenses declined by 8.9 per cent, driven by a reduction in operating expenses, although interest expenditure and provisioning increased. Overall, operating profit declined by 54.4 per cent, and net profit turned negative (Appendix Table V.9).

V.57. Asset quality of SCARDBs deteriorated during 2023-24, with the GNPA ratio increasing to 38.3 per cent at end-March 2024 from 36.5 per cent a year ago. In terms of composition of NPAs, the share of doubtful assets continued to dominate, accounting for 67.4 per cent of total NPAs at end-March 2024. The recovery-to-demand ratio declined to 40.8 per cent from 44.8 per cent a year earlier, indicating moderation in recovery performance (Appendix Table V.10).

V.58. At the regional level, financial performance of SCARDBs exhibited wide variation during 2023-24 (Appendix Table V.11). Banks in the southern region reported higher profits, supported by relatively better asset quality and recovery performance, while those in the northern region recorded losses.

4.2.2. Primary Co-operative Agriculture and Rural Development Banks

V.59. At end-March 2024, there were 609 PCARDBs operating in eight states/union territories. The consolidated balance sheet of PCARDBs (net of accumulated losses) expanded during 2023-24, led by the growth in investments and other assets on the assets side, and deposits and other liabilities on the liabilities side (Appendix Table V.12).

V.60. During 2023-24, the consolidated income of PCARDBs declined, reflecting slower growth in interest income and contraction in other income. On the contrary, their total expenditure increased, led by a significant rise in operating expenses. Consequently, operating profits moderated during the year (Appendix Table V.13). PCARDBs in the northern region contributed to 74.6 per cent of the total losses while the southern region had the highest share in profits.

V.61. The asset quality of PCARDBs showed an improvement during 2023-24, with the GNPA ratio moderating to 38.6 per cent from 39.7 per cent a year ago (Appendix Table V.14). PCARDBs in the northern region continued to record the highest GNPA ratio and the lowest recovery-to-demand ratio during 2023-24. In contrast, the southern region maintained the lowest GNPA ratio and the highest recovery-to-demand ratio (Appendix Table V.15).

5. Overall Assessment

V.62. During 2024-25, UCBs continued to strengthen their balance sheets, with higher capital buffers, lower GNPA ratios and better provisioning outcomes. The introduction of the prompt corrective action framework for urban co-operative banks effective from April 2025, the four-tier regulatory structure, and calibrated supervisory interventions are expected to reinforce early risk recognition and strengthen assurance functions. Financial resilience is expected to strengthen further with the operationalisation of National Urban Co-operative Finance and Development Corporation, an umbrella organisation for UCBs, which focus on strengthening governance, ensuring liquidity, and promoting capacity building and risk management.

V.63. Among rural co-operatives, both state co-operative banks and district central co-operative banks continued to remain profitable with improved capital adequacy and asset quality. Long-term credit co-operatives, however, continued to face challenges. Going forward, technology adoption, business diversification and improving operational efficiency will be important for supporting sustainable growth of the co-operative sector.

VI NON-BANKING FINANCIAL INSTITUTIONS

Non-banking financial companies continued to record a robust performance in 2024-25, primarily driven by strong credit growth. They continued to maintain sound key indicators, such as asset quality and capital adequacy, albeit with some moderation in return on assets. Housing finance companies exhibited double-digit credit growth, accompanied by an improvement in their asset quality during the same period. All India financial institutions showed a robust balance sheet and credit growth.

Introduction

VI.1 Non-banking financial institutions (NBFIs) are an important constituent of India's financial system. Within NBFIs, the Reserve Bank regulates non-banking financial companies (NBFCs)[1], housing finance companies (HFCs)[2], all India financial institutions (AIFIs)[3], and standalone primary dealers (SPDs).

VI.2 NBFCs are financial institutions (FIs) which play a vital role in complementing the banking sector by extending credit to diverse sectors and customer segments, including small businesses, microfinance borrowers, and underserved segments of the population. NBFCs have emerged as key drivers of financial inclusion and growth of India's financial ecosystem. HFCs are specialised FIs that focus on housing loans and related financing services to individuals, builders, and developers. AIFIs are apex-level FIs which provide long-term development finance to sectors like agriculture; micro, small and medium enterprises (MSMEs); infrastructure; international trade; and housing. Primary Dealers (PDs) are FIs which act as underwriters and market makers in the Government securities (G-sec) market (Chart VI.1).

VI.3 At end-March 2025, the balance sheet of NBFCs continued to expand, driven by robust growth in loans and advances. Key indicators, such as capital adequacy and asset quality of NBFCs continued to remain at robust levels *albeit* some moderation in return on assets. Although the share of borrowing from banks in total borrowing of NBFCs moderated, it continued to be significant. During the same period, the balance sheet of HFCs also expanded in double digits. A major development in the HFC segment was the conversion of two HFCs into NBFC-IFC and NBFC-ICC in 2024-25. There has been an improvement in profitability indicators and asset quality of the sector. The consolidated balance sheet of AIFIs continued to grow in double digit at end-March 2025, thus playing an important role in financing economic activity. In 2024-25, SPDs maintained a sound

1 Although merchant banking companies, stock exchanges, companies engaged in the business of stock-broking/ sub-broking, nidhi companies, alternative investment fund companies, insurance companies and chit fund companies are NBFCs, they have been exempted from the requirement of registration with the Reserve Bank under section 45-IA of the RBI Act, 1934.

2 The Finance (No. 2) Act, 2019 (23 of 2019) amended the National Housing Bank Act, 1987, conferring certain powers for regulation of HFCs to the Reserve Bank of India. The HFCs are now treated as a category of NBFC for regulatory purposes.

3 There are five AIFIs, *viz.*, the National Bank for Agriculture and Rural Development (NABARD), the Export-Import Bank of India (EXIM Bank), the Small Industries Development Bank of India (SIDBI), the National Housing Bank (NHB) and the National Bank for Financing Infrastructure and Development (NaBFID).

financial position, with strong capital buffers, healthy profitability, and enhanced capacity to fulfil its role of underwriting and providing liquidity in the G-sec market.

VI.4 This chapter covers the performance of NBFIs in 2024-25 and the first half of 2025-26. Section 2 provides an assessment of the NBFC sector, with a focus on the NBFCs in the upper and the middle layers. Section 3 discusses the performance of the HFCs. Sections 4 and 5 evaluate the performance of AIFIs and PDs, respectively. The overall assessment is provided in Section 6.

2. Non-Banking Financial Companies

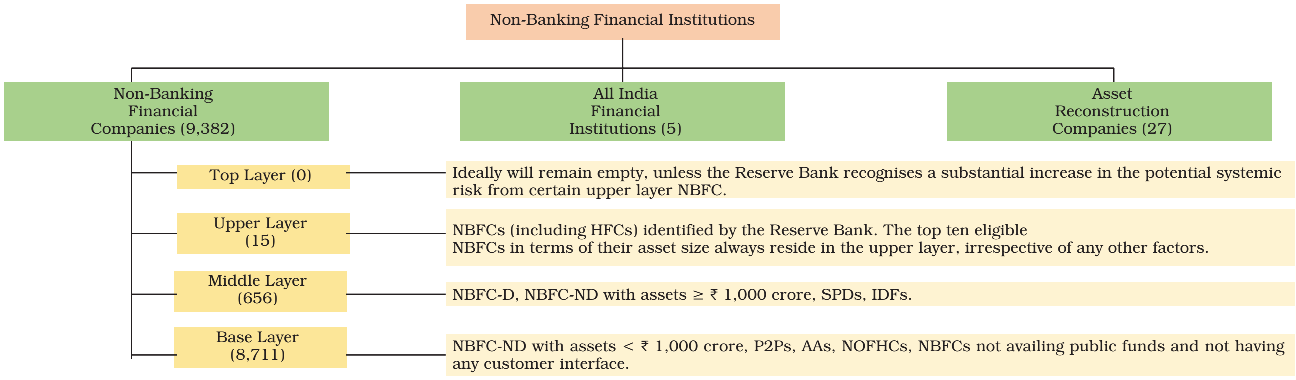
VI.5 NBFCs are regulated by the Reserve Bank under the scale-based regulation (SBR) framework[4] wherein differential regulations are applied proportionate to scale and systemic importance of NBFCs. As on end-March 2025[5], 15 NBFCs (including four HFCs) were identified for the upper layer (NBFC-UL), which are subject to more stringent regulations as compared to NBFCs in middle (NBFC-ML) and base (NBFC-BL) layers (Chart VI.1).

VI.6 NBFCs, a heterogeneous set of FIs, are involved in a range of activities which also form a basis of classification (Table VI.1). RBI is encouraging self-regulation which is expected to complement the statutory framework for better compliance, innovation, transparency, fair competition, and consumer protection. In October 2025, RBI recognised a self-regulatory organisation for NBFCs[6], which shall frame necessary best practices/ standards/ codes within the regulatory framework prescribed by RBI for voluntary adoption by its members.

VI.7 A noteworthy development on the regulatory front was the release of Digital Lending Directions in May 2025[7] by the Reserve Bank to address concerns around the methods

Chart VI.1: Structure of NBFIs under the Reserve Bank's Regulation

(At end-March 2025)



Notes: 1. Figures in parentheses indicate the number of institutions (provisional).
2. NBFCs, viz., NBFC-ICC, NBFC-MFI, NBFC Factor, and NBFC-MGC could lie in any of the layers depending on the parameters specified under SBR. NBFC-CIC, HFC, and IFC could lie either in the upper or middle layer.
3. Government-owned NBFCs are placed either in the base or the middle layer.

Sources: RBI and NHB.

4 NBFCs are categorised into top, upper, middle, and base layers under the SBR framework, based on their size, activity, and perceived level of riskiness.

5 As per the list of NBFCs registered with the Reserve Bank as on December 31, 2024.

6 Recognition of Self-Regulatory Organisation for NBFCs on October 03, 2025.

7 Reserve Bank of India (Non-Banking Financial Companies-Credit Facilities) Directions, 2025.

Table VI.1: Classification of NBFCs by Activity under the Scale-Based Regulatory Framework

S.No.	Classification	Activity	Layer
1	2	3	4
1.	Investment and Credit Company (NBFC-ICC)	Lending which supports productive/ economic activities, offer consumption/ personal finance and acquisition of securities for investment.	Any layer, depending on the parameters of the SBR.
2.	NBFC-Infrastructure Finance Company (NBFC-IFC)	Infrastructure loans.	Middle or upper layer, as the case may be.
3.	Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans to group companies.	Middle or upper layer, as the case may be.
4.	NBFC-Infrastructure Debt Fund (NBFC-IDF)	Refinance post commencement operations date infrastructure projects which have completed at least one year of commercial operations and finance toll operate transfer projects as the direct lender.	Middle layer.
5.	NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups.	Any layer, depending on the parameters of SBR.
6.	NBFC-Factors	Acquisition of receivables of an assignor by way of assignment or extending loans against such assignment.	Any layer, depending on the parameters of SBR.
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.	Base layer.
8.	Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business.	Any layer, depending on the parameters of SBR.
9.	NBFC-Account Aggregator (NBFC-AA)	Collecting and providing specified financial information pertaining to a customer in a consolidated, organised, and retrievable manner to the customer or regulated entity as specified by the customer.	Base layer.
10.	NBFC–Peer to Peer Lending Platform (NBFC-P2P)	Providing an online marketplace or platform to facilitate lending between lenders and borrowers.	Base layer.
11.	Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/ renovation/ repairs of residential dwelling units.	Middle or upper layer, as the case may be.
12.	Standalone Primary Dealer (SPD)	Underwrites issuances of government-dated securities and participates in primary auctions.	Middle layer.

Source: RBI.

of designing, delivering, and servicing of digital credit products. This was necessitated by the rise of fintech, digital lending and ‘digital-first’ approach adopted by the NBFC sector in enabling the credit flow to the economy. These directions are aimed at strengthening the digital lending practices while ensuring greater transparency, accountability, and consumer trust in the digital credit ecosystem.

VI.8 The NBFC sector is dominated by 15 NBFCs (including four HFCs) which are in the upper layer with a share of 30.2 per cent of total assets as at end-March 2025. NBFC-ML accounted for the largest share of 64.6 per cent due to the presence of government-owned NBFCs, while NBFC-BL had a meagre share of 5.2 per cent in total assets although it is the largest segment in terms of number of entities (Table VI.2).

VI.9 The credit extended by NBFCs[8] has been rising over the years, underscoring their growing importance in financial intermediation. It increased to 14.6 per cent of gross domestic product at end-March 2025 from 13.5 per cent a

[8] Analysis from this section onwards focuses on NBFCs in the upper and middle layers excluding CICs, HFCs and SPDs. The latter two are covered in separate sections. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Table VI.2: Composition of NBFCs
(At end-March 2025)

(Share in per cent)

Layer	Number	Assets
1	2	3
NBFC-UL	0.2	30.2
NBFC-ML	7.0	64.6
NBFC-BL	92.8	5.2
Total	**100.0**	**100.0**

Note: NBFCs refer to all NBFCs regulated by the Reserve Bank, including CICs, HFCs and SPDs.
Sources: RBI and NHB.

year ago (Chart VI.2a). NBFCs' credit as a share of outstanding credit of scheduled commercial banks (SCBs) increased to 25.3 per cent at end-March 2025 from 23.6 per cent a year ago (Chart VI.2b). Emerging co-lending arrangements between banks and NBFCs has the potential to promote greater credit flow by NBFCs to underserved sectors like MSMEs, agriculture and retail borrowers. In view of this, the Reserve Bank released comprehensive revised Directions[9] with the objective of broadening the scope of co-lending and providing specific regulatory clarity on the permissibility of such arrangements, while addressing some of the prudential as well as conduct-related aspects.

VI.10 The number of registrations and cancellations of certificates of registration (CoR) of NBFCs have increased in 2024-25 (Chart VI.3). The reasons for the surrender or cancellations of CoRs, *inter alia*, include voluntary exits, legal dissolution, mergers, change in status as well as regulatory non-compliance.

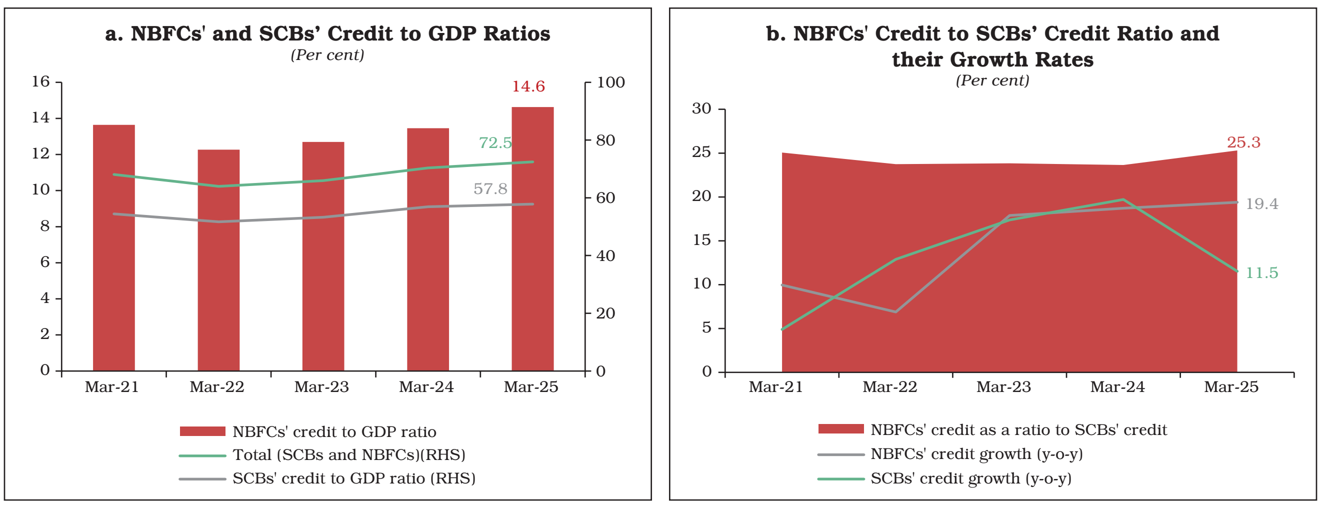
2.1. Ownership Pattern

VI.11 Government-owned NBFCs (primarily NBFC-IFCs) hold a substantial asset share of 36.5 per cent of the NBFC sector and 51.5 per cent of the aggregate assets of NBFC-ML. Non-government public and private limited companies had shares of 30.6 per cent and 33.0 per cent, respectively, in the total assets of the NBFC sector (Table VI.3). Following identification as NBFC-UL, NBFCs are required to get listed within three years, *i.e.*, to become a public limited company, if they are not already listed.

2.2. Balance Sheet

VI.12 At end-March 2025, the balance sheet of NBFCs maintained double-digit expansion,

Chart VI.2: NBFCs' Credit *vis-à-vis* SCBs' Credit and GDP

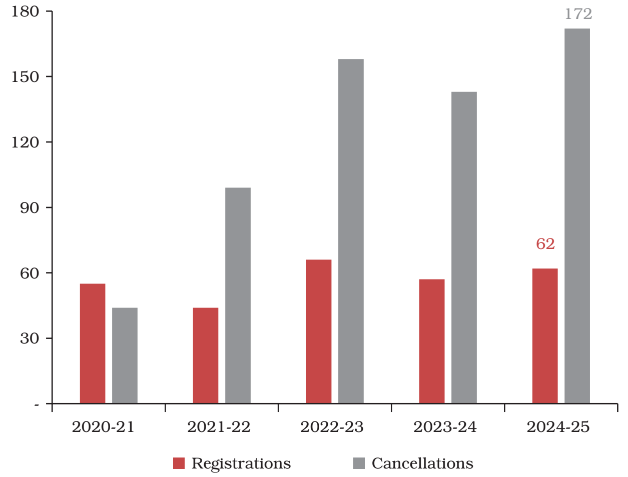


Sources: Report on Trend and Progress of Banking in India, various issues; and Handbook of Statistics on the Indian Economy, various issues.

9 Reserve Bank of India (Non-Banking Financial Companies-Transfer and Distribution of Credit Risk) Directions, 2025.

Chart VI.3: Registrations and Cancellations of Certificates of Registration of NBFCs

(Number)



Note: Data are provisional.
Source: Supervisory Returns, RBI.

surpassing the growth recorded in the previous year. On the liabilities side, NBFCs' growth in borrowings from banks moderated with NBFC-ML experiencing a deceleration in growth compared to NBFC-UL, which recorded a marginal expansion (Table VI.4). NBFCs compensated this moderation by increasing their reliance on market borrowings, driven by NBFC-ML. The increase in risk weights on bank lending to NBFCs, which was introduced in November 2023, was intended to moderate the dependency of NBFCs on bank borrowings. Effective from April 01, 2025, the risk weights were restored to the levels prior to the increase in November 2023[10]. Borrowings *via* debentures picked up at end-September 2025 as compared with the level at end-March 2025 (Appendix Table VI.1).

VI.13 On the asset side, loans and advances expanded by 19.4 per cent at end-March 2025[11], with upper-layer NBFCs recording higher growth than NBFC-ML. Unsecured lending by NBFCs rose largely due to the base effect, while the growth of secured lending moderated during the same period (Chart VI.4). This moderation was primarily driven by NBFC-ML, whose secured credit growth dropped to 15.8 per cent at end-March 2025 from 29.9 per cent a year ago (Appendix Tables VI.2 and VI.3).

VI.14 Three categories of NBFCs, *viz*. ICCs, IFCs and MFIs together accounted for 98.8 per cent of the outstanding credit of the NBFC sector at end-March 2025. NBFC-ICCs, the largest classification in terms of asset size and primarily involved in retail lending, witnessed a credit growth of 21.2 per cent. NBFC-Factors continued to experience rapid credit growth. NBFC-IFCs,

Table VI.3: Ownership Pattern of NBFCs
(At end-March 2025)

(Amount in ₹ crore; share in per cent)

Type	NBFC-Sector			NBFC-UL			NBFC-ML		
	Number	Asset Size	Asset share	Number	Asset Size	Asset share	Number	Asset Size	Asset share
1	2	3	4	5	6	7	8	9	10
A. Government Companies	26	22,28,097	36.5	0	0	0	26	22,28,097	51.5
B. Non-government Companies (1+2)	405	38,81,029	63.5	10	17,81,991	100.0	395	20,99,038	48.5
1. Public Limited Companies	56	18,67,476	30.6	7	13,43,366	75.4	49	5,24,110	12.1
2. Private Limited Companies	349	20,13,553	33.0	3	4,38,625	24.6	346	15,74,929	36.4
C. Total (A+B)	**431**	**61,09,126**	**100.0**	**10**	**17,81,991**	**100.0**	**421**	**43,27,135**	**100.0**

Notes: 1. Data are provisional.
2. Figures may not add up due to rounding-off.
Source: Supervisory Returns, RBI.

[10] Exposures of scheduled commercial banks (SCBs) to non-banking financial companies (NBFCs) – review of risk weights dated February 25, 2025.

[11] Excluding two HFCs (which converted into NBFC-IFC and ICC) from end-March 2025 position, loans and advances grew by 15.2 per cent at end-March 2025. In April 2025, one more HFC converted into NBFC-ICC. Excluding impact of three HFCs together, loans and advances grew by 14.4 per cent at end-September 2025.

Table VI.4: Abridged Balance Sheet of NBFCs

(₹ crore)

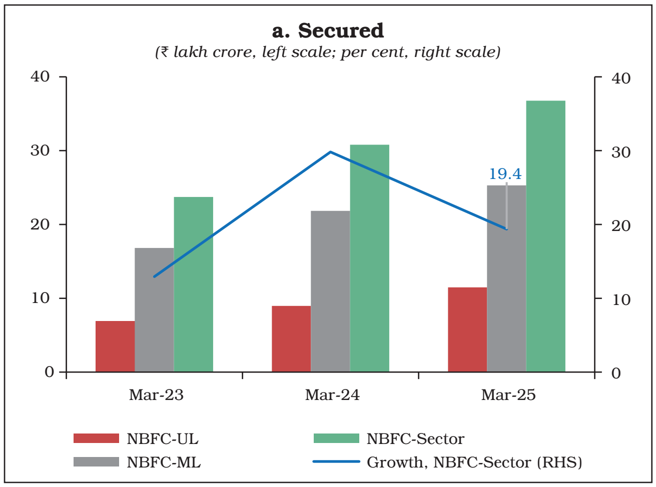
Items	At end-March 2024			At end-March 2025			At end-September 2025		
	NBFCs	NBFC-UL	NBFC-ML	NBFCs	NBFC-UL	NBFC-ML	NBFCs	NBFC-UL	NBFC-ML
1	2(3+4)	3	4	5(6+7)	6	7	8(9+10)	9	10
1. Share Capital and Reserves	11,95,847 (21.8)	2,54,221 (27.6)	9,41,625 (20.3)	13,96,260 (16.8)	3,31,545 (30.4)	10,64,715 (13.1)	14,68,161 (11.3)	3,86,518 (41.3)	10,81,643 (3.5)
2. Public Deposits	1,02,959 (21.2)	83,102 (28.2)	19,858 (-1.6)	1,21,178 (17.7)	1,00,653 (21.1)	20,525 (3.4)	1,31,730 (17.1)	1,10,124 (18.8)	21,607 (9.1)
3. Debentures	12,32,999 (11.3)	2,71,444 (20.4)	9,61,555 (9.0)	14,76,698 (19.8)	3,46,807 (27.8)	11,29,891 (17.5)	16,20,223 (21.4)	4,20,755 (35.3)	11,99,468 (17.1)
4. Bank Borrowings	13,38,088 (18.8)	4,13,073 (27.0)	9,25,015 (15.5)	15,56,648 (16.3)	5,32,289 (28.9)	10,24,360 (10.7)	16,59,501 (18.6)	5,79,808 (25.9)	10,79,692 (14.9)
5. Commercial Papers	1,05,439 (26.1)	54,146 (36.9)	51,293 (16.4)	1,35,232 (28.3)	61,305 (13.2)	73,928 (44.1)	1,56,199 (34.4)	71,165 (32.5)	85,034 (36.1)
6. Others	11,64,138 (15.9)	2,83,535 (30.8)	8,80,603 (11.8)	14,23,109 (22.2)	4,09,392 (44.4)	10,13,717 (15.1)	15,15,342 (18.1)	4,30,490 (36.0)	10,84,853 (12.3)
Total Liabilities/ Assets	**51,39,470 (17.1)**	**13,59,521 (26.9)**	**37,79,949 (13.9)**	**61,09,126 (18.9)**	**17,81,991 (31.1)**	**43,27,135 (14.5)**	**65,51,157 (17.7)**	**19,98,860 (32.6)**	**45,52,297 (12.2)**
1. Loans and Advances	40,52,732 (18.7)	11,85,621 (29.1)	28,67,111 (14.9)	48,38,744 (19.4)	15,16,011 (27.9)	33,22,733 (15.9)	52,05,544 (20.5)	17,16,579 (30.6)	34,88,965 (16.1)
2. Investments	6,66,796 (25.0)	95,189 (26.1)	5,71,606 (24.8)	7,84,621 (17.7)	1,35,253 (42.1)	6,49,368 (13.6)	8,18,990 (6.4)	1,53,493 (57.3)	6,65,497 (-0.9)
3. Cash and Bank Balances	1,73,559 (0.8)	43,228 (-7.9)	1,30,332 (4.1)	2,30,508 (32.8)	80,973 (87.3)	1,49,535 (14.7)	2,41,021 (16.4)	65,829 (13.0)	1,75,192 (17.7)
4. Other Current Assets	89,928 (-12.0)	24,747 (12.5)	65,181 (-18.7)	1,22,877 (36.6)	36,672 (48.2)	86,205 (32.3)	1,43,967 (29.1)	47,219 (76.1)	96,748 (14.2)
5. Other Assets	1,56,455 (-6.5)	10,736 (29.1)	1,45,719 (-8.4)	1,32,377 (-15.4)	13,083 (21.9)	1,19,294 (-18.1)	1,41,635 (-10.4)	15,740 39.9	1,25,895 (-14.2)

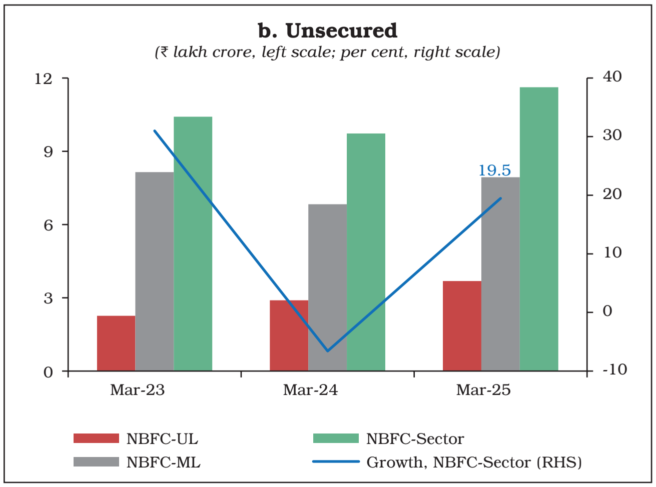
Notes: 1. Data are provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.
3. Data for end-March 2025 onwards includes two HFCs converted to NBFC-ICC and NBFC-IFC. Data for end-September 2025 includes one more HFC which converted into NBFC-ICC in April 2025.

Source: Supervisory Returns, RBI.

which provide financing to infrastructure, such as power, recorded double-digit credit growth compared with 9.6 per cent in the previous year. NBFC-MFIs witnessed a decline in credit growth (Table VI.5). The sector adopted measures such as limiting the number of microfinance

Chart VI.4: Nature of NBFCs' Loans and Advances





Note: Data are provisional.
Source: Supervisory Returns, RBI.

Table VI.5: Major Components of Liabilities and Assets of NBFCs by Classification

(₹ crore)

Items	At end-March 2024			At end-March 2025			At end-September 2025		
	Borrowings	Loans and Advances	Total Liabilities/ Assets	Borrowings	Loans and Advances	Total Liabilities/ Assets	Borrowings	Loans and Advances	Total Liabilities/ Assets
1	2	3	4	5	6	7	8	9	10
1. NBFC-ICCs	19,63,800 (21.0)	23,71,662 (24.5)	32,65,085 (20.6)	24,55,516 (25.0)	28,74,859 (21.2)	39,55,691 (21.2)	26,43,186 (21.7)	30,94,569 (19.6)	42,10,961 (16.6)
2. NBFC-Factors	2,560 (95.8)	3,425 (67.3)	3,880 (45.6)	3,643 (42.3)	4,639 (35.4)	5,048 (30.1)	3,821 (34.2)	4,788 (24.7)	5,011 (17.8)
3. NBFC-IDFs	40,122 (25.4)	44,612 (22.2)	48,310 (23.8)	48,387 (20.6)	52,518 (17.7)	57,674 (19.4)	53,153 (19.8)	57,602 (19.1)	63,039 (18.8)
4. NBFC-IFCs	13,40,429 (9.0)	14,99,348 (9.6)	16,60,542 (9.5)	15,73,379 (17.4)	17,89,856 (19.4)	19,46,048 (17.2)	16,99,185 (22.6)	19,35,856 (24.8)	21,28,021 (22.3)
5. NBFC-MFIs	1,19,373 (27.6)	1,33,685 (30.5)	1,61,653 (30.3)	1,00,290 (-16.0)	1,16,871 (-12.6)	1,44,666 (-10.5)	1,00,082 (-10.0)	1,12,728 (-12.0)	1,44,124 (-7.7)
Total	**34,66,283 (16.3)**	**40,52,732 (18.7)**	**51,39,470 (17.1)**	**41,81,214 (20.6)**	**48,38,744 (19.4)**	**61,09,126 (18.9)**	**44,99,426 (21.0)**	**52,05,544 (20.5)**	**65,51,157 (17.7)**

Notes: 1. Data are provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.

Source: Supervisory Returns, RBI.

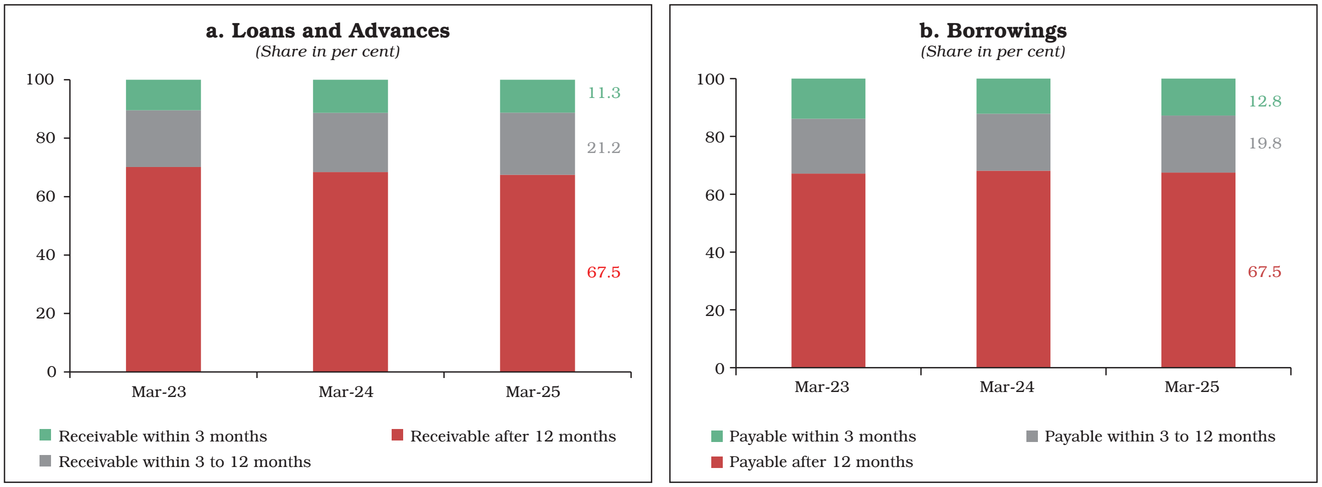
lenders to a client to three and capping the total microfinance loans (including unsecured retail loan) to a client to ₹ 2 lakh[12]. The sector also witnessed tighter funding conditions along with rising competition, and state-specific regulations for this segment.

VI.15 At end-March 2025, over two-thirds of loans and advances extended by NBFCs as well as their borrowings had a maturity period beyond 12 months, implying a lower degree of asset-liability mismatch and thereby avoiding liquidity stress (Chart VI.5).

2.3. Sectoral Credit of NBFCs

VI.16 An examination of the credit extended by NBFCs at end-March 2025 suggests that industry and retail segments accounted for 81.1

Chart VI.5: Maturity Profiles of Receivables and Payables of NBFCs



Note: Data are provisional.
Source: Supervisory Returns, RBI.

12 The SROs for NBFC-MFIs *viz*. Microfinance Institutions Network (MFIN) and Sa-Dhan brought out guardrails and *inter alia* capped loan outstanding per borrower.

per cent of total credit followed by services at 15.4 per cent. Credit to services recorded a significant increase of 29.8 per cent followed by industry and retail loans exhibiting double digit growth during the same period. Power sector, which accounts for the largest share of credit to industry recorded some moderation in its share to 56.1 per cent at end-March 2025 from 58.2 per cent a year ago. Within services, sub-sectors like trade and loans to transport operators grew at rapid pace. Retail credit continued to grow at double digits *albeit* at a slower pace on the back of increase in risk weights on select retail loans in November 2023[13]. The growing role of NBFCs is reflected in their credit growth which surpassed that of banks in all segments except in case of agriculture and allied activities during the same period. At end-September 2025, aggregate credit growth continued to expand in double digits (Chart VI.6, Table VI.6, and Appendix Table VI.5).

VI.17 In lending to the MSME sector, NBFCs are increasingly establishing their presence by offering customised products and leveraging digital lending platforms. NBFCs' lending to MSMEs in services-sector accounted for a larger share as compared to lending to MSME-industries. The proportion of credit to MSMEs in the total credit extended by NBFCs has been

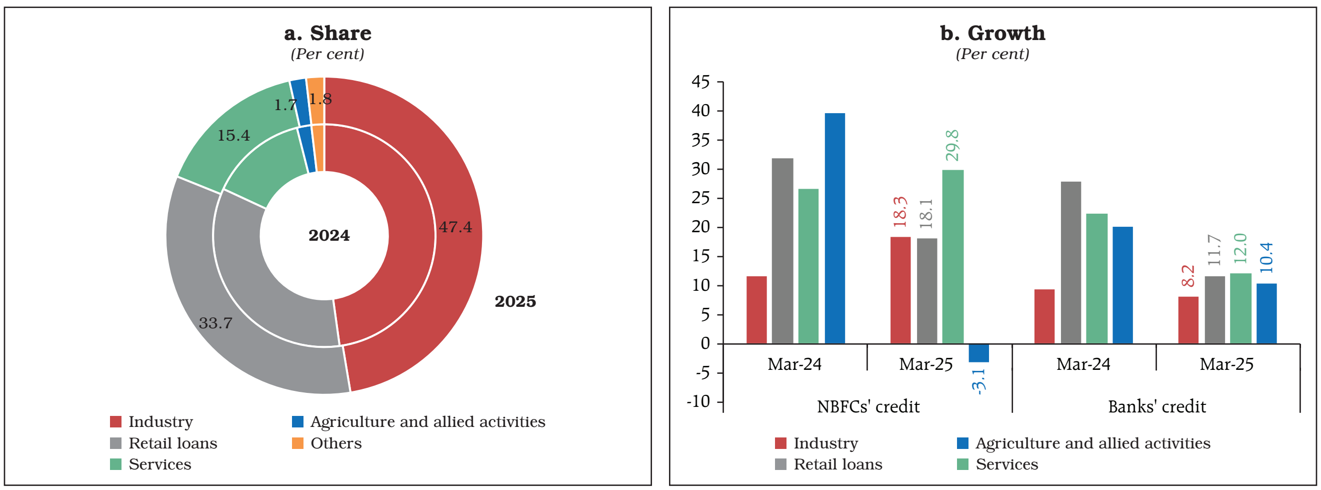
Table VI.6: Sectoral Credit Deployment by NBFCs

(₹ crore)

Items	End-March 2024	End-March 2025	End-September 2025
1	2	3	4
1. Agriculture and Allied Activities	**84,712**	**82,059**	**87,840**
2. Industry, *of which*	**19,37,033**	**22,91,605**	**23,94,110**
2.1 Power	11,26,554	12,85,589	13,21,790
3. Services, *of which*	**5,73,198**	**7,44,181**	**8,01,470**
3.1 Transport Operators	1,32,778	1,61,937	1,66,426
3.2 Trade	95,149	1,27,923	1,33,648
4. Retail Loans, *of which*	**13,82,146**	**16,31,900**	**18,38,897**
4.1 Vehicle/ Auto Loans	4,77,135	5,71,954	6,11,714
4.2 Advances to Individuals against Gold	1,54,315	2,08,482	2,61,728
4.3 Micro Finance Loan/ SHG Loan	1,50,750	1,33,186	1,24,089
5. Others	**75,643**	**88,998**	**83,227**
Gross Advances (1 to 5)	**40,52,732**	**48,38,744**	**52,05,544**

Note: Data are provisional.
Source: Supervisory Returns, RBI.

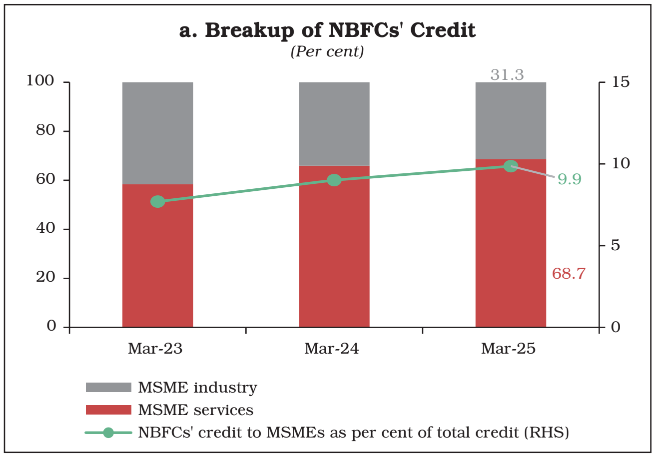
Chart VI.6: Distribution of NBFCs' Credit

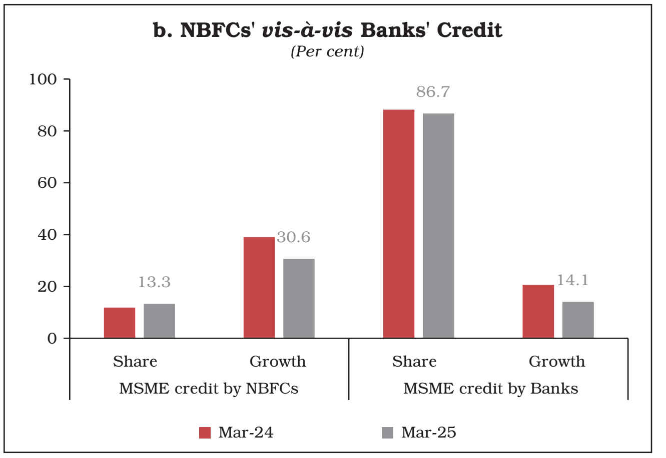


Note: Data are provisional.
Source: Supervisory Returns, RBI.

13 The risk weights on consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/ SHG loans, were increased from 100 to 125 per cent dated November 16, 2023.

Chart VI.7: Credit to MSME Sector



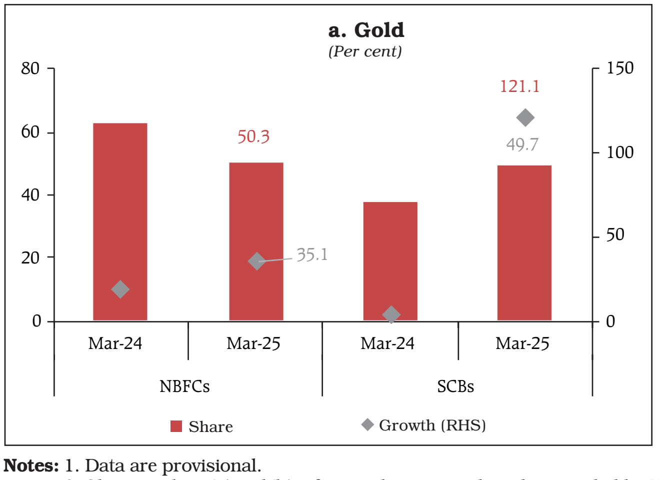


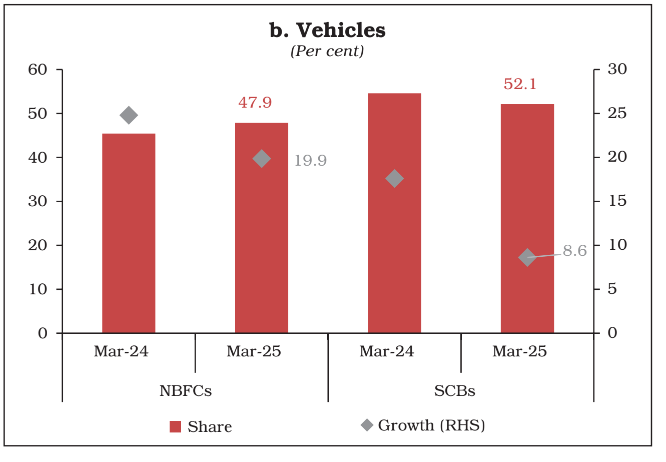
Notes: 1. In chart 'b', share refers to share in total credit extended by NBFCs and banks to MSMEs.
2. Data are provisional.
Source: Supervisory Returns, RBI.

on the rise, reaching nearly 10 per cent by end-March 2025, highlighting its growing role in catering to the needs of MSMEs (Chart VI.7a). As compared to banks, NBFCs recorded a higher credit growth, and their share in lending to the MSME sector increased during 2024-25 (Chart VI.7b).

VI.18 In the retail loan segment, NBFCs maintained a strong position in vehicle financing, gold loans[14], and microfinance, as these three segments together accounted for 56 per cent of their retail loan portfolio. NBFCs are facing competition from banks in the gold loan segment, leading to a significant drop in their share in aggregate gold loans extended by banks and NBFCs at end-March 2025 (Chart VI.8a). NBFCs have managed to increase their market share in vehicle financing attaining a growth more than twice that of banks at end-March

Chart VI.8: Select Retail Loans by NBFCs *vis-à-vis* Banks





Notes: 1. Data are provisional.
2. Share in chart 'a' and 'b' refers to share in total credit extended by NBFCs and banks for gold and vehicles, respectively.
3. In chart 'a', gold loans by SCBs refer to loan against gold jewellery. Gold loan by NBFCs refer to advances to individuals against gold.
Sources: DBIE and Supervisory Returns, RBI.

[14] Loans against pledge of gold ornaments and jewellery.

2025 (Chart VI.8b). The Reserve Bank revised directions on lending against gold and silver collaterals in June 2025[15] aimed at designing a more principle-based and harmonised regulatory framework, while also addressing gaps in potential, prudential and conduct-related aspects across the regulated entities.

VI.19 The revised regulatory framework for microfinance loans[16] introduced in 2022, by eliminating interest rate caps while introducing standardised rules, laid the foundation for systemic and sustainable growth of the sector. The guardrails[17] introduced by Microfinance Institutions Network (MFIN) and Sa-Dhan further prioritised steady and calibrated growth of the sector. The microfinance sector, however, experienced stress, with all lenders - excluding other NBFCs (NBFCs excluding NBFC-MFIs) - recording contraction in credit as at end-March 2025 (Chart VI.9). Going ahead, regulated entities need to monitor the build-up of stress in the segment.

2.4. Resource Mobilisation

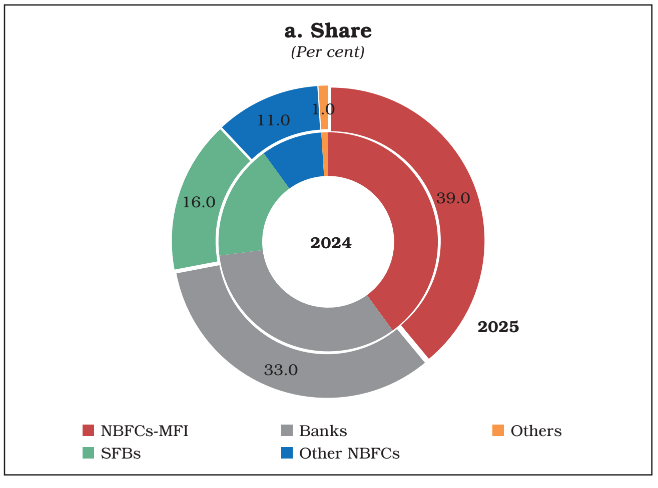
VI.20 NBFCs mobilise resources from both banks and markets. There has been a modicum of diversification of sources of funding by NBFCs in recent years, mainly towards borrowings from foreign sources along with loan sales and securitisation.

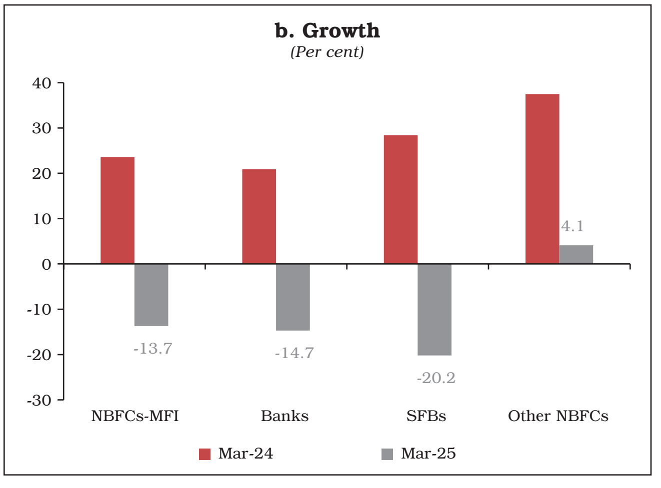
2.4.1. Borrowings

VI.21 Bank borrowings and debentures have continued to be the predominant source of funding for NBFCs. The combined share of these sources, however, has declined marginally from 74.2 per cent at end-March 2024 to 72.9 per cent at end-September 2025 (Chart VI.10). NBFCs also borrow through inter-corporate borrowings, commercial papers, financial institutions and subordinated debts (Table VI.7).

VI.22 Banks, besides extending direct credit, invest in debentures and commercial papers

Chart VI.9: Micro-credit Outstanding across Regulated Entities





Note: 'SFBs' in Chart 'a' refers to small finance banks.
Source: Micrometer, Issue 53, Microfinance Institutions Network.

15 Reserve Bank of India (Non-Banking Financial Companies-Credit Facilities) Directions, 2025.

16 Reserve Bank of India (Non-Banking Financial Companies-Credit Facilities) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies-Responsible Business Conduct) Directions, 2025.

17 The SROs for NBFC-MFIs *viz*. Microfinance Institutions Network (MFIN) and Sa-Dhan brought out guardrails and *inter alia* capped loan outstanding per borrower.

Table VI.7: Sources of Borrowings of NBFCs

(₹ crore)

Items	End-March 2024	End-March 2025	End-September 2025	Percentage Variation	
				2023-24	2024-25
1	2	3	4	5	6
1. Debentures	12,32,999 (35.6)	14,76,698 (35.3)	16,20,223 (36.0)	11.3	19.8
2. Bank borrowings	13,38,088 (38.6)	15,56,648 (37.2)	16,59,501 (36.9)	18.8	16.3
3. Borrowings from FIs	1,17,157 (3.4)	1,40,199 (3.4)	1,44,859 (3.2)	30.8	19.7
4. Inter-corporate borrowings	1,05,415 (3.0)	1,37,537 (3.3)	1,59,401 (3.5)	5.9	30.5
5. Commercial papers	1,05,439 (3.0)	1,35,232 (3.2)	1,56,199 (3.5)	26.1	28.3
6. Borrowings from government	18,282 (0.5)	18,442 (0.4)	18,566 (0.4)	-2.7	0.9
7. Subordinated debts	75,399 (2.2)	93,040 (2.2)	97,529 (2.2)	5.5	23.4
8. Other borrowings	4,73,503 (13.7)	6,23,418 (14.9)	6,43,147 (14.3)	23.7	31.7
Total borrowings	**34,66,283**	**41,81,214**	**44,99,426**	**16.3**	**20.6**

Notes: 1. Data are provisional.
2. Figures in parentheses indicate share in total borrowings.

Source: Supervisory Returns, RBI.

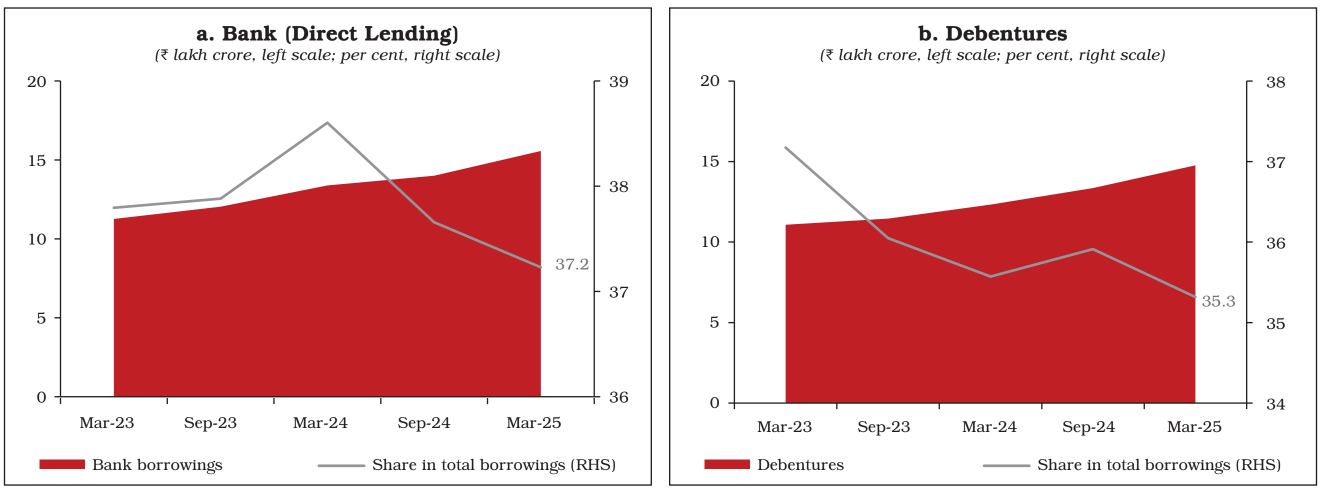
issued by NBFCs. The share of aggregate borrowings from banks in total borrowings of NBFCs continued to be significant although it has shown some moderation in recent years (Chart VI.11a). Bank lending to NBFCs accounted for 8.5 per cent of total bank credit at end-March 2025 as compared with 8.9 per cent in the preceding year (Chart VI.11b).

VI.23 Both secured and unsecured borrowings by NBFCs rose steeply at end-March 2025 (Chart VI.12). Unsecured borrowings rose on the back of rising issuance of commercial papers and inter-corporate borrowing.

2.4.2. Public Deposits

VI.24 Public deposits provide an alternative source of funds for deposit-taking NBFCs

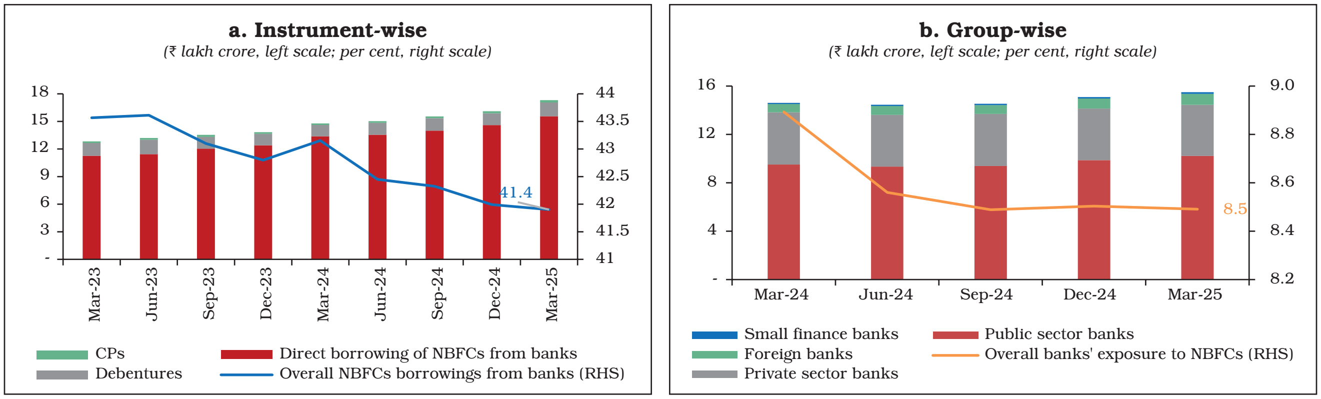
Chart VI.10: Major Sources of Borrowings by NBFCs



Note: Data are provisional.

Source: Supervisory Returns, RBI.

Chart VI.11: Banks' Exposure to NBFCs

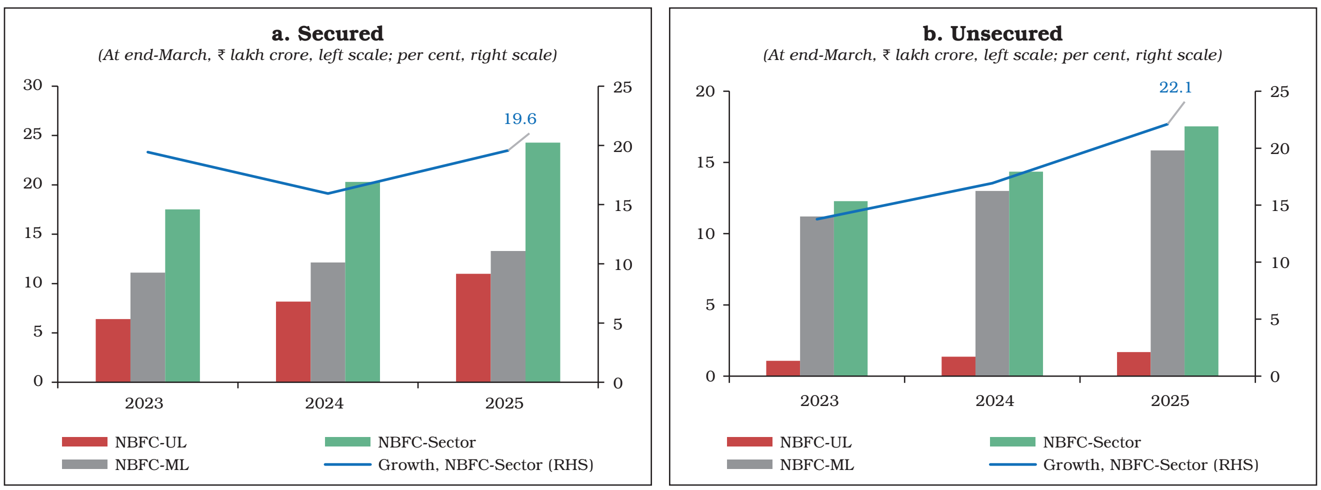


Notes: 1. Data are provisional.
2. In chart 'a', overall NBFCs borrowings from banks refers to sum of direct borrowing of NBFCs from banks, CPs and debentures subscribed by banks as a share of total borrowings of NBFCs.
3. In chart 'b', overall banks' exposure to NBFCs refers to share of direct lending of banks (small finance banks, public sector banks, foreign banks and private sector banks) to NBFCs in outstanding credit of banks.

Source: Supervisory Returns, RBI.

(NBFC-D) accounting for 12.5 per cent of total liabilities of NBFC-D at end-March 2025 (Appendix Table VI.4). Although the number of NBFC-D declined, their deposits registered a robust double-digit growth in 2024-25 mainly due to competitive interest rates (Chart VI.13a). There is a concentration of deposits in five major NBFC-D accounting for 96.9 per cent of aggregate deposits (Chart VI.13b). Deposits mobilised by NBFC-D are not insured by the Deposit Insurance and Credit Guarantee Corporation. As per the extant regulatory requirements for acceptance of public deposits, these NBFCs should have at least an investment-grade rating of 'BBB–' from any SEBI-registered credit rating agency. Furthermore, the quantum of deposits should not exceed 1.5 times their net owned funds for period ranging from 12 to 60 months and interest rates capped at 12.5 per cent per annum.

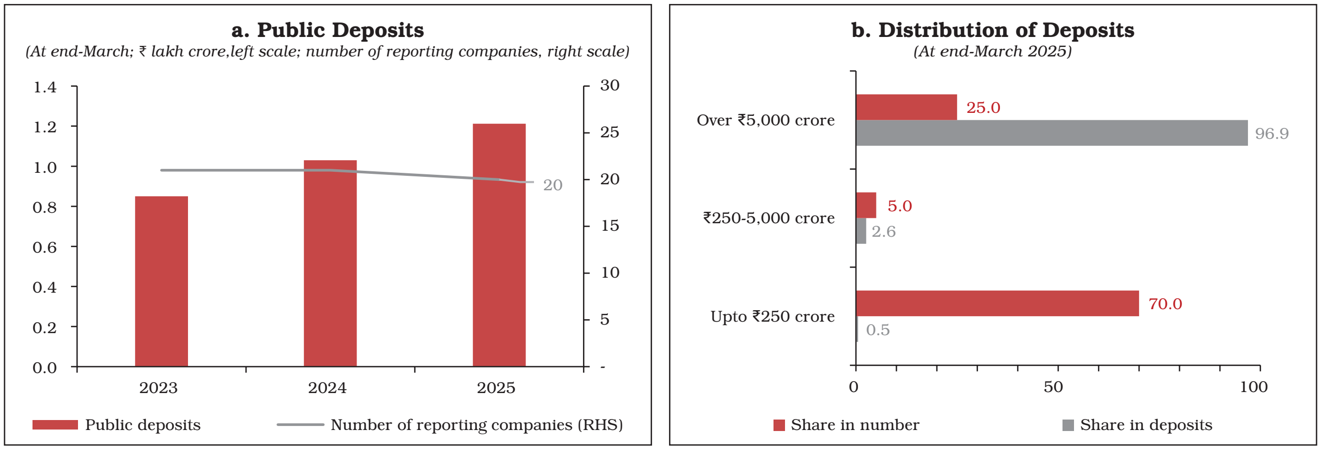
Chart VI.12: Nature of NBFCs' Borrowings



Note: Data are provisional.

Source: Supervisory Returns, RBI.

Chart VI.13: Public Deposits with NBFC-D



Notes: 1. NBFC-D have been grouped into different buckets based on the size of their aggregate public deposits. No NBFC-D had deposits in the bucket of ₹ 250-500 crore and ₹ 500-1,000 crore.
2. Data are provisional.

Source: Supervisory Returns, RBI.

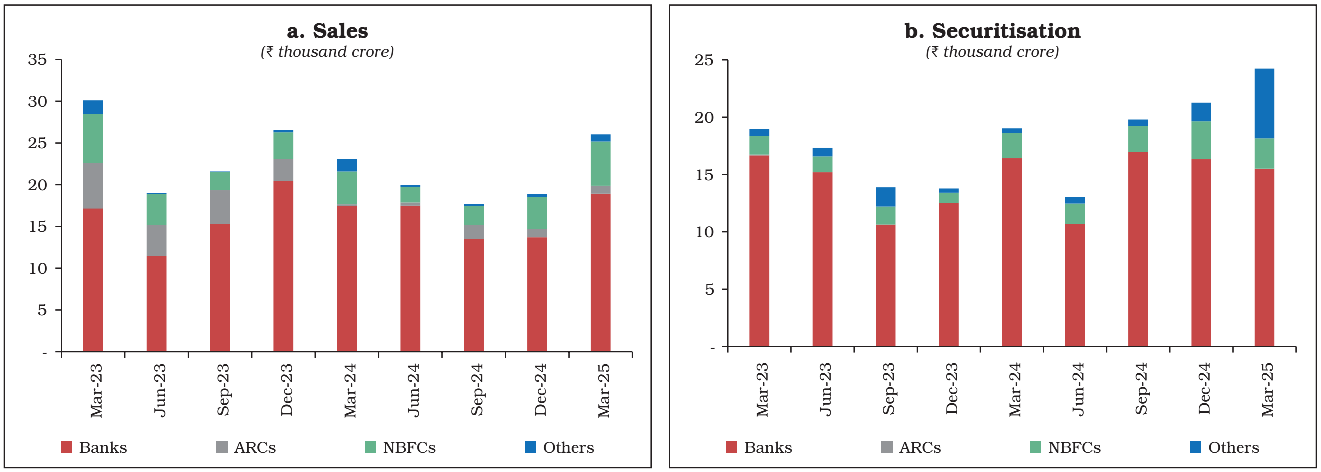
2.4.3. Loan Sales and Securitisation

VI.25 Lending institutions generally undertake loan sales and securitisation as instrument for liquidity generation, rebalancing their exposures and for regulatory compliance. During 2024-25, while NBFCs mobilised larger volumes of funds through direct loan sales, their securitisation activity as a source of resource mobilisation has also been rising. Banks remained the dominant counterparty in both these segments as they utilise these arrangements to meet their commitments under the priority sector lending requirements[18] (Chart VI.14).

2.4.4. Foreign Liabilities

VI.26 NBFCs take recourse to funds from foreign sources also, primarily through borrowings

Chart VI.14: Loan Sales and Securitisation by NBFCs



Notes: 1. Data are provisional.
2. Values in chart 'a' and 'b' refer to loan sales and securitisation during the quarter, respectively.

Source: Supervisory Returns, RBI.

[18] Banks can classify their investments in 'Securitisation Notes' and 'Assignment/ outright purchase of pool of assets by banks representing loans' under respective priority sector categories, provided the assets are originated by banks and financial institutions and are eligible for classification as priority sector advances and adhere to RBI's guidelines.

Table VI.8: Foreign Liabilities of NBFCs

(₹ crore)

Items	End-March 2024	End-March 2025	End-September 2025	Percentage Variation	
				2023-24	2024-25
1	2	3	4	5	6
1. Equity shares	48,777	48,811	49,797	19.4	0.1
i) Foreign Institutional Investors	1,911	3,315	3,854	41.5	73.4
ii) Foreign Direct Investment	46,865	45,496	45,943	18.7	-2.9
2. Borrowings	2,56,790	4,69,636	5,32,375	26.5	82.9
3. Bonds/ Debentures	1,24,559	1,28,201	1,30,268	-1.7	2.9
4. Others	19,234	24,229	28,846	34.8	26.0
Total Foreign Liabilities (1 to 4)	**4,49,359**	**6,70,876**	**7,41,286**	**16.8**	**49.3**
Total Liabilities	**51,39,470**	**61,09,126**	**65,51,157**	**17.1**	**18.9**

Note: Data are provisional.
Source: Supervisory Returns, RBI.

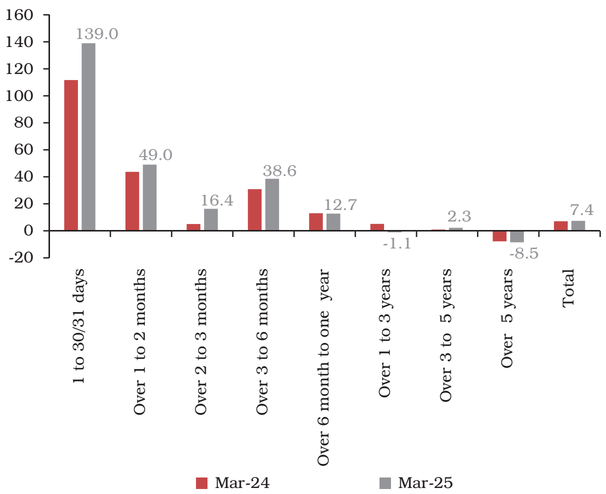
and issuance of debentures (Table VI.8). The share of borrowings from foreign sources in total liabilities increased to 8.1 per cent at end-September 2025 from 7.7 per cent at end-March 2025 as compared with 5.0 per cent at end-March 2024, indicating modest diversification.

2.5. Asset Liability Profile of NBFCs

VI.27 NBFCs maintained a net positive liquidity position at end-March 2025, reflecting an overall comfortable liquidity position for the sector. Liquidity mismatch[19] is a key indicator of the liquidity position of NBFCs. Within the 1-30/ 31 days bucket, NBFCs had more than 100 per cent positive mismatch as a share of total outflows at end-March 2025, indicative of sufficient high-quality liquid assets buffers to manage stress. Further, all time buckets, except that of over six months to one year, over one to three years and over five years maturity, recorded an improvement (Chart VI.15).

Chart VI.15: Structural Liquidity Statement of NBFCs

(At end-March; mismatch as a share of total outflows in per cent)



Notes: 1. Data are provisional.
2. Mismatch is defined as inflows minus outflows.
Source: Supervisory Returns, RBI.

2.6. Financial Performance

VI.28 NBFCs derived 93.2 per cent of income from fund-based sources, *viz.*, interest income and investment earnings, while the remaining is from fee-based sources. There was a moderation in total income growth of NBFCs at end-March 2025 due to deceleration in interest income growth, driven by NBFC-ML (Table VI.9 and Appendix Tables VI.6 and VI.7). Expenditure recorded an increase due to higher interest expenses, provisioning for NPAs, and write-offs of bad debts. Deceleration in income along with an increase in expenditure led to a higher cost-to-income ratio and contraction in net profits. Moderation in key performance indicators *viz.*, return on asset (RoA), return on equity (RoE) and

[19] Measured as the difference between cash inflows and cash outflows across various time buckets. A positive mismatch indicates a comfortable liquidity position, while a negative mismatch signals liquidity risk.

Table VI.9: Financial Parameters of the NBFC Sector

(₹ crore)

Items	2023-24			2024-25			H1: 2025-26		
	NBFCs	NBFC-UL	NBFC-ML	NBFCs	NBFC-UL	NBFC-ML	NBFCs	NBFC-UL	NBFC-ML
1	2	3	4	5	6	7	8	9	10
A. Income	5,93,747 (26.8)	1,82,115 (28.9)	4,11,632 (25.9)	6,85,545 (15.5)	2,38,342 (30.9)	4,47,203 (8.6)	3,88,433 (15.3)	1,42,597 (29.8)	2,45,836 (8.3)
B. Expenditure	4,14,444 (23.8)	1,30,395 (27.6)	2,84,049 (22.1)	5,15,351 (24.3)	1,74,008 (33.4)	3,41,343 (20.2)	2,86,968 (20.0)	1,06,522 (35.5)	1,80,446 (12.4)
C. Net Profit	1,40,959 (30.8)	38,618 (34.3)	1,02,341 (29.5)	1,32,286 (-6.2)	48,873 (26.6)	83,412 (-18.5)	79,970 (1.0)	27,012 (14.9)	52,958 (-4.9)
D. Total Assets	51,39,470 (17.1)	13,59,521 (26.9)	37,79,949 (13.9)	61,09,126 (18.9)	17,81,991 (31.1)	43,27,135 (14.5)	65,51,157 (17.7)	19,98,860 (32.6)	45,52,297 (12.2)
E. Financial Ratios (as per cent of Total Assets)									
(i) Income	11.6	13.4	10.9	11.2	13.4	10.3	11.9	14.3	10.8
(ii) Expenditure	8.1	9.6	7.5	8.4	9.8	7.9	8.8	10.7	7.9
(iii) Net Profit	2.7	2.8	2.7	2.2	2.7	1.9	2.4	2.7	2.3
F. Cost to Income Ratio (per cent)	48.8	52.7	47.1	55.2	54.2	55.9	53.2	56.8	50.9

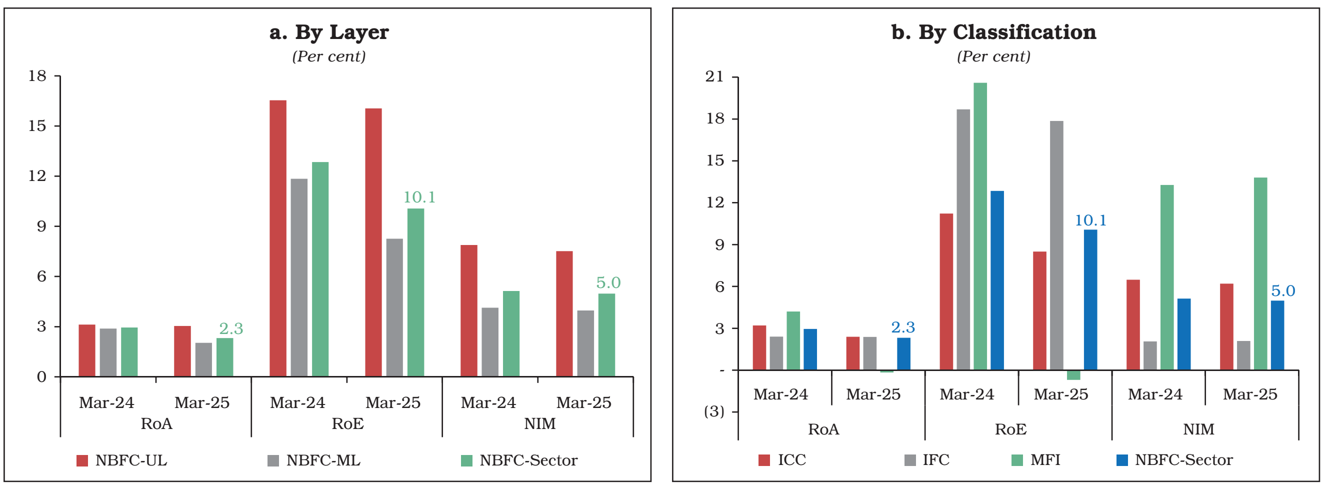
Cost to Income Ratio = (Operating Expenses)/ (Operating Income) *100.
Operating Expenses = Total expenditure-interest expenses; Operating Income = Total income-interest expenses.
Notes: 1. Data are provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.
3. Financial ratios for H1: 2025-26 have been annualised.
Source: Supervisory Returns, RBI.

net interest margin (NIM) is discernible across the layers. Further, RoA and RoE of NBFC-MFI turned negative during 2024-25 (Chart VI.16).

2.7. Soundness Indicators

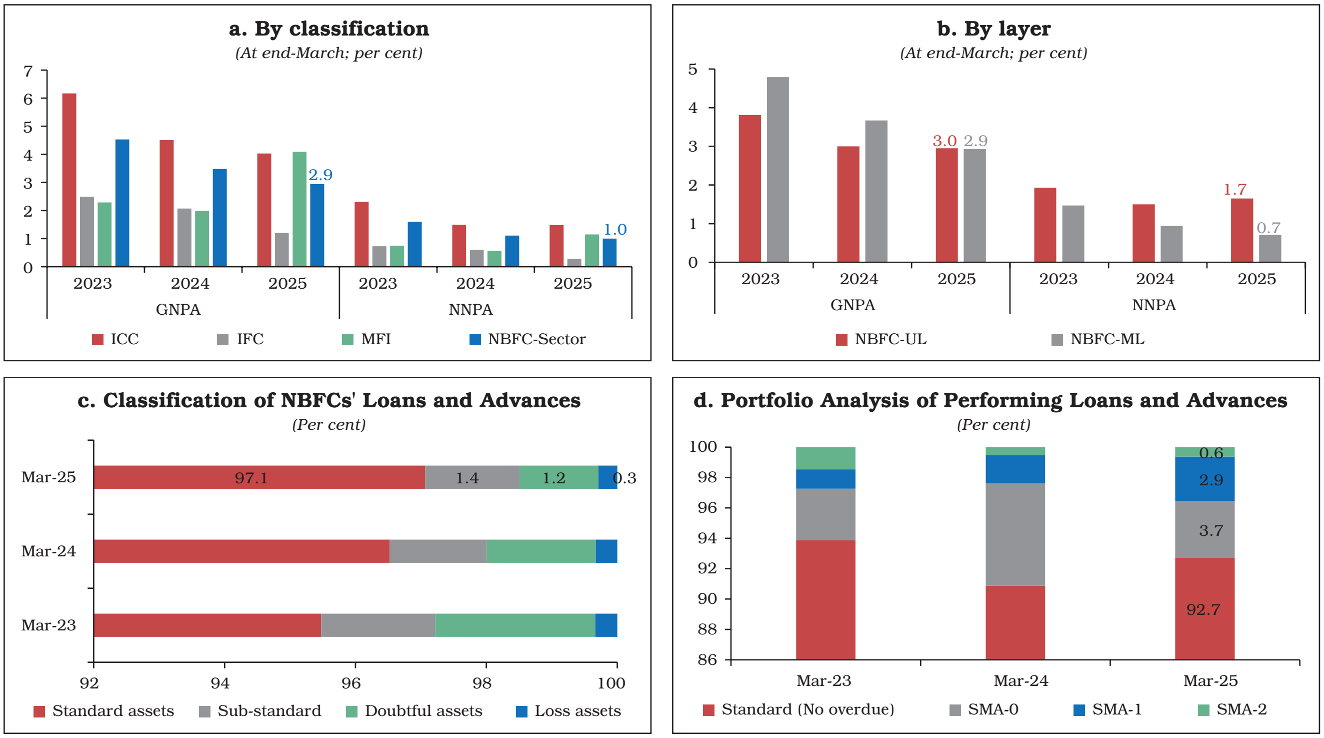
VI.29 The asset quality of the sector showed further improvement in 2024-25. GNPA ratio declined to 2.9 per cent at end-March 2025 from 3.5 per cent at end-March 2024. NNPA ratio also followed a downward trajectory, reflecting effective resolution of NPAs and adequate provisioning. The asset quality of all classification of NBFCs barring NBFC-MFIs has improved (Chart VI.17a). NBFC-MFIs showed deterioration in asset quality with GNPA ratio increasing to 4.1 per cent at end-March 2025

Chart VI.16: Profitability Ratios of NBFCs



Note: Data are provisional.
Source: Supervisory Returns, RBI.

Chart VI.17: Asset Quality of NBFCs



Notes: 1. Loans and advances are classified into standard, sub-standard, doubtful and loss assets. Standard assets (performing loans) are further sub divided into standard (no overdue), SMA-0, SMA-1, and SMA-2.
2. SMA-0, where principal or interest payments was not overdue for more than 30 days, but the account showed signs of incipient stress.
3. SMA-1, where principal or interest payment was overdue for 31-60 days.
4. SMA-2, where principal or interest payment was overdue for 61-90 days.
5. Data are provisional.

Source: Supervisory Returns, RBI.

from 2.0 per cent at end-March 2024, and NNPA ratio rising to 1.2 per cent from 0.6 per cent during the same period. This was attributed to underlying stress in the sector along with recovery challenges. At end-September 2025, GNPA and NNPA ratios of the NBFC-sector stood at same levels as those at end-March 2025.

VI.30 GNPA ratio in case of NBFC-UL remained unchanged, although NNPA ratio recorded some deterioration at end-March 2025 primarily due to decline in provisions (Chart VI.17b). NBFC-ML witnessed an improvement in both GNPA and NNPA ratios.

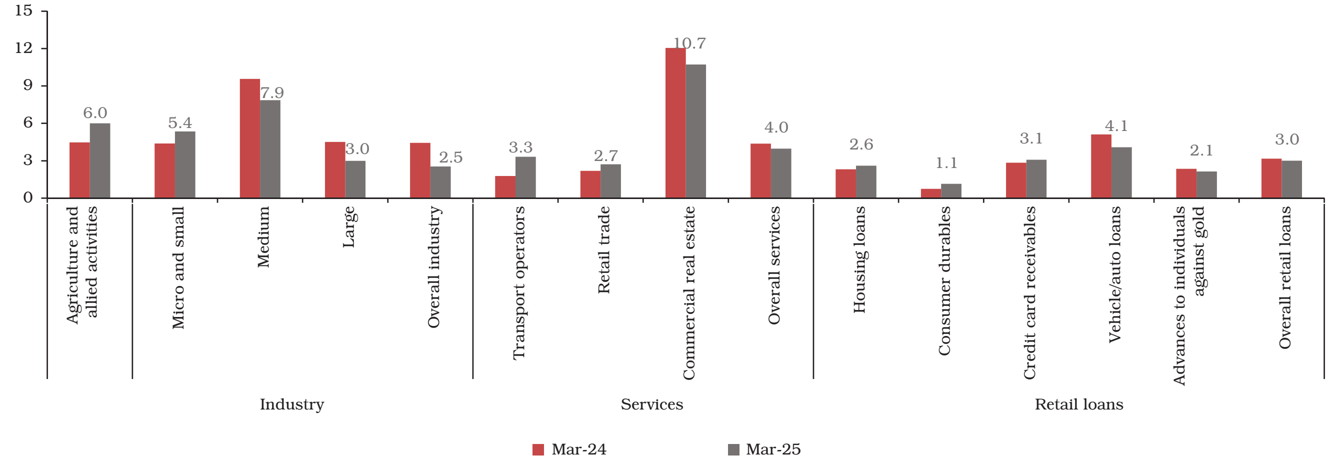
VI.31 The share of standard assets in aggregate credit extended by NBFCs increased, along with a decrease in the share of sub-standard and doubtful assets (Chart VI.17c). NBFCs need to be vigilant about the rising trend in Special Mention Accounts, *i.e.*, SMA 1 and SMA 2 categories (Chart VI.17d).

VI.32 Gross advances under large borrowal accounts (exposure of ₹5 crore and above) saw a growth of 23.3 per cent at end-March 2025 as compared to 16.8 per cent a year ago. Their asset quality exhibited significant improvement, as their GNPA declined from 5 per cent at end-March 2024 to 3.3 per at end-March 2025.

VI.33 Sector-wise, the asset quality deteriorated in case of agriculture and allied activities, transport, retail trade, housing loans, consumer

Chart VI.18: Sectoral GNPA Ratios of NBFCs

(Per cent)



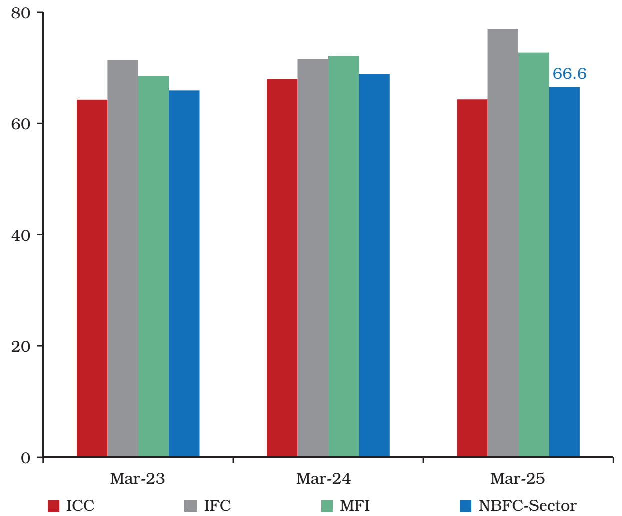
Note: Data are provisional.
Source: Supervisory Returns, RBI.

durables and credit card receivables, while it improved in case of overall industry, commercial real estate, vehicle loans and advances against gold (Chart VI.18).

VI.34 As per the regulatory requirement, NBFCs need to maintain provisions for standard assets, sub-standard assets, loss assets and doubtful assets. Provisions made by NBFCs represented by provision coverage ratio stood at 66.6 per cent at end-March 2025 (Chart VI.19).

Chart VI.19: Provision Coverage Ratio of NBFCs

(Per cent)



Note: Data are provisional.
Source: Supervisory Returns, RBI.

VI.35 NBFCs continued to remain well-capitalised with capital to risk weighted assets ratio (CRAR) at 25.9 per cent at end-March 2025, well above the regulatory prescription of 15 per cent. NBFC-MFIs, as a precautionary measure, further raised their CRAR during 2024-25 (Chart VI.20). At end-September 2025 CRAR of the NBFC sector stood at 24.9 per cent.

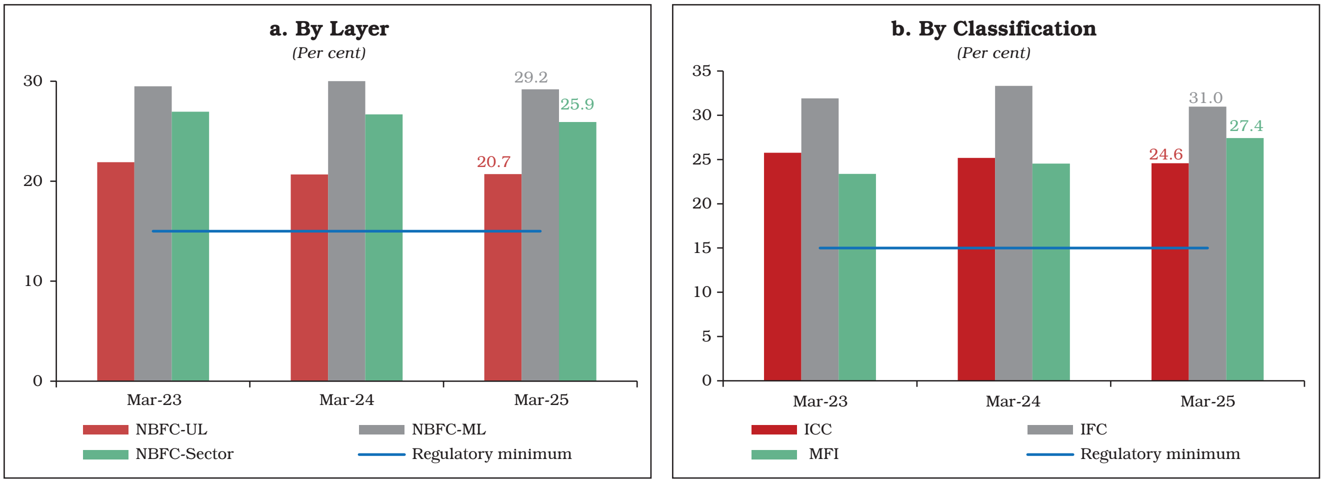
2.8 Exposure to Sensitive Sectors

VI.36 At end-March 2025, 25 per cent of NBFCs' total assets were exposed to sensitive sectors[20] (Chart VI.21). NBFCs' exposure to real estate increased over time, reaching 26.8 per cent as a share of the total exposure to sensitive sectors during the same period. To reduce the cost of financing by NBFCs to high quality infrastructure projects, it was proposed to reduce the risk weights applicable on these projects[21]. Exposures to capital market declined during 2024-25, following internal limits under the SBR.

[20] Includes capital market exposure, real estate exposure, investment in securities, and advances against commodities.

[21] Governor's Statement: October 01, 2025.

Chart VI.20: CRAR of NBFCs



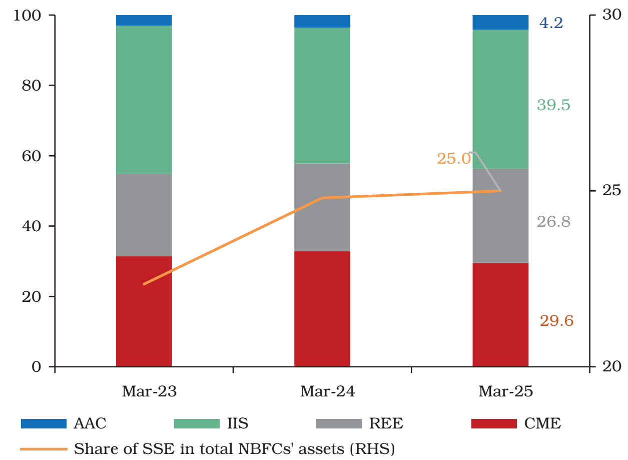
Note: Data are provisional.
Source: Supervisory Returns, RBI.

3. Housing Finance Companies

VI.37 HFCs are specialised FIs that primarily focus on providing housing finance and are supervised by the National Housing Bank (NHB). The Reserve Bank, from August 2019, took over the regulation of HFCs from NHB. HFCs are classified as NBFC and are placed either in the middle layer or the upper layer under the SBR framework, depending on their specific characteristics and risk profile. The Reserve Bank has been harmonising regulations for HFCs and NBFCs by aligning norms on, *inter alia*, deposit acceptance, liquidity, credit ratings, and investment limits.

VI.38 In 2024-25, two HFCs (one under government ownership) with a combined share of 15.2 per cent in the total asset size of the sector at end-March 2024, converted to NBFC-IFC and

Chart VI.21: NBFCs' Exposure to Sensitive Sectors
(Share in per cent)



CME: Capital market exposure; REE: Real estate exposure; IIS: Investment in securities; AAC: Advances against commodities; SSE: Sensitive sector exposure.
Note: Data are provisional.
Source: Supervisory Returns, RBI.

Table VI.10: Ownership Pattern of HFCs
(At end-March)

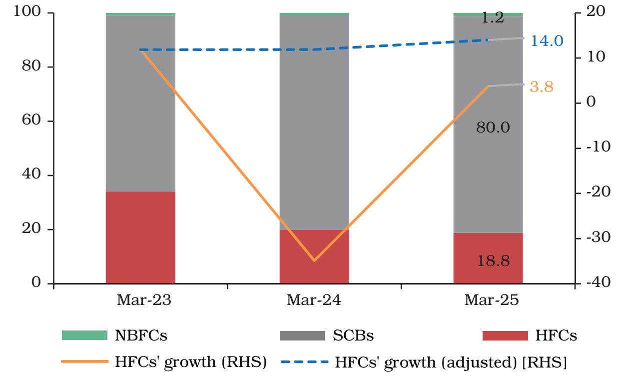
(₹ crore)

Type	2024		2025	
	Number	Asset Size	Number	Asset Size
1	2	3	4	5
A. Government Companies	1	95,990	0	0
B. Non-Government Companies (1+2)	92	9,78,455	91	10,58,279
1. Public Ltd. Companies	71	9,66,912	69	10,43,075
2. Private Ltd. Companies	21	11,542	22	15,204
Total (A+B)	**93** (91)	**10,74,445** (9,11,481)	**91**	**10,58,279**

Notes: 1. Data are provisional.
2. Figures in parentheses for 2024 exclude data for the two HFCs converted to NBFCs.
Source: NHB.

Chart VI.22: Credit to Housing Sector by HFCs, SCBs and NBFCs

(Share in per cent, left scale; growth in per cent, right scale)



Notes: 1. Data are provisional.
2. The significant dip in HFCs share at end-March 2024 was due to merger of an HFC with a bank in 2023.
3. For comparison, the adjusted growth for end-March 2024 excludes the merged entity from end-March 2023. Similarly, the adjusted growth for end-March 2025 excludes the two converted entities from end-March 2024.

Source: NHB.

NBFC-ICC.[22] This resulted in a reduction in the aggregate assets of the HFCs as at end-March 2025 (Table VI.10).

VI.39 The share of HFCs in total credit to the housing sector (banks, HFCs and NBFCs combined) decreased to 18.8 per cent as at end-March 2025, as the number of HFCs came down due to conversion of two HFCs into NBFCs (Chart VI.22). Housing loans accounted for 73.8 per cent of the credit extended by HFCs at end-March 2025.

3.1 Balance Sheet

VI.40 At end-March 2025, the total assets of HFCs increased by 16.1 per cent[23], primarily driven by a surge in loans and advances, which accounted for 90.7 per cent of total assets (Table VI.11). Rising urbanisation and demand for home ownership has sustained the growth in housing loans. On the liabilities side, growth was largely facilitated by debentures, share capital and reserves.

Table VI.11: Consolidated Balance Sheet of HFCs

(At end-March)

(₹ crore)

Items	2024			2025		
	HFCs	HFC-ML	HFC-UL	HFCs	HFC-ML	HFC-UL
1	2(3+4)	3	4	5(6+7)	6	7
1. Share Capital and Reserves	1,96,147 (19.6)	91,261 (24.1)	1,04,886 (16.0)	1,95,650 (21.1)	92,642 (23.9)	1,03,007 (18.6)
2. Public Deposits	24,764 (3.3)	5,076 (3.5)	19,689 (3.2)	25,685 (3.8)	5,358 (5.8)	20,327 (3.2)
3. Debentures	2,56,053 (10.3)	59,642 (38.9)	1,96,411 (3.8)	2,96,548 (28.8)	81,411 (72.2)	2,15,136 (17.6)
4. Bank Borrowings	3,63,598 (17.8)	1,86,614 (28.8)	1,76,984 (8.0)	3,37,445 (8.0)	1,80,747 (17.9)	1,56,698 (-1.5)
5. Commercial Papers	30,975 (58.2)	10,241 (143.6)	20,734 (34.9)	37,373 (20.7)	13,232 (29.2)	24,141 (16.4)
6. Others	2,02,908 (1.5)	1,22,007 (3.7)	80,901 (-1.7)	1,65,578 (9.2)	88,952 (0.8)	76,626 (21.0)
Total Liabilities/ Assets	**10,74,445** (13.3)	**4,74,841** (22.3)	**5,99,604** (7.0)	**10,58,279** (16.1)	**4,62,343** (22.0)	**5,95,935** (11.9)
1. Loans and Advances	9,61,452 (14.8)	4,36,062 (24.0)	5,25,390 (8.2)	9,59,857 (16.6)	4,17,925 (21.8)	5,41,931 (12.9)
2. Investments	42,797 (-3.7)	10,044 (-14.2)	32,753 (0.1)	34,547 (8.1)	12,972 (32.2)	21,575 (-2.6)
3. Cash and Bank Balances	27,486 (3.8)	16,480 (9.2)	11,006 (-3.3)	28,832 (24.2)	19,035 (17.7)	9,797 (39.0)
4. Other Assets	42,710 (6.5)	12,255 (28.6)	30,455 (-0.4)	35,043 (6.4)	12,410 (28.2)	22,632 (-2.7)

Notes: 1. Data are provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.
3. The growth rates for end-March 2025 are calculated by excluding the two HFCs (which converted into NBFCs) from end-March 2024.
4. The growth rates for end-March 2024 are calculated by excluding the merged HFC from end-March 2023.

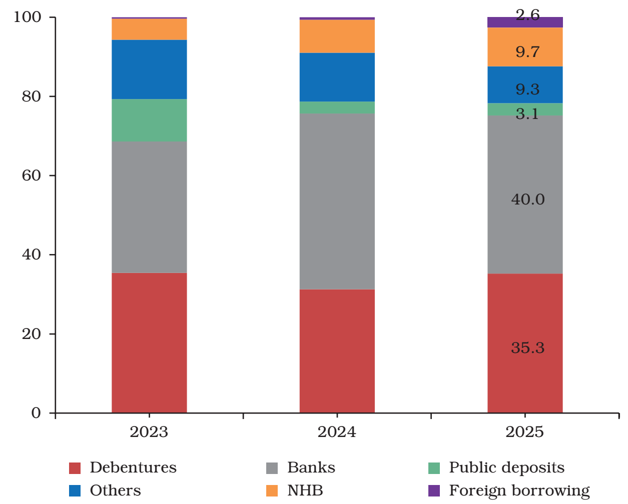
Source: NHB.

[22] In 2025-26 (April 2025) one more HFC converted into NBFC-ICC.

[23] The growth rates for end-March 2025 are calculated by excluding the two HFCs (which converted into NBFCs) from end-March 2024.

Chart VI.23: Resources Mobilised by HFCs

(At end-March; share in per cent)



Note: Data are provisional.
Source: NHB.

3.2. Resource Profile of HFCs

VI.41 Borrowings from banks and debentures remained the major sources of funds for HFCs (75.3 per cent of total resources mobilised at end-March 2025) [Chart VI.23]. The share of bank borrowings decreased moderately while the share of debentures increased. HFCs' foreign borrowings increased at end-March 2025 in line with the trend observed in the case of NBFCs.

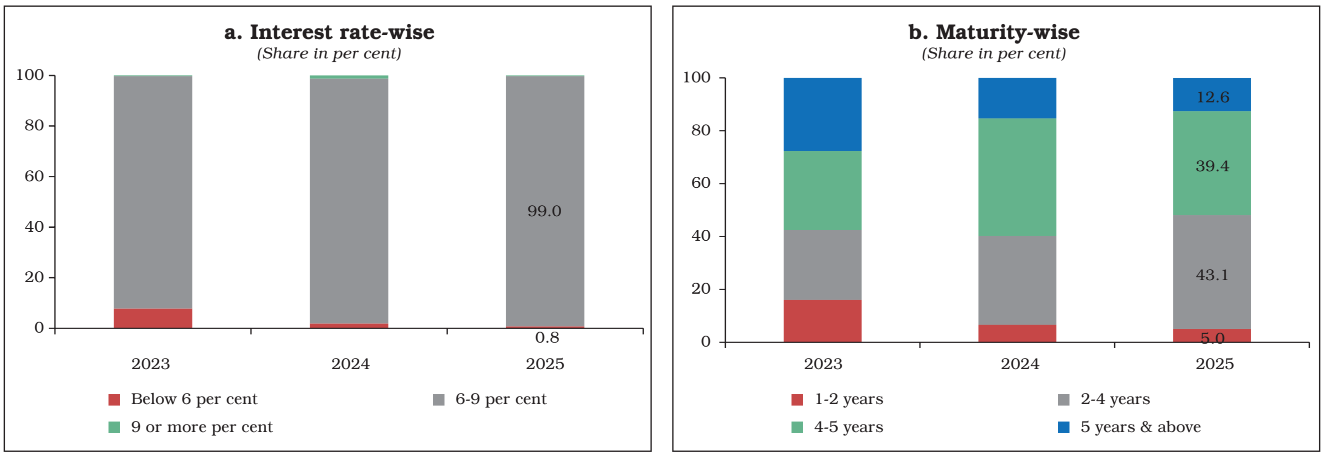
VI.42 Of the 91 HFCs, seven are permitted to accept public deposits. At end-March 2025, 99 per cent of deposits was concentrated in the interest rate range of 6 to 9 per cent. Public deposits with a maturity of 2-4 years have relatively higher share followed by 4-5 years at end-March 2025 (Chart VI.24). Going forward, deposits with maturity of 5 years and above are likely to decline due to extant regulatory restrictions, wherein all public deposits shall be repayable after a period of one year but not later than five years[24].

3.3. Financial Performance

VI.43 All key financial indicators for HFCs have shown a robust growth in 2024-25. With income growing faster than expenses, RoA improved during the same period (Table VI.12).

Chart VI.24: Distribution of HFCs' Public Deposits

(At end-March)



Note: Data are provisional.
Source: NHB.

24 RBI notification on 'Review of regulatory framework for HFCs and harmonisation of regulations applicable to HFCs and NBFCs' dated August 12, 2024.

Table VI.12: Financial Parameters of HFCs

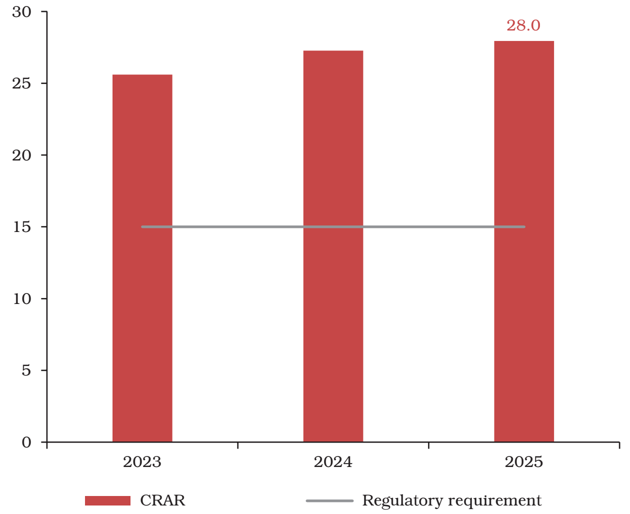
(₹ crore)

Particulars	2023-24	2024-25
1	2	3
A. Total Income	**1,07,639** (13.3)	**1,07,359** (16.7)
1. Fund Income	1,02,451 (18.4)	1,00,588 (15.0)
2. Fee Income	2,366 (48.1)	3,209 (41.1)
B. Total Expenditure	**85,292** (14.3)	**82,087** (11.5)
1. Financial Expenditure	61,796 (19.4)	60,796 (17.6)
2. Operating Expenditure	14,733 (24.7)	16,603 (19.8)
C. Tax Provision	**826** (-34.2)	**882** (180.8)
D. Net profit (PAT)	**18,139** (45.7)	**19,637** (29.4)
E. Total Assets	**10,74,445** (13.3)	**10,58,279** (16.1)
F. Financial Ratios as per cent of Total Assets		
(i) Income	10.0	10.1
(ii) Expenditure	7.9	7.8
(iii) Return on Assets (RoA)	1.7	1.9
G. Cost to Income Ratio (per cent)	**79.2**	**76.5**

Cost to Income Ratio = (Total Expenditure / Total Income)*100;
Return on Assets (RoA) = PAT/ Total Assets.
Notes: 1. Data are provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.
3. The growth rates for 2023-24 are calculated by excluding the merged HFC from 2022-23.
4. The growth rates for 2024-25 are calculated by excluding the two HFCs (which converted into NBFCs) from 2023-24.
Source: NHB.

Chart VI.26: Capital Adequacy of HFCs

(At end-March, per cent)



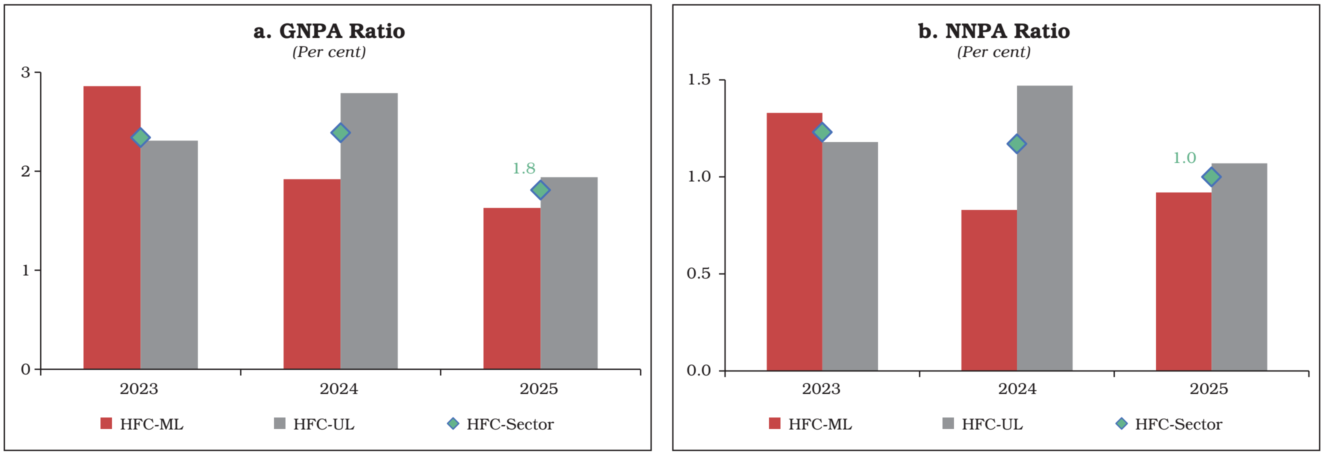
Note: Data are provisional.
Source: NHB.

3.4. Soundness Indicators

VI.44 The asset quality of HFCs recorded an improvement in terms of both GNPA and NNPA ratios at end-March 2025 (Chart VI.25). The aggregate CRAR of the sector stood at 28 per cent, well above the regulatory requirement of 15 per cent (Chart VI.26).

Chart VI.25: Asset Quality of HFCs, by Layer

(At end-March)



Note: Data are provisional.
Source: NHB.

4. All India Financial Institutions

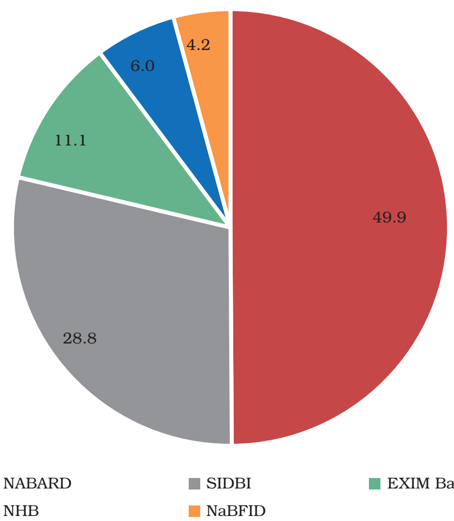
VI.45 All India financial institutions (AIFIs), *viz.*, NABARD, SIDBI, NHB, EXIM Bank, and NaBFID are specialised institutions regulated and supervised by the Reserve Bank to facilitate financing for key sectors and activities. NABARD is the largest AIFI, accounting for half of the aggregate assets of AIFIs, supporting agriculture and rural development. SIDBI focuses on the MSME sector; NHB supports housing finance; EXIM Bank provides financial assistance to exporters and importers to promote international trade; and NaBFID is dedicated to supporting infrastructure projects (Chart VI.27).

4.1. AIFIs' Operations[25]

VI.46 Financial assistance sanctioned and disbursed by AIFIs grew marginally in 2024-25. All AIFIs, except SIDBI, recorded moderate increase in both sanctioned and disbursed amounts (Table VI.13 and Appendix Table VI.8).

Chart VI.27: Distribution of AIFIs, by Asset Size

(At end-March 2025; share in per cent)



Source: Respective Financial Institutions.

Table VI.13: Financial Assistance Sanctioned and Disbursed by AIFIs

(₹ crore)

Institutions	Sanctions		Disbursements	
	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5
EXIM Bank	1,06,312	1,39,871	89,073	1,28,272
NABARD	4,42,649	4,52,819	4,36,584	4,49,044
NHB	38,738	44,327	32,103	33,369
SIDBI	3,02,590	2,45,989	2,94,942	2,35,258
NaBFID	83,280	1,01,265	26,243	38,535
Total	**9,73,568**	**9,84,270**	**8,78,944**	**8,84,479**

Note: Data are provisional.
Source: Respective Financial Institutions.

4.2. Balance Sheet

VI.47 The consolidated balance sheet of AIFIs grew by 10.1 per cent at end-March 2025 compared to 20.1 per cent in the previous year. Loans and advances, which constitute 85.2 per cent of AIFIs' assets, grew at a robust pace *albeit* lower than a year ago, as lending by all AIFIs, except the EXIM Bank, decelerated. AIFIs' investments recorded a robust growth of 26.7 per cent at end-March 2025, despite a contraction in investments by EXIM Bank and NHB. On the liabilities side, while bonds and debentures and borrowings continued to record double digit growth, deposits contracted by 6.8 per cent as deposits mobilised by all the AIFIs declined (NaBFID does not accept deposits) during 2024-25 (Table VI.14).

VI.48 Growth in aggregate resource mobilisation by AIFIs decelerated to 10.4 per cent in 2024-25 from 27.8 per cent in 2023-24. The share of short-term resources increased significantly to 69.6 per cent in 2024-25 from 51.7 per cent in the preceding year, while the share of long-term resources declined to 28.4 per cent in

25 The financial year for EXIM Bank, SIDBI, NABARD and NaBFID is from April to March, while for NHB it is from July to June.

Table VI.14: AIFIs' Balance Sheet
(At end-March)

(₹ crore)

Items	2023	2024	2025
1	2	3	4
1. Capital	55,008 (0.0)	55,008 (0.0)	55,008 (0.0)
2. Reserves	99,638 (15.0)	1,15,569 (16.0)	1,35,267 (17.0)
3. Bonds & Debentures	3,62,319 (6.4)	4,30,846 (18.9)	5,21,258 (21.0)
4. Deposits	4,94,762 (13.5)	5,58,894 (13.0)	5,20,630 (-6.8)
5. Borrowings	4,11,114 (58.5)	5,50,613 (33.9)	6,51,808 (18.4)
6. Other Liabilities	70,229 (2.4)	81,686 (16.3)	89,112 (9.1)
Total Liabilities/ Assets	**14,93,069** (19.8)	**17,92,616** (20.1)	**19,73,083** (10.1)
1. Cash & Bank Balances	46,041 (6.2)	87,710 (90.5)	90,500 (3.2)
2. Investments	1,00,426 (-13.7)	1,32,375 (31.8)	1,67,760 (26.7)
3. Loans & Advances	13,17,700 (23.3)	15,39,223 (16.8)	16,80,879 (9.2)
4. Bills Discounted/ Rediscounted	5,290 (73.0)	6,401 (21.0)	5,200 (-18.8)
5. Fixed Assets	1,260 (-0.6)	1,282 (1.8)	1,260 (-1.7)
6. Other Assets	22,353 (69.2)	25,624 (14.6)	27,484 (7.3)

Notes: 1. Data are Provisional.
2. Figures in parentheses indicate y-o-y growth in per cent.
Source: Respective Financial Institutions.

2024-25 from 45.1 per cent in the previous year (Table VI.15).

Table VI.15: Resources Mobilised by AIFIs in 2024-25

(₹ crore)

Institution	Total Resources Raised				Total Outstanding
	Long-Term	Short-Term	Foreign Currency	Total	
1	2	3	4	5	6
EXIM Bank*	12,850	84,531	19,432	1,16,813	1,79,181
NABARD	1,17,392	3,96,613	0	5,14,005	8,07,766
NHB	30,371	3,013	0	33,384	97,951
SIDBI	88,389	1,95,468	614	2,84,471	5,12,939
NaBFID	28,201	710	0	28,911	48,302
Total	**2,77,203**	**6,80,335**	**20,046**	**9,77,584**	**16,46,139**

*Long-term rupee resources comprise borrowings by way of bonds/ debentures and term loans; while short-term resources comprise CPs, term deposits, CDs and borrowings from TREPS/ CROMS. Foreign currency resources largely comprise borrowings by way of bonds and bilateral loans in the international market and onshore funds by way of long term buy/ sell swaps.
Source: Respective Financial Institutions.

VI.49 AIFIs mobilise resources from the money market based on a specified umbrella limit, which is linked to their net owned funds. At end-March 2025, resources raised by AIFIs through short-term loans from banks accounted for 51.4 per cent of the total resources raised from the money market. AIFIs' utilisation of umbrella limit rose to 69.3 per cent at end-March 2025 from 65.6 per cent a year ago (Table VI.16).

4.3. Sources and Uses of Funds

VI.50 Funds raised and deployed by AIFIs increased by 42.7 per cent during 2024-25 as compared with 52.5 per cent a year ago. There was a notable shift towards internal sources of funding, primarily driven by NABARD. In 2024-25, 83.1 per cent of the AIFIs funds were used to repay past borrowings (Table VI.17).

4.4. Maturity Profile and Cost of Borrowings

VI.51 During 2024-25, while the weighted average cost of rupee resources rose for NABARD, NHB and SIDBI, it decreased marginally in case of NaBFID (Chart VI.28a). The weighted average maturity of funds mobilised by all AIFIs

Table VI.16: Resources Raised by AIFIs from the Money Market
(At end-March)

(₹ crore)

Instrument	2024	2025	Percentage Variation
1	2	3	4
A. Total	**3,60,150**	**4,15,161**	**15.3**
i) Term Deposits	12,632	14,491	14.7
ii) Term Money	2,508	10	-99.6
iii) Inter-corporate Deposits	0	0	-
iv) Certificate of Deposits	63,595	88,780	39.6
v) Commercial Papers	1,00,446	98,425	-2.0
vi) Short-term loans from banks	1,80,969	2,13,455	18.0
Memo:			
B. Umbrella Limit	2,73,258	2,91,096	6.5
C. Utilisation of Umbrella limit [A (excluding vi) as percentage of B]	65.6	69.3	-

Note: The umbrella limit is applicable for five instruments– term deposits; term money borrowings; certificates of deposits (CDs); commercial papers; and inter-corporate deposits.
Source: Respective Financial Institutions.

Table VI.17: AIFIs' Sources and Deployment of Funds

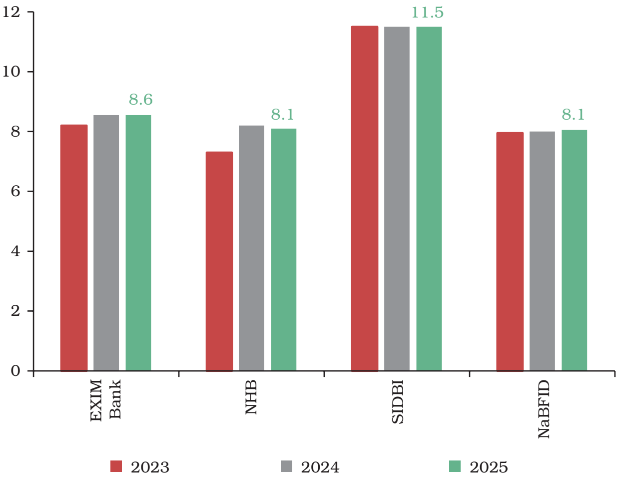
(₹ crore)

Items	2023-24	2024-25	Percentage Variation
1	2	3	4
A. Sources of Funds (i+ii+iii)	**88,34,046**	**1,26,03,881**	**42.7**
i. Internal	39,05,316	70,73,042	81.1
ii. External	48,09,099	53,67,547	11.6
iii. Others@	1,19,632	1,63,291	36.5
B. Deployment of Funds (i+ii+iii)	**88,34,046**	**1,26,03,881**	**42.7**
i. Fresh Deployment	15,66,118	15,05,343	-3.9
ii. Repayment of Past Borrowings	63,65,147	1,04,79,021	64.6
iii. Other Deployment	9,02,780	6,19,515	-31.4
of which: Interest Payments	73,783	73,974	0.3

@: Includes cash and balances with banks and the Reserve Bank.
Sources of funds *inter alia* includes, short term rupee borrowings (including TREPS), sale/redemption of investments in MF/T-Bill/G-Sec, funds raised from money market. Deployment of Funds *inter alia* includes, repayment of short-term rupee borrowings (including TREPS), repayment of loans and advances, net deployments in money market.
Notes: 1. Data are provisional.
2. The figures represent sources and deployment during the year.
Source: Respective Financial Institutions.

Chart VI.29: Long-term Prime Lending Rate Structure of Select AIFIs

(At end-March; per cent)



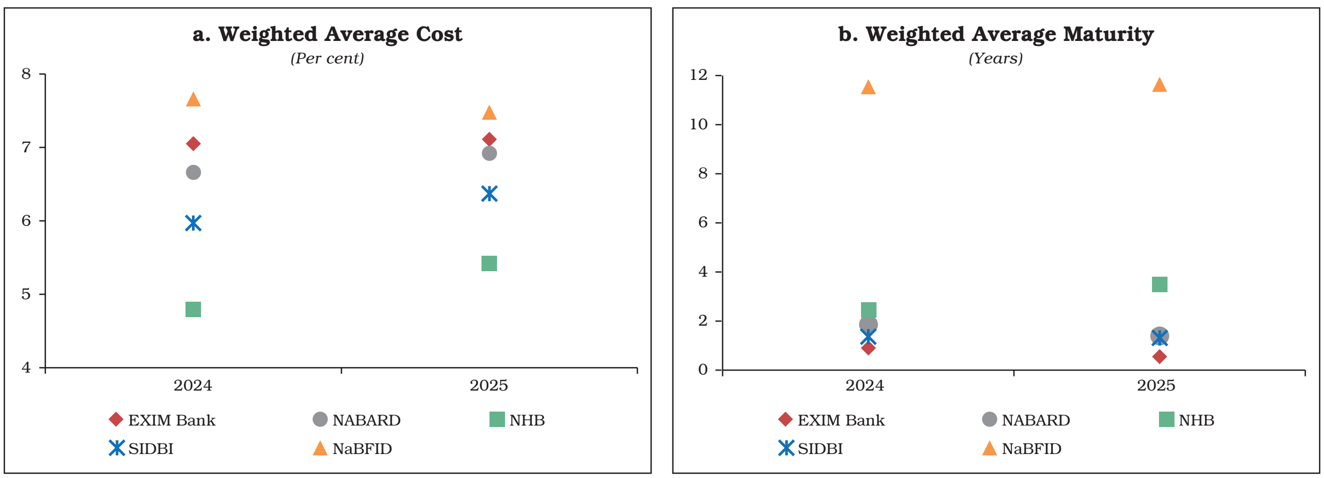
Note: Data are provisional.
Source: Respective Financial Institutions.

declined marginally, except for NHB and NaBFID (Chart VI.28b). Long-term prime lending rates (PLRs) increased marginally for NaBFID, while it declined in case of NHB (Chart VI.29).

4.5. Financial Performance

VI.52 Interest income across AIFIs continued to rise, while non-interest income of EXIM Bank, NABARD and NHB recorded a decline in 2024-25. Along with the rise in interest income, the interest expenses also increased for all AIFIs. At the aggregate level, operating expenses of AIFIs declined in 2024-25 mainly due to the reduction in SIDBI and NABARD. The operating profit and net profit continued to record robust growth during the year (Table VI.18).

Chart VI.28: Weighted Average Cost and Maturity of Rupee Resources Raised by AIFIs



Note: Data are provisional.
Source: Respective Financial Institutions.

Table VI.18: Financial Performance of AIFIs

(₹ crore)

Items	2022-23	2023-24	2024-25	Percentage Variation	
				2023-24	2024-25
1	2	3	4	5	6
A) Income	**75,411**	**1,05,392**	**1,28,759**	**39.8**	**22.2**
a) Interest Income	73,982	1,03,922	1,27,147	40.5	22.3
b) Non-Interest Income	1,429	1,470	1,611	2.9	9.6
B) Expenditure	**56,679**	**81,913**	**1,00,884**	**44.5**	**23.2**
a) Interest Expenditure	53,353	75,912	95,488	42.3	25.8
b) Operating Expenses	3,326	6,001	5,396	80.5	-10.1
of which Wage Bill	1,991	3,914	3,499	96.6	-10.6
C) Provisions					
for Taxation	3,230	4,631	5,808	43.4	25.4
for Contingencies	2,935	2,936	3,357	0.0	14.3
D) Profit					
Operating Profit (PBT)	17,348	21,058	25,298	21.4	20.1
Net Profit (PAT)	12,568	15,913	19,773	26.6	24.3

Note: Data are provisional.
Source: Respective Financial Institutions.

VI.53 During 2024-25, the ratio of interest income to average working funds improved for all AIFIs, except for NaBFID. NaBFID's net profit per employee decreased during 2024-25 due to the high initial capital costs for greenfield projects (Table VI.19). Profitability of all AIFIs, except NaBFID, improved in 2024-25 as reflected by their RoAs (Chart VI.30).

4.6. Soundness Indicators

VI.54 All AIFIs maintained CRAR well above the regulatory minimum of nine per cent at end-March 2025, ensuring that their capital positions are strong and healthy to absorb potential financial shocks (Chart VI.31a). More than 99 per cent of the AIFIs' loans and advances are classified as standard, except for EXIM Bank which has doubtful assets of 1.5 per cent (Chart VI.31b). All AIFIs, barring EXIM Bank, reported NNPA ratio close to nil at end-March 2025.

Table VI.19: AIFIs' Select Financial Parameters

Institution	As per cent of Average Working Funds						Net Profit per Employee (₹ crore)	
	Interest Income		Non-Interest Income		Operating Profit			
	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9
EXIM Bank	9.0	9.4	0.3	0.3	2.3	1.9	7.1	9.1
NABARD	6.1	6.6	0.01	0.01	1.1	1.2	1.9	2.4
NHB	6.2	6.8	0.1	0.04	2.3	2.4	7.8	7.7
SIDBI	6.7	7.0	0.1	0.1	1.5	1.6	3.7	4.4
NaBFID	8.2	7.1	0.7	0.3	4.9	3.3	20.3	12.0

Note: Data are provisional.
Source: Respective Financial Institutions.

5. Primary Dealers

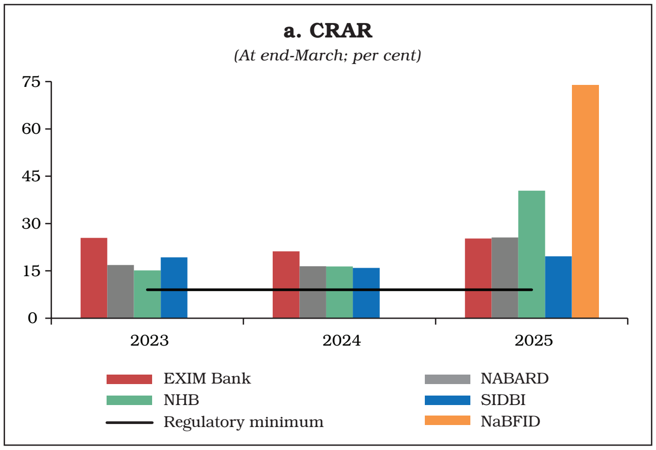
VI.55 As at end-March 2025, there were 21 Primary Dealers (PDs), 14 functioning

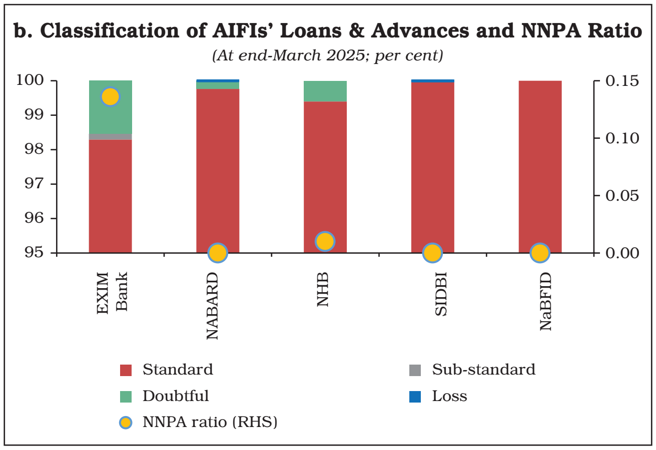
Chart VI.30: Return on Average Assets of AIFIs

(At end-March; per cent)

Note: Data are provisional.
Source: Respective Financial Institutions.

Chart VI.31: Soundness Indicators of AIFIs





Notes: 1. Data are provisional.
2. In 'chart a', regulatory minimum is nine per cent.
Source: Respective Financial Institutions.

departmentally as bank PDs and seven as Standalone PDs (SPDs) [registered as NBFCs under section 45-IA of the RBI Act, 1934].

5.1 Operations and Performance of PDs

VI.56 PDs are mandated to underwrite issuances of central government dated securities and participate in primary auctions. They are also mandated to achieve a minimum success ratio[26] of 40 per cent in primary auctions of treasury-bills and cash management bills (CMBs), assessed on a half-yearly basis. In 2024-25, all PDs achieved their minimum success ratio and subscribed to 74.8 per cent of the total quantum of treasury-bills issued during the year. PDs' share in allotment in the primary issuance of central government dated securities also increased during the same period (Table VI.20).

VI.57 The underwriting commission (excluding GST) paid to PDs during 2024-25 was ₹14.5 crore as compared to ₹41.1 crore in the previous year. The average rate of underwriting commission decreased to 0.1 paise/ ₹100 in 2024-25 from 0.3 paise/ ₹100 a year ago. The average rate of underwriting commission increased to 0.6 paise/₹100 in H1:2025-26, reflecting increased market volatility (Chart VI.32).

VI.58 The turnover target[27] to be achieved by PDs in the secondary market is fixed as a specific percentage of the average of the previous three years' overall outright market turnover

Table VI.20: Performance of PDs in the Primary Market

(₹ crore)

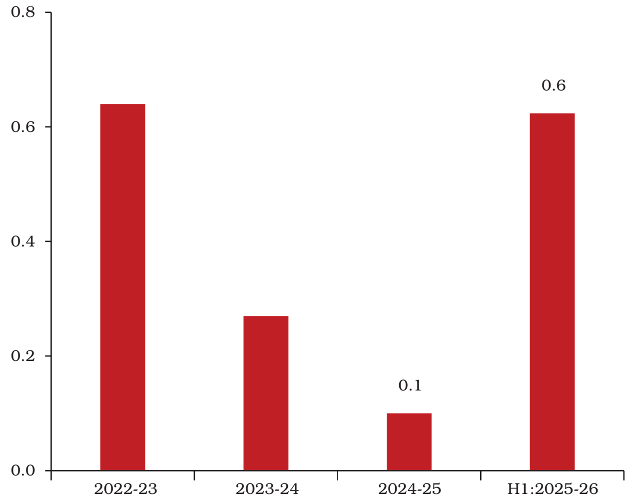
Items	2023-24	2024-25	H1:2025-26
1	2	3	4
Treasury Bills and CMBs			
(a) Bidding commitment	16,40,785	12,54,920	5,90,820
(b) Bids submitted	35,46,730	28,91,668	16,34,102
(c) Bids accepted	9,96,891	8,19,806	3,68,577
(d) Success ratio (c)/ (a) (per cent)	60.8	65.3	62.4
(e) Share of PDs in total allotment (per cent)	69.6	74.8	71.4
Central Government Dated Securities			
(f) Notified Amount	15,43,000	14,11,000	8,00,000
(g) Bids submitted	29,79,456	30,33,221	16,94,328
(h) Bids accepted	9,79,036	9,08,789	4,47,073
(i) Share of PDs in total allotment (per cent)	63.5	64.9	56.2

Note: Share in total allotment is calculated with respect to total issued amount.
Source: RBI.

26 Bids accepted as a proportion to minimum bidding commitment.
27 Minimum annual secondary market turnover.

Chart VI.32: Average Rate of Underwriting Commission of PDs

(Paise/ ₹ 100)



Source: RBI.

in central government dated securities. During 2024-25, the target for each PD was raised to two per cent as compared to 1.5 per cent in the previous year. Majority of the PDs individually achieved the minimum stipulated turnover ratio, reflecting their active participation in the secondary market. The turnover target for 2025-26 has been fixed at 2.5 per cent.

5.2. Performance of Standalone PDs

VI.59 SPDs' secondary market turnover in central government dated securities increased during 2024-25, however, their share as per cent of total market turnover declined marginally (Table VI.21).

Table VI.21: Performance of SPDs in the Secondary Market for Central Government Dated Securities

(₹ crore)

Items	2023-24	2024-25	H1:2025-26
1	2	3	4
Turnover of SPDs	43,93,097	51,51,124	29,38,197
Market turnover	2,18,03,213	2,70,23,416	1,64,67,920
Share of SPDs (per cent)	20.1	19.1	17.8

Note: 1. Turnover of SPDs has been arrived at by including their buy and sell volumes in the outright segment.
2. Market turnover is twice of the total volume in the outright segment.

Source: CCIL.

5.3. Sources and Application of SPDs' Funds

VI.60 The balance sheet size of SPDs expanded at a slower pace in 2024-25, after recording a robust growth in the previous year. This was mainly due to deceleration in the growth of current assets (primarily, G-secs and other marketable securities), which is the largest item on the assets side. Fixed assets of SPDs are negligible given the nature of business which is not branch or infrastructure oriented. On the liability side, the growth of secured loans (outstanding secured borrowing) slowed down, whereas, unsecured loans (outstanding unsecured borrowing) gained momentum, leading to a rise in the proportion of unsecured loans within the overall loan (outstanding borrowing) portfolio (Table VI.22).

5.4. Financial Performance of SPDs

VI.61 SPDs' income and expenditure expanded in double-digits in 2024-25 *albeit*, at a lower

Table VI.22: Sources and Applications of SPDs' Funds

(₹ crore)

Items	End-March 2024	End-March 2025	End-September 2025	Percentage Variation	
				2023-24	2024-25
1	2	3	4	5	6
1. Capital	2,368	2,512	2,512	0.0	6.1
2. Reserves and surplus	11,243	13,354	14,199	15.6	18.8
3. Loans (a+b)*	1,45,057	1,58,563	1,54,007	28.3	9.3
(a) Secured	1,25,026	1,31,973	1,25,915	29.7	5.6
(b) Unsecured	20,031	26,590	28,092	20.4	32.7
Liabilities/ Assets	**1,58,667**	**1,74,429**	**1,70,717**	**26.8**	**9.9**
1. Fixed assets	104	96	90	14.1	-8.1
2. HTM investments (a+b)	5,151	5,511	5,014	-17.9	7.0
(a) Government securities	4,904	5,258	4,733	-19.4	7.2
(b) Others	248	254	281	29.7	2.6
3. Current assets	1,54,122	1,73,220	1,68,542	30.2	12.4
4. Loans and advances	4,526	4,298	10,166	-6.5	-5.0
5. Deferred tax	-141	-116	14	-	-
6. Others	-18	-22	-3	-	-
7. Current liabilities	5,077	8,558	13,107	16.0	68.6

* Outstanding borrowing of SPDs; – denotes not applicable.

Notes: 1. Data are provisional.
2. Assets = [∑ (1 to 6) – 7].

Source: RBI.

Table VI.23: Financial Performance of SPDs

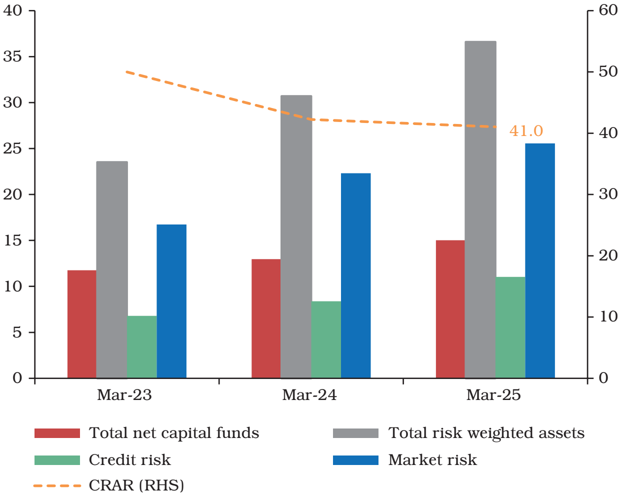
(₹ crore)

Items	2023-24	2024-25	H1: 2025-26	Percentage Variation	
				2023-24	2024-25
1	2	3	4	5	6
A. Income	**10,270**	**12,055**	**5,974**	**90.8**	**17.4**
(a) Interest and discount	9,158	10,635	5,535	57.5	16.1
(b) Trading profits	1,060	1,330	391	-	25.5
(c) Other income	52	90	48	-14.8	74.6
B. Expenses	**8,422**	**9,602**	**4,468**	**66.0**	**14.0**
(a) Interest	7,897	9,002	4,139	69.3	14.0
(b) Other*	524	601	329	28.0	14.5
C. Profit before tax	**2,237**	**2,831**	**1,507**	**361.6**	**26.6**
D. Profit after tax	**1,663**	**2,113**	**1,117**	**385.9**	**27.1**
E. Average assets	**1,41,916**	**1,66,548**	**1,72,573**		
F. Financial Ratios (per cent)					
(a) Return on average assets	1.2	1.3	1.3		
(b) Return on net worth	12.9	14.3	13.7		
(c) Cost to income ratio	22.1	19.7	17.9		

* Expenses including establishment and administrative costs.
– denotes not applicable.
Note: Figures may not add up to total due to rounding-off.
Source: RBI.

Chart VI.33: Capital and Risk-Weighted Asset Positions of SPDs

(₹ thousand crore, left scale; per cent, right scale)



Source: RBI.

rate than the previous year. Interest and discount income, the principal revenue stream for SPDs, remained robust. Profits expanded at a healthy pace which resulted in improvement in return on assets and net worth. With income growing faster than expenses, cost to income ratio declined during the same period (Table VI.23 and Appendix Table VI.9). The combined CRAR of SPDs remained above 40 per cent, much above the stipulated norm of 15 per cent (Chart VI.33 and Appendix Table VI.10).

6. Overall Assessment

VI.62 At end-March 2025, NBFCs accounted for around a quarter of the credit extended by SCBs, underscoring the growing importance of NBFCs in meeting the credit requirements of the economy. They recorded improvement in asset quality and remained well capitalised. Rising urbanisation and demand for dwellings have sustained the growth in credit by HFCs. The consolidated balance sheet of AIFIs recorded double digit growth. SPDs maintained sound financial position and carried out their function of underwriting and supplying liquidity in the G-sec market efficiently during the same period.

VI.63 Going forward, the performance of microfinance loans needs to be closely monitored. Regulatory measure to restore back the lower risk weights for bank lending to NBFCs along with easing of monetary policy is helping NBFCs in expanding their footprint. NBFCs should continue their diversification of funding sources and balance their growth aspirations with sound and fair practices to ensure inclusive growth and financial stability. They need to be vigilant about emerging technological and cyber challenges, besides promptly addressing customer grievances.

Appendix Table IV.1: Indian Banking Sector at a Glance

(Amount in ₹ crore)

Sr. No	Items	Amount Outstanding (At end-March)		Percentage Variation	
		2024	2025P	2024	2025P
1	2	3	4	5	6
1	**Balance Sheet Operations#**				
	1.1 Total Liabilities/assets	2,80,80,520	3,12,18,250	15.5	11.2
	1.2 Deposits	2,17,41,578	2,41,47,183	14.0	11.1
	1.3 Borrowings	25,40,474	27,17,607	29.8	7.0
	1.4 Loans and advances	1,71,42,309	1,91,19,608	19.7	11.5
	1.5 Investments	72,70,409	79,42,827	13.0	9.2
	1.6 Off-balance sheet exposure (as percentage of on-balance sheet liabilities)	138.6	161.9		
	1.7 Total consolidated international claims	6,32,852	9,98,116	-5.0	57.7
2	**Profitability#**				
	2.1 Net profit	3,49,603	4,01,180		
	2.2 Return on Asset (RoA) (Per cent) *	1.3	1.4		
	2.3 Return on Equity (RoE) (Per cent) *	13.6	13.5		
	2.4 Net Interest Margin (NIM) (Per cent)	3.3	3.1		
3	**Capital Adequacy #**				
	3.1 Capital to risk weighted assets ratio (CRAR) @	16.9	17.4		
	3.2 Tier I capital (as percentage of total capital) @	87.8	89.1		
	3.3 CRAR (tier I) (Per cent) @	14.8	15.5		
4	**Asset Quality #**				
	4.1 Gross NPAs	4,80,818	4,31,634	-15.9	-10.2
	4.2 Net NPAs	1,06,745	95,388	-21.1	-10.6
	4.3 Gross NPA ratio (Gross NPAs as percentage of gross advances)**	2.7	2.2		
	4.4 Net NPA ratio (Net NPAs as percentage of net advances)	0.6	0.5		
	4.5 Provision Coverage Ratio (Per cent) *	76.2	76.3		
	4.6 Slippage ratio (Per cent) *	1.5	1.4		
5	**Sectoral Deployment of Bank Credit #^^**				
	5.1 Gross bank credit	1,64,32,164	1,82,43,972	20.2	11.0
	5.2 Agriculture	20,71,251	22,87,060	20.0	10.4
	5.3 Industry	36,82,393	39,85,660	9.4	8.2
	5.4 Services	45,47,237	50,93,565	22.3	12.0
	5.5 Personal loans	53,46,691	59,71,696	27.8	11.7
6	**Technological Development**				
	6.1 Total number of credit cards (in lakhs)	1,018	1,099	19.3	7.9
	6.2 Total number of debit cards (in lakhs)	9,649	9,908	0.4	2.7
	6.3 Number of ATMs and CRMs (in lakhs)	2.58	2.56	-0.3	-0.7
7	**Customer Services**				
	7.1 Total number of complaints received during the year^	2,93,924	2,96,321	25.2	0.8
	7.2 Total number of complaints handled during the year ##	2,99,022	3,12,204	21.9	4.4
	Of 7.2 Total number of complaints addressed/disposed during the year	2,84,355	2,90,567	18.3	2.2
	Of 7.2 Percentage of complaints addressed/disposed during the year	95.1	93.1		
8	**Financial Inclusion**				
	8.1 Credit-deposit ratio (Per cent) #	78.8	79.2		
	8.2 Number of new bank branches opened during the year	5,379	4,991	0.8	-7.2

#　: Data pertain to SCBs excluding RRBs.
P : Provisional.
* : Based on off-site returns.
** : Calculated by taking gross NPAs from annual accounts of respective banks and gross advances from off-site returns (global operations), RBI.
@ : Figures are as per the Basel III framework.
^ : Excludes complaints closed at CRPC and those auto closed at the CMS Portal.
: Complaints handled also include complaints brought forward from previous year.
^^ : Gross bank credit data is based on fortnightly Section-42 return while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total non-food credit extended by all SCBs, pertaining to the last reporting Friday of the month.

Notes: 1. Table includes the impact of the merger of a non-bank with a bank.
2. Percentage variation could be slightly different as figures have been rounded off to lakh/crore.

Appendix Table IV.2: International Liabilities of Banks in India – By Type of Instruments

(Amount in ₹ crore)

Liability Type	Amount Outstanding (At end-March)		Percentage Variation	
	2024 (PR)	2025 (PR)	2023-24	2024-25
1	2	3	4	5
1. Loans and Deposits	**15,69,186**	**17,88,853**	**21.1**	**14.0**
	(63.8)	**(63.9)**		
a) Foreign Currency Non-resident (Bank) [FCNR (B)] Scheme	1,98,611	2,84,402	46.3	43.2
	(8.1)	(10.2)		
b) Foreign Currency Borrowings*	1,59,151	1,82,247	64.8	14.5
	(6.5)	(6.5)		
c) Non-resident External Rupee (NRE) Accounts	8,12,252	8,69,802	6.2	7.1
	(33.0)	(31.1)		
d) Non-resident Ordinary (NRO) Rupee Accounts	2,28,483	2,69,624	38.7	18.0
	(9.3)	(9.6)		
2. Own Issues of Securities/ Bonds	**3,044**	**740**	**0.2**	**-75.7**
	(0.1)	**(0.0)**		
3. Other liabilities	**8,24,875**	**9,51,289**	**20.0**	**15.3**
	(33.6)	**(34.0)**		
Of which:				
a) ADRs/GDRs	1,50,363	1,78,991	26.7	19.0
	(6.1)	(6.4)		
b) Equities of Banks	4,72,007	5,28,832	22.0	12.0
Held by Non-residents	(19.2)	(18.9)		
c) Capital / Remittable Profits of Foreign Banks in India and Other Unclassified International Liabilities	2,02,504	2,43,467	11.4	20.2
	(8.2)	(8.7)		
4. Negative MTM Derivatives	**60,718**	**58,306**	**-13.1**	**-4.0**
	(2.5)	**(2.1)**		
Total International Liabilities	**24,57,823**	**27,99,188**	**19.5**	**13.9**
	(100.0)	**(100.0)**		

PR : Partially Revised.
* : Inter-bank borrowings in India and from abroad and external commercial borrowings of banks.

Notes: 1. Percentage variation could be slightly different as absolute numbers have been rounded off to ₹ crore.
2. Based on the latest BIS guidelines, MTM derivatives have been introduced in this statement from September 2022 quarter.
3. Figures in parentheses are percentages to total.

Source: International Banking Statistics, RBI.

Appendix Table IV.3: International Assets of Banks in India - By Type of Instruments

(Amount in ₹ crore)

Asset Type	Amount Outstanding (At end-March)		Percentage Variation	
	2024 (PR)	2025 (PR)	2023-24	2024-25
1	2	3	4	5
1. Loans and Deposits	**4,39,804**	**7,80,804**	**-20.4**	**77.5**
	(86.3)	**(88.9)**		
Of which:				
(a) Loans to Non-residents	97,450	1,86,907	-26.8	91.8
	(19.1)	(21.3)		
(b) Foreign Currency Loan to Residents	1,21,229	1,74,440	11.9	43.9
	(23.8)	(19.9)		
(c) Outstanding Export Bills	29,228	39,590	-14.6	35.5
	(5.7)	(4.5)		
(d) Foreign Currency in hand, Travellers Cheques, etc.	858	790	15.5	-7.9
	(0.2)	(0.1)		
(e) NOSTRO Balances and Placements Abroad	1,91,039	3,79,078	-30.8	98.4
	(37.5)	(43.1)		
2. Holdings of Debt Securities	**11,816**	**42,826**	**-73.5**	**262.4**
	(2.3)	**(4.9)**		
3. Other International Assets	**13,865**	**16,926**	**-34.5**	**22.1**
	(2.7)	**(1.9)**		
4. Positive MTM Derivative	**43,890**	**38,162**	**-7.5**	**-13.0**
	(8.6)	**(4.3)**		
Total International Assets*	**5,09,375**	**8,78,718**	**-23.5**	**72.5**
	(100.0)	**(100.0)**		

* : In view of the incomplete data coverage from all the branches, the data reported under the locational banking statistics (LBS) are not strictly comparable with those capturing data from all the branches.

PR : Partially Revised.

Notes: 1. The sum of components may not add up due to rounding off.

2. Based on the latest BIS guidelines, MTM derivatives have been introduced in this statement from September 2022 quarter.

3. Figures in parentheses are percentages to total.

Source: International Banking Statistics, RBI.

Appendix Table IV.4: Consolidated International Claims of Banks on Countries other than India

(Amount in ₹ crore)

Country	Amount Outstanding (At end-March)		Percentage Variation	
	2024 (PR)	2025 (PR)	2023-24	2024-25
1	2	3	4	5
Total Consolidated International Claims	**6,32,852**	**9,98,116**	**-5.0**	**57.7**
Of which				
1. United States of America	1,86,677	3,43,089	-18.5	83.8
	(29.5)	(34.4)		
2. United Kingdom	67,944	98,600	2.8	45.1
	(10.7)	(9.9)		
3. Hong Kong	24,972	18,735	22.0	-25.0
	(3.9)	(1.9)		
4. Singapore	48,363	66,228	4.2	36.9
	(7.6)	(6.6)		
5. United Arab Emirates	75,242	1,22,851	-12.3	63.3
	(11.9)	(12.3)		
6. Germany	20,044	30,148	19.8	50.4
	(3.2)	(3.0)		

PR : Partially Revised.

Notes: 1. Percentage variation could be slightly different as absolute numbers have been rounded off to ₹ crore.
2. Figures in parentheses are percentages to total.

Source: International Banking Statistics, RBI.

Appendix Table IV.5: Consolidated International Claims of Banks: Residual Maturity and Sector

(Amount in ₹ crore)

Residual Maturity/Sector	Amount Outstanding (At end-March)		Percentage Variation	
	2024 (PR)	2025 (P)	2023-24	2024-25
1	2	3	4	5
Total Consolidated International Claims	**6,32,852**	**9,98,116**	**-5.0**	**57.7**
	(100.0)	**(100.0)**		
Residual Maturity				
Short Term	5,28,829	8,00,135	2.1	51.3
	(83.6)	(80.2)		
Long Term	1,01,514	1,91,324	-28.8	88.5
	(16.0)	(19.2)		
Unallocated	2,509	6,657	-53.7	165.3
	(0.4)	(0.7)		
Sector				
Banks	2,64,100	5,11,451	-15.1	93.7
	(41.7)	(51.2)		
Official Sector	46,513	74,672	-6.5	60.5
	(7.3)	(7.5)		
Non-Bank Financial Institutions	2,457	53,442	33.7	2,075.2
	(0.4)	(5.4)		
Non-Financial Private	2,97,151	3,31,374	21.4	11.5
	(47.0)	(33.2)		
Others	22,631	27,177	-61.4	20.1
	(3.6)	(2.7)		

PR : Partially Revised.

P : Provisional.

Notes: 1. The sum of components may not add up due to rounding off.

2. Residual Maturity 'Unallocated' comprises maturity not applicable (for example, for equities) and maturity information not available.
3. The official sector includes official monetary authorities, general government and multilateral agencies.
4. Non-financial private sector includes non-financial corporations and households including non-profit institutions serving households (NPISHs).
5. Others include non-financial public sector undertakings and the unallocated sector.
6. Percentage variation could be slightly different as absolute numbers have been rounded off to ₹ crore.
7. Figures in parentheses are percentages to total.

Source: International Banking Statistics, RBI.

Appendix Table IV.6: Off-Balance Sheet Exposure of Scheduled Commercial Banks in India

(Amount in ₹ crore)

Item	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks		Payments Banks		All Scheduled Commercial Banks	
	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Forward exchange contract@	43,03,018 (25.1)	31.9	1,52,56,379 (131.7)	29.9	2,73,16,828 (1,331.3)	32.4	1,791* (0.4)	-	0 (0.0)	-	4,68,78,016 (150.2)	31.5
2. Guarantees given	6,81,727 (4.0)	8.0	7,61,835 (6.6)	13.9	2,19,943 (10.7)	5.2	4,426 (1.1)	22.0	0 (0.0)	-	16,67,932 (5.3)	10.3
3. Acceptances, endorsements, etc.	14,62,023 (8.5)	16.2	4,21,525 (3.6)	5.8	1,19,084 (5.8)	-1.4	3,147 (0.8)	31.4	483 (1.3)	24.0	20,06,262 (6.4)	12.7
Contingent Liabilities	**64,46,768 (37.6)**	**25.1**	**1,64,39,739 (141.9)**	**28.3**	**2,76,55,856 (1,347.8)**	**31.9**	**9,364 (2.3)**	**55.4**	**483 (1.3)**	**24.0**	**5,05,52,209 (161.9)**	**29.8**

@: Includes all derivative products (including interest rate swaps) as admissible.

-: Not meaningful.

*: The amount of off-balance sheet exposure of SFBs due to forward exchange contract for 2023-24 stood at ₹5.0 crore.

Note: Figures in brackets are percentages to total liabilities of the concerned bank-group.

Source: Annual accounts of respective banks.

Appendix Table IV.7: Frauds in Various Banking Operations Based on Date of Reporting *(Continued)*

(Amount in ₹ crore)

Area of Operations	2004-05		2005-06		2006-07		2007-08		2008-09		2009-10		2010-11	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Advances	1,564	672	1,523	1,161	1,734	1,055	1,750	721	1,976	1,388	2,190	1,263	2,382	2,740
Card/Internet	26	3	144	6	491	11	679	15	1,036	37	1,215	35	763	21
Cash	75	4	89	16	87	7	99	5	141	36	143	14	154	21
Cheques/DDs, etc.	108	15	110	9	141	10	192	17	234	15	202	17	184	27
Clearing Accounts, etc.	20	2	23	4	35	12	30	9	52	45	51	7	34	11
Deposits	374	28	325	28	384	49	458	79	599	66	666	195	790	583
Forex Transactions	16	14	10	31	28	7	25	30	15	14	16	28	19	148
Inter-Branch Accounts	31	6	36	7	18	1	22	3	16	5	18	2	10	1
Non-resident accounts	11	2	9	0	17	1	9	4	26	2	13	2	9	2
Off-balance Sheet	6	33	7	25	4	4	6	8	9	22	10	370	10	212
Others	204	16	148	29	88	51	97	26	146	39	146	64	179	56
Total	**2,435**	**795**	**2,424**	**1,315**	**3,027**	**1,208**	**3,367**	**917**	**4,250**	**1,669**	**4,670**	**1,997**	**4,534**	**3,822**

Notes: 1. Refers to frauds of ₹1 lakh and above.

2. The figures reported by banks and financial institutions are subject to change based on revisions filed by them.
3. Frauds reported in a year could have occurred several years prior to year of reporting.
4. Amounts involved are as reported and do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved in loan accounts is not necessarily diverted.
5. As on September 30, 2025, 942 frauds amounting to ₹1,28,031 crore were withdrawn by banks and financial institutions due to non-compliance with the principles of natural justice as per the judgment of the Hon'ble Supreme Court of India dated March 27, 2023.
6. Data pertaining to 2024-25 includes fraud classification in 122 cases amounting to ₹18,336 crore, pertaining to previous financial years, reported afresh during the financial year 2024-25 after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court of India, dated March 27, 2023.
7. Constituent items may not add up to the total due to rounding off.
8. Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s).

Source: RBI.

Appendix Table IV.7: Frauds in Various Banking Operations Based on Date of Reporting *(Continued)*

(Amount in ₹ crore)

Area of Operations	2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**
Advances	1,953	3,552	2,087	6,530	1,977	7,885	2,244	16,652	2,111	17,051	2,306	20,120	2,513	22,276
Card/Internet	629	23	793	49	978	54	845	52	1,191	40	1,372	42	2,058	102
Cash	173	20	140	23	145	24	153	43	160	22	239	37	218	40
Cheques/DDs, etc.	172	40	141	22	180	19	254	26	234	25	235	40	207	34
Clearing Accounts, etc.	38	31	36	7	36	24	29	7	17	87	27	6	37	6
Deposits	857	219	791	291	773	331	875	437	759	809	693	903	691	457
Forex Transactions	22	130	10	98	9	144	13	787	16	31	16	2,201	9	1,426
Inter-Branch Accounts	24	8	6	3	7	1	4	0	4	10	1	0	6	1
Non-resident accounts	11	3	17	3	38	10	23	8	8	9	10	3	6	6
Off-balance Sheet	5	373	18	1,527	15	1,088	10	699	4	132	5	63	20	16,288
Others	207	98	197	112	135	64	179	162	176	146	153	77	138	242
Total	**4,091**	**4,497**	**4,236**	**8,665**	**4,293**	**9,644**	**4,629**	**18,873**	**4,680**	**18,362**	**5,057**	**23,492**	**5,903**	**40,877**

Notes: 1. Refers to frauds of ₹1 lakh and above.
2. The figures reported by banks and financial institutions are subject to change based on revisions filed by them.
3. Frauds reported in a year could have occurred several years prior to year of reporting.
4. Amounts involved are as reported and do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved in loan accounts is not necessarily diverted.
5. As on September 30, 2025, 942 frauds amounting to ₹1,28,031 crore were withdrawn by banks and financial institutions due to non-compliance with the principles of natural justice as per the judgment of the Hon'ble Supreme Court of India dated March 27, 2023.
6. Data pertaining to 2024-25 includes fraud classification in 122 cases amounting to ₹18,336 crore, pertaining to previous financial years, reported afresh during the financial year 2024-25 after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court of India, dated March 27, 2023.
7. Constituent items may not add up to the total due to rounding off.
8. Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s).

Source: RBI.

Appendix Table IV.7: Frauds in Various Banking Operations Based on Date of Reporting *(Concluded)*

(Amount in ₹ crore)

Area of Operations	2018-19		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25		2025-26 (till September 2025)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	**30**	**31**	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**	**41**	**42**	**43**	**44**	**45**
Advances	3,520	51,299	4,384	1,50,865	3,276	1,02,759	3,677	34,532	3,989	15,065	4,113	9,160	7,934	31,911	4,255	17,501
Card/Internet	1,866	71	2,677	129	2,545	119	3,596	155	6,699	277	29,080	1,457	13,469	520	195	14
Cash	272	56	371	63	329	39	649	93	1,485	159	484	78	306	39	116	27
Cheques/DDs, etc.	189	34	201	39	163	84	201	158	118	25	127	42	122	74	51	8
Clearing Accounts, *etc.*	24	209	22	7	14	4	16	1	18	3	17	2	6	2	2	6
Deposits	593	148	530	616	502	403	471	493	652	259	2,002	240	1,207	521	222	131
Forex Transactions	13	695	8	54	4	129	7	7	13	12	19	38	23	16	21	124
Inter-Branch Accounts	3	0	2	0	2	0	3	2	3	0	29	10	14	26	19	19
Non-resident accounts	3	0	8	1	1	0	1	2	2	1	6	2	1	1	-	-
Off-balance Sheet	26	5,214	25	2,149	22	520	21	1,077	13	280	10	199	8	270	3	1
Others	197	244	242	172	277	54	299	98	470	421	165	33	789	1,391	208	3,684
Total	**6,706**	**57,970**	**8,470**	**1,54,096**	**7,135**	**1,04,111**	**8,941**	**36,617**	**13,462**	**16,502**	**36,052**	**11,261**	**23,879**	**34,771**	**5,092**	**21,515**

-: Nil.

Notes: 1. Refers to frauds of ₹1 lakh and above.

2. The figures reported by banks and financial institutions are subject to change based on revisions filed by them.
3. Frauds reported in a year could have occurred several years prior to year of reporting.
4. Amounts involved are as reported and do not reflect the amount of loss incurred. Depending on recoveries, the loss incurred gets reduced. Further, the entire amount involved in loan accounts is not necessarily diverted.
5. As on September 30, 2025, 942 frauds amounting to ₹1,28,031 crore were withdrawn by banks and financial institutions due to non-compliance with the principles of natural justice as per the judgment of the Hon'ble Supreme Court of India dated March 27, 2023.
6. Data pertaining to 2024-25 includes fraud classification in 122 cases amounting to ₹18,336 crore, pertaining to previous financial years, reported afresh during the financial year 2024-25 after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court of India, dated March 27, 2023.
7. Constituent items may not add up to the total due to rounding off.
8. Directions on Fraud Risk Management dated July 15, 2024, the banks are reporting only those payment system related transactions which are concluded as fraud committed on bank(s).

Source: RBI.

Appendix Table IV.8: Kisan Credit Card Scheme: State-wise Progress *(Continued)*

(Amount in ₹ crore and number of cards issued in '000)

Sr. No.	State/UT	Co-operative Banks				Regional Rural Banks			
		Number of Operative KCCs		Amount outstanding under Operative KCCs		Number of Operative KCCs		Amount outstanding under Operative KCCs	
		2024	2025P	2024	2025P	2024	2025P	2024	2025P
1	2	3	4	5	6	7	8	9	10
	Northern Region	**5,564**	**5,665**	**37,387**	**35,185**	**1,556**	**1,724**	**40,101**	**40,842**
1	Haryana	1,154	1,137	13,063	12,557	307	337	9,054	8,880
2	Himachal Pradesh	134	123	2,302	2,176	92	96	1,425	1,487
3	Jammu & Kashmir	7	7	63	75	134	136	1,152	1,163
4	Ladakh	0	0	0	0	0	0	0	0
5	New Delhi	0	0	0	0	0	0	0	0
6	Punjab	910	868	6,645	5,875	160	159	6,582	6,678
7	Rajasthan	3,358	3,531	15,314	14,501	863	995	21,889	22,635
8	Chandigarh	0	0	0	0	0	0	0	0
	North-Eastern Region	**47**	**61**	**180**	**186**	**456**	**442**	**2,495**	**2,396**
9	Assam	1	1	20	28	281	278	1,623	1,651
10	Arunachal Pradesh	1	0	7	4	2	2	16	14
11	Meghalaya	12	11	49	52	39	43	237	259
12	Mizoram	1	1	11	11	33	24	413	272
13	Manipur	3	3	18	19	10	9	48	43
14	Nagaland	4	4	22	22	1	0	1	1
15	Tripura	21	38	40	34	90	85	157	155
16	Sikkim	2	2	11	16	0	0	0	0
	Western Region	**4,600**	**4,670**	**43,789**	**50,114**	**1,264**	**1,254**	**17,834**	**18,246**
17	Gujarat	999	1,077	16,106	19,199	502	521	10,192	10,582
18	Maharashtra	3,598	3,592	27,674	30,896	762	734	7,642	7,664
19	Goa	2	2	10	19	0	0	0	0
20	Dadara & Nagar Haveli & Daman & Diu	0	0	0	0	0	0	0	0
	Central Region	**8,683**	**8,464**	**36,877**	**42,714**	**4,518**	**4,609**	**62,662**	**61,579**
21	Uttar Pradesh	2,673	2,691	8,964	9,389	3,851	3,878	52,694	51,710
22	Uttarakhand	302	266	1,297	1,238	30	31	219	225
23	Madhya Pradesh	4,008	4,016	23,946	25,497	464	543	8,041	7,954
24	Chhattisgarh	1,700	1,491	2,671	6,591	173	156	1,708	1,690
	Southern Region	**9,004**	**9,263**	**65,456**	**68,405**	**4,082**	**4,105**	**56,259**	**57,085**
25	Karnataka	3,673	3,800	24,751	26,768	839	834	16,152	16,742
26	Kerala	551	613	5,470	4,821	541	533	9,597	9,608
27	Andhra Pradesh	1,682	1,564	13,733	13,371	972	1,006	12,138	12,225
28	Tamil Nadu	2,201	2,440	16,030	18,182	160	163	3,124	3,212
29	Telangana	897	846	5,470	5,263	1,568	1,566	15,233	15,263
30	Lakshadweep	0	0	0	0	0	0	0	0
31	Puducherry	0	0	1	0	2	3	15	34
	Eastern Region	**5,265**	**5,504**	**25,203**	**23,739**	**2,652**	**2,632**	**18,546**	**18,689**
32	Odisha	3,358	3,207	19,624	17,181	447	425	2,737	2,677
33	West Bengal	1,477	1,935	4,755	5,848	410	405	2,199	2,134
34	Andaman and Nicobar Islands	8	8	19	19	0	0	0	0
35	Bihar	407	338	752	639	1,420	1,428	11,133	11,275
36	Jharkhand	16	16	54	52	374	374	2,477	2,604
	Total	**33,162**	**33,628**	**2,08,893**	**2,20,343**	**14,528**	**14,765**	**1,97,897**	**1,98,836**

P: Provisional.
Source: NABARD/Returns from Scheduled Commercial Banks (excluding RRBs).

Appendix Table IV.8: Kisan Credit Card Scheme: State-wise Progress *(Concluded)*

(Amount in ₹ crore and number of cards issued in '000)

Sr. No.	State/UT	Scheduled Commercial Banks (excluding RRBs)				Total			
		Number of Operative KCCs		Amount outstanding under Operative KCCs		Number of Operative KCCs		Amount outstanding under Operative KCCs	
		2024	2025P	2024	2025P	2024	2025P	2024	2025P
1	2	11	12	13	14	15	16	17	18
	Northern Region	**5,925**	**5,961**	**1,59,797**	**1,66,661**	**13,045**	**13,350**	**2,37,286**	**2,42,687**
1	Haryana	901	926	31,883	33,974	2,362	2,400	54,000	55,411
2	Himachal Pradesh	277	291	5,345	5,909	503	510	9,072	9,572
3	Jammu & Kashmir	926	970	5,759	6,141	1,067	1,113	6,974	7,379
4	Ladakh	28	28	268	272	28	28	268	272
5	New Delhi	3	3	43	41	3	3	43	41
6	Punjab	1,164	1,140	44,604	44,983	2,235	2,168	57,830	57,536
7	Rajasthan	2,624	2,601	71,770	75,228	6,846	7,127	1,08,973	1,12,364
8	Chandigarh	2	1	126	113	2	1	126	113
	North-Eastern Region	**542**	**438**	**4,056**	**4,531**	**1,045**	**941**	**6,731**	**7,113**
9	Assam	389	273	2,973	3,251	671	553	4,616	4,931
10	Arunachal Pradesh	16	20	172	236	18	22	195	254
11	Meghalaya	26	32	181	245	77	86	467	557
12	Mizoram	18	17	94	104	52	43	518	387
13	Manipur	6	6	92	99	20	18	159	161
14	Nagaland	27	32	168	211	32	37	192	234
15	Tripura	53	48	326	329	165	171	522	518
16	Sikkim	8	9	50	55	10	11	62	71
	Western Region	**4,505**	**4,344**	**87,715**	**94,355**	**10,368**	**10,269**	**1,49,339**	**1,62,715**
17	Gujarat	1,637	1,627	44,835	47,660	3,137	3,225	71,132	77,441
18	Maharashtra	2,857	2,706	42,702	46,489	7,218	7,031	78,018	85,049
19	Goa	9	10	138	158	12	12	148	178
20	Dadara & Nagar Haveli & Daman & Diu	2	1	40	47	2	1	40	47
	Central Region	**6,917**	**6,821**	**1,40,667**	**1,47,140**	**20,117**	**19,894**	**2,40,205**	**2,51,433**
21	Uttar Pradesh	4,394	4,387	76,963	80,276	10,917	10,956	1,38,621	1,41,375
22	Uttarakhand	222	214	4,964	4,775	554	512	6,479	6,238
23	Madhya Pradesh	2,029	1,959	52,537	55,282	6,500	6,517	84,523	88,732
24	Chhattisgarh	272	261	6,203	6,807	2,146	1,909	10,582	15,088
	Southern Region	**8,488**	**7,990**	**1,56,799**	**1,61,133**	**21,574**	**21,357**	**2,78,514**	**2,86,622**
25	Karnataka	987	941	21,891	24,115	5,499	5,575	62,794	67,625
26	Kerala	1,566	1,265	34,885	30,359	2,658	2,412	49,952	44,788
27	Andhra Pradesh	2,200	2,164	39,583	42,407	4,853	4,734	65,455	68,003
28	Tamil Nadu	1,671	1,436	32,959	33,727	4,032	4,038	52,112	55,121
29	Telangana	2,044	2,164	27,083	30,068	4,509	4,576	47,786	50,594
30	Lakshadweep	3	3	22	28	3	3	22	28
31	Puducherry	18	16	376	429	20	19	392	463
	Eastern Region	**3,438**	**3,461**	**25,940**	**27,156**	**11,355**	**11,597**	**69,689**	**69,584**
32	Odisha	660	647	6,736	7,207	4,466	4,279	29,097	27,064
33	West Bengal	1,118	1,181	8,902	9,477	3,005	3,520	15,856	17,459
34	Andaman and Nicobar Islands	1	1	5	5	8	8	23	24
35	Bihar	1,053	1,054	7,267	7,456	2,881	2,821	19,152	19,369
36	Jharkhand	606	579	3,029	3,011	996	969	5,560	5,668
	Total	**29,814**	**29,016**	**5,74,974**	**6,00,975**	**77,504**	**77,409**	**9,81,764**	**10,20,154**

P: Provisional.

Source: NABARD/Returns from Scheduled Commercial Banks (excluding RRBs).

Appendix Table IV.9: Bank Group-wise Lending to the Sensitive Sectors

(Amount in ₹ crore)

Sector	Public Sector Banks		Private Sector Banks		Foreign Banks		Small Finance Banks		Scheduled Commercial Banks*	
	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation	2024-25	Percent Variation
1	2	3	4	5	6	7	8	9	10	11
1. Capital Market #	87,924 (0.8)	29.1	1,91,945 (2.6)	18.4	25,568 (4.1)	89.4	1,178 (0.4)	144.2	3,06,616 (1.6)	25.5
2. Real Estate @	23,39,469 (21.8)	15.2	23,39,033 (31.3)	5.4	1,37,402 (22.2)	6.6	63,506 (23.3)	40.7	48,79,410 (25.5)	10.3
3. Commodities	-	-	-	-	-	-	-	-	-	-
Total Advances to Sensitive Sectors	**24,27,394 (22.6)**	**15.6**	**25,30,979 (33.9)**	**6.3**	**1,62,970 (26.3)**	**14.5**	**64,684 (23.7)**	**41.8**	**51,86,026 (27.1)**	**11.1**

- : Nil/Negligible.
: Exposure to capital market is inclusive of both investments and advances.
* : Inclusive of Payments Banks.
@ : Exposure to real estate sector is inclusive of both direct and indirect lending.
Note: Figures in brackets are percentages to total loans and advances of the concerned bank-group.
Source: Annual accounts of respective banks.

Appendix Table IV.10: Shareholding Pattern of Domestic Scheduled Commercial Banks *(Continued)*

(At end-March 2025)

Sr. No.	Name of Bank	Government	Financial Institution (including mutual funds)		Other Corporates		Individuals		Total	
		Resident	Resident	Non Resident	Resident	Non Resident	Resident	Non Resident	Resident	Non Resident
1	2	3	4	5	6	7	8	9	10	11
	Public Sector Banks									
1	Bank of Baroda	64.0	9.2	0.0	10.0	9.0	7.5	0.5	90.6	9.4
2	Bank of India	73.4	15.9	3.9	0.4	0.0	6.2	0.2	95.9	4.1
3	Bank of Maharashtra	79.6	10.7	1.7	0.4	0.0	7.4	0.2	98.1	1.9
4	Canara Bank	62.9	11.9	10.6	1.1	0.0	13.3	0.3	89.2	10.8
5	Central Bank of India	89.3	5.2	1.3	0.2	0.0	4.0	0.1	98.7	1.3
6	Indian Bank	73.8	17.8	4.7	0.3	0.0	3.2	0.2	95.1	4.9
7	Indian Overseas Bank	94.6	2.6	0.2	0.3	0.0	2.2	0.1	99.7	0.3
8	Punjab and Sind Bank	93.9	4.3	0.0	0.1	0.7	0.9	0.0	99.2	0.8
9	Punjab National Bank	70.1	14.7	5.7	0.5	0.0	8.8	0.2	94.1	5.9
10	State Bank of India	57.0	25.0	10.0	1.0	1.0	6.0	0.0	89.0	11.0
11	UCO Bank	91.0	5.4	0.4	0.3	0.0	3.0	0.1	99.5	0.5
12	Union Bank of India	74.8	3.8	7.1	8.5	0.0	5.7	0.1	92.8	7.3
	Private Sector Banks									
1	Axis Bank Ltd.	0.0	47.4	45.8	1.0	0.0	5.4	0.3	53.9	46.1
2	Bandhan Bank Ltd.	0.1	16.4	22.7	42.2	0.0	18.0	0.7	76.5	23.5
3	City Union Bank Ltd.	0.0	32.4	28.0	3.0	0.0	35.5	1.0	71.0	29.0
4	CSB Bank Ltd.	0.0	15.9	0.0	6.0	53.4	18.0	6.7	39.9	60.1
5	DCB Bank Ltd.	1.1	27.5	0.0	7.5	23.6	38.5	2.0	74.5	25.5
6	Dhanalakshmi Bank Ltd.	0.3	0.1	0.0	16.5	15.3	50.3	17.5	67.2	32.8
7	Federal Bank Ltd.	0.0	48.0	27.0	3.0	0.0	18.0	4.0	69.0	31.0
8	HDFC Bank Ltd.	0.1	31.4	55.5	1.7	0.0	11.1	0.3	44.3	55.7
9	ICICI Bank Ltd.	0.2	26.5	56.0	10.9	0.0	6.2	0.2	43.8	56.2
10	IDBI Bank Ltd.	45.5	49.4	0.5	0.5	0.0	4.0	0.1	99.4	0.6
11	IDFC First Bank Ltd.	9.2	19.3	25.7	3.7	0.0	40.0	2.2	72.1	27.9
12	Indusind Bank Ltd.	0.0	39.8	29.4	4.6	15.2	10.3	0.7	54.7	45.3
13	Jammu and Kashmir Bank Ltd.	59.4	6.5	7.6	2.3	0.0	22.3	1.9	90.5	9.5
14	Karnataka Bank Ltd.	0.0	18.2	0.0	5.4	12.9	61.2	2.5	84.7	15.3
15	Karur Vysya Bank Ltd.	0.0	37.0	0.0	4.2	15.1	42.5	1.2	83.7	16.3
16	Kotak Mahindra Bank Ltd.	0.0	27.8	32.7	3.3	1.0	34.7	0.5	65.8	34.2
17	Nainital Bank Ltd.	0.0	98.6	0.0	0.0	0.0	1.4	0.0	100.0	0.0
18	RBL Bank Ltd.	0.4	19.1	0.0	16.5	21.8	40.4	1.8	76.4	23.6
19	South Indian Bank Ltd.	0.0	8.3	0.0	6.3	12.0	65.3	8.2	79.9	20.1
20	Tamilnad Mercantile Bank Ltd.	0.0	0.6	4.2	8.2	22.4	63.0	1.6	71.8	28.2
21	Yes Bank Ltd.	0.0	39.5	26.9	2.7	0.0	29.3	1.6	71.5	28.5

Notes: 1. Total may not add up to 100 due to rounding off.
2. This table also includes data for local area banks.

Source: Off-site returns (domestic), RBI.

Appendix Table IV.10: Shareholding Pattern of Domestic Scheduled Commercial Banks *(Concluded)*

(At end-March 2025)

Sr. No.	Name of Bank	Government	Financial Institution (including mutual funds)		Other Corporates		Individuals		Total	
		Resident	Resident	Non Resident	Resident	Non Resident	Resident	Non Resident	Resident	Non Resident
1	2	3	4	5	6	7	8	9	10	11
	Small Finance Banks									
1	AU Small Finance Bank	0.0	20.4	32.9	11.2	6.3	29.1	0.1	60.7	39.3
2	Capital Small Finance Bank	0.1	31.9	1.3	7.0	0.0	43.6	16.1	82.6	17.4
3	Equitas Small Finance Bank	0.0	42.7	2.9	20.5	0.0	32.4	1.6	95.6	4.5
4	ESAF Small Finance Bank	0.0	56.5	0.0	12.1	0.3	22.5	8.7	91.1	8.9
5	Jana Small Finance Bank	0.0	4.7	0.0	45.8	27.5	21.6	0.5	72.1	27.9
6	North East Small Finance Bank	0.0	0.7	0.0	30.7	47.4	21.1	0.1	52.6	47.4
7	Shivalik Small Finance Bank	0.0	0.8	0.0	9.8	24.8	64.5	0.2	75.1	25.0
8	Suryoday Small Finance Bank	0.0	5.7	0.0	6.5	21.7	65.2	1.0	77.3	22.7
9	Ujjivan Small Finance Bank	0.0	8.5	0.0	8.5	19.5	59.5	4.1	76.4	23.6
10	Unity Small Finance Bank	0.0	51.0	0.0	49.0	0.0	0.0	0.0	100.0	0.0
11	Utkarsh Small Finance Bank	0.0	76.0	5.7	2.3	0.0	15.6	0.5	93.9	6.2
	Local Area Banks									
1	Coastal Local Area Bank Ltd.	0.0	0.0	0.0	21.4	0.0	17.2	61.4	38.6	61.4
2	Krishna Bhima Samruddhi Local Area Bank Ltd.	0.0	0.0	0.0	21.7	0.0	78.4	0.0	100.0	0.0

Notes: 1. Total may not add up to 100 due to rounding off.
2. This table also includes data for local area banks.

Source: Off-site returns (domestic), RBI.

Appendix Table IV.11: Overseas Operations of Indian Banks

(At end-March)

Sr. No.	Name of the Bank	Branch		Subsidiary		Representative Office		Joint Venture Bank		Other Offices*		Total	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Public Sector Banks	**99**	**99**	**22**	**22**	**11**	**11**	**6**	**5**	**33**	**32**	**171**	**169**
1	Bank of Baroda	28	28	7	7	0	0	2	2	10	9	47	46
2	Bank of India	21	21	4	4	1	1	0	0	0	0	26	26
3	Canara Bank	3	3	1	1	1	1	0	0	0	0	5	5
4	Indian Bank	3	3	0	0	0	0	0	0	0	0	3	3
5	Indian Overseas Bank	4	4	0	0	0	0	0	0	0	0	4	4
6	Punjab National Bank	1	1	2	2	2	2	2	1	0	0	7	6
7	State Bank of India	35	35	7	7	6	6	2	2	23	23	73	73
8	UCO Bank	2	2	0	0	1	1	0	0	0	0	3	3
9	Union Bank of India	2	2	1	1	0	0	0	0	0	0	3	3
	Private Sector Banks	**13**	**13**	**3**	**2**	**25**	**26**	**0**	**0**	**2**	**2**	**43**	**43**
1	Axis Bank Ltd.	2	2	1	0	4	4	0	0	0	0	7	6
2	HDFC Bank Ltd.	3	4	0	0	3	4	0	0	0	0	6	8
3	ICICI Bank Ltd.	6	6	2	2	10	10	0	0	2	2	20	20
4	IDBI Bank Ltd.	1	0	0	0	0	0	0	0	0	0	1	0
5	IndusInd Bank Ltd.	0	0	0	0	3	3	0	0	0	0	3	3
6	Federal Bank Ltd.	0	0	0	0	2	2	0	0	0	0	2	2
7	Kotak Mahindra Bank Ltd.	1	1	0	0	1	1	0	0	0	0	2	2
8	Yes Bank Ltd.	0	0	0	0	1	1	0	0	0	0	1	1
9	South Indian Bank Ltd.	0	0	0	0	1	1	0	0	0	0	1	1
	All Banks	**112**	**112**	**25**	**24**	**36**	**37**	**6**	**5**	**35**	**34**	**214**	**212**

* Other Offices include marketing/sub-office, remittance centres, *etc*.

Note: Data exclude IFSC banking unit (IBU) of Indian banks in GIFT City.

Source: RBI.

Appendix Table IV.12: Branches and ATMs of Scheduled Commercial Banks *(Continued)*

(At end-March 2025)

Sr. No.	Name of the Bank	Branches					ATMs and CRMs		
		Rural	Semi-urban	Urban	Metropolitan	Total	On-site	Off-site	Total
1	2	3	4	5	6	7	8	9	10
	Public Sector Banks	**29,648**	**24,186**	**16,403**	**16,298**	**86,535**	**79,865**	**53,679**	**1,33,544**
1	Bank of Baroda	2,930	2,166	1,501	1,809	8,406	8,597	2,390	10,987
2	Bank of India	1,904	1,573	856	971	5,304	5,325	2,678	8,003
3	Bank of Maharashtra	613	769	578	643	2,603	2,150	252	2,402
4	Canara Bank	3,141	2,893	1,945	1,864	9,843	7,460	3,684	11,144
5	Central Bank of India	1,611	1,348	778	811	4,548	2,878	1,187	4,065
6	Indian Bank	1,993	1,552	1,184	1,169	5,898	4,659	609	5,268
7	Indian Overseas Bank	927	1,006	680	706	3,319	2,761	734	3,495
8	Punjab and Sind Bank	588	316	390	316	1,610	1,022	28	1,050
9	Punjab National Bank	3,940	2,511	2,004	1,725	10,180	7,666	4,156	11,822
10	State Bank of India	8,277	6,636	4,106	3,906	22,925	27,371	36,487	63,858
11	UCO Bank	1,126	895	653	613	3,287	2,270	227	2,497
12	Union Bank of India	2,598	2,521	1,728	1,765	8,612	7,706	1,247	8,953

Notes: 1. Population groups are defined as follows: 'Rural' includes centers with population of less than 10,000. 'Semi-urban' includes centers with population of 10,000 and above but less than of one lakh. 'Urban' includes centers with population of one lakh and above but less than of 10 lakh, and 'Metropolitan' includes centers with population of 10 lakh and above. All population figures are as per census 2011.

2. Data on branches exclude 'Digital Banking Units' and 'Administrative Offices'.

Source: Central Information System for Banking Infrastructure database, RBI.

Appendix Table IV.12: Branches and ATMs of Scheduled Commercial Banks *(Continued)*

(At end-March 2025)

Sr. No.	Name of the Bank	Branches					ATMs and CRMs		
		Rural	Semi-urban	Urban	Metropolitan	Total	On-site	Off-site	Total
1	2	3	4	5	6	7	8	9	10
	Private Sector Banks	**9,342**	**14,608**	**10,341**	**12,984**	**47,275**	**47,713**	**29,404**	**77,117**
1	Axis Bank Ltd.	1,064	1,683	1,416	1,900	6,063	6,198	7,739	13,937
2	Bandhan Bank Ltd.	2,101	2,355	1,155	698	6,309	433	5	438
3	CSB Bank Ltd.	63	387	164	218	832	753	38	791
4	City Union Bank Ltd.	168	286	214	202	870	1,217	517	1,734
5	DCB Bank Ltd.	87	113	136	128	464	430	5	435
6	Dhanalakshmi Bank Ltd.	20	112	71	58	261	241	39	280
7	Federal Bank Ltd.	222	778	312	276	1,588	1,767	312	2,079
8	HDFC Bank Ltd.	1,614	3,178	1,985	2,664	9,441	12,689	8,450	21,139
9	ICICI Bank Ltd.	1,463	1,881	1,425	2,079	6,848	10,485	5,795	16,280
10	IDBI Bank Ltd.	433	651	515	504	2,103	2,404	716	3,120
11	IDFC First Bank Ltd.	64	279	416	509	1,268	732	309	1,041
12	Indusind Bank Ltd.	312	680	783	873	2,648	2,006	1,021	3,027
13	Jammu and Kashmir Bank Ltd.	542	180	108	183	1,013	944	636	1,580
14	Karnataka Bank Ltd.	226	216	245	263	950	959	557	1,516
15	Karur Vysya Bank Ltd.	140	350	179	264	933	1,554	698	2,252
16	Kotak Mahindra Bank Ltd.	373	318	472	983	2,146	1,936	1,359	3,295
17	Nainital Bank Ltd.	57	34	49	35	175	-	-	-
18	RBL Bank Ltd.	65	71	102	322	560	377	35	412
19	South Indian Bank Ltd.	110	458	182	202	952	911	369	1,280
20	Tamilnad Mercantile Bank Ltd.	124	271	94	89	578	504	647	1,151
21	Yes Bank Ltd.	94	327	318	534	1,273	1,173	157	1,330

-: NIL.

Notes: 1. Population groups are defined as follows: 'Rural' includes centers with population of less than 10,000. 'Semi-urban' includes centers with population of 10,000 and above but less than of one lakh. 'Urban' includes centers with population of one lakh and above but less than of 10 lakh, and 'Metropolitan' includes centers with population of 10 lakh and above. All population figures are as per census 2011.

2. Data on branches exclude 'Digital Banking Units' and 'Administrative Offices'.

Source: Central Information System for Banking Infrastructure database, RBI.

Appendix Table IV.12: Branches and ATMs of Scheduled Commercial Banks *(Concluded)*

(At end-March 2025)

Sr. No.	Name of the Bank	Branches					ATMs and CRMs		
		Rural	Semi-urban	Urban	Metropolitan	Total	On-site	Off-site	Total
1	2	3	4	5	6	7	8	9	10
	Foreign Banks	**126**	**141**	**160**	**347**	**774**	**587**	**406**	**993**
1	AB Bank PLC	0	0	0	1	1	0	0	0
2	American Express Banking Corp.	0	0	0	1	1	0	0	0
3	Australia and New Zealand Banking Group Ltd.	1	0	1	1	3	0	0	0
4	Bank of America, National Association	0	0	0	4	4	0	0	0
5	Bank of Bahrain & Kuwait B.S.C.	0	1	0	3	4	0	0	0
6	Bank of Ceylon	0	0	0	1	1	0	0	0
7	Bank of China Ltd	0	0	0	1	1	0	0	0
8	Bank of Nova Scotia	0	0	0	1	1	0	0	0
9	Barclays Bank Plc	0	1	0	2	3	0	0	0
10	BNP Paribas	0	0	0	5	5	0	0	0
11	Citibank N.A.	0	0	4	10	14	0	0	0
12	Co-operative Rabobank U.A.	0	0	0	1	1	0	0	0
13	Credit Agricole Corporate and Investment Bank	0	0	0	5	5	0	0	0
14	CTBC Bank Co., Ltd.	0	0	0	2	2	0	0	0
15	DBS Bank India Ltd.	114	134	116	143	507	424	337	761
16	Deutsche Bank AG	1	0	5	11	17	13	2	15
17	DOHA BANK Q.P.S.C.	0	0	1	1	2	2	0	2
18	Emirates NDB Bank (P.J.S.C.)	0	0	1	2	3	0	0	0
19	First Abu Dhabi Bank (P.J.S.C.)	0	0	0	1	1	0	0	0
20	Firstrand Bank Ltd.	0	0	0	1	1	0	0	0
21	Hongkong and Shanghai Banking Corp. Ltd.	0	0	4	22	26	46	25	71
22	Industrial and Commercial Bank of China	0	0	0	1	1	0	0	0
23	Industrial Bank of Korea	0	0	0	1	1	0	0	0
24	JPMorgan Chase Bank National Association	2	0	0	2	4	0	0	0
25	JSC VTB Bank	0	0	0	1	1	0	0	0
26	KEB Hana Bank	0	1	0	1	2	1	0	1
27	Kookmin Bank	0	0	1	2	3	0	0	0
28	Mashreq Bank PSC	0	0	0	1	1	0	0	0
29	Mizuho Bank Ltd	0	1	1	3	5	0	0	0
30	MUFG Bank Ltd	1	0	0	4	5	0	0	0
31	Natwest Markets Plc	0	0	0	1	1	0	0	0
32	Nonghyup Bank	0	0	1	0	1	0	0	0
33	PT Bank Maybank Indonesia Tbk	0	0	0	1	1	0	0	0
34	Qatar National Bank (Q.P.S.C.)	0	0	0	1	1	0	0	0
35	Sberbank	0	0	0	2	2	0	0	0
36	SBM Bank (India) Limited	5	0	3	14	22	0	0	0
37	Shinhan Bank	1	0	0	5	6	0	0	0
38	Societe Generale	0	0	0	2	2	0	0	0
39	Sonali Bank	0	0	1	1	2	0	0	0
40	Standard Chartered Bank	1	1	20	78	100	101	42	143
41	Sumitomo Mitsui Banking Corporation	0	1	0	2	3	0	0	0
42	UBS AG	0	0	0	1	1	0	0	0
43	United Overseas Bank Ltd	0	0	0	1	1	0	0	0
44	Woori Bank	0	1	1	3	5	0	0	0

Notes: 1. Population groups are defined as follows: 'Rural' includes centers with population of less than 10,000. 'Semi-urban' includes centers with population of 10,000 and above but less than of one lakh. 'Urban' includes centers with population of one lakh and above but less than of 10 lakh, and 'Metropolitan' includes centers with population of 10 lakh and above. All population figures are as per census 2011.

2. Data on branches exclude 'Digital Banking Units' and 'Administrative Offices'.

Source: Central Information System for Banking Infrastructure database, RBI.

Appendix Table IV.13: Progress of Microfinance Programmes

Item	Self Help Groups									
	Number (lakh)					Amount (in ₹ crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25	2020-21	2021-22	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10	11
Loans Disbursed by Banks (During the FY)	28.9	34.0	43.0	54.8	55.6	58,070.6	99,729.2	1,45,200.2	2,09,285.9	2,08,282.7
	(17.0)	(24.8)	(36.9)	(47.6)	(44.7)	(31,755.1)	(68,916.9)	(1,25,106.3)	(1,83,297.1)	(1,80,354.9)
Loans Outstanding with Banks (as on 31 March)	57.8	67.4	69.6	77.4	84.9	1,03,289.0	1,51,051.0	1,88,078.8	2,59,663.7	3,04,258.7
	(36.0)	(47.8)	(58.9)	(65.0)	(69.3)	(61,393.1)	(1,01,840.1)	(1,61,583.9)	(2,22,452.1)	(2,58,072.7)
Savings with Banks (as on 31 March)	112.2	118.9	134.0	144.2	143.3	37,477.0	47,240.5	58,892.7	65,089.2	71,433.3
	(70.1)	(77.7)	(89.4)	(91.7)	(106.2)	(21,307.8)	(31,077.1)	(40,971.9)	(49,738.7)	(58,158.1)
	Microfinance Institutions									
	Number (lakh)					Amount (in ₹ crore)				
Loans Disbursed by Banks	0.3	0.2	0.8	0.3	0.3	12,120.3	23,173.4	36,757.0	31,497.1	21,136.3
Loans Outstanding with Banks	0.6	0.6	1.1	1.9	0.6	21,062.7	34,865.4	44,119.8	59,592.7	34,426.2
	Joint Liability Groups									
	Number (lakh)					Amount (in ₹ crore)				
Loans Disbursed by Banks (During the FY)	41.3	54.1	70.0	73.3	49.8	58,311.8	1,12,772.8	1,33,372.8	1,88,313.4	79,061.9

Notes: 1. Figures in brackets give the details of SHGs covered under the National Rural Livelihoods Mission (NRLM) and the National Urban Livelihoods Mission (NULM).
2. Actual number of MFIs availing loans from banks may be less than the number of accounts, as most of MFIs avail loans several times from the same bank and also from more than one bank.

Source: NABARD.

Appendix Table IV.14: Major Financial Indicators of Regional Rural Banks - State-wise *(Continued)*

(Amount in ₹ crore)

Region/State	2023-24						2024-25					
	No. of RRBs	Profit Earning		Loss Incurring		Net Profit/ Loss	No. of RRBs	Profit Earning		Loss Incurring		Net Profit/ Loss
		No.	Amount	No.	Amount			No.	Amount	No.	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13
Central Region	**7**	**7**	**1,262.9**	**0**	**0**	**1,262.9**	**7**	**6**	**1,214.0**	**1**	**200.2**	**1,013.8**
Chhattisgarh	1	1	296.2	0	0	296.2	1	1	152.6	0	0	152.6
Madhya Pradesh	2	2	500.4	0	0	500.4	2	1	185.5	1	200.2	-14.8
Uttar Pradesh	3	3	391.0	0	0	391.0	3	3	797.8	0	0	797.8
Uttarakhand	1	1	75.3	0	0	75.3	1	1	78.1	0	0	78.1
Eastern Region	**8**	**8**	**624.9**	**0**	**0**	**624.9**	**8**	**8**	**940.6**	**0**	**0**	**940.6**
Bihar	2	2	94.9	0	0	94.9	2	2	114.9	0	0	114.9
Jharkhand	1	1	115.9	0	0	115.9	1	1	169.4	0	0	169.4
Odisha	2	2	162.3	0	0	162.3	2	2	342.4	0	0	342.4
West Bengal	3	3	251.8	0	0	251.8	3	3	313.9	0	0	313.9
North Eastern Region	**7**	**6**	**206.6**	**1**	**1.8**	**204.8**	**7**	**7**	**417.4**	**0**	**0**	**417.4**
Arunachal Pradesh	1	1	27.3	0	0	27.3	1	1	23.4	0	0	23.4
Assam	1	1	4.2	0	0	4.2	1	1	103.2	0	0	103.2
Manipur	1	0	-	1	1.8	-1.8	1	1	0.6	0	0	0.6
Meghalaya	1	1	62.3	0	0	62.3	1	1	62.8	0	0	62.8
Mizoram	1	1	84.5	0	0	84.5	1	1	122.0	0	0	122.0
Nagaland	1	1	0.3	0	0	0.3	1	1	0.5	0	0	0.5
Tripura	1	1	27.9	0	0	27.9	1	1	104.9	0	0	104.9
Northern Region	**7**	**6**	**1,235.0**	**1**	**49.4**	**1,185.6**	**7**	**5**	**1,269.0**	**2**	**178.6**	**1,090.4**
Haryana	1	1	338.2	0	0	338.2	1	1	376.6	0	0	376.6
Himachal Pradesh	1	1	6.9	0	0	6.9	1	1	34.7	0	0	34.7
Jammu & Kashmir	2	1	3.8	1	49.4	-45.7	2	0	0	2	178.6	-178.6
Punjab	1	1	141.1	0	0	141.1	1	1	153.6	0	0	153.6
Rajasthan	2	2	745.1	0	0	745.1	2	2	704.0	0	0	704.0
Southern Region	**10**	**9**	**3,990.4**	**1**	**174.3**	**3,816.1**	**10**	**9**	**3,664.9**	**1**	**791.3**	**2,873.6**
Andhra Pradesh	3	3	1,404.6	0	0	1,404.6	4	4	2,156.3	0	0	2,156.3
Karnataka	2	1	104.2	1	174.3	-70.1	2	1	126.0	1	791.3	-665.3
Kerala	1	1	405.8	0	0	405.8	1	1	312.9	0	0	312.9
Puducherry	1	1	18.9	0	0	18.9	1	1	27.0	0	0	27.0
Tamil Nadu	1	1	446.7	0	0	446.7	1	1	367.4	0	0	367.4
Telangana	2	2	1,610.2	0	0	1,610.2	1	1	675.3	0	0	675.3
Western Region	**4**	**4**	**476.4**	**0**	**0**	**476.4**	**4**	**3**	**507.2**	**1**	**22.6**	**484.7**
Gujarat	2	2	401.3	0	0	401.3	2	2	447.5	0	0	447.5
Maharashtra	2	2	75.1	0	0	75.1	2	1	59.7	1	22.6	37.2
All India	**43**	**40**	**7,796.2**	**3**	**225.5**	**7,570.7**	**43**	**38**	**8,013.2**	**5**	**1,192.7**	**6,820.5**

Notes: 1. Till December 31, 2024, Andhra Pradesh Grameena Vikas Bank (APGVB), with head office at Warangal in Telangana, was operational in 21 districts of Telangana and 7 districts of Andhra Pradesh. From January 1, 2025, APGVB was bifurcated with the branches in Telangana merged with Telangana Grameena Bank. Till FY 2023-24, the data of APGVB was included as a part of Telangana in the above table and post bifurcation in FY 2024-25, the data of APGVB is included as a part of Andhra Pradesh.

2. J & K Grameen Bank, with head office at Jammu, has 4 branches in union territory of Ladakh. The data of the bank has been shown under Jammu & Kashmir.

Source: NABARD.

Appendix Table IV.14: Major Financial Indicators of Regional Rural Banks - State-wise *(Concluded)*

Region/State	Gross NPA (per cent)		CRAR (per cent)	
	Mar-24	Mar-25	Mar-24	Mar-25
1	14	15	16	17
Central Region	**7.0**	**6.3**	**12.5**	**12.4**
Chhattisgarh	2.0	1.8	17.6	16.2
Madhya Pradesh	7.0	7.9	14.3	12.7
Uttar Pradesh	7.8	6.5	11.5	11.9
Uttarakhand	4.1	3.3	12.6	12.6
Eastern Region	**15.0**	**11.5**	**9.4**	**10.0**
Bihar	23.8	18.9	6.6	7.2
Jharkhand	3.7	3.0	10.9	11.8
Odisha	11.6	8.0	10.5	11.2
West Bengal	8.0	5.9	12.6	12.6
North Eastern Region	**7.3**	**6.2**	**15.1**	**16.1**
Arunachal Pradesh	3.3	3.3	15.9	14.9
Assam	10.4	8.5	8.7	9.5
Manipur	10.7	12.0	10.7	10.9
Meghalaya	5.2	4.1	15.3	16.6
Mizoram	4.9	4.4	13.7	16.8
Nagaland	0.8	0.5	10.0	9.1
Tripura	4.7	3.9	24.3	24.5
Northern Region	**3.2**	**2.6**	**13.6**	**13.6**
Haryana	3.2	1.9	14.8	15.3
Himachal Pradesh	3.9	3.2	8.0	9.1
Jammu & Kashmir	5.4	4.8	9.5	4.5
Punjab	5.1	4.5	16.5	15.9
Rajasthan	2.3	2.1	13.1	13.5
Southern Region	**4.0**	**3.9**	**17.6**	**18.0**
Andhra Pradesh	0.9	1.0	21.1	23.0
Karnataka	11.5	12.5	10.5	8.5
Kerala	2.1	1.8	13.5	13.9
Puducherry	1.4	0.9	10.4	10.1
Tamil Nadu	1.0	0.9	13.3	13.7
Telangana	2.4	2.1	25.1	25.4
Western Region	**4.3**	**4.3**	**12.7**	**13.2**
Gujarat	2.2	1.7	15.0	16.1
Maharashtra	6.4	7.2	10.5	10.2
All India	**6.2**	**5.4**	**14.2**	**14.4**

Notes: 1. Till December 31, 2024, Andhra Pradesh Grameena Vikas Bank (APGVB), with head office at Warangal in Telangana, was operational in 21 districts of Telangana and 7 districts of Andhra Pradesh. From January 1, 2025, APGVB was bifurcated with the branches in Telangana merged with Telangana Grameena Bank. Till FY 2023-24, the data of APGVB was included as a part of Telangana in the above table and post bifurcation in FY 2024-25, the data of APGVB is included as a part of Andhra Pradesh.

2. J & K Grameen Bank, with head office at Jammu, has 4 branches in union territory of Ladakh. The data of the bank has been shown under Jammu & Kashmir.

Source: NABARD.

Appendix Table IV.15: RRBs - PSL Target and Achievement - 2024-25

Sector/Sub Sector	Target (per cent)	Achievement (per cent)	RRBs not Meeting Target/Sub-target
1	2	3	4
Overall Priority Sector	75.0	88.2	-
Agriculture	18.0	31.9	-
Small and Marginal Farmers	10.0	18.3	-
Non-Corporate Farmers	13.78	41.3	Arunachal Pradesh Rural Bank (12.12%)
Micro Enterprises	7.5	22.6	-
Weaker Sections	15.0	34.7	-

-: Nil.

Notes: 1. Achievement for FY 2024-25 is computed as a percentage of Adjusted Net Bank Credit (ANBC) as a simple average of all quarters as per the Reserve Bank's Master Directions on PSL.

2. ANBC is as on corresponding date of the previous year.
3. Achievement under different categories has been arrived upon after factoring in PSLCs issued/purchased.
4. While computing ANBC, outstanding PSLCs (PSLC purchased less PSLC issued) have been added to net bank credit.

Source: NABARD.

Appendix Table V.1: Indicators of Financial Performance: Scheduled UCBs *(Continued)*

(As per cent to total assets)

Sr. No.	Bank Name	Interest Income		Operating Profit		Net Profit after Taxes	
		2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	2	3	4	5	6	7	8
1	Abhyudaya Co-op. Bank Ltd., Mumbai	6.6	6.0	0.5	0.7	-1.9	0.0
2	Ahmedabad Mercantile Co-op. Bank Ltd.	6.9	7.2	2.2	1.9	1.5	1.2
3	Akola Urban Co-op. Bank Ltd.	6.8	7.0	1.2	1.2	0.8	0.7
4	Amanath Co-op. Bank Ltd., Bangalore	0.6	1.0	0.2	0.0	0.2	-0.2
5	Andhra Pradesh Mahesh Co-operative Urban Bank Ltd., Hyderabad	8.0	8.2	1.7	2.0	1.9	2.2
6	Apna Sahakari Bank Ltd.	5.5	6.1	0.2	0.5	-1.3	-0.5
7	Bassein Catholic Co-op. Bank Ltd.	6.8	6.7	1.5	1.3	1.1	1.0
8	Bharati Sahakari Bank Ltd. (Poona)	6.5	6.7	1.8	1.1	1.0	0.7
9	Bombay Mercantile Co-op. Bank Ltd.	4.7	4.9	0.9	1.1	0.2	0.1
10	Citizen Credit Co-op. Bank Ltd. Mumbai	7.1	7.0	1.3	1.0	0.6	0.6
11	Cosmos Co-operative Bank Ltd. Pune	7.0	6.9	1.9	1.3	1.6	0.6
12	Dombivali Nagari Sahakari Bank Ltd.	6.1	6.6	1.8	1.7	0.5	0.8
13	Goa Urban Co-op. Bank Ltd.	7.1	7.1	1.2	1.2	0.9	0.9
14	GP Parsik Sahakari Bank Ltd., Kalwa, Thane	6.9	7.0	1.7	1.5	1.0	1.1
15	Greater Bombay Co-op. Bank Ltd.	6.8	7.2	0.7	0.5	0.2	0.1
16	GS Mahanagar Co-operative Bank Ltd., Mumbai	7.4	7.2	1.4	0.6	1.0	0.4
17	Indian Mercantile Co-op. Bank Ltd., Lucknow	4.2	3.8	1.0	0.8	0.9	1.1
18	Jalgaon Janata Sahakari Bank Ltd.	7.3	7.1	1.4	1.0	0.9	0.6
19	Jalgaon People's Co-op. Bank Ltd.	6.8	6.8	1.5	1.5	0.1	0.5
20	Janakalyan Sahakari Bank Ltd. (Bombay)	6.9	7.2	0.8	-0.7	0.3	0.5
21	Janalaxmi Co-op. Bank Ltd. (Nasik)	4.8	4.1	0.5	0.1	0.5	0.1
22	Janata Sahakari Bank Ltd. (Poona)	6.4	6.8	1.6	1.1	0.4	0.6
23	Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd.	7.2	6.9	1.7	1.8	0.4	0.5
24	Karad Urban Co-op. Bank Ltd.	6.8	7.1	1.2	1.0	0.6	0.6
25	Khamgaon Urban Co-op. Bank Ltd.	6.6	6.4	1.9	1.2	0.6	0.6
26	Mehsana Urban Co-operative Bank Ltd.	7.2	7.4	2.2	2.5	1.1	0.3
27	Nagpur Nagarik Sahakari Bank Ltd.	7.0	7.0	1.3	1.5	0.4	0.7
28	Nasik Merchants' Co-op. Bank Ltd.	7.4	7.3	1.8	1.9	1.5	1.4
29	New India Co-op. Bank Ltd.	6.4	6.9	0.1	-0.1	-0.8	-6.2
30	NKGSB Co-op. Bank Ltd.	6.6	6.9	0.5	0.7	0.2	0.3
31	Nutan Nagrik Sah. Bank Ltd. (Ahmedabad)	6.8	7.2	1.0	1.2	0.6	0.7
32	Pravara Sahakari Bank Ltd.	7.8	8.2	1.8	2.0	0.6	0.6
33	Rajaram Bapu Sahakari Bank Ltd.	7.1	7.6	1.6	1.7	0.5	0.5
34	Rajkot Nagrik Sahakari Bank Ltd.	7.3	7.5	1.8	1.9	1.2	1.4
35	Sangli Urban Co-op. Bank Ltd.	7.2	7.2	1.7	1.4	1.7	1.0
36	Saraswat Co-operative Bank Ltd.	6.1	6.2	0.9	0.8	0.8	0.7
37	SBPP Co-operative Bank Ltd.	6.4	6.2	2.3	1.9	1.7	1.6
38	Shikshak Sahakari Bank Ltd., Nagpur	6.6	6.8	2.6	1.3	1.8	0.6
39	Sholapur Janata Sahakari Bank Ltd.	6.8	7.1	1.5	1.6	1.2	1.0
40	Surat People's Co-op. Bank Ltd.	7.5	7.9	2.2	2.0	1.5	1.2
41	SVC Co-operative Bank Ltd.	7.1	7.1	1.4	1.3	0.9	0.9
42	Thane Bharat Sahakari Bank Ltd., Thane	7.4	7.3	0.9	0.9	0.4	0.5
43	The Akola Janata Commercial Co-operative Bank Ltd.	7.0	6.7	1.9	1.4	1.3	0.9
44	The Bharat Co-operative Bank (Mumbai) Ltd.	6.8	7.1	1.0	1.1	0.1	0.3
45	The Kalupur Comm. Co-op. Bank Ltd.	6.7	6.7	2.4	2.2	1.5	1.3
46	The Kalyan Janata Sah. Bank Ltd., Kalyan	7.3	7.6	0.9	0.9	0.4	0.3
47	TJSB Sahakari Bank Ltd., Thane	7.1	7.0	1.6	1.4	1.2	1.0
48	Vasai Vikas Sahakari Bank Ltd.	6.7	6.6	1.3	1.2	0.3	0.3
49	Zoroastrian Co-operative Bank Ltd.	7.1	7.1	0.4	0.4	0.2	0.3

Note: Data for 2024-25 are provisional.

Source: Off-site returns, RBI.

Appendix Table V.1: Indicators of Financial Performance: Scheduled UCBs *(Concluded)*

(As per cent to total assets)

Sr. No.	Bank Name	Interest Expended		Non-Interest Expenses		Provisions and Contingencies	
		2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
1	2	9	10	11	12	13	14
1	Abhyudaya Co-op. Bank Ltd., Mumbai	4.1	3.9	2.8	2.4	3.4	0.4
2	Ahmedabad Mercantile Co-op. Bank Ltd.	3.8	4.2	1.4	1.4	0.2	0.7
3	Akola Urban Co-op. Bank Ltd.	3.8	4.1	3.0	2.8	0.1	0.2
4	Amanath Co-op. Bank Ltd., Bangalore	0.2	0.2	0.5	1.0	0.0	0.2
5	Andhra Pradesh Mahesh Co-operative Urban Bank Ltd., Hyderabad	4.4	4.1	2.2	2.5	-0.9	-0.9
6	Apna Sahakari Bank Ltd.	4.0	4.1	2.4	2.4	1.8	1.2
7	Bassein Catholic Co-op. Bank Ltd.	4.1	4.2	1.3	1.5	0.1	0.0
8	Bharati Sahakari Bank Ltd. (Poona)	3.1	3.8	1.7	2.2	0.5	0.2
9	Bombay Mercantile Co-op. Bank Ltd.	1.8	1.8	3.1	3.0	0.8	1.0
10	Citizen Credit Co-op. Bank Ltd. Mumbai	3.9	4.3	2.3	2.4	0.5	0.3
11	Cosmos Co-operative Bank Ltd. Pune	4.1	4.4	3.2	3.1	0.0	0.6
12	Dombivali Nagari Sahakari Bank Ltd.	3.2	3.9	2.8	2.9	1.1	0.5
13	Goa Urban Co-op. Bank Ltd.	3.9	4.4	2.3	2.1	0.0	0.1
14	GP Parsik Sahakari Bank Ltd., Kalwa, Thane	3.2	3.5	2.6	2.6	0.5	0.2
15	Greater Bombay Co-op. Bank Ltd.	4.1	4.6	4.0	4.2	0.3	0.3
16	GS Mahanagar Co-operative Bank Ltd., Mumbai	3.8	4.3	3.0	2.9	0.1	0.1
17	Indian Mercantile Coop.Bank Ltd., Lucknow	1.6	1.5	2.3	2.3	-0.5	-0.6
18	Jalgaon Janata Sahakari Bank Ltd.	4.2	4.2	2.4	2.5	0.3	0.2
19	Jalgaon People's Co-op. Bank Ltd.	4.0	4.1	2.4	2.5	1.4	0.9
20	Janakalyan Sahakari Bank Ltd. (Bombay)	3.5	3.8	3.3	4.8	0.6	-1.7
21	Janalaxmi Co-op. Bank Ltd. (Nasik)	2.3	2.4	3.4	3.2	0.0	0.0
22	Janata Sahakari Bank Ltd. (Poona)	4.1	4.5	2.3	2.5	1.1	0.3
23	Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd.	4.4	4.3	1.6	1.4	0.9	1.0
24	Karad Urban Co-op. Bank Ltd.	4.1	4.7	2.2	2.3	0.4	0.2
25	Khamgaon Urban Co-op. Bank Ltd.	3.2	3.4	2.3	2.7	1.0	0.6
26	Mehsana Urban Co-operative Bank Ltd.	4.3	4.7	1.2	1.3	0.6	1.8
27	Nagpur Nagarik Sahakari Bank Ltd.	3.7	4.3	2.8	2.0	0.9	0.5
28	Nasik Merchants' Co-op. Bank Ltd.	4.2	4.3	3.1	2.5	-0.2	0.4
29	New India Co-op. Bank Ltd.	4.5	5.1	2.6	3.0	0.7	6.0
30	NKGSB Co-op. Bank Ltd.	4.3	4.7	2.3	2.2	0.2	0.3
31	Nutan Nagrik Sah. Bank Ltd. (Ahmedabad)	5.0	5.2	1.6	1.5	0.2	0.3
32	Pravara Sahakari Bank Ltd.	4.7	4.9	1.8	1.8	0.9	1.2
33	Rajaram Bapu Sahakari Bank Ltd.	4.7	5.0	1.4	1.4	0.9	1.0
34	Rajkot Nagrik Sahakari Bank Ltd.	4.2	4.6	1.4	1.4	0.2	0.2
35	Sangli Urban Co-op. Bank Ltd.	4.8	5.1	2.2	2.0	0.0	0.5
36	Saraswat Co-operative Bank Ltd.	3.9	4.3	2.1	2.0	-0.2	-0.2
37	SBPP Co-operative Bank Ltd.	3.1	3.3	1.7	1.7	0.1	-0.2
38	Shikshak Sahakari Bank Ltd., Nagpur	3.5	3.7	2.7	2.8	0.3	0.5
39	Sholapur Janata Sahakari Bank Ltd.	3.8	4.2	2.1	2.2	0.1	0.4
40	Surat People's Co-op. Bank Ltd.	4.8	5.1	1.1	1.3	0.3	0.3
41	SVC Co-operative Bank Ltd.	4.2	4.5	2.3	2.3	0.2	0.2
42	Thane Bharat Sahakari Bank Ltd., Thane	4.1	3.9	3.7	3.6	0.4	0.2
43	The Akola Janata Commercial Co-operative Bank Ltd.	3.5	3.7	2.5	2.5	0.2	0.2
44	The Bharat Co-operative Bank (Mumbai) Ltd.	4.4	4.6	2.0	1.9	0.8	0.8
45	The Kalupur Comm. Co-op. Bank Ltd.	3.7	4.0	1.1	1.1	0.4	0.4
46	The Kalyan Janata Sah. Bank Ltd., Kalyan	4.2	4.5	2.7	3.2	0.4	0.5
47	TJSB Sahakari Bank Ltd., Thane	4.0	4.1	2.0	2.2	0.0	0.1
48	Vasai Vikas Sahakari Bank Ltd.	4.1	4.1	2.0	2.0	0.8	0.7
49	Zoroastrian Co-operative Bank Ltd.	3.9	4.3	3.0	2.7	0.1	0.3

Note: Data for 2024-25 are provisional.

Source: Off-site returns, RBI.

Appendix Table V.2: Select Financial Parameters: Scheduled UCBs

(At end-March 2025)

(Per cent)

Sr. No.	Bank Name	Average Cost of Deposits	Average Yield on Advances	Net Interest Income to Total Assets (Spread)	Net Interest Income to Working Funds	Non-Interest Income to Working Funds	Return on Assets (RoA)	CRAR	Business per Employee (₹ crore)	Profit per Employee (₹ crore)
1	2	3	4	5	6	7	8	9	10	11
1	Abhyudaya Co-op. Bank Ltd., Mumbai	5.1	8.8	2.1	2.1	1.0	0.0	3.6	6.1	0.0
2	Ahmedabad Mercantile Co-op. Bank Ltd.	6.0	9.0	3.1	3.0	0.3	1.3	32.2	13.1	0.1
3	Akola Urban Co-op. Bank Ltd.	5.1	10.1	3.1	3.0	1.2	0.8	15.6	5.6	0.0
4	Amanath Co-op. Bank Ltd., Bangalore	1.4	2.7	3.8	3.8	0.5	-0.8	32.1	1.6	0.0
5	Andhra Pradesh Mahesh Co-operative Urban Bank Ltd., Hyderabad	5.5	12.6	4.0	4.0	0.4	2.2	44.7	6.4	0.1
6	Apna Sahakari Bank Ltd.	5.0	8.4	1.9	2.1	0.9	-0.5	4.7	7.5	0.0
7	Bassein Catholic Co-op. Bank Ltd.	5.7	8.9	2.7	2.6	0.3	1.1	24.6	18.3	0.2
8	Bharati Sahakari Bank Ltd. (Poona)	4.5	8.6	3.0	3.1	0.3	0.7	21.1	10.1	0.1
9	Bombay Mercantile Co-op. Bank Ltd.	3.1	9.6	3.2	4.2	1.4	0.1	13.0	4.4	0.0
10	Citizen Credit Co-op. Bank Ltd. Mumbai	5.2	8.8	2.6	2.8	0.7	0.5	21.3	9.4	0.0
11	Cosmos Co-operative Bank Ltd. Pune	5.8	9.6	2.8	2.7	1.9	0.7	15.1	12.3	0.1
12	Dombivali Nagari Sahakari Bank Ltd.	5.0	9.6	3.0	3.0	2.1	0.9	16.9	8.5	0.1
13	Goa Urban Co-op. Bank Ltd.	5.8	9.4	2.9	2.8	0.7	0.9	20.9	6.0	0.0
14	GP Parsik Sahakari Bank Ltd., Kalwa, Thane	4.2	8.7	3.7	3.6	0.7	1.1	19.7	7.5	0.1
15	Greater Bombay Co-op. Bank Ltd.	5.1	9.0	2.7	2.8	2.1	0.1	19.2	9.5	0.0
16	GS Mahanagar Co-operative Bank Ltd., Mumbai	5.3	9.6	2.9	2.9	0.6	0.4	19.2	6.5	0.0
17	Indian Mercantile Co-Op. Bank Ltd., Lucknow	3.0	3.7	2.5	3.0	1.1	1.2	92.3	1.7	0.0
18	Jalgaon Janata Sahakari Bank Ltd.	5.3	10.0	3.2	3.1	0.5	0.7	15.4	7.7	0.0
19	Jalgaon People's Co-op. Bank Ltd.	5.0	9.4	2.9	2.8	1.4	0.5	15.2	7.9	0.0
20	Janakalyan Sahakari Bank Ltd. (Bombay)	4.7	10.1	3.6	3.6	0.8	0.5	15.3	8.5	0.0
21	Janalaxmi Co-op. Bank Ltd. (Nasik)	5.1	9.1	1.6	2.6	2.4	0.1	21.4	1.7	0.0
22	Janata Sahakari Bank Ltd. (Poona)	5.4	9.1	2.6	2.4	1.3	0.7	14.8	13.9	0.1
23	Kallappanna Awade Ichalkaranji Janata Sahakari Bank Ltd.	7.6	10.7	3.0	2.7	0.7	0.5	13.8	8.0	0.0
24	Karad Urban Co-op. Bank Ltd.	6.0	9.5	2.7	2.6	0.9	0.7	15.3	8.0	0.0
25	Khamgaon Urban Co-op. Bank Ltd.	4.6	9.7	3.1	3.1	1.0	0.6	22.9	6.0	0.0
26	Mehsana Urban Co-operative Bank Ltd.	6.1	9.4	2.8	2.7	1.2	0.3	17.0	24.4	0.1
27	Nagpur Nagarik Sahakari Bank Ltd.	5.2	9.0	2.9	2.9	0.8	0.7	14.6	9.3	0.0
28	Nasik Merchants' Co-op. Bank Ltd.	5.3	9.1	3.3	3.1	1.4	1.5	30.5	6.1	0.1
29	New India Co-op. Bank Ltd.	5.2	9.9	1.7	1.8	1.1	-5.6	-4.7	11.2	-0.5
30	NKGSB Co-op. Bank Ltd.	5.9	9.3	2.3	2.3	0.7	0.3	13.2	15.5	0.0
31	Nutan Nagrik Sah. Bank Ltd. (Ahmedabad)	6.2	9.2	2.1	2.0	0.7	0.7	15.4	15.9	0.1
32	Pravara Sahakari Bank Ltd.	5.8	9.9	3.5	3.4	0.4	0.6	13.6	7.6	0.0
33	Rajaram Bapu Sahakari Bank Ltd.	6.6	10.1	2.9	2.9	0.6	0.6	14.9	10.6	0.0
34	Rajkot Nagrik Sahakari Bank Ltd.	5.7	9.5	3.1	3.0	0.4	1.4	18.7	9.9	0.1
35	Sangli Urban Co-op. Bank Ltd.	6.2	10.1	2.2	2.3	1.4	1.0	14.9	6.6	0.0
36	Saraswat Co-operative Bank Ltd.	5.7	9.3	2.4	2.2	0.9	0.9	17.4	16.9	0.1
37	SBPP Co-operative Bank Ltd	5.0	9.3	3.5	3.2	0.7	1.9	23.8	11.8	0.2
38	Shikshak Sahakari Bank Ltd., Nagpur	5.1	10.1	3.1	3.5	1.1	0.6	16.2	4.8	0.0
39	Sholapur Janata Sahakari Bank Ltd.	5.8	10.7	3.1	3.3	0.9	1.0	18.6	7.7	0.1
40	Surat People's Co-op. Bank Ltd.	6.1	9.4	2.9	2.9	0.4	1.3	16.4	28.4	0.2
41	SVC Co-operative Bank Ltd.	5.6	9.7	3.1	3.1	1.2	1.0	14.8	15.9	0.1
42	Thane Bharat Sahakari Bank Ltd., Thane	4.5	9.7	3.7	3.6	1.1	0.5	13.6	8.6	0.0
43	The Akola Janata Commercial Co-operative Bank Ltd.	5.1	10.6	3.4	3.2	1.0	1.0	28.7	6.1	0.0
44	The Bharat Co-operative Bank (Mumbai) Ltd.	5.6	9.5	2.5	2.5	0.6	0.3	14.1	12.9	0.0
45	The Kalupur Comm. Co-op. Bank Ltd.	5.6	8.9	3.1	3.0	0.5	1.5	20.2	20.9	0.2
46	The Kalyan Janata Sah. Bank Ltd., Kalyan	5.0	9.9	3.1	3.3	1.0	0.3	12.6	9.1	0.0
47	TJSB Sahakari Bank Ltd., Thane	5.3	9.5	3.3	3.1	0.7	1.1	17.5	13.6	0.1
48	Vasai Vikas Sahakari Bank Ltd.	5.0	8.4	2.6	2.6	0.7	0.4	18.3	8.9	0.0
49	Zoroastrian Co-operative Bank Ltd.	5.2	8.7	2.8	2.8	0.4	0.3	19.7	8.3	0.0

Note: Data are provisional.

Source: Off-site returns, RBI.

Appendix Table V.3: Salient Indicators of Financial Health of State Co-operative Banks

(At end-March)

(Amount in ₹ lakh)

Sr. No.	Region/State/UT	Amount of Profit/Loss		NPAs as Percentage of Loans Outstanding		Recovery to Demand Ratio (per cent)*	
		2023-24	2024-25P	31-Mar-24	31-Mar-25	30-Jun-23	30-Jun-24
1	2	3	4	5	6	7	8
	Northern Region	**31,052**	**35,871**	**2.2**	**2.1**	**97.6**	**97.2**
1	Chandigarh	1,174	1,767	2.4	2.4	83.9	86.1
2	Delhi	2,123	2,178	0.7	0.4	98.1	98.3
3	Haryana	6,185	8,289	-	0.1	100.0	100.0
4	Himachal Pradesh	11,876	14,764	3.9	2.9	71.9	66.6
5	Jammu & Kashmir	-1,489	-2,059	55.5	56.3	63.0	60.9
6	Punjab	3,561	3,110	0.9	1.2	98.4	99.4
7	Rajasthan	7,621	7,822	0.2	0.3	99.8	99.0
	North-Eastern Region	**10,148**	**11,181**	**9.2**	**8.9**	**80.3**	**57.8**
8	Arunachal Pradesh	-2,057	-4,283	39.9	27.1	15.8	25.4
9	Assam	1,401	2,918	9.2	9.9	66.1	65.8
10	Manipur	401	256	18.1	20.8	64.6	31.6
11	Meghalaya	1,670	1,832	8.0	7.3	31.4	58.0
12	Mizoram	4,246	4,577	2.5	2.7	84.8	88.8
13	Nagaland	858	1,236	14.2	13.3	59.7	55.6
14	Sikkim	834	989	3.5	3.5	59.5	26.3
15	Tripura	2,795	3,656	7.6	8.3	93.7	74.5
	Eastern Region	**54,449**	**52,210**	**3.9**	**3.5**	**91.3**	**92.2**
16	Andaman & Nicobar Islands	746	746	25.8	25.8	63.4	71.1
17	Bihar	6,764	7,818	3.1	2.7	17.3	14.4
18	Jharkhand	6,669	3,593	9.4	9.8	55.0	56.1
19	Odisha	21,589	17,639	1.1	0.9	98.7	99.0
20	West Bengal	18,682	22,414	4.8	4.7	89.2	88.5
	Central Region	**23,673**	**28,649**	**3.8**	**4.3**	**92.7**	**91.0**
21	Chhattisgarh	3,683	3,899	2.0	1.7	97.2	93.1
22	Madhya Pradesh	11,154	13,905	5.1	6.4	86.0	86.0
23	Uttar Pradesh	7,287	10,024	3.1	2.7	98.1	98.4
24	Uttarakhand	1,549	820	4.1	6.1	97.6	93.9
	Western Region	**80,832**	**76,625**	**7.2**	**7.0**	**77.7**	**88.5**
25	Dadra and Nagar Haveli and Daman and Diu	970	676	4.4	19.6	68.1	55.1
26	Goa	482	1,440	4.2	5.2	91.7	88.6
27	Gujarat	10,692	9,351	0.7	0.3	96.1	96.9
28	Maharashtra	68,688	65,158	9.2	8.7	73.9	87.6
	Southern Region	**68,990**	**56,400**	**5.1**	**5.0**	**94.6**	**82.3**
29	Andhra Pradesh	18,980	21,713	0.5	0.8	97.9	99.2
30	Karnataka	6,500	6,700	4.6	5.3	97.6	97.7
31	Kerala	24,781	1,870	11.2	11.6	73.3	65.5
32	Puducherry	60	464	11.6	11.5	71.6	75.5
33	Tamil Nadu	12,129	16,529	2.9	1.7	99.4	91.0
34	Telangana	6,540	9,124	0.1	0.1	98.8	98.9
	All India	**269,144**	**260,936**	**4.9**	**4.8**	**92.4**	**87.5**

P: Provisional.

-: Nil/negligible.

*: Recovery for the financial year is as on 30th June.

Note: Components may not add up to the exact total due to rounding off.

Source: NABARD.

Appendix Table V.4: Salient Indicators of Financial Health of District Central Co-operative Banks

(At end-March)

(Amount in ₹ lakh)

Sr. No.	Region/State/UT	2023-24					2024-25P					2024		2025P	
		No. of DCCBs	Profit		Loss		No. of DCCBs	Profit		Loss		NPA to Loans Ratio (per cent)	Recovery to Demand Ratio (per cent)*	NPA to Loans Ratio (per cent)	Recovery to Demand Ratio (per cent)*
			No. of DCCBs	Amount	No of DCCBs	Amount		No. of DCCBs	Amount	No of DCCBs	Amount				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Northern region	**73**	**65**	**29,841**	**8**	**15,330**	**73**	**49**	**35,208**	**24**	**36,842**	**8.5**	**73.6**	**8.3**	**72.4**
1	Haryana	19	19	7,122	-	-	19	18	9,234	1	19	5.8	60.2	6.7	61.2
2	Himachal Pradesh	2	2	8,399	-	-	2	2	13,789	-	-	21.0	70.5	17.2	69.9
3	Jammu & Kashmir	3	2	443	1	639	3	2	269	1	690	20.4	35.4	24.7	42.9
4	Punjab	20	14	7,255	6	11,410	20	10	6,965	10	11,163	10.7	75.9	10.5	73.4
5	Rajasthan	29	28	6,622	1	3,282	29	17	4,952	12	24,970	5.2	83.7	5.0	80.9
	Eastern region	**58**	**52**	**28,422**	**6**	**9,150**	**58**	**51**	**27,369**	**7**	**11,286**	**8.8**	**76.6**	**8.5**	**78.0**
6	Bihar	23	19	2,558	4	3,228	23	18	3,375	5	9,870	12.2	51.8	9.6	52.5
7	Jharkhand	1	1	146	-	-	1	1	99	-	-	28.1	66.6	16.8	64.7
8	Odisha	17	17	11,946	-	-	17	17	10,277	-	-	7.3	78.2	7.2	80.7
9	West Bengal	17	15	13,772	2	5,922	17	15	13,619	2	1,416	10.1	79.0	10.4	76.3
	Central region	**104**	**89**	**62,991**	**15**	**63,188**	**104**	**94**	**72,981**	**10**	**76,221**	**15.7**	**66.4**	**14.9**	**68.0**
10	Chhattisgarh	6	6	19,635	-	-	6	6	24,989	-	-	9.7	78.7	10.1	79.5
11	Madhya Pradesh	38	29	22,174	9	59,041	38	28	17,833	10	76,221	22.7	57.9	21.8	59.6
12	Uttar Pradesh	50	44	11,446	6	4,147	50	50	18,564	-	-	6.3	79.3	5.8	81.2
13	Uttarakhand	10	10	9,736	-	-	10	10	11,595	-	-	7.6	73.3	8.0	67.5
	Western region	**49**	**46**	**129,124**	**3**	**5,585**	**49**	**45**	**143,109**	**4**	**5,477**	**10.3**	**75.2**	**10.3**	**73.6**
14	Gujarat	18	18	44,729	-	-	18	18	51,873	-	-	3.0	94.4	2.3	94.5
15	Maharashtra	31	28	84,395	3	5,585	31	27	91,236	4	5,477	13.2	66.0	13.7	62.7
	Southern region	**67**	**60**	**79,359**	**7**	**47,093**	**67**	**62**	**88,319**	**5**	**29,513**	**5.8**	**88.8**	**5.7**	**87.3**
16	Andhra Pradesh	13	11	13,126	2	30,855	13	12	16,457	1	5,905	4.8	88.1	6.2	84.2
17	Karnataka	21	18	26,726	3	12,123	21	19	33,463	2	9,214	7.2	91.8	7.1	91.9
18	Kerala	1	-	-	1	3,869	1	-	-	1	10,471	15.4	66.1	16.0	68.0
19	Tamil Nadu	23	23	27,200	-	-	23	23	26,815	-	-	5.5	88.6	4.5	86.5
20	Telangana	9	8	12,307	1	246	9	8	11,584	1	3,923	3.2	84.7	2.5	86.2
	All India	**351**	**312**	**329,737**	**39**	**140,346**	**351**	**301**	**366,986**	**50**	**159,339**	**8.9**	**76.8**	**8.7**	**76.4**

P: Provisional.

-: Nil/negligible.

*: Recovery for the financial year is as on 30th June.

Note: Components may not add up to the exact total due to rounding off.

Source: NABARD.

Appendix Table V.5: Details of Members and Borrowers of Primary Agricultural Credit Societies

(Numbers in thousands)

All India	Members		Borrowers	
	2023	2024	2023	2024
1	2	3	4	5
Scheduled Castes	17,759	17,773	5,420	5,119
Scheduled Tribes	19,254	22,965	3,209	3,276
Small Farmers	73,057	72,317	28,189	28,571
Rural Artisans	7,298	6,942	1,273	1,201
Others and Marginal Farmers	43,011	43,667	11,137	11,331

Source: NAFSCOB.

Appendix Table V.6: Primary Agricultural Credit Societies

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2023	2024	2022-23	2023-24
1	2	3	4	5
Liabilities				
1. Total Resources (2+3+4)	4,47,134	4,90,941	14.2	9.8
2. Owned Funds (a+b)	48,566	59,478	13.6	22.5
a. Paid-up Capital	22,191	30,689	12.1	38.3
of which Government Contribution	889	922	2.7	3.7
b. Total Reserves	26,375	28,789	14.9	9.2
3. Deposits	1,97,239	2,03,532	11.8	3.2
4. Borrowings	2,01,329	2,27,931	16.8	13.2
5. Working Capital	4,09,377	4,29,103	10.7	4.8
Assets				
1. Total Loans Outstanding (a+b)	1,88,842	2,03,212	18.2	7.6
a. Short-term	1,54,650	1,63,060	19.7	5.4
b. Medium-term	34,192	40,152	12.0	17.4

Notes: 1. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹ crore.
2. Components may not add up to the exact total due to rounding off.

Source: NAFSCOB.

Appendix Table V.7: Select Indicators of Primary Agricultural Credit Societies - State-wise *(Continued)*

(At end-March, 2024)

(Amount in ₹ lakh)

Sr. No.	State	Number of PACS	Deposits	Working Capital	Loans and Advances Outstanding		Societies in Profit	
					Agriculture	Non-Agriculture	Number	Amount
1	2	3	4	5	6	7	8	9
	Northern region	**15,173**	**18,57,293**	**55,12,813**	**26,45,050**	**99,583**	**10,005**	**57,031**
1	Chandigarh*	17	-	5	0	-	13	0
2	Haryana	786	47,636	12,69,731	5,96,454	33,150	28	38
3	Himachal Pradesh	2,226	7,50,490	8,90,460	87,376	34,852	1,850	4,237
4	Jammu & Kashmir	658	309	3,675	1,983	361	419	80
5	Punjab*	3,998	7,72,226	13,28,203	7,12,988	22,050	2,062	22,908
6	Rajasthan	7,488	2,86,632	20,20,738	12,46,248	9,169	5,633	29,768
	North-Eastern region	**10,091**	**1,07,591**	**1,67,897**	**38,122**	**32,127**	**1,340**	**11,415**
7	Arunachal Pradesh	35	N.A.	4,644	-	-	15	24
8	Assam*	766	-	11,123	575	20	309	7,639
9	Manipur	431	8	1,211	11	-	360	95
10	Meghalaya	707	5,622	12,856	5,391	56	346	2,522
11	Mizoram	96	4,214	423	540	170	60	1,020
12	Nagaland*	7,601	97,313	1,17,058	30,245	31,586	N.A.	N.A.
13	Sikkim	187	N.A.	119	1,001	75	125	81
14	Tripura	268	433	20,464	360	220	125	34
	Eastern region	**18,667**	**8,10,048**	**17,89,822**	**10,21,953**	**44,204**	**4,377**	**8,987**
15	Andaman & Nicobar Islands	59	110	1,736	1,872	809	16	32
16	Bihar*	8,463	17,533	50,816	-	-	1,180	604
17	Jharkhand	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18	Odisha	2,737	5,80,816	12,29,964	8,69,457	12,811	802	4,973
19	West Bengal	7,408	2,11,589	5,07,306	1,50,624	30,584	2,379	3,378
	Central region	**16,000**	**2,65,565**	**19,62,371**	**7,19,278**	**59,049**	**8,372**	**52,711**
20	Chhattisgarh	1,924	28,098	8,28,093	1,73,225	1,780	1,129	24,179
21	Madhya Pradesh*	4,457	81,731	6,45,546	3,39,959	11,892	2,153	13,124
22	Uttarakhand	690	1,48,916	3,62,805	1,26,063	45,376	554	13,635
23	Uttar Pradesh*	8,929	6,820	1,25,927	80,031	-	4,536	1,774
	Western region	**31,625**	**16,66,414**	**65,57,643**	**44,49,058**	**7,14,389**	**15,303**	**31,260**
24	Goa	109	12,202	19,848	1,048	5,535	52	419
25	Gujarat	9,622	75,318	19,44,091	18,06,518	92,982	6,916	18,956
26	Maharashtra	21,894	15,78,895	45,93,705	26,41,493	6,15,872	8,335	11,885
	Southern region	**16,085**	**1,56,46,292**	**2,69,19,716**	**69,25,629**	**27,31,434**	**9,841**	**99,517**
27	Andhra Pradesh	2,042	2,81,495	32,83,110	15,22,356	-	1,062	33,351
28	Telangana*	885	51,009	7,73,396	5,71,155	51,609	619	11,623
29	Karnataka	6,954	19,32,933	53,02,566	24,03,574	10,25,724	4,268	17,102
30	Kerala*	1,620	1,21,69,710	1,35,32,893	4,46,114	2,28,188	927	14,150
31	Puducherry	53	24,058	31,953	45	23,801	16	384
32	Tamil Nadu	4,531	11,87,087	39,95,797	19,82,384	14,02,112	2,949	22,907
	All India	**1,07,641**	**2,03,53,203**	**4,29,10,262**	**1,57,99,090**	**36,80,785**	**49,238**	**2,60,922**

*: Data relate to previous year.

N.A.: Not Available.

-: Nil/negligible.

Note: Components may not add up to the exact total due to rounding off.

Source: NAFSCOB.

Appendix Table V.7: Select Indicators of Primary Agricultural Credit Societies - State-wise *(Concluded)*

(At end-March, 2024)

(Amount in ₹ lakh)

Sr. No.	State	Societies in Loss		Viable	Potentially viable	Dormant	Defunct	Others
		Number	Amount					
1	2	10	11	12	13	14	15	16
	Northern Region	**4,542**	**28,877**	**13,288**	**1,103**	**353**	**242**	**187**
1	Chandigarh*	4	0.31	13	-	-	4	-
2	Haryana	758	7,039	786	-	-	-	-
3	Himachal Pradesh	323	1,789	1,070	955	70	63	68
4	Jammu & Kashmir	142	13	550	37	9	46	16
5	Punjab*	1,513	6,619	3,505	111	150	129	103
6	Rajasthan	1,802	13,417	7,364	-	124	-	-
	North-Eastern Region	**1,036**	**11,252**	**9,620**	**224**	**73**	**23**	**151**
7	Arunachal Pradesh	18	12	33	0	0	2	0
8	Assam*	419	9,909	709	57	0	0	0
9	Manipur	71	29	198	61	10	11	151
10	Meghalaya	361	1,237	575	69	63	0	0
11	Mizoram	12	3	69	27	0	0	0
12	Nagaland*	N.A.	N.A.	7,601	0	0	0	0
13	Sikkim	33	18	167	10	0	10	0
14	Tripura	122	44	268	0	0	0	0
	Eastern Region	**9,890**	**28,856**	**14,111**	**2,768**	**584**	**412**	**792**
15	Andaman & Nicobar Island	31	274	46	13	0	0	0
16	Bihar*	3,962	94	8,463	0	0	0	0
17	Jharkhand	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18	Odisha	1,882	27,014	1,649	509	11	1	567
19	West Bengal	4,015	1,473	3,953	2,246	573	411	225
	Central Region	**4,975**	**69,854**	**13,343**	**2,034**	**386**	**167**	**70**
20	Chhattisgarh	746	44,429	1,912	12	0	0	0
21	Madhya Pradesh*	2,129	17,824	3,663	720	4	-	70
22	Uttarakhand	132	7,449	653	33	-	4	-
23	Uttar Pradesh*	1,968	153	7,115	1,269	382	163	-
	Western Region	**12,824**	**26,907**	**24,965**	**4,176**	**987**	**879**	**618**
24	Goa	13	143	79	4	9	17	-
25	Gujarat	1571	13,160	6,082	2,532	268	166	574
26	Maharashtra	11,240	13,604	18,804	1,640	710	696	44
	Southern Region	**4,395**	**1,86,692**	**10,951**	**3,981**	**176**	**111**	**866**
27	Andhra Pradesh	968	97,958	1,321	685	20	2	14
28	Telangana*	196	3,321	652	213	1	-	19
29	Karnataka	1,336	4,031	4,636	1,885	101	79	253
30	Kerala*	658	68,110	1,580	-	15	25	-
31	Puducherry	30	3,480	16	30	2	5	-
32	Tamil Nadu	1,207	9,791	2,746	1,168	37	-	580
	All India	**37,662**	**3,52,439**	**86,278**	**14,286**	**2,559**	**1,834**	**2,684**

*: Data relate to previous year.

N.A.: Not Available.

-: Nil/negligible.

Note: Components may not add up to the exact total due to rounding off.

Source: NAFSCOB.

Appendix Table V.8: Liabilities and Assets of State Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2023	2024P	2022-23	2023-24
1	2	3	4	5
Liabilities				
1. Capital	973 (3.5)	1,007 (3.5)	0.6	3.5
2. Reserves	5,571 (20.0)	5,736 (19.9)	5.2	3.0
3. Deposits	2,621 (9.4)	2,679 (9.3)	1.4	2.2
4. Borrowings	12,559 (45.2)	12,517 (43.4)	-6.3	-0.3
5. Other Liabilities	6,071 (21.8)	6,912 (24.0)	3.9	13.9
Assets				
1. Cash and Bank Balances	253 (0.9)	328 (1.1)	4.7	29.9
2. Investments	2,913 (10.5)	2,837 (9.8)	23.6	-2.6
3. Loans and Advances	20,770 (74.7)	21,048 (73.0)	-0.4	1.3
4. Accumulated Losses	627 (2.3)	1,167 (4.0)	6.8	86.3
5. Other Assets	3,231 (11.6)	3,470 (12.0)	-20.4	7.4
Total Liabilities/Assets	**27,794** **(100.0)**	**28,851** **(100.0)**	**-1.1**	**3.8**

P: Provisional.

Notes: 1. Figures in parentheses are proportion to total liabilities/assets (in per cent).

2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.

3. Components may not add up to the exact total due to rounding off.

Source: NABARD.

Appendix Table V.9: Financial Performance of State Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Sr. No.	Item	During		Percentage Variation	
		2022-23	2023-24P	2022-23	2023-24
1	2	3	4	5	6
A.	**Income (i+ii)**	**3,412**	**2,462**	**38.9**	**-27.9**
		(100.0)	**(100.0)**		
	i. Interest Income	2,364	2,321	14.2	-1.8
		(69.3)	(94.3)		
	ii. Other Income	1,049	141	170.4	-86.5
		(30.7)	(5.7)		
B.	**Expenditure (i+ii+iii)**	**3,004**	**2,736**	**26.6**	**-8.9**
		(100.0)	**(100.0)**		
	i. Interest Expended	1,034	1,263	2.5	22.2
		(34.4)	(46.2)		
	ii. Provisions and Contingencies	563	718	-8.2	27.3
		(18.8)	(26.2)		
	iii. Operating Expenses	1,407	756	87.6	-46.3
		(46.8)	(27.6)		
	Of which, Wage Bill	346	364	-11.3	5.2
		(11.5)	(13.3)		
C.	**Profits**				
	i. Operating Profits	972	443	39.1	-54.4
	ii. Net Profits	408	-275		

P: Provisional.

Notes: 1. Figures in parentheses are proportion to total liabilities/assets (in per cent).
2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.
3. Components may not add up to the exact total due to rounding off.

Source: NABARD.

Appendix Table V.10: Asset Quality of State Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Item	As at end-March		Percentage Variation	
	2023	2024P	2022-23	2023-24
1	2	3	4	5
A. Total NPAs (i+ii+iii)	**7,571**	**8,070**	**0.7**	**6.6**
i. Sub-standard	2,362	2,595	-15.2	9.8
	(31.2)	(32.2)		
ii. Doubtful	5,173	5,441	10.0	5.2
	(68.3)	(67.4)		
iii. Loss	35	34	2.2	-3.5
	(0.5)	(0.4)		
B. Gross NPA Ratio (per cent)	**36.5**	**38.3**		
C. Recovery to Demand Ratio (per cent) *	**44.8**	**40.8**		

P: Provisional.

*: Recovery for the financial year is taken as on 30th June.

Notes: 1. Figures in parentheses are proportions to total NPAs.

2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.

3. Components may not add up to the exact total due to rounding off.

Source: NABARD.

Appendix Table V.11: Financial Indicators of State Co-operative Agriculture and Rural Development Banks - State-wise

(At end-March)

(Amount in ₹ lakh)

Sr. No.	Region/State/UT	Branches	Profit / Loss		NPAs to Loans Ratio (per cent)		Recovery to Demand Ratio (per cent) ^	
		2024	2023	2024P	2023	2024P	2023	2024P
1	2	3	4	5	6	7	8	9
	Northern region	**104**	**16,336**	**-55,861**	**62.9**	**70.9**	**22.6**	**13.1**
1	Haryana @	-	-2,057	-51,830	76.6	88.5	11.0	5.7
2	Himachal Pradesh #	51	-165	-428	38.0	35.8	41.0	35.6
3	Jammu & Kashmir*	51	-1,790	-1,872	55.0	46.2	32.6	30.0
4	Punjab @	-	19,680	420	62.0	70.4	42.2	21.1
5	Rajasthan @	2	669	-2,150	55.6	61.7	16.7	13.6
	North-eastern region	**5**	**16**	**22**	**98.3**	**89.3**	**12.9**	**8.4**
6	Assam*	-	-	-	-	-	-	-
7	Tripura*	5	16	22	98.3	89.3	12.9	8.4
	Eastern region	**11**	**700**	**62**	**24.7**	**26.8**	**34.7**	**33.4**
8	Bihar*	-	-	-	-	-	-	-
9	Odisha @	-	-	-	-	-	-	-
10	West Bengal #	11	700	62	24.7	26.8	34.7	33.4
	Central region	**323**	**9,808**	**9,831**	**81.9**	**76.2**	**29.1**	**27.7**
11	Chhattisgarh @	-	-	-	-	-	-	-
12	Madhya Pradesh @	-	-	-	-	-	-	-
13	Uttar Pradesh*	323	9,808	9,831	81.9	76.2	29.1	27.7
	Western region	**177**	**6,006**	**5,433**	**44.1**	**29.7**	**14.4**	**14.2**
14	Gujarat*	177	6,006	5,433	44.1	29.7	14.4	14.2
15	Maharashtra @	-	-	-	-	-	-	-
	Southern region	**75**	**7,936**	**13,023**	**14.1**	**16.2**	**73.9**	**71.7**
16	Karnataka @	25	4	3,141	38.7	37.6	32.0	26.2
17	Kerala @	16	3,447	3,506	8.3	11.8	86.5	84.9
18	Puducherry*	1	22	111	8.8	6.0	91.2	92.9
19	Tamil Nadu @	33	4,464	6,265	11.6	9.6	88.6	90.5
	All India	**695**	**40,803**	**-27,490**	**36.5**	**38.3**	**44.8**	**40.8**

@: Federal structure. #: Mixed structure. *: Unitary structure. -: Not applicable.

^: Recovery for the financial year is taken as on 30th June.

P: Provisional.

Notes: 1. Components may not add up to the exact total due to rounding off.

2. Assam, Bihar, Chhattisgarh, Odisha, Madhya Pradesh and Maharashtra no longer have functional SCARDBs.

Source: NABARD.

Appendix Table V.12: Liabilities and Assets of Primary Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2023	2024[P]	2022-23	2023-24
1	2	3	4	5
Liabilities				
1. Capital	1,110 (3.4)	1,058 (3.2)	3.1	-4.7
2. Reserves	4,518 (13.7)	4,600 (13.8)	2.6	1.8
3. Deposits	1,721 (5.2)	1,804 (5.4)	2.8	4.8
4. Borrowings	16,949 (51.5)	16,840 (50.5)	-2.0	-0.6
5. Other Liabilities	8,585 (26.1)	9,023 (27.1)	-4.8	5.1
Assets				
1. Cash and Bank Balances	421 (1.3)	429 (1.3)	-24.4	2.0
2. Investments	2,387 (7.3)	2,502 (7.5)	3.6	4.8
3. Loans and Advances	16,044 (48.8)	15,922 (47.8)	-3.5	-0.8
4. Accumulated Losses	6,748 (20.5)	6,708 (20.1)	3.1	-0.6
5. Other Assets	7,283 (22.1)	7,763 (23.3)	-2.0	6.6
Total Liabilities/Assets	**32,883 (100.0)**	**33,324 (100.0)**	**-1.7**	**1.3**

P: Provisional.

Notes: 1. Figures in parentheses are proportion to total liabilities/assets (in per cent).

2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.

3. Components may not add up to the exact total due to rounding off.

4. Data for financial year 2022-23 are available in respect of 607 of 608 reported PCARDBs and data for financial year 2023-24 are available in respect of 608 of 609 reported PCARDBs.

Source: NABARD.

Appendix Table V.13: Financial Performance of Primary Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Item	During		Percentage Variation	
	2022-23	2023-24P	2022-23	2023-24
1	2	3	4	5
A. Income (i+ii)	**3,524 (100.0)**	**3,166 (100.0)**	**22.5**	**-10.2**
i. Interest Income	1,957 (55.5)	2,031 (64.1)	7.3	3.8
ii. Other Income	1,567 (44.5)	1,135 (35.9)	48.9	-27.6
B. Expenditure (i+ii+iii)	**3,293 (100.0)**	**3,367 (100.0)**	**-5.0**	**2.3**
i. Interest Expended	1,676 (50.9)	1,668 (49.5)	-1.5	-0.5
ii. Provisions and Contingencies	1,014 (30.8)	873 (25.9)	-4.9	-13.9
iii. Operating Expenses	603 (18.3)	827 (24.5)	-13.7	37.1
Of which, Wage Bill	228 (6.9)	230 (6.8)	-53.7	0.6
C. Profits				
i. Operating Profits	1,246	672	160.7	-46.0
ii. Net Profits	231	-201		

P: Provisional.

Notes:
1. Figures in parentheses are proportion to total income/expenditure (in per cent).
2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.
3. Components may not add up to the exact total due to rounding off.
4. Data for financial year 2022-23 are available in respect of 607 of 608 reported PCARDBs and data for financial year 2023-24 are available in respect of 608 of 609 reported PCARDBs.

Source: NABARD.

Appendix Table V.14: Asset Quality of Primary Co-operative Agriculture and Rural Development Banks

(Amount in ₹ crore)

Item	At end-March		Percentage Variation	
	2023	2024P	2022-23	2023-24
1	2	3	4	5
A. Total NPAs (i+ii+iii)	**6,371**	**6,144**	**-5.9**	**-3.6**
i. Sub-standard	2,552 (40.1)	2,408 (39.2)	-12.8	-5.6
ii. Doubtful	3,784 (59.4)	3,635 (59.2)	-0.7	-3.9
iii. Loss	36 (0.6)	101 (1.6)	17.9	181.4
B. Gross NPA Ratio (per cent)	**39.7**	**38.6**		
C. Recovery to Demand Ratio (per cent)*	**39.1**	**43.1**		

P: Provisional.

*: Recovery for the financial year is taken as on 30th June.

Notes: 1. Figures in parentheses are proportions to total NPAs.

2. Y-o-y variations could be slightly different because absolute numbers have been rounded off to ₹1 crore in the table.
3. Components may not add up to the exact total due to rounding off.
4. Data for financial year 2022-23 are available in respect of 607 of 608 reported PCARDBs and data for financial year 2023-24 are available in respect of 608 of 609 reported PCARDBs.

Source: NABARD.

Appendix Table V.15: Major Financial Indicators of Primary Co-operative Agriculture and Rural Developments Banks

(Amount in ₹ lakh)

State	2022-23				2023-24P				NPAs to Loans Ratio (per cent)		Recovery to Demand Ratio (per cent) *	
	Profit		Loss		Profit		Loss					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	2023	2024P	2023	2024P
1	2	3	4	5	6	7	8	9	10	11	12	13
Northern Region	**102**	**35,310**	**42**	**13,611**	**34**	**1,781**	**110**	**31,432**	**70.8**	**71.5**	**16.5**	**11.1**
Haryana	0	-	19	6,878	0	-	19	16,601	86.5	81.5	12.2	6.4
Himachal Pradesh	0	-	1	164	1	17	0	-	31.8	29.8	53.6	55.3
Punjab	87	34,866	2	97	22	1,487	67	8,543	84.0	89.1	13.5	10.3
Rajasthan	15	444	20	6,472	11	276	24	6,288	35.8	38.5	31.3	20.5
Central Region	-	-	-	-	-	-	-	-	-	-	-	-
Chhattisgarh	-	-	-	-	-	-	-	-	-	-	-	-
Madhya Pradesh	-	-	-	-	-	-	-	-	-	-	-	-
Eastern Region	**8**	**2,630**	**16**	**3,896**	**8**	**2,083**	**16**	**3,826**	**34.2**	**33.7**	**36.2**	**37.0**
Odisha	-	-	-	-	-	-	-	-	-	-	-	-
West Bengal	8	2,630	16	3,896	8	2,083	16	3,826	34.2	33.7	36.2	37.0
Western Region	-	-	-	-	-	-	-	-	-	-	-	-
Maharashtra	-	-	-	-	-	-	-	-	-	-	-	-
Southern Region	**242**	**15,530**	**197**	**12,842**	**303**	**18,177**	**137**	**6,850**	**29.2**	**28.1**	**64.4**	**73.0**
Karnataka	56	1,997	126	8,386	128	10,947	55	2,259	19.9	15.5	58.5	80.1
Kerala	60	9,357	17	3,518	48	5,407	29	3,780	33.6	33.5	63.6	62.6
Tamil Nadu	126	4,176	54	939	127	1,822	53	811	12.5	11.7	80.5	95.6
All India	**352**	**53,470**	**255**	**30,349**	**345**	**22,040**	**263**	**42,108**	**39.7**	**38.6**	**39.1**	**43.1**

P: Provisional.

*: Recovery for the financial year is taken as on 30th June.

-: Not applicable.

Notes: 1. Components may not add up to the exact total due to rounding off.

2. Data for financial year 2022-23 are available in respect of 607 of 608 reported PCARDBs and data for financial year 2023-24 are available in respect of 608 of 609 reported PCARDBs.

Source: NABARD.

Appendix Table VI.1: Consolidated Balance Sheet of NBFCs

(₹ crore)

Items	End-March	End-March	End-March	End-September	Percentage Variation
	2023	2024	2025	2025	2024-25
1	2	3	4	5	6
1. Share Capital	1,26,078	1,45,110	1,49,415	1,50,740	3.0
2. Reserves & Surplus	8,55,926	10,50,737	12,46,845	13,17,421	18.7
3. Public Deposits	84,975	1,02,959	1,21,178	1,31,730	17.7
4. Total Borrowings (A+B)	29,79,316	34,66,283	41,81,214	44,99,426	20.6
A. Secured Borrowings	17,51,419	20,30,531	24,27,962	26,30,052	19.6
A.1. Debentures	6,22,812	6,69,362	7,84,570	8,90,440	17.2
A.2. Borrowings from Banks	9,07,622	10,76,863	12,39,858	12,91,793	15.1
A.3. Borrowings from FIs	76,426	99,442	1,18,061	1,17,728	18.7
A.4. Interest Accrued	15,246	17,033	16,072	15,935	-5.6
A.5. Others	1,29,314	1,67,831	2,69,401	3,14,157	60.5
B. Un-Secured Borrowings	12,27,897	14,35,753	17,53,252	18,69,374	22.1
B.1. Debentures	4,84,713	5,63,638	6,92,128	7,29,784	22.8
B.2. Borrowings from Banks	2,18,426	2,61,226	3,16,790	3,67,708	21.3
B.3. Borrowings from FIs	13,149	17,715	22,138	27,131	25.0
B.4. Borrowings from Relatives	2,380	2,606	2,675	3,341	2.6
B.5. Inter-Corporate Borrowings	99,564	1,05,415	1,37,537	1,59,401	30.5
B.6. Commercial Papers	83,620	1,05,439	1,35,232	1,56,199	28.3
B.7. Interest Accrued	17,659	21,049	23,360	26,075	11.0
B.8. Others	3,08,386	3,58,665	4,23,392	3,99,735	18.0
5. Current Liabilities & Provisions	3,42,634	3,74,381	4,10,474	4,51,840	9.6
Total Liabilities/ Total Assets	**43,88,930**	**51,39,470**	**61,09,126**	**65,51,157**	**18.9**
1. Loans & Advances	34,13,804	40,52,732	48,38,744	52,05,544	19.4
1.1. Secured	23,72,459	30,79,982	36,76,488	39,37,921	19.4
1.2. Un-Secured	10,41,346	9,72,750	11,62,256	12,67,622	19.5
2. Investments	5,33,421	6,66,796	7,84,621	8,18,990	17.7
2.1. Govt. Securities	91,855	1,23,248	1,54,915	1,71,401	25.7
2.2. Equity Shares	2,82,786	3,81,704	4,13,127	3,86,412	8.2
2.3. Preference Shares	7,081	8,609	9,045	9,209	5.1
2.4. Debentures & Bonds	33,169	37,842	57,175	59,525	51.1
2.5. Units of Mutual Funds	66,196	57,142	76,431	1,10,121	33.8
2.6. Commercial Papers	1,177	2,571	3,056	5,583	18.9
2.7. Other Investments	51,158	55,680	70,873	76,739	27.3
3. Cash & Bank Balances	1,72,105	1,73,559	2,30,508	2,41,021	32.8
of which:					
3.1. Cash in Hand	6,411	6,627	6,630	24,563	0.0
3.2. Deposits with Banks	1,52,967	1,51,879	2,06,279	1,99,269	35.8
4. Others	2,69,600	2,46,383	2,55,254	2,85,602	3.6
Memo Items					
1. Capital Market Exposure (CME)	3,08,043	4,18,225	4,52,137	4,65,880	8.1
of which: Equity Shares	2,02,727	2,85,273	3,03,694	2,94,724	6.5
2. CME as per cent to Total Assets	7.0	8.1	7.4	7.1	
3. Leverage Ratio	4.4	4.2	4.2	4.3	

- : Not applicable or Not available or Nil

Notes: 1. Data are provisional. Percentage figures are rounded-off.

2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.

3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Source: Supervisory returns, RBI.

Appendix Table VI.2: Consolidated Balance Sheet of NBFC-UL

(₹ crore)

Items	End-March 2023	End-March 2024	End-March 2025	End-September 2025	Percentage Variation 2024-25
1	2	3	4	5	6
1. Share Capital	7,344	9,034	11,364	12,033	25.8
2. Reserves & Surplus	1,91,938	2,45,188	3,20,180	3,74,484	30.6
3. Public Deposits	64,797	83,102	1,00,653	1,10,124	21.1
4. Total Borrowings (A+B)	7,48,506	9,53,405	12,66,934	14,06,062	32.9
A. Secured Borrowings	6,40,877	8,17,360	10,98,280	12,27,822	34.4
A.1. Debentures	2,13,684	2,56,627	3,27,297	4,01,149	27.5
A.2. Borrowings from Banks	3,18,979	4,08,471	5,25,861	5,74,256	28.7
A.3. Borrowings from FIs	30,005	44,041	54,128	53,045	22.9
A.4. Interest Accrued	6,165	8,229	8,014	7,706	-2.6
A.5. Others	72,044	99,992	1,82,980	1,91,667	83.0
B. Un-Secured Borrowings	1,07,630	1,36,045	1,68,654	1,78,240	24.0
B.1. Debentures	11,731	14,817	19,510	19,607	31.7
B.2. Borrowings from Banks	6,218	4,602	6,428	5,553	39.7
B.3. Borrowings from FIs	-	-	2,405	2,287	-
B.4. Borrowings from Relatives	615	700	523	917	-25.2
B.5. Inter-Corporate Borrowings	21,059	25,589	31,420	30,989	22.8
B.6. Commercial Papers	39,550	54,146	61,305	71,165	13.2
B.7. Interest Accrued	1,889	2,569	1,412	1,036	-45.0
B.8. Others	26,568	33,622	45,651	46,686	35.8
5. Current Liabilities & Provisions	58,463	68,793	82,859	96,157	20.4
Total Liabilities/ Total Assets	**10,71,050**	**13,59,521**	**17,81,991**	**19,98,860**	**31.1**
1. Loans & Advances	9,18,302	11,85,621	15,16,011	17,16,579	27.9
1.1. Secured	6,91,720	8,95,934	11,47,665	13,01,275	28.1
1.2. Un-Secured	2,26,582	2,89,688	3,68,346	4,15,304	27.2
2. Investments	75,479	95,189	1,35,253	1,53,493	42.1
2.1. Govt. Securities	37,465	50,634	57,222	62,993	13.0
2.2. Equity Shares	14,195	21,454	31,741	39,631	47.9
2.3. Preference Shares	114	35	153	464	342.1
2.4. Debentures & Bonds	1,608	1,634	11,735	11,947	618.4
2.5. Units of Mutual Funds	10,567	7,116	8,420	8,057	18.3
2.6. Commercial Papers	691	1,005	1,520	2,197	51.3
2.7. Other Investments	10,838	13,312	24,462	28,205	83.8
3. Cash & Bank Balances	46,946	43,228	80,973	65,829	87.3
of which:					
3.1. Cash in Hand	673	853	2,219	2,225	160.3
3.2. Deposits with Banks	44,046	38,463	76,460	61,625	98.8
4. Others	30,323	35,483	49,754	62,959	40.2
Memo Items					
1. Capital Market Exposure (CME)	41,880	65,650	77,271	90,719	17.7
of which: Equity Shares	4,105	9,929	24,325	25,494	145.0
2. CME as per cent to Total Assets	3.9	4.8	4.3	4.5	
3. Leverage Ratio	4.8	4.7	4.6	4.5	

- : Not applicable or Not available or Nil

Notes: 1. Data are provisional. Percentage figures are rounded-off.
2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.
3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Source: Supervisory returns, RBI.

Appendix Table VI.3: Consolidated Balance Sheet of NBFC-ML

(₹ crore)

Items	End-March	End-March	End-March	End-September	Percentage Variation
	2023	2024	2025	2025	2024-25
1	2	3	4	5	6
1. Share Capital	1,18,734	1,36,076	1,38,050	1,38,706	1.5
2. Reserves & Surplus	6,63,988	8,05,549	9,26,665	9,42,937	15.0
3. Public Deposits	20,178	19,858	20,525	21,607	3.4
4. Total Borrowings (A+B)	22,30,810	25,12,878	29,14,280	30,93,364	16.0
A. Secured Borrowings	11,10,542	12,13,171	13,29,682	14,02,230	9.6
A.1. Debentures	4,09,128	4,12,734	4,57,273	4,89,291	10.8
A.2. Borrowings from Banks	5,88,642	6,68,392	7,13,997	7,17,537	6.8
A.3. Borrowings from FIs	46,422	55,401	63,933	64,683	15.4
A.4. Interest Accrued	9,081	8,804	8,058	8,229	-8.5
A.5. Others	57,270	67,839	86,421	1,22,490	27.4
B. Un-Secured Borrowings	11,20,267	12,99,708	15,84,598	16,91,134	21.9
B.1. Debentures	4,72,982	5,48,821	6,72,617	7,10,177	22.6
B.2. Borrowings from Banks	2,12,209	2,56,623	3,10,362	3,62,156	20.9
B.3. Borrowings from FIs	13,149	17,715	19,733	24,844	11.4
B.4. Borrowings from Relatives	1,765	1,907	2,152	2,423	12.8
B.5. Inter-Corporate Borrowings	78,504	79,826	1,06,117	1,28,412	32.9
B.6. Commercial Papers	44,070	51,293	73,928	85,034	44.1
B.7. Interest Accrued	15,770	18,480	21,948	25,040	18.8
B.8. Others	2,81,818	3,25,043	3,77,741	3,53,048	16.2
5. Current Liabilities & Provisions	2,84,171	3,05,588	3,27,615	3,55,683	7.2
Total Liabilities/ Total Assets	**33,17,880**	**37,79,949**	**43,27,135**	**45,52,297**	**14.5**
1. Loans & Advances	24,95,502	28,67,111	33,22,733	34,88,965	15.9
1.1. Secured	16,80,739	21,84,049	25,28,823	26,36,646	15.8
1.2. Un-Secured	8,14,763	6,83,063	7,93,910	8,52,319	16.2
2. Investments	4,57,942	5,71,606	6,49,368	6,65,497	13.6
2.1. Govt. Securities	54,390	72,614	97,693	1,08,408	34.5
2.2. Equity Shares	2,68,591	3,60,250	3,81,385	3,46,781	5.9
2.3. Preference Shares	6,967	8,574	8,892	8,745	3.7
2.4. Debentures & Bonds	31,561	36,209	45,440	47,578	25.5
2.5. Units of Mutual Funds	55,629	50,026	68,011	1,02,065	35.9
2.6. Commercial Papers	485	1,566	1,536	3,387	-1.9
2.7. Other Investments	40,319	42,368	46,411	48,534	9.5
3. Cash & Bank Balances	1,25,159	1,30,332	1,49,535	1,75,192	14.7
of which:					
3.1. Cash in Hand	5,738	5,774	4,410	22,338	-23.6
3.2. Deposits with Banks	1,08,921	1,13,416	1,29,819	1,37,645	14.5
4. Others	2,39,276	2,10,900	2,05,499	2,22,643	-2.6
Memo Items					
1. Capital Market Exposure (CME)	2,66,164	3,52,575	3,74,866	3,75,160	6.3
of which: Equity Shares	1,98,622	2,75,344	2,79,369	2,69,230	1.5
2. CME as per cent to Total Assets	8.0	9.3	8.7	8.2	
3. Leverage Ratio	4.3	4.0	4.0	4.2	

- : Not applicable or Not available or Nil

Notes: 1. Data are provisional. Percentage figures are rounded-off.
2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.
3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Source: Supervisory returns, RBI.

Appendix Table VI.4: Consolidated Balance Sheet of NBFC-D

(₹ crore)

Items	End-March	End-March	End-March	End-September	Percentage Variation
	2023	2024	2025	2025	2024-25
1	2	3	4	5	6
1. Share Capital	7,921	8,040	8,522	9,013	6.0
2. Reserves & Surplus	1,26,012	1,55,218	1,82,854	1,97,267	17.8
3. Public Deposits	84,975	1,02,959	1,21,178	1,31,730	17.7
4. Total Borrowings (A+B)	3,64,421	4,57,042	5,67,983	5,85,471	24.3
A. Secured Borrowings	3,05,566	3,81,475	4,83,267	5,02,411	26.7
A.1. Debentures	1,09,230	1,25,051	1,56,143	1,80,688	24.9
A.2. Borrowings from Banks	1,29,707	1,71,615	1,83,932	1,98,150	7.2
A.3. Borrowings from FIs	9,593	10,835	21,929	19,432	102.4
A.4. Interest Accrued	2,656	3,294	1,248	989	-62.1
A.5. Others	54,381	70,679	1,20,014	1,03,152	69.8
B. Un-Secured Borrowings	58,854	75,567	84,717	83,060	12.1
B.1. Debentures	7,553	7,902	8,431	8,914	6.7
B.2. Borrowings from Banks	905	652	1,450	1,000	122.2
B.3. Borrowings from FIs	-	-	2,405	2,342	-
B.4. Borrowings from Relatives	26	29	26	22	-9.7
B.5. Inter-Corporate Borrowings	18,105	23,090	29,968	29,555	29.8
B.6. Commercial Papers	16,589	27,682	28,256	27,387	2.1
B.7. Interest Accrued	1,472	1,711	420	345	-75.5
B.8. Others	14,205	14,501	13,761	13,494	-5.1
5. Current Liabilities & Provisions	73,324	81,691	90,773	1,01,251	11.1
Total Liabilities/ Total Assets	**6,56,653**	**8,04,950**	**9,71,310**	**10,24,732**	**20.7**
1. Loans & Advances	5,52,514	6,86,249	8,14,170	8,74,482	18.6
1.1. Secured	4,22,323	4,83,119	5,67,022	5,97,425	17.4
1.2. Un-Secured	1,30,191	2,03,130	2,47,148	2,77,057	21.7
2. Investments	57,492	69,131	83,016	83,073	20.1
2.1. Govt. Securities	30,006	40,202	42,141	46,999	4.8
2.2. Equity Shares	15,439	16,516	16,958	21,275	2.7
2.3. Preference Shares	67	6	6	6	-
2.4. Debentures & Bonds	335	218	980	1055	348.8
2.5. Units of Mutual Funds	6,376	3,765	5,900	4,073	56.7
2.6. Commercial Papers	705	1,736	1,881	2,585	8.4
2.7. Other Investments	4,564	6,688	15,150	7,081	126.5
3. Cash & Bank Balances	28,982	28,410	46,517	36,216	63.7
of which:					
3.1. Cash in Hand	607	1,086	2,132	369	96.3
3.2. Deposits with Banks	26,398	23,247	44,070	35,661	89.6
4. Others	17,665	21,159	27,607	30,961	30.5
Memo Items					
1. Capital Market Exposure (CME)	26,409	38,919	36,411	41,099	-6.4
of which: Equity Shares	2,283	3,769	12,914	15,118	242.6
2. CME as per cent to Total Assets	4.0	4.8	3.7	4.0	
3. Leverage Ratio	4.3	4.3	4.4	4.4	

- : Not applicable or Not available or Nil

Notes: 1. Data are provisional. Percentage figures are rounded-off.
2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.
3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Source: Supervisory returns, RBI.

Appendix Table VI.5: Credit to Various Sectors by NBFCs

(₹ crore)

Items	End-March	End-March	End-March	End-September	Percentage Variation
	2023	2024	2025	2025	2024-25
1	2	3	4	5	6
Gross Advances (1 to 5)	**34,13,804**	**40,52,732**	**48,38,744**	**52,05,544**	**19.4**
1. Agriculture and Allied Activities	**60,717**	**84,712**	**82,059**	**87,840**	**-3.1**
2. Industry (2.1 to 2.2 equals 2.a to 2.d)	**17,36,685**	**19,37,033**	**22,91,605**	**23,94,110**	**18.3**
2.1 Power	9,40,408	11,26,554	12,85,589	13,21,790	14.1
2.2 Others	7,96,277	8,10,479	10,06,016	10,72,320	24.1
Total 2.a to 2.d	17,36,685	19,37,032	22,91,605	23,94,110	18.3
2.a Micro and Small	89,931	1,03,138	1,25,723	1,41,181	21.9
2.b Medium	19,479	21,297	23,510	25,251	10.4
2.c Large	10,27,341	12,37,653	13,96,438	14,49,186	12.8
2.d Others	5,99,934	5,74,944	7,45,934	7,78,493	29.7
3. Services (3.1 to 3.10 equals 3.a to 3.d)	**4,52,917**	**5,73,198**	**7,44,181**	**8,01,470**	**29.8**
3.1 Transport Operators	1,02,886	1,32,778	1,61,937	1,66,426	22.0
3.2 Computer Software	2,110	3,083	3,534	4,488	14.6
3.3 Tourism, Hotel and Restaurants	7,547	7,451	10,927	12,869	46.6
3.4 Shipping	185	273	192	198	-29.5
3.5 Professional Services	23,665	25,402	33,698	43,103	32.7
3.6 Trade	70,448	95,149	1,27,923	1,33,648	34.4
3.6.1 Wholesale Trade (other than Food Procurement)	10,754	16,156	24,837	26,964	53.7
3.6.2 Retail Trade	59,693	78,993	1,03,086	1,06,684	30.5
3.7 Commercial Real Estate	81,911	89,809	95,624	1,01,664	6.5
3.8 NBFCs	48,024	60,899	70,712	72,146	16.1
3.9 Aviation	826	503	458	615	-9.0
3.10 Other Services	1,15,316	1,57,853	2,39,178	2,66,313	51.5
Total 3.a to 3.d	**4,52,917**	**5,73,198**	**7,44,181**	**8,01,470**	**29.8**
3.a Micro and Small	1,33,000	2,11,865	3,01,830	3,31,232	42.5
3.b Medium	20,332	29,100	26,329	28,351	-9.5
3.c Large	78,526	81,914	1,16,965	1,20,865	42.8
3.d Others	2,21,058	2,50,320	2,99,057	3,21,022	19.5
4. Retail Loans (4.1 to 4.10)	**10,48,337**	**13,82,146**	**16,31,900**	**18,38,897**	**18.1**
4.1 Housing Loans (incl. priority sector Housing)	32,172	33,822	46,392	71,219	37.2
4.2 Consumer Durables	31,541	40,957	48,379	55,460	18.1
4.3 Credit Card Receivables	44,007	55,736	61,781	66,272	10.8
4.4 Vehicle/Auto Loans	3,82,320	4,77,135	5,71,954	6,11,714	19.9
4.5 Education Loans	25,324	45,026	63,551	73,099	41.1
4.6 Advances against Fixed Deposits (incl. FCNR(B), *etc.*)	215	153	191	237	24.3
4.7 Advances to Individuals against Shares, Bonds, *etc.*	13,389	21,814	26,488	30,070	21.4
4.8 Advances to Individuals against Gold	1,29,787	1,54,315	2,08,482	2,61,728	35.1
4.9 Micro finance loan/ SHG Loan	1,16,707	1,50,750	1,33,186	1,24,089	-11.7
4.10 Other Retail Loans	2,72,875	4,02,437	4,71,497	5,45,009	17.2
5. Others	**1,15,149**	**75,643**	**88,998**	**83,227**	**17.7**

- : Not applicable or Not available or Nil

Notes: 1. Data are provisional. Percentage figures are rounded-off.

2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.

3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.

Source: Supervisory returns, RBI.

Appendix Table VI.6: Financial Performance of NBFC-UL

(₹ crore)

Items	2022-23	2023-24	2024-25	H1:2025-26
1	2	3	4	5
A. Total Income	**1,41,310**	**1,82,115**	**2,38,342**	**1,42,597**
of which: (i) Fund Based Income	1,32,676	1,71,480	2,26,220	1,33,048
	(93.9)	(94.2)	(94.9)	(93.3)
(ii) Fee Based Income	2,424	4,219	5,264	3,161
	(1.7)	(2.3)	(2.2)	(2.2)
B. Expenditure	**1,02,181**	**1,30,395**	**1,74,008**	**1,06,522**
(i) Financial Expenditure	52,579	72,748	97,952	59,104
	(51.5)	(55.8)	(56.3)	(55.5)
of which: Interest payment	29,132	42,930	59,696	36,313
	(28.5)	(32.9)	(34.3)	(34.1)
(ii) Operating Expenditure	30,588	37,349	46,287	26,204
	(29.9)	(28.6)	(26.6)	(24.6)
(iii) Others	19,014	20,298	29,769	21,214
	(18.6)	(15.6)	(17.1)	(19.9)
C. Tax Provisions	**10,373**	**13,102**	**15,460**	**9,063**
D. Profit Before Tax	**39,129**	**51,720**	**64,334**	**36,075**
E. Net Profit	**28,756**	**38,618**	**48,873**	**27,012**
F. Total Assets	**10,71,050**	**13,59,521**	**17,81,991**	**19,98,860**
G. Financial Ratios (as per cent of total assets)				
(i) Income	13.2	13.4	13.4	14.3
(ii) Fund Income	12.4	12.6	12.7	13.3
(iii) Fee Income	0.2	0.3	0.3	0.3
(iv) Expenditure	9.5	9.6	9.8	10.7
(v) Financial Expenditure	4.9	5.4	5.5	5.9
(vi) Operating Expenditure	2.9	2.8	2.6	2.6
(vii) Tax Provision	1.0	1.0	0.9	0.9
(viii) Net Profit	2.7	2.8	2.7	2.7
H. Cost to Income Ratio (per cent)	**55.9**	**52.7**	**54.2**	**56.8**

- : Not applicable or Not available or Nil

Cost to Income Ratio = (Total expenditure-interest expenses)/ (Total income-interest expenses) *100.

Notes: 1. Data are provisional. Percentage figures are rounded-off.

2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.
3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.
4. Figures in paranthesis are share (in per cent) to respective total.
5. Financial ratios for H1:2025-26 have been annualised.

Source: Supervisory returns, RBI.

Appendix Table VI.7: Financial Performance of NBFC-ML

(₹ crore)

Items	2022-23	2023-24	2024-25	H1: 2025-26
1	2	3	4	5
A. Total Income	**3,27,070**	**4,11,632**	**4,47,203**	**2,45,836**
of which: (i) Fund Based Income	2,83,262	3,77,011	4,12,886	2,26,312
	(86.6)	(91.6)	(92.3)	(92.1)
(ii) Fee Based Income	14,646	19,093	21,106	12,242
	(4.5)	(4.6)	(4.7)	(5.0)
B. Expenditure	**2,32,665**	**2,84,049**	**3,41,343**	**1,80,446**
(i) Financial Expenditure	1,41,426	1,70,805	2,07,326	1,12,702
	(60.8)	(60.1)	(60.7)	(62.5)
of which: Interest payment	72,915	96,303	1,00,928	52,023
	(31.3)	(33.9)	(29.6)	(28.8)
(ii) Operating Expenditure	48,333	60,318	70,617	40,445
	(20.8)	(21.2)	(20.7)	(22.4)
(iii) Others	42,906	52,926	63,400	27,299
	(18.4)	(18.6)	(18.6)	(15.1)
C. Tax Provisions	**15,357**	**25,242**	**22,448**	**12,432**
D. Profit Before Tax	**94,405**	**1,27,583**	**1,05,860**	**65,390**
E. Net Profit	**79,047**	**1,02,341**	**83,412**	**52,958**
F. Total Assets	**33,17,880**	**37,79,949**	**43,27,135**	**45,52,297**
G. Financial Ratios (as per cent of total assets)				
(i) Income	9.9	10.9	10.3	10.8
(ii) Fund Income	8.5	10.0	9.5	9.9
(iii) Fee Income	0.4	0.5	0.5	0.5
(iv) Expenditure	7.0	7.5	7.9	7.9
(v) Financial Expenditure	4.3	4.5	4.8	5.0
(vi) Operating Expenditure	1.5	1.6	1.6	1.8
(vii) Tax Provision	0.5	0.7	0.5	0.5
(viii) Net Profit	2.4	2.7	1.9	2.3
H. Cost to Income Ratio (per cent)	**49.2**	**47.1**	**55.9**	**50.9**

- : Not applicable or Not available or Nil

Cost to Income Ratio = (Total expenditure-interest expenses)/ (Total income-interest expenses) *100.

Notes:
1. Data are provisional. Percentage figures are rounded-off.
2. Data for NBFCs (excluding CICs, HFCs and SPDs) falling in upper and middle layers.
3. The data is based on the classification of NBFCs by layers as per the list of NBFCs registered with the RBI. Layer-wise identification of NBFCs up to March-2025 is based on their position as on December 31, 2024. For September-2025, the same position is considered, except where there was change in layer of NBFC between January and September 2025.
4. Figures in parenthesis are share (in per cent) to respective total.
5. Financial ratios for H1:2025-26 have been annualised.

Source: Supervisory returns, RBI.

Appendix Table VI.8: Financial Assistance Sanctioned and Disbursed by Financial Institutions *(Continued)*

(₹ crore)

Institutions	Loans*							
	2023-24		2024-25		H1:2024-25		H1:2025-26	
	S	D	S	D	S	D	S	D
1	2	3	4	5	6	7	8	9
A. All India financial institutions (1 to 5)	**9,58,204**	**8,73,610**	**9,61,614**	**8,76,084**	**3,73,911**	**2,89,242**	**3,60,509**	**3,18,540**
1. NABARD	4,42,156	4,36,033	4,52,474	4,48,488	1,65,768	1,05,670	96,669	1,32,766
2. SIDBI	3,02,581	2,94,942	2,45,980	2,35,243	1,13,520	1,14,244	1,19,742	1,15,015
3. EXIM Bank	91,672	84,696	1,17,771	1,20,922	46,180	41,910	46,488	47,612
4. NHB@	38,738	32,103	44,327	33,369	17,713	12,745	33,135	7,084
5. NaBFID	83,057	25,836	1,01,063	38,062	30,729	14,672	64,475	16,062
B. Specialised financial institutions (6, 7 and 8)	**1,364**	**763**	**1,599**	**915**	**943**	**423**	**1,004**	**472**
6. IVCF	-	-	-	-	-	-	-	-
7. ICICI venture	-	-	-	-	-	-	-	-
8. TFCI	1,364	763	1,599	915	943	423	1,004	472
C. Investment institutions (9 and 10)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. LIC	-	-	-	-	-	-	-	-
10. GIC	-	-	-	-	-	-	-	-
D. Financial Institutions (A+B+C)	**9,59,568**	**8,74,372**	**9,63,213**	**8,76,999**	**3,74,854**	**2,89,665**	**3,61,513**	**3,19,012**
E. State level institutions (11 and 12)	**6,966**	**7,231**	**7,771**	**7,113**	**-**	**-**	**-**	**-**
11. SFCs^	6,966	7,231	7,771	7,113	-	-	-	-
12. SIDCs	-	-	-	-	-	-	-	-
F. Total assistance by all financial institutions (D+E)	**9,66,534**	**8,81,603**	**9,70,984**	**8,84,112**	**3,74,854**	**2,89,665**	**3,61,513**	**3,19,012**

S: Sanctions. D: Disbursements. -: Nil or Not Available or Not Meaningful.

*: Loans include rupee loans and foreign currency loans.

@: Data for NHB pertain to July-June.

#: Others include guarantees.

^: Data on sanctions pertain to five SFCs and data on disbursements pertain to six SFCs.

Notes: 1. Data are provisional.

2. Components may not add up to the total due to rounding off.

Source: The respective Financial Institutions.

Appendix Table VI.8: Financial Assistance Sanctioned and Disbursed by Financial Institutions *(Continued)*

(₹ crore)

Institutions	Underwriting and Direct Subscription							
	2023-24		2024-25		H1:2024-25		H1:2025-26	
	S	D	S	D	S	D	S	D
1	10	11	12	13	14	15	16	17
A. All India financial institutions (1 to 5)	**-**	**-**	**76**	**91**	**-**	**-**	**2**	**5**
1. NABARD	-	-	-	-	-	-	-	-
2. SIDBI	-	-	-	15	-	-	-	3
3. EXIM Bank	-	-	-	-	-	-	-	-
4. NHB@	-	-	-	-	-	-	-	-
5. NaBFID	-	-	76	76	-	-	2	2
B. Specialised financial institutions (6, 7 and 8)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
6. IVCF	-	-	-	-	-	-	-	-
7. ICICI venture	-	-	-	-	-	-	-	-
8. TFCI	-	-	-	-	-	-	-	-
C. Investment institutions (9 and 10)	**1,66,525**	**78,584**	**1,67,420**	**78,311**	**83,050**	**33,177**	**32,400**	**20,444**
9. LIC	1,66,525	78,584	1,67,420	78,311	83,050	33,177	32,400	20,444
10. GIC	-	-	-	-	-	-	-	-
D. Financial Institutions (A+B+C)	**1,66,525**	**78,584**	**1,67,496**	**78,402**	**83,050**	**33,177**	**32,402**	**20,449**
E. State level institutions (11 and 12)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
11. SFCs^	-	-	-	-	-	-	-	-
12. SIDCs	-	-	-	-	-	-	-	-
F. Total assistance by all financial institutions (D+E)	**1,66,525**	**78,584**	**1,67,496**	**78,402**	**83,050**	**33,177**	**32,402**	**20,449**

S: Sanctions. D: Disbursements. -: Nil or Not Available or Not Meaningful.

*: Loans include rupee loans and foreign currency loans.

@: Data for NHB pertain to July-June.

#: Others include guarantees.

^: Data on sanctions pertain to five SFCs and data on disbursements pertain to six SFCs.

Notes: 1. Data are provisional.

2. Components may not add up to the total due to rounding off.

Source: The respective Financial Institutions.

Appendix Table VI.8: Financial Assistance Sanctioned and Disbursed by Financial Institutions *(Continued)*

(₹ crore)

Institutions	Others#							
	2023-24		2024-25		H1:2024-25		H1:2025-26	
	S	D	S	D	S	D	S	D
1	18	19	20	21	22	23	24	25
A. All India financial institutions (1 to 5)	**15,364**	**5,335**	**22,581**	**8,304**	**10,726**	**1,733**	**10,785**	**3,470**
1. NABARD	493	551	345	556	83	127	225	283
2. SIDBI	9	-	9	-	2	-	22	-
3. EXIM Bank	14,640	4,377	22,101	7,350	10,616	1,498	10,538	2,809
4. NHB@	-	-	-	-	-	-	-	-
5. NaBFID	222	407	126	398	26	108	-	378
B. Specialised financial institutions (6, 7 and 8)	**90**	**90**	**-**	**-**	**-**	**-**	**115**	**53**
6. IVCF	-	-	-	-	-	-	-	-
7. ICICI venture	-	-	-	-	-	-	-	-
8. TFCI	90	90	-	-	-	-	115	53
C. Investment institutions (9 and 10)	**-**	**245**	**1,113**	**716**	**-**	**-**	**-**	**-**
9. LIC	-	245	1,113	716	-	-	-	-
10. GIC	-	-	-	-	-	-	-	-
D. Financial Institutions (A+B+C)	**15,454**	**5,670**	**23,693**	**9,020**	**10,726**	**1,733**	**10,900**	**3,523**
E. State level institutions (11 and 12)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
11. SFCs^	-	-	-	-	-	-	-	-
12. SIDCs	-	-	-	-	-	-	-	-
F. Total assistance by all financial institutions (D+E)	**15,454**	**5,670**	**23,693**	**9,020**	**10,726**	**1,733**	**10,900**	**3,523**

S: Sanctions. D: Disbursements. -: Nil or Not Available or Not Meaningful.

*: Loans include rupee loans and foreign currency loans.

@: Data for NHB pertain to July-June.

#: Others include guarantees.

^: Data on sanctions pertain to five SFCs and data on disbursements pertain to six SFCs.

Notes: 1. Data are provisional.

2. Components may not add up to the total due to rounding off.

Source: The respective Financial Institutions.

Appendix Table VI.8: Financial Assistance Sanctioned and Disbursed by Financial Institutions *(Concluded)*

(₹ crore)

Institutions	Total								Percentage Variation			
	2023-24		2024-25		H1:2024-25		H1:2025-26		2024-25		H1:2025-26	
	S	D	S	D	S	D	S	D	S	D	S	D
1	26	27	28	29	30	31	32	33	34	35	36	37
A. All India financial institutions (1 to 5)	**9,73,568**	**8,78,944**	**9,84,270**	**8,84,479**	**3,84,638**	**2,90,974**	**3,71,296**	**3,22,014**	**1.1**	**0.6**	**-3.5**	**10.7**
1. NABARD	4,42,649	4,36,584	4,52,819	4,49,044	1,65,851	1,05,797	96,894	1,33,049	2.3	2.9	-41.6	25.8
2. SIDBI	3,02,590	2,94,942	2,45,989	2,35,258	1,13,522	1,14,244	1,19,765	1,15,018	-18.7	-20.2	5.5	0.7
3. EXIM Bank	1,06,312	89,073	1,39,871	1,28,272	56,796	43,407	57,026	50,421	31.6	44.0	0.4	16.2
4. NHB@	38,738	32,103	44,327	33,369	17,713	12,745	33,135	7,084	14.4	3.9	87.1	-44.4
5. NaBFID	83,280	26,243	1,01,265	38,535	30,756	14,780	64,476	16,442	21.6	46.8	109.6	11.2
B. Specialised financial institutions (6, 7 and 8)	**1,454**	**853**	**1,599**	**915**	**943**	**423**	**1,119**	**525**	**10.0**	**7.3**	**18.7**	**24.0**
6. IVCF	-	-	-	-	-	-	-	-	-	-	-	-
7. ICICI venture	-	-	-	-	-	-	-	-	-	-	-	-
8. TFCI	1,454	853	1,599	915	943	423	1,119	525	10.0	7.3	18.7	24.0
C. Investment institutions (9 and 10)	**1,66,525**	**78,829**	**1,68,533**	**79,027**	**83,050**	**33,177**	**32,400**	**20,444**	**1.2**	**0.3**	**-61.0**	**-38.4**
9. LIC	1,66,525	78,829	1,68,533	79,027	83,050	33,177	32,400	20,444	1.2	0.3	-61.0	-38.4
10. GIC	-	-	-	-	-	-	-	-	-	-	-	-
D. Financial Institutions (A+B+C)	**11,41,547**	**9,58,626**	**11,54,402**	**9,64,421**	**4,68,630**	**3,24,574**	**4,04,814**	**3,42,983**	**1.1**	**0.6**	**-13.6**	**5.7**
E. State level institutions (11 and 12)	**6,966**	**7,231**	**7,771**	**7,113**	**-**	**-**	**-**	**-**	**11.6**	**-1.6**	**-**	**-**
11. SFCs^	6,966	7,231	7,771	7,113	-	-	-	-	11.6	-1.6	-	-
12. SIDCs	-	-	-	-	-	-	-	-	-	-	-	-
F. Total assistance by all financial institutions (D+E)	**11,48,513**	**9,65,857**	**11,62,173**	**9,71,534**	**4,68,630**	**3,24,574**	**4,04,814**	**3,42,983**	**1.2**	**0.6**	**-13.6**	**5.7**

S: Sanctions. D: Disbursements. -: Nil or Not Available or Not Meaningful.

*: Loans include rupee loans and foreign currency loans.

@: Data for NHB pertain to July-June.

#: Others include guarantees.

^: Data on sanctions pertain to five SFCs and data on disbursements pertain to six SFCs.

Notes: 1. Data are provisional.

2. Components may not add up to the total due to rounding off.

Source: The respective Financial Institutions.

Appendix Table VI.9: Financial Performance of Standalone Primary Dealers

(₹ crore)

Sl. No.	Name of the Primary Dealers	Year	Income				Expenditure			Profit before tax	Profit after tax	Return on networth (per cent)
			Interest income (including discount income)	Trading profit	Other income	Total income	Interest expenses	Other expenses	Total expenditure			
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	STCI Primary Dealer Ltd.	2023-24	1,041	139	2	1,182	944	43	987	266	198	22.4
		2024-25	1,127	217	2	1,346	987	53	1,040	341	254	23.3
		H1:2025-26	596	21	1	618	470	26	496	54	39	6.4
2	SBI DFHI Ltd.	2023-24	1,378	44	8	1,430	1,226	41	1,267	242	180	12.0
		2024-25	1,675	124	6	1,805	1,472	58	1,530	443	331	18.6
		H1:2025-26	891	26	6	923	688	33	721	173	127	12.6
3	ICICI Securities Primary Dealership Ltd.	2023-24	2,110	312	26	2,448	1,871	172	2,043	586	437	25.4
		2024-25	2,376	418	35	2,829	2,120	191	2,311	719	536	27.6
		H1:2025-26	1,367	305	21	1,693	1,085	101	1,186	552	412	38.9
4	PNB Gilts Ltd.	2023-24	1,518	-48	8	1,478	1,411	66	1,477	99	70	5.4
		2024-25	1,512	75	12	1,599	1,312	55	1,368	311	233	16.2
		H1:2025-26	845	73	6	924	669	38	708	159	114	14.3
5	Morgan Stanley India Primary Dealer Pvt. Ltd.	2023-24	1,376	280	3	1,659	1,049	73	1,121	560	418	11.4
		2024-25	1,522	126	26	1,675	1,161	97	1,258	413	307	7.6
		H1:2025-26	632	-104	1	529	425	51	476	248	184	8.6
6	Nomura Fixed Income Securities Pvt. Ltd.	2023-24	615	215	2	832	519	72	590	118	88	7.4
		2024-25	1,082	184	7	1,273	896	72	968	161	121	7.7
		H1:2025-26	786	-163	13	635	550	38	588	64	48	5.0
7	Goldman Sachs (India) Capital Markets Pvt. Ltd.	2023-24	1,120	118	3	1,241	878	58	935	365	272	10.5
		2024-25	1,341	186	1	1,528	1,053	75	1,129	443	331	11.5
		H1:2025-26	418	234	1	653	252	41	292	258	194	12.3
8	**Total**	**2023-24**	**9,158**	**1,060**	**52**	**10,270**	**7,897**	**524**	**8,422**	**2,237**	**1,663**	**12.9**
		2024-25	**10,635**	**1,330**	**90**	**12,055**	**9,002**	**601**	**9,602**	**2,831**	**2,113**	**14.3**
		H1:2025-26	**5,535**	**391**	**48**	**5,974**	**4,139**	**329**	**4,468**	**1,507**	**1,117**	**13.7**

Return on Networth = Profit after Tax / Average of (Share Capital + Reserve and Surplus)

Note: The return on networth for H1:2025-26 has been annualised.

Source: Returns submitted by SPDs.

Appendix Table VI.10: Select Financial Indicators of Primary Dealers

(₹ crore)

Sr. No.	Name of the Primary Dealers	2021-22	2022-23	2023-24	2024-25	H1: 2025-26	2021-22	2022-23	2023-24	2024-25	H1: 2025-26
		Capital Funds (Tier I + Tier II+ Eligible Tier III)					**CRAR** (Per cent)				
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	STCI Primary Dealer Ltd.	777	790	902	1,177	1,251	32.3	21.8	29.1	30.4	26.4
2	SBI DFHI Ltd.	1,311	1,247	1,426	1,738	1,832	42.4	46.1	36.0	36.2	29.0
3	ICICI Securities Primary Dealership Ltd.	1,899	1,792	1,903	2,332	2,607	47.7	42.9	26.6	31.8	26.5
4	PNB Gilts Ltd.	1,426	1,238	1,313	1,517	1,629	66.4	31.8	34.0	42.7	43.6
5	Morgan Stanley India Primary Dealer Pvt. Ltd.	2,290	3,384	3,774	4,092	4,332	58.5	88.6	69.8	50.1	52.6
6	Nomura Fixed Income Securities Pvt. Ltd.	1,068	949	1,226	1,851	1,867	49.1	43.0	33.7	40.8	36.4
7	Goldman Sachs (India) Capital Markets Pvt. Ltd.	648	2,363	2,429	2,309	2,599	116.1	76.0	67.6	53.4	77.3
	Total	**9,418**	**11,763**	**12,973**	**15,017**	**16,117**	**51.5**	**50.0**	**42.2**	**41.0**	**39.0**
		Stock of Government Securities and Treasury Bills (Market value)					**Total Assets** (Net of current liabilities and provisions)				
		13	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**
1	STCI Primary Dealer Ltd.	12,958	13,575	12,034	12,177	14,202	13,659	14,862	14,971	15,793	19,774
2	SBI DFHI Ltd.	9,726	13,338	17,697	20,878	21,033	12,819	17,143	22,053	25,975	26,737
3	ICICI Securities Primary Dealership Ltd.	13,743	22,149	28,723	33,793	37,713	17,548	31,861	33,810	38,757	44,086
4	PNB Gilts Ltd.	13,932	16,921	20,677	20,535	21,886	15,958	20,498	23,729	23,927	26,484
5	Morgan Stanley India Primary Dealer Pvt. Ltd.	11,265	9,948	24,533	24,255	14,965	16,320	15,439	28,120	26,697	19,916
6	Nomura Fixed Income Securities Pvt. Ltd.	4,069	5,436	11,011	13,439	16,942	5,635	7,410	13,158	17,612	21,979
7	Goldman Sachs (India) Capital Markets Pvt. Ltd.	3,468	15,491	21,853	25,257	11,891	4,730	17,952	22,826	25,668	11,742
	Total	**69,163**	**96,859**	**1,36,527**	**1,50,334**	**1,38,632**	**86,670**	**1,25,165**	**1,58,667**	**1,74,429**	**1,70,718**

Source: Return submitted by SPDs.