



Banking Sector Roundup - 9M FY26

FEBRUARY 2026

Glossary: Classification of Indian banks used in this document

PSU (12 banks)



Private - New (10 banks)



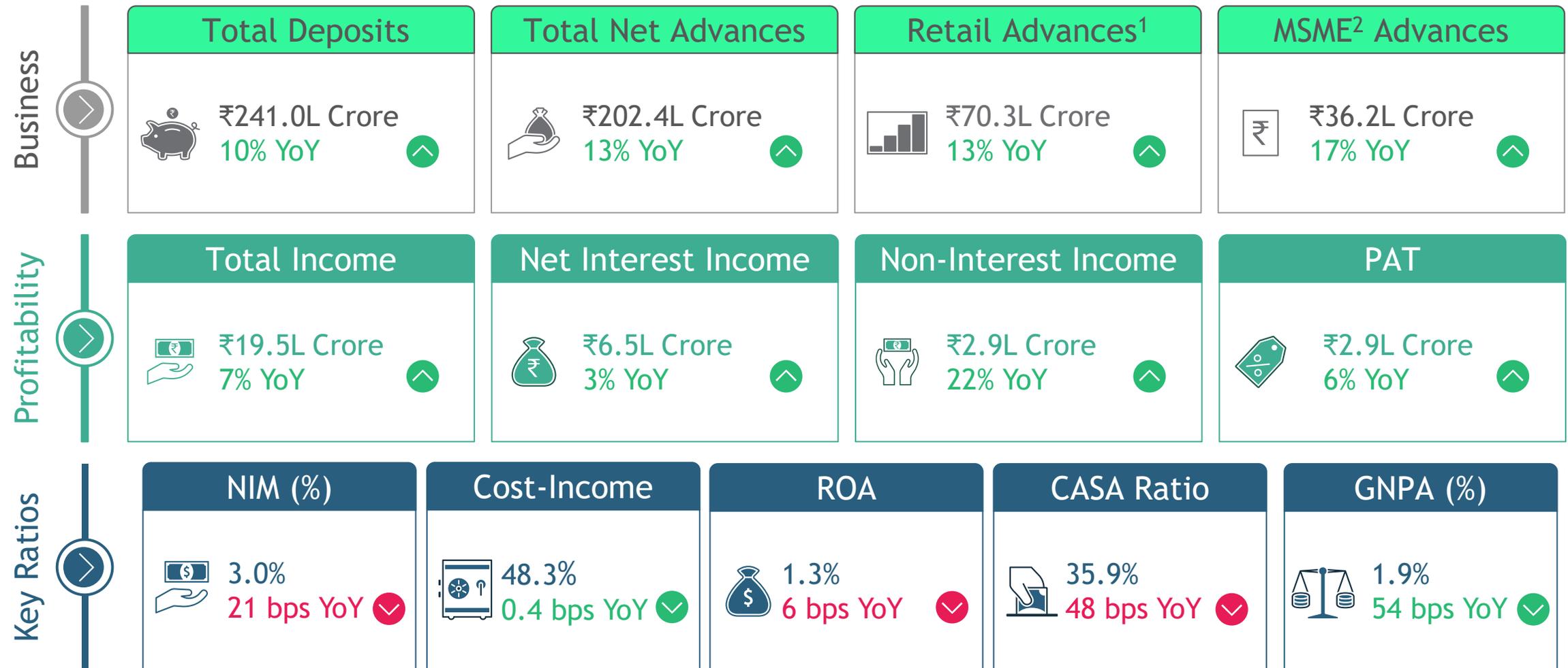
Private - Old (10 banks)



Small Finance (5 banks)



9M FY26 results: Banking industry snapshot



1. Retail loans are gross advances and include home loans, auto loans, personal loans, and other retail loans. 2. MSME are gross advances and includes SME, LAP, Business Banking, and CV/CE loans

Source: Capitaline, Financial Results, Investor Presentation, BCG analysis

Summary Snapshot (I/II)



Macro Trends

- **Economic growth:** GDP Growth for Q3 FY26 estimated at 7% vs. 6.2% for Q3 FY25. FY26 GDP projected to grow between 6.5-7.5%
- **Economic landscape exhibits mixed trends**
 - The IIP rose by 7% YoY, with its strongest expansion in more than two years in December 2025
 - The growth is driven by strong performance of manufacturing, mining & electricity sectors



Key Performance Indicators - Banks

- **Profitability:** Profitability softened in 9M FY26, with ROA declining 6 bps from 1.39% in 9M FY25 to 1.33%
 - Advances growth (13%) outpaced PAT growth (6%)
 - NIMs contracted 21 bps to 3.0% in 9M FY26 vs 9M FY25 on account of faster reduction in lending rates while competition for deposits persists
- **Operational efficiency:** Industry CIR remained stable at 48.3% in 9M FY26 as compared to 9M FY25
 - PSU Banks: 49.8% (49.6% in 9M FY25); Private Banks: 46.2% (46.5% in 9M FY25); SFBs: 64% (60.5% in 9M FY25)
- **Capital Adequacy:** Banks remain well-capitalized having >14% CRAR, signaling resilience in their risk management capabilities

Summary Snapshot (II/II)



Business

- **Credit:** Loan growth steady at 13% YoY in 9M FY26
 - 9M FY26 YoY Growth - Retail: 13%, Agri: 13%, MSME: 17%, Corporate and Others: 12%
 - CD ratio at 84% - highest in the last 10 years
- **Deposits:** Overall deposits growth YoY increased by 10.2% in 9M FY26
 - Industry CASA Ratio: 35.9% vs 36.4% in 9M FY25
 - YoY Growth in 9M FY26 - CASA: 8.8%, Term Deposits: 11.3%



Credit Performance

- **Rise in credit costs:** Industry credit cost rose marginally to 0.5% (+6 bps YoY) in 9M FY26, driven by private banks (+15 bps YoY to 0.5%); PSBs reported marginally lower credit costs (-3 bps YoY to 0.3%)
- **Provisioning and risk preparedness:** PCR remained high for PSBs (above 90% across) in comparison to private banks (ranging between 66-99%)
- **Decline in GNPA:** GNPA ratio improved to 1.9% in 9M FY26 (vs 2.4% in 9M FY25), indicating strengthening stock asset quality



Digital & Payments

- **Digital Payments:**
 - UPI continues to drive significant volumes in payment and grew by 32% YoY
 - Debit card transactions declined 22% in volume and 12% in value YoY whereas credit card transactions grew 26% in volume and 6% in value YoY

Rate cuts and liquidity support credit growth; margin pressure persists amid sticky deposit rates

Policy easing & transmission

- 1 Repo-rate easing:**
 - RBI cut repo by **125 bps since Feb '25** after a prolonged pause
 - **Stance shifted to “neutral” in June '25**, signaling data dependence and limited room for further cuts
- 2 RBI liquidity infusion:** RBI supplemented rate cuts with liquidity infusion through a **100 bps CRR reduction** in 2025 (~₹2.5 lakh crore), **large OMOs** (~₹2 lakh crore), and **USD/INR buy-sell swaps** (~USD 10 bn).
- 3 Uneven pass-through:**
 - **Lending rates repriced faster** due to benchmark-linked loans
 - **Deposit rates did not reprice** down in Q3 FY26; remained sticky / marginally higher
- 4 Net effect:** Asset yields decline faster than funding costs

System impact & margin outlook

- 1 Credit flow:** **RBI liquidity infusion prevents funding stress**, enabling credit growth despite deposit growth remaining slower
- 2 CD Ratios:** Strong credit demand, particularly in retail and SME segments, combined with **slower deposit mobilization**, **continues to keep system CD ratios elevated**
- 3 Medium-term view:** With policy rates stabilizing and deposit repricing expected to be gradual, **margin recovery remains intact over the medium term**
- 4 Implications:**
 - **Lower CD-ratio banks (notably PSBs) are better positioned to benefit from the rate-cut cycle** with relatively lower margin pressure
 - Banks are likely to remain **selective on asset mix and pricing to protect yields** amid funding constraints

Outlook | Easing margin pressure to support sustained credit momentum



Margin pressure expected to ease in FY27, driven by stabilizing interest rates, easing funding costs, and deposit repricing



SCBs remain well-capitalized, with CRAR holding strong as of December 2025, providing a cushion for credit expansion and risk absorption



Strong credit growth is being driven by MSME lending, retail - housing, auto and a sharp rise in gold loans, while slower deposit accretion is leading banks to rely more on wholesale funding to support liquidity



Asset quality is expected to remain resilient through FY26 as GNPA ratios have compressed to multi-decadal lows, while credit growth has increasingly shifted towards secured segments.



RBI's easing cycle appears to be nearing its end given positive real policy rates and limited room for further cuts



Credit growth is expected to remain strong, supported by consumption demand and capex momentum, alongside easing monetary conditions following repo rate cuts

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



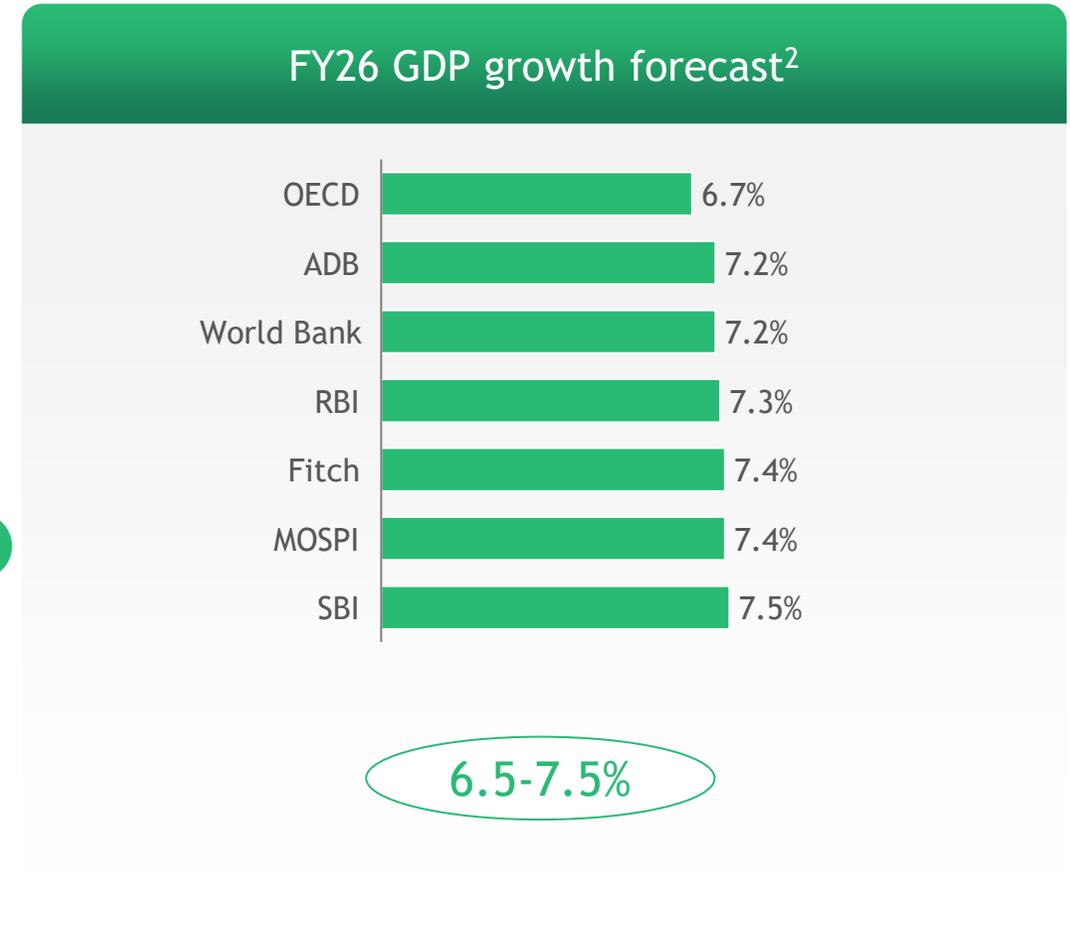
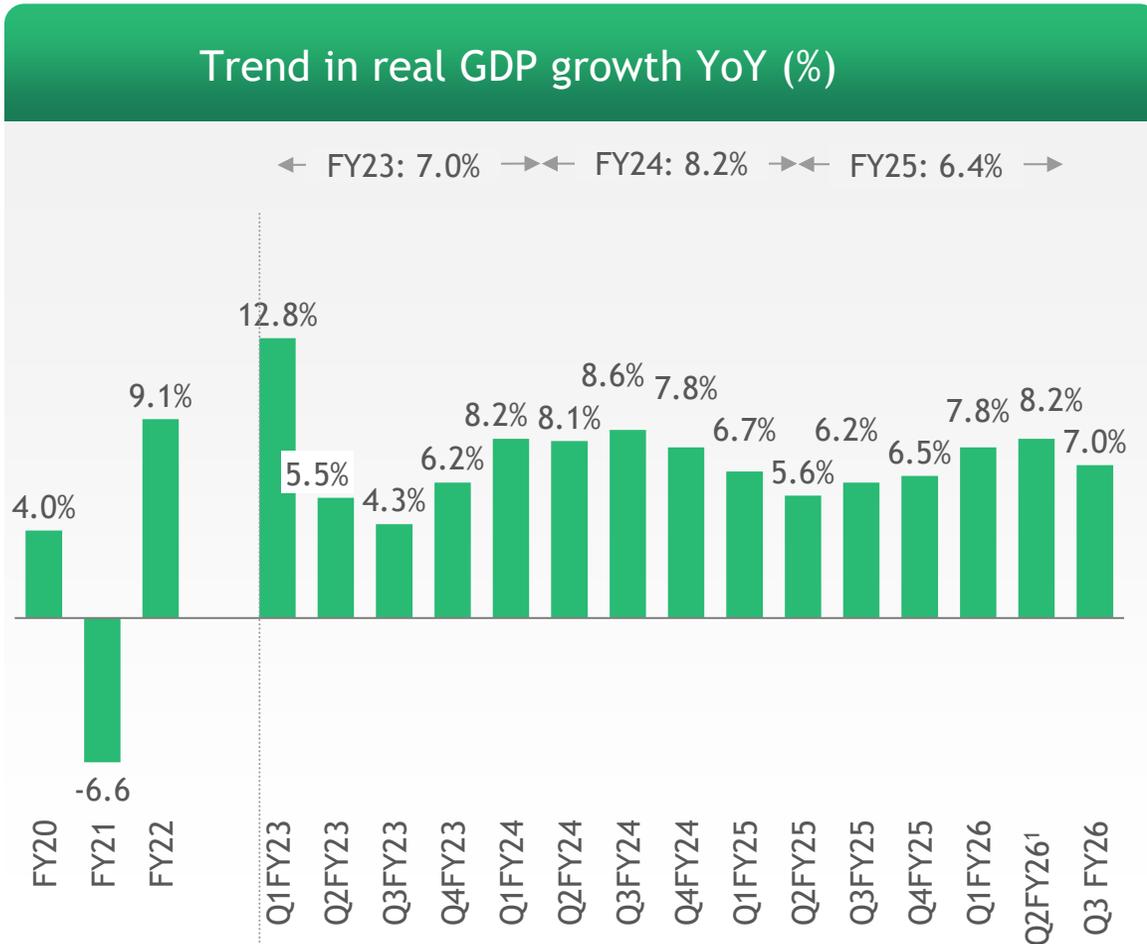
Key Regulatory Measures



Individual Player Performance



FY26 GDP projected to grow between 6.5-7.5%; MoSPI estimates growth at 7.4% while RBI, World Bank raised forecasts in Dec '25 - Jan '26



1. GDP growth stands at 7.0% in Q3FY26 as projected by RBI MPC; 2. Forecast are likely to be revised further
 Note: Upper-limit has been included where agencies reported forecast range. Latest forecasts considered in case of revision by agency within same month;
 Source: Analyst reports, BCG analysis



High-frequency indicators largely stable in Nov-Dec'25 amid year-end normalization, persistent global headwinds, and trade uncertainty

■ >20%
 ■ 10-20%
 ■ 0-10%
 ■ 0%
 ■ <0%

Industry	Growth			
	Latest Month	Vs. Last year	Vs. Last month	YTD Growth ²
Industry				
IIP (Index) *	158	7%	5%	-
Daily Avg Power Consumption(000 MUs)	4.47	6%	9%	2%
Petroleum Consumption (MMT)	21.75	5%	2%	1%
Steel Consumption (MMT)	14.25	3%	10%	8%
Cement Production (MT) *	39.23	15%	4%	10%
Trade & Investment				
Merchandise Exports (\$ Bn)	38.5	1%	1%	2%
Merchandise Imports (\$ Bn)	63.55	6%	1%	6%
Services Exports (\$ Bn)	35.5	9%	-1%	10%
Services Imports (\$ Bn)	17.38	-1%	-3%	3%
Logistics				
E-way Bills (Mn)	138.4	24%	7%	21%
JNPT Traffic ('000 TEUs)	711.41	11%	7%	13%
Air Passenger Bookings (Mn)	37.95	7%	8%	6%
Air Freight (K Tons) ¹	337.5	16%	4%	4%

Auto	Growth			
	Latest Month	Vs. Last year	Vs. Last month	YTD Growth ²
Auto				
PV Sales ('000 Units)	399.2	26%	-3%	5%
2W Registrations ('0000 Units)	1,541.0	39%	-21%	5%
3W Sales ('000 Units)	62.5	32%	-19%	10%
EV Registrations ('000 Units)	136.6	43%	-14%	21%
BFSI				
UPI Value (INR Tn)	27.97	20%	6%	21%
NSE & BSE Txns. (INR K C r)	2,234.4	-4%	4%	-15%
Insurance Premium (INR K Cr)	70.6	28%	22%	7%
Sentiment				
Manufacturing PMI (Index)	55	-2%	-3%	-
Services PMI (Index)	58	-2%	-3%	-
Current Situation Index ¹	98.4	5%	0%	-
Future Expectations Index ¹	125.6	3%	0%	-

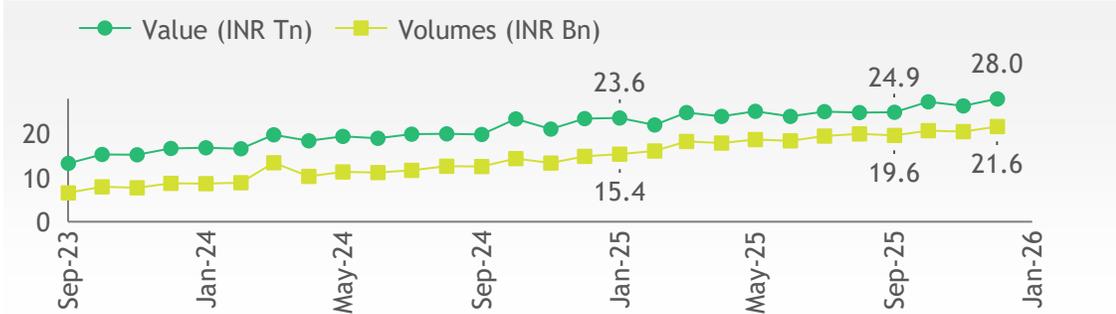
1. Data available only up to Nov'25 as on 23rd Jan'26 - hence growth comparisons are for November and not December. Nov'25 data has been compared with Nov'24 & Oct'25 data for the YoY & MoM growth comparisons. 2. YTD Growth compares the year-to-date performance of the mentioned indicator in the current year vs. the same time period of the previous year (i.e. Jan-Dec and Jan-Nov for the * marked indicators). Note: EV registrations incl. E-bus, E-car, electric 3W, electric 2W, electric 3W cargo sales, others;
2. Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India BCG analysis



Mutual fund AUM growth nearly doubled YoY to 32%, while UPI remains strong and insurance premiums strengthen

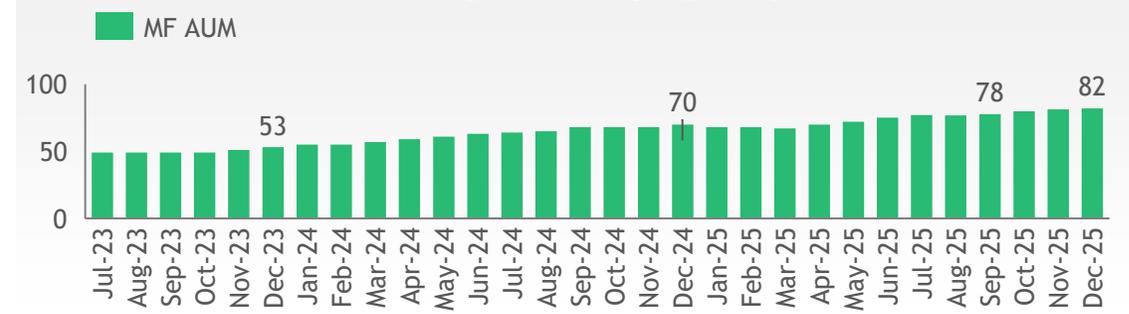
UPI

UPI transactions continue to scale, with Q3 witnessing seasonal uptick



Mutual funds AUM (INR Tn)¹

MF AUM growth accelerated to 32% YoY in Dec'25 vs 17% in Dec'24, driven by ETFs, equity & hybrid funds



Aggregate deposits & credit (INR Tn)⁴

Aggregate deposits and credit increased in Nov'25, driven primarily by gold loans



Insurance premium (INR '000 Cr)²

Life premiums strengthened in Dec' 25, driven by individual non-single & group single, alongside non-life acceleration



1. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures used for life & non-life insurance as on 23 Jan'26; 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Crop Insurance, Credit Guarantee, Aviation, Personal accident and Miscellaneous Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



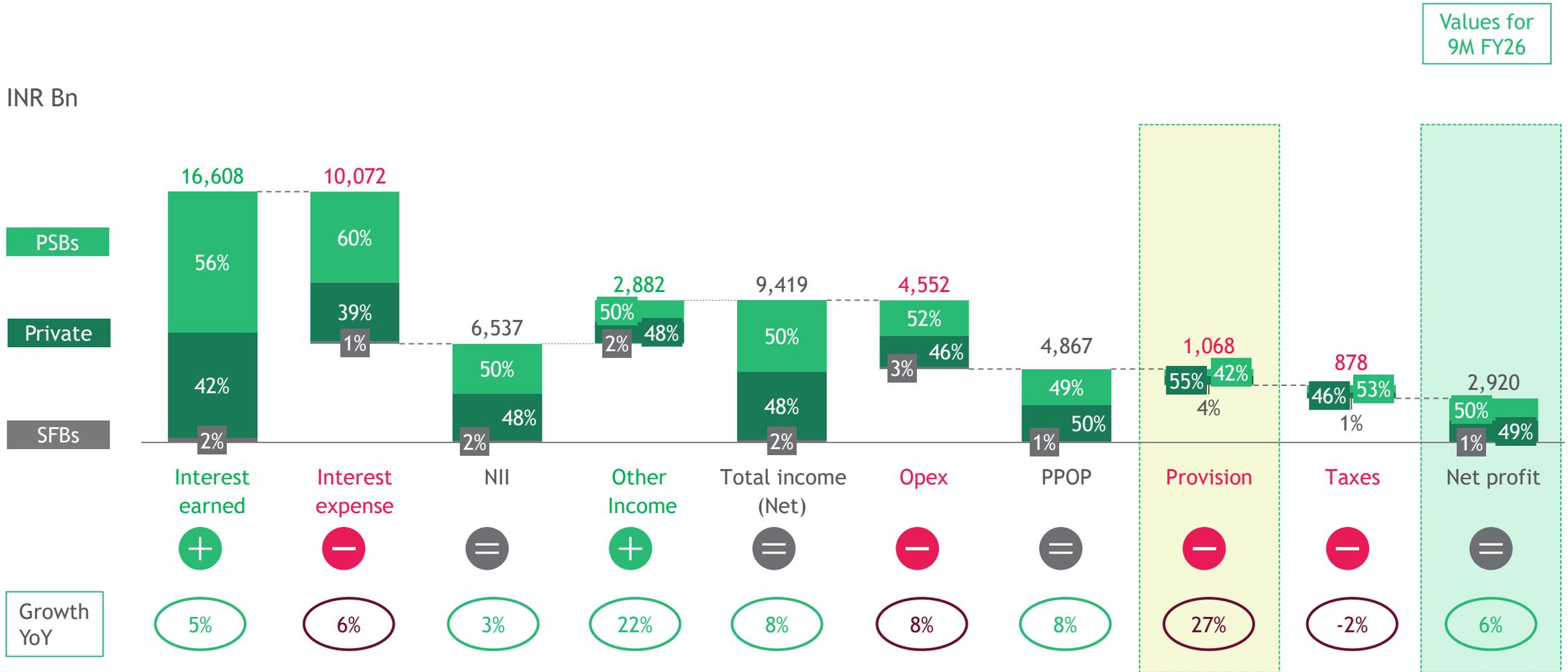
Key Regulatory Measures



Individual Player Performance



Banking Sector PAT up 6% YoY, Provisions see sharp rise



Source: Capitaline, Financial Results, Investor Presentation, Press release, BCG analysis



Overall ROA softens as NIMs compress & credit costs rise with SFBs observing the highest drop due to NIM compression; PSBs remain resilient

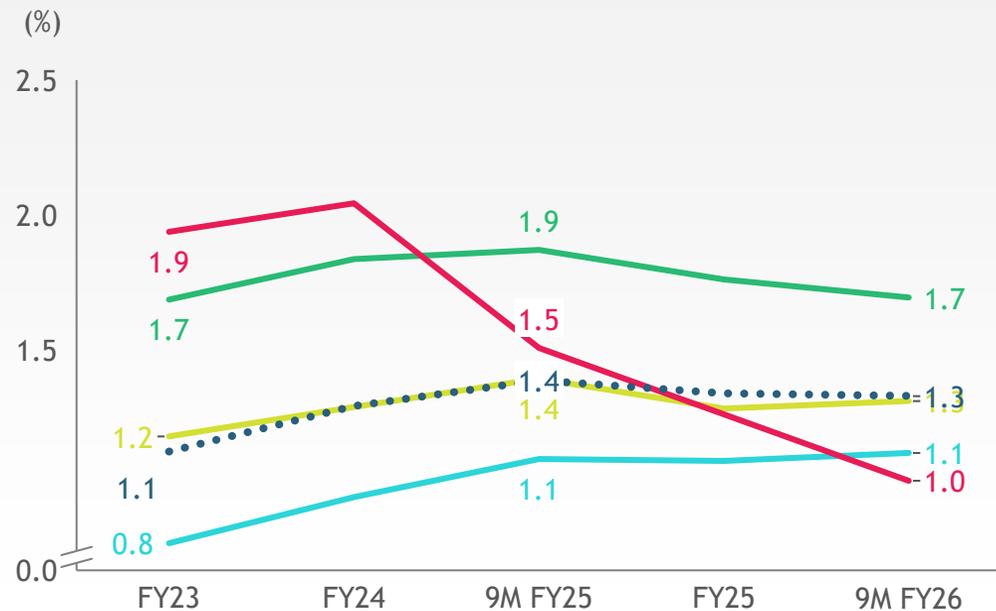
RoA Tree		Industry		PSU Banks		Private New		Private Old		SFBs	
Particulars ¹	UoM	9M FY26	9M FY25	9M FY26	9M FY25	9M FY26	9M FY25	9M FY26	9M FY25	9M FY26	9M FY25
Net interest Margin	(%)	3.0	3.2	2.5	2.7	3.6	3.9	3.3	3.5	6.1	7.2
Fee + Other Income	(%)	1.3	1.2	1.1	1.0	1.6	1.5	1.3	1.3	2.1	2.0
Operating expenses	(%)	2.1	2.1	1.8	1.8	2.4	2.4	2.5	2.6	5.2	5.5
Pre-Provision Profit ²	(%)	2.2	2.3	1.8	1.9	2.9	2.9	2.1	2.1	2.9	3.6
Credit costs	(%)	0.5	0.4	0.3	0.4	0.7	0.5	0.5	0.3	1.6	1.7
Tax ³	(%)	0.4	0.4	0.4	0.4	0.5	0.5	0.3	0.5	0.3	0.4
Return on Assets	(%)	1.3	1.4	1.1	1.1	1.7	1.9	1.3	1.4	1.0	1.5

1. All the above #s are as a % of average assets; 2. Figures may not tally due to rounding off differences; 3. Includes exceptional items, if any
Source: Capitaline, Press releases, BCG analysis



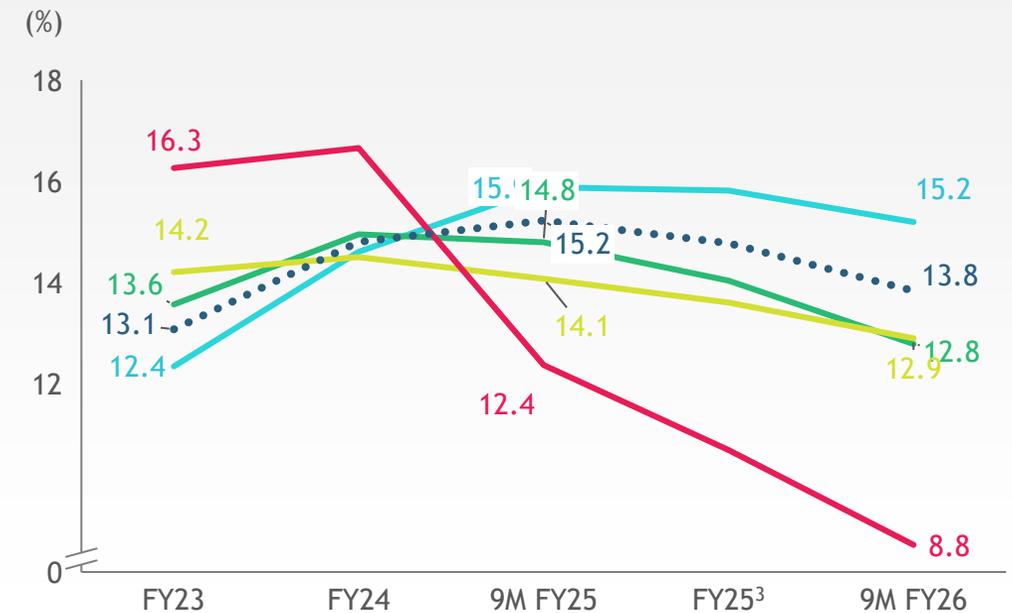
ROE declines across bank categories YoY; SFBs see the sharpest drop

Return on Assets¹ by bank category



— PSUs — Private New — Private Old — SFB •• Industry

Return on Equity² by bank category

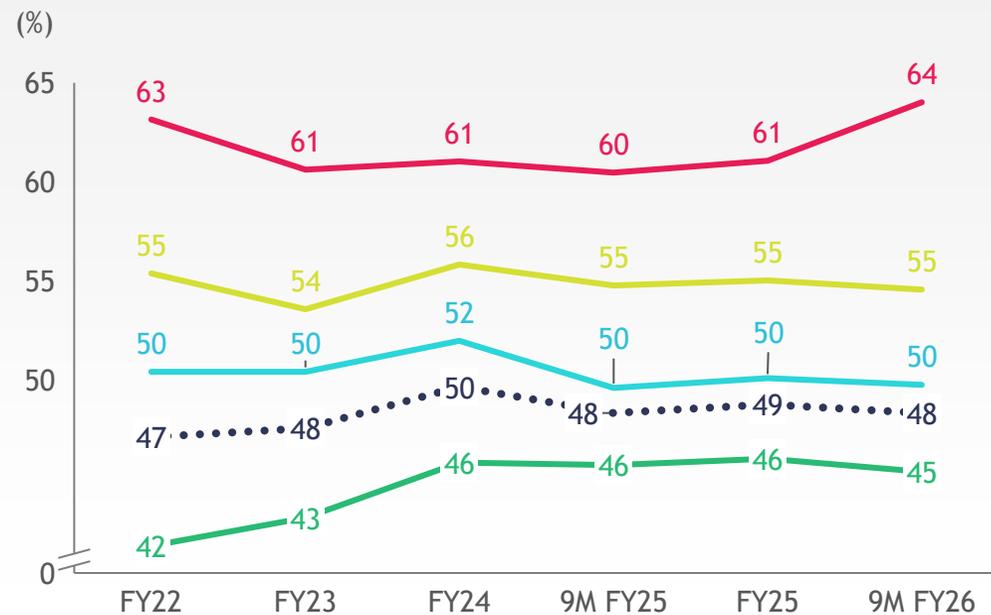


1. Return on Assets is calculated as net profit/average assets; 2. Return on Equity is calculated as net profit/average shareholders' fund; HDFC Ltd.'s numbers has been adjusted for prior years to ensure consistency and comparability across periods
Source: RBI; Capitaline, Press releases, BCG analysis



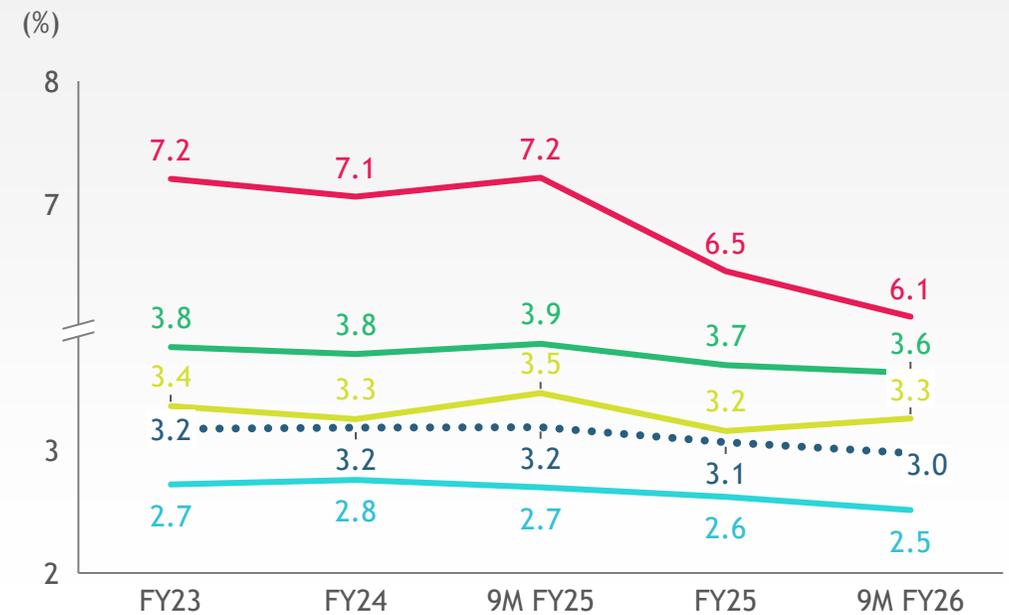
CIR rises for SFBs; NIM compresses industry-wide

Cost to Income Ratio¹ by bank category



— PSUs — Private New — Private Old — SFB •• Industry

Net Interest Margin² by bank category

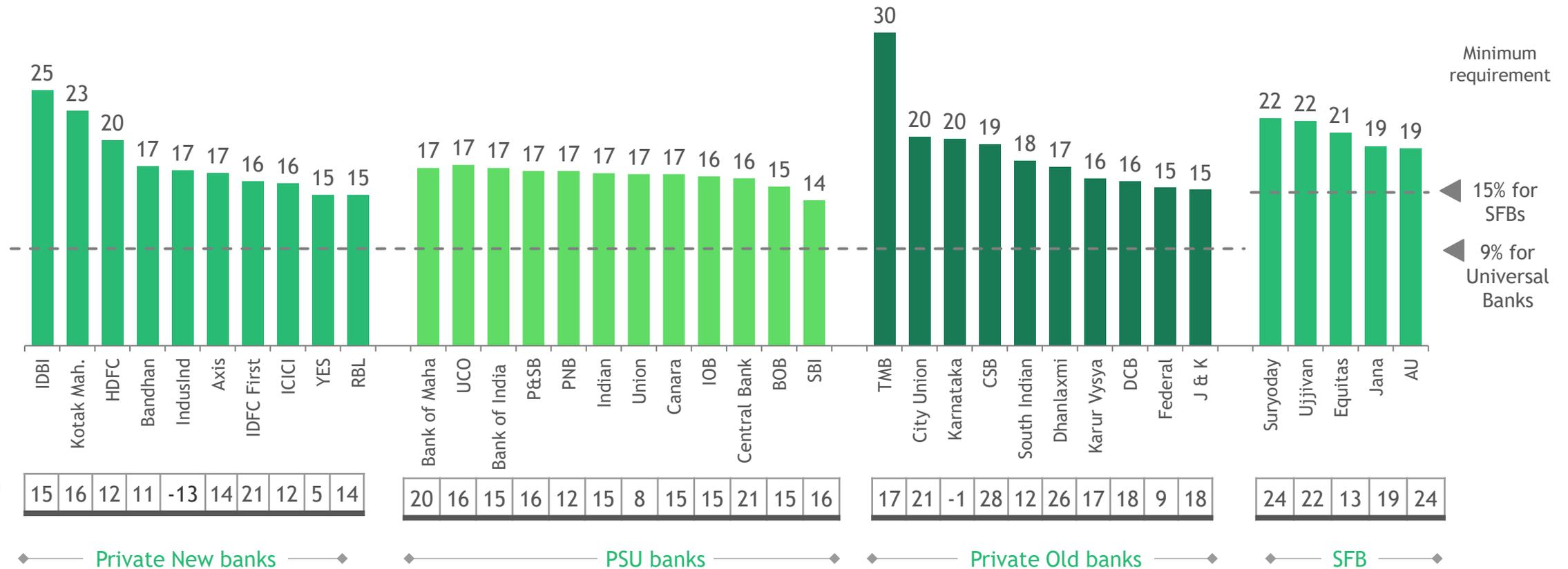


1. CIR is calculated as Operating Expenses/NII + Other Income; 2. NIM is calculated as Net Interest Income/average assets; HDFC Ltd.'s numbers has been adjusted for prior years to ensure consistency and comparability across periods
Source: RBI; Capitaline, Press releases, BCG analysis

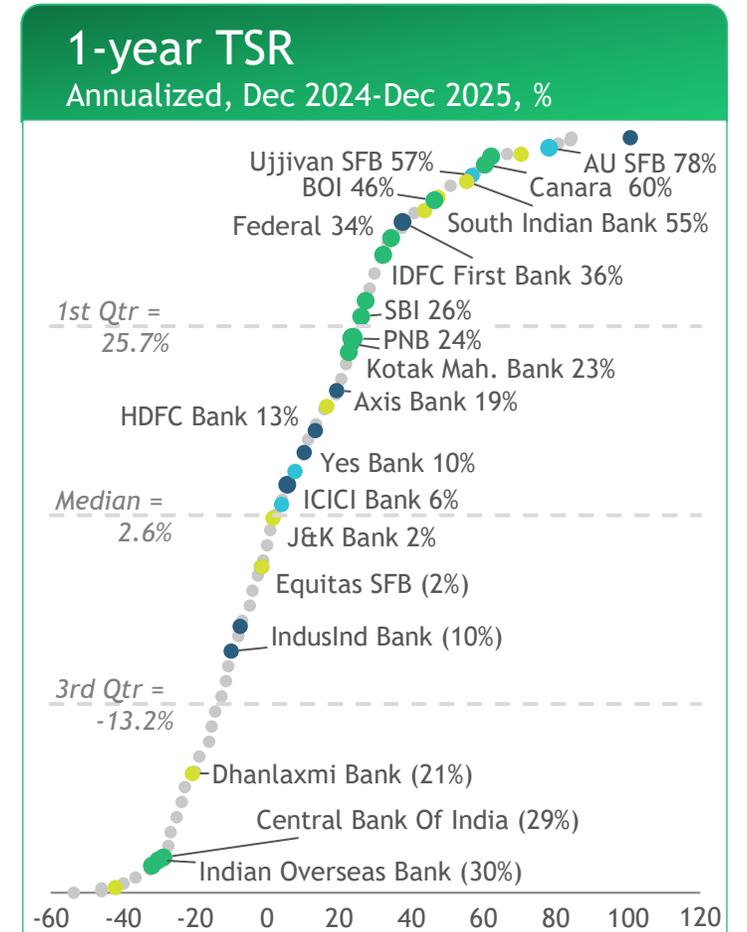
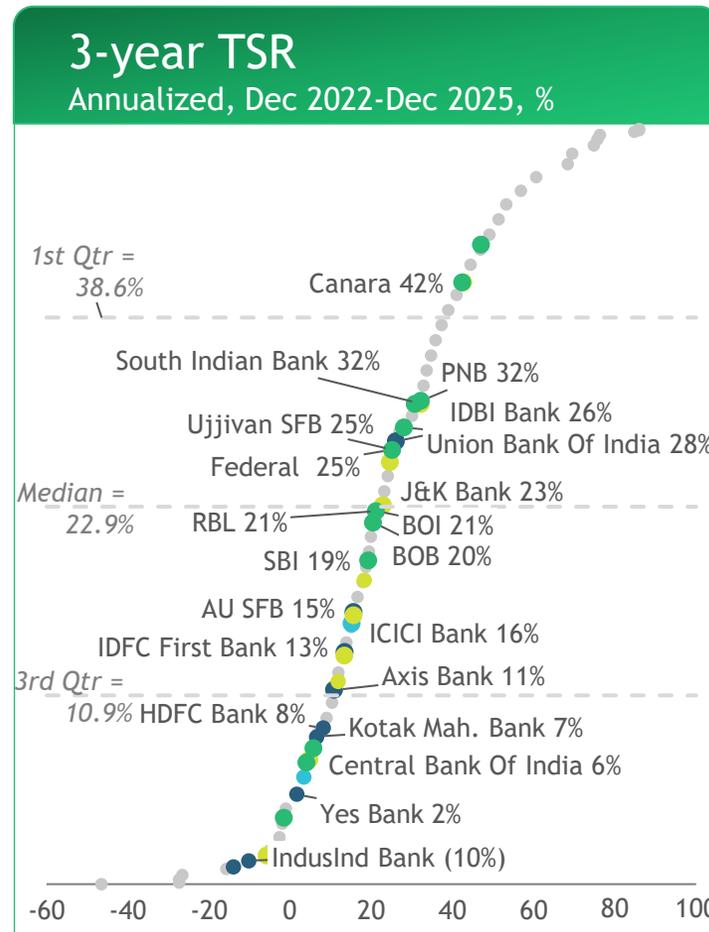
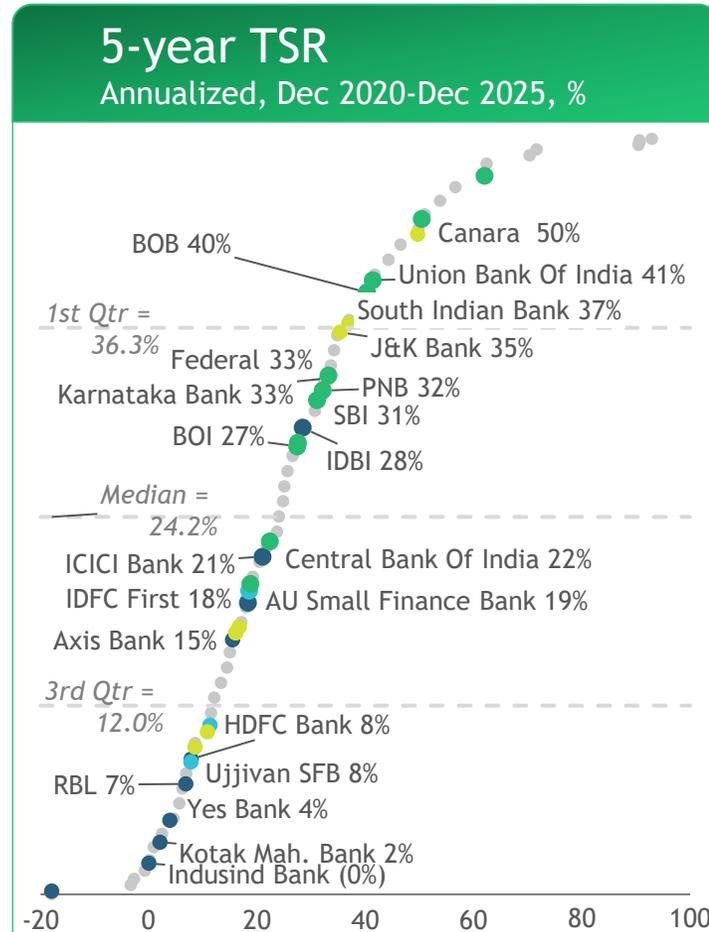


Capital buffers remain strong, supporting continued credit growth

Capital to Risk-weighted Assets Ratio (%) (Dec'25)



PSBs have generated higher TSR vs Private-New Banks over last 3 years



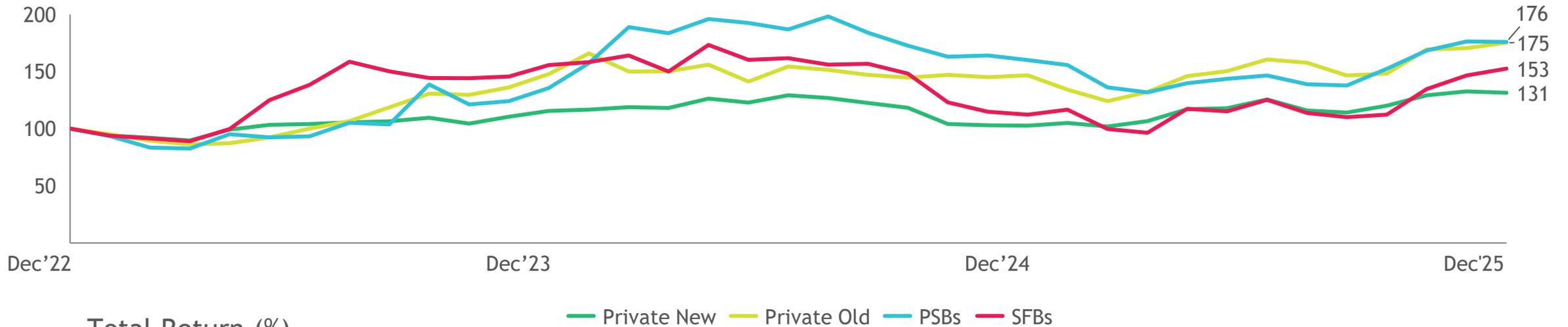
● Private New Banks
 ● Private Old Banks
 ● PSU Banks
 ● Small Finance Banks

Note: Background Curve: India Large Mid Cap, Based on data ending in December. TSRs use company reporting currency.
 Source: S&P Capital IQ; BCG ValueScience® Center



Public Sector Banks lead YoY gains and deliver steady returns

Index (weighted by market cap.) for PSBs, Pvt. Banks and SFBs



Total Return (%)

Private New Private Old PSBs SFBs

	Pvt. Banks New	Pvt. Banks Old	PSBs	SFBs
3-Yr Return	31.4%	75.3%	76%	52.6%

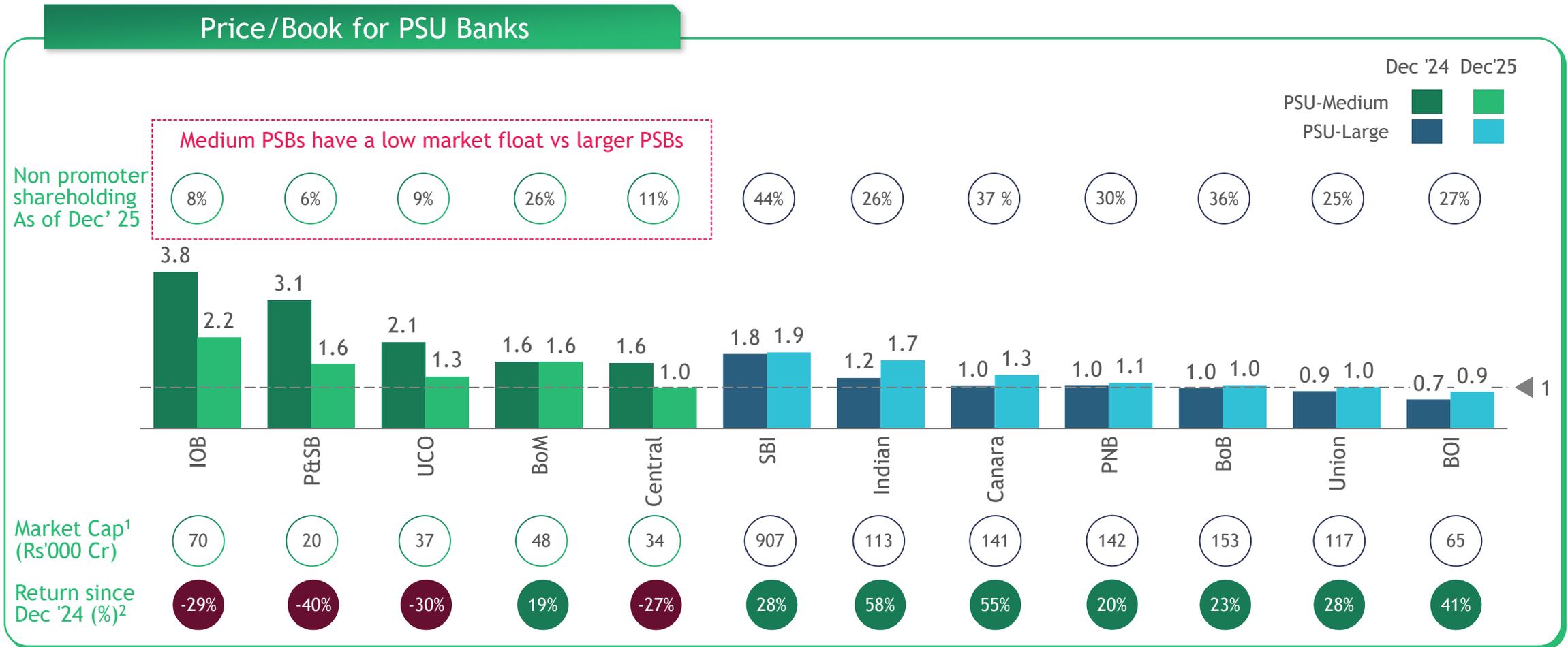
Note: PSU index includes 12 PSU banks, Private Bank index includes 10 Private-New and 10 Private-Old Banks, SFB index includes 5 SFBs. Index weighted as per market capitalization of banks Index period from December 2022 to December 2025 (Indexed to 100)

Source: Capital IQ, BCG ValueScience Center



Valuations for PSU-Medium banks deteriorate

Price to Book remains stable for PSU Large Banks

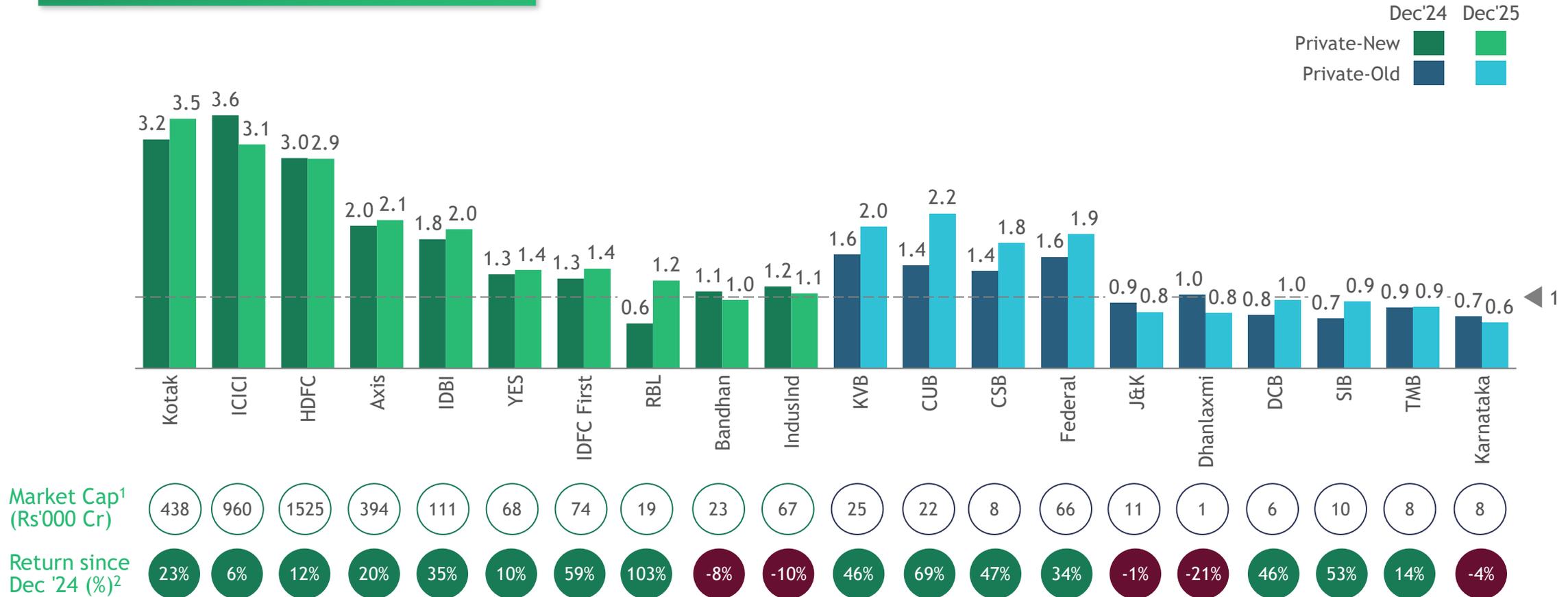


1. Market Cap as on Dec 31, 2025, 2. Return refer to YoY change in Market Cap
Source: Capitaline, BCG Analysis



Valuations across Private Banks remain stable

Price/Book for Private Banks



1. Market Cap as on Dec 31, 2025, 2. Return refer to YoY change in Market Cap
Source: Capitaline, BCG Analysis



Analyst "buy" views for majority of banks across categories remain positive

[Select Banks](#)

Share of analysts suggesting "BUY" signal

	PSU Banks				Private New Banks				Private Old Banks				Small Finance Banks						
	Count ¹	Dec'25	Dec'24	Dec'23	Count ¹	Dec'25	Dec'24	Dec'23	Count ¹	Dec'25	Dec'24	Dec'23	Count ¹	Dec'25	Dec'24	Dec'23			
SBI	38	82%	74%	89%	HDFC BANK	39	92%	83%	93%	FEDERAL BANK	32	78%	79%	86%	AU SMALL FINANCE BANK	26	54%	52%	43%
PNB	17	53%	50%	31%	ICICI Bank	40	95%	90%	95%	JS&K Bank	1	100%	100%	100%	equitas	18	67%	75%	80%
Bank of Baroda	34	82%	77%	59%	AXIS BANK	39	95%	81%	90%	Karnataka Bank	3	100%	100%	100%	UJJIVAN	16	100%	80%	100%
Canara Bank	20	75%	62%	79%	kotak	36	64%	56%	47%	SOUTH INDIAN Bank	5	60%	67%	60%					
Union Bank of India	15	73%	70%	78%	IndusInd Bank	35	14%	71%	95%	KVB	15	93%	91%	100%					
Bank of India	6	83%	40%	67%	YES BANK	11	9%	0%	0%	CITY UNION BANK	22	86%	85%	72%					
Indian Bank	11	82%	82%	75%	IDBI BANK	1	0%	0%	0%	DCB BANK	18	94%	88%	76%					
					IDFC FIRST Bank	19	53%	47%	50%	CSB Bank	3	67%	100%	100%					
					Bandhan Bank	24	50%	61%	79%										
					RBL BANK	18	61%	42%	44%										

1. Count is for December 2025, as of 10th February 2025
Source: S&P Capital IQ; BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures

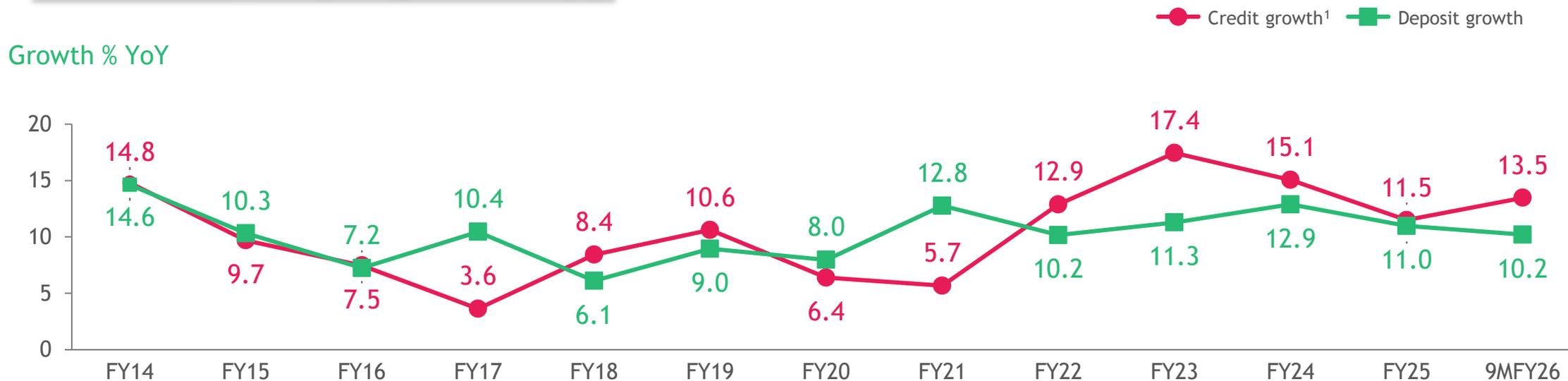


Individual Player Performance



Credit growth outpaces broadly stable deposit growth; CD ratio increases to 84%, indicating rising liquidity pressure

Credit¹ and Total Deposit growth rate (%)



CD Ratio²

PSB	77%	76%	74%	69%	69%	69%	68%	64%	66%	71%	74%	76%	80%
PVT	96%	97%	100%	96%	98%	99%	98%	89%	91%	93%	91%	88%	91%
Industry	81%	81%	81%	76%	78%	79%	78%	73%	75%	79%	80%	81%	84%

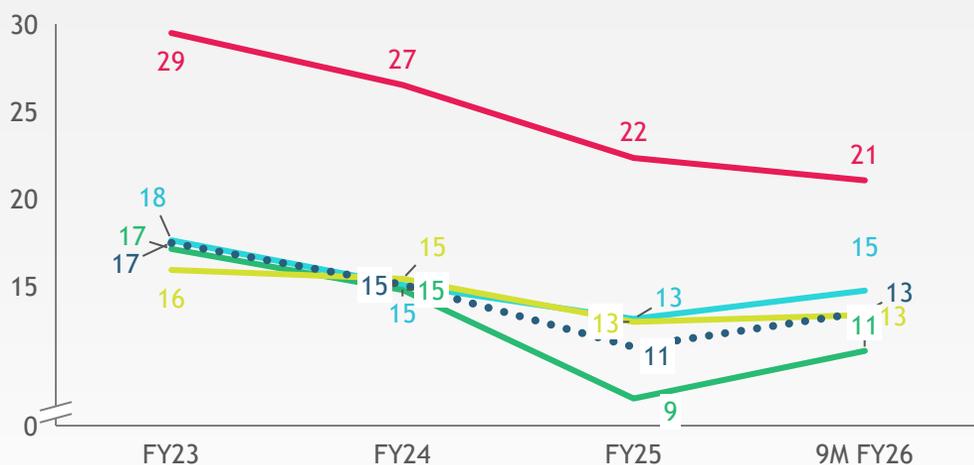
1. Credit growth are Net Advances growth. 2. Credit-Deposit Ratio is calculated as Net Advances/Total Deposits
Source: RBI, Capitaline, Press releases, BCG analysis



After sustained moderation, credit growth shows green shoots; Deposit growth remains broadly stable

Credit¹ growth (%) by bank category

Growth % YoY

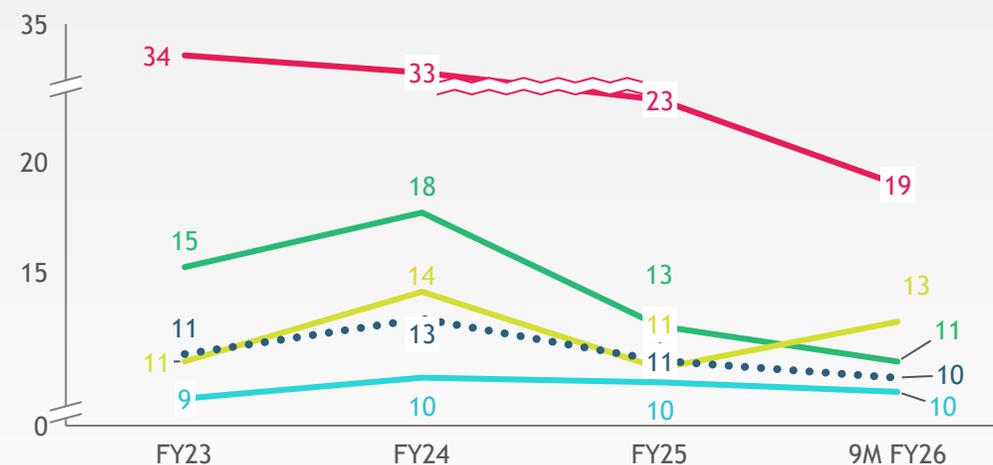


Market share (%)

PSBs	58%	58%	58%	59%
PVT-N	37%	37%	36%	36%
PVT-O	4%	4%	4%	4%
SFB	1.0%	1.1%	1.2%	1.2%

Total Deposits growth (%) by bank category

Growth % YoY



Market share (%)

PSBs	64%	62%	62%	62%
PVT-N	31%	32%	33%	33%
PVT-O	4%	4%	4%	4%
SFB	0.8%	1.0%	1.1%	1.1%

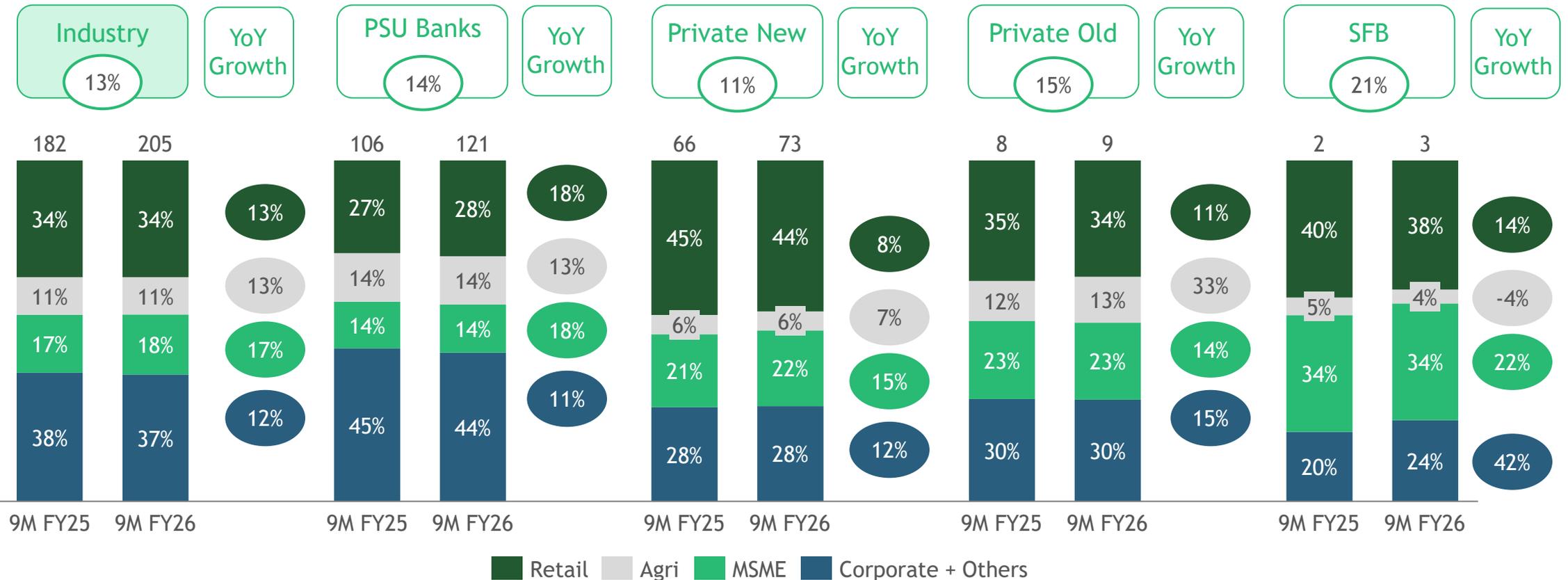
— PSBs — Private New — Private Old — SFB • Industry

1. Credit growth are Net Advances growth
 HDFC Ltd.'s growth has been adjusted for prior years to ensure consistency and comparability across periods
 Source: RBI, Press releases, BCG analysis



MSME remains the fastest-growing loan segment; PSBs driving industry growth

Split of Gross Domestic Loan Book (in Lakh Cr)



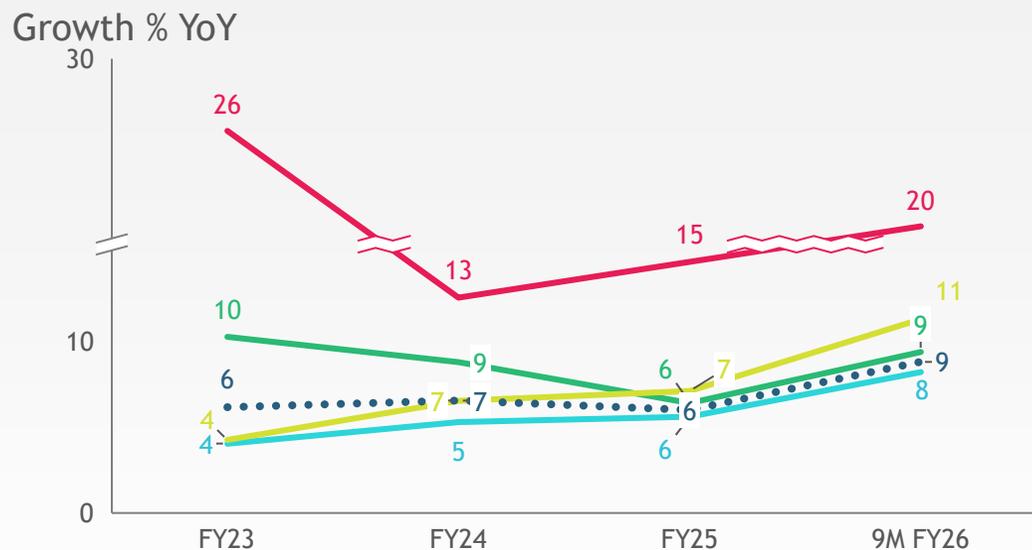
Note: MSME includes SME, LAP, Business Banking, and CV/CE loans; Agri includes Rural Loans, Kisan gold card loans, and Tractor Loans; Others include Microfinance, Micro group loans, PSL Inorganic + SRs, and loans converted into Equity and credit substitutes

Source: RBI, Investor presentations, BCG Analysis



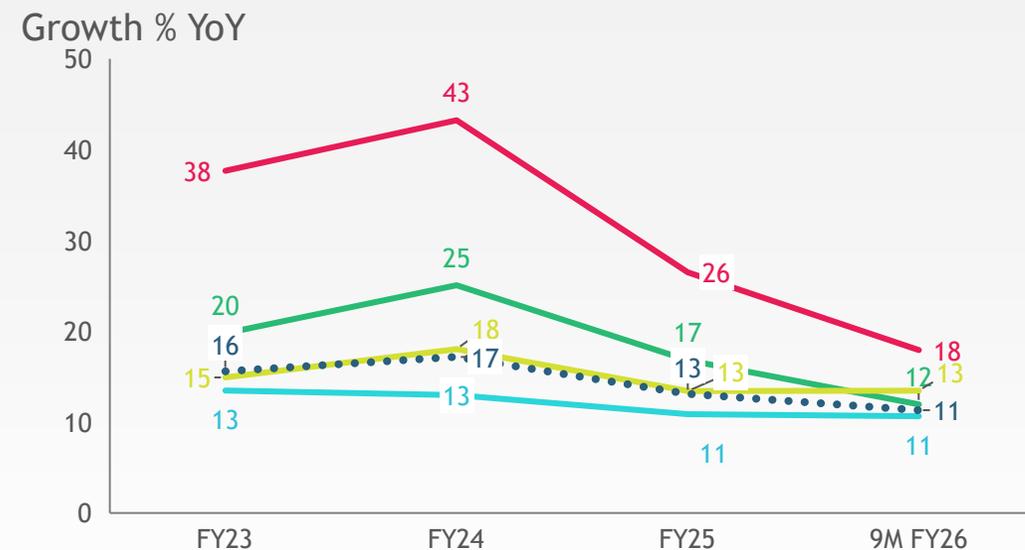
CASA growth strengthens across banks; term deposit growth moderate

CASA growth (%) by bank category



Market share (%)	FY23	FY24	FY25	9M FY26
PSUs	62%	62%	61%	61%
PVT-N	33%	34%	34%	34%
PVT-O	4%	4%	4%	4%
SFB	0.7%	0.7%	0.8%	0.9%

Term Deposits growth (%) by bank category

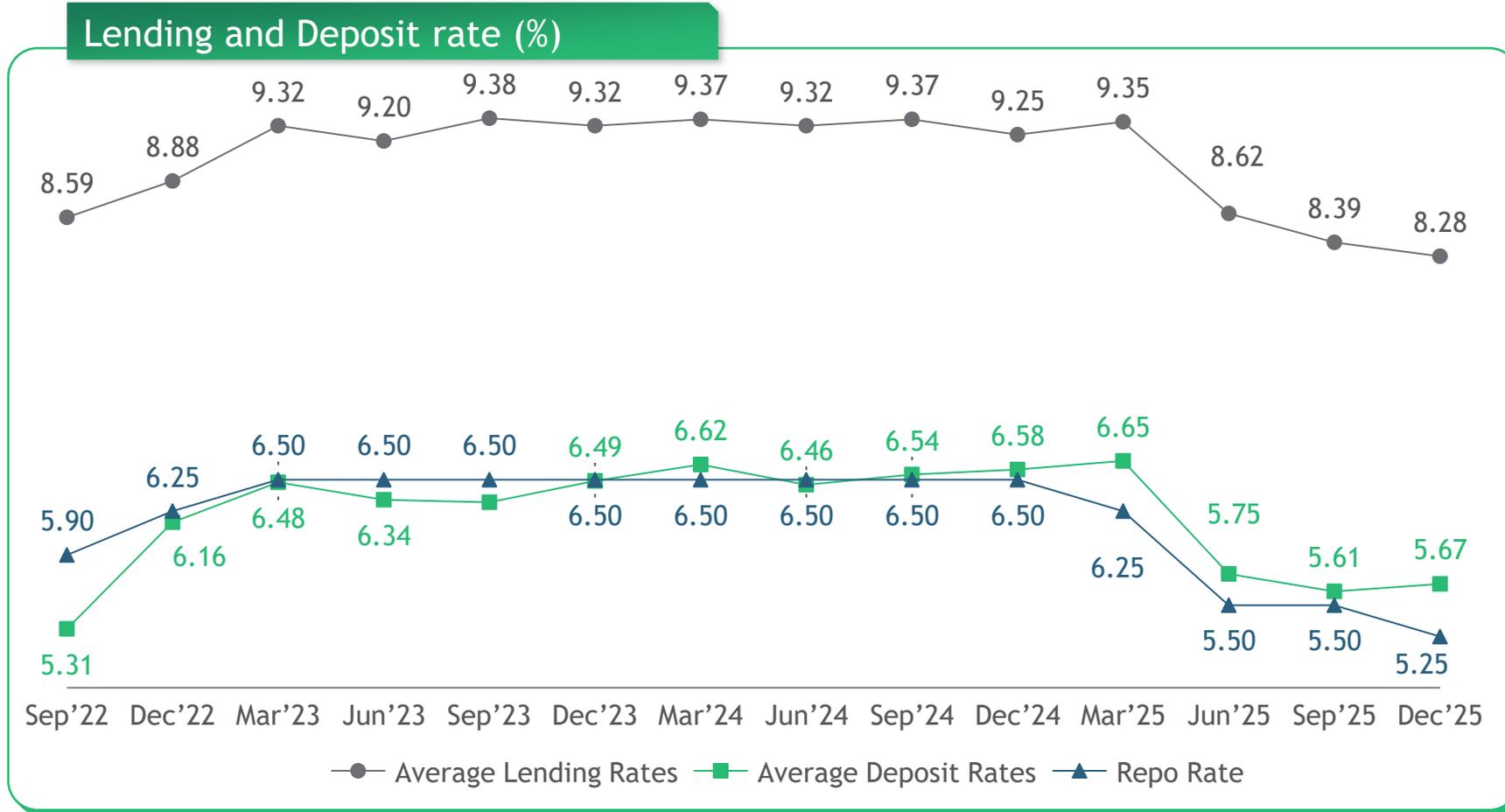


Market share (%)	FY23	FY24	FY25	9M FY26
PSUs	64%	61%	60%	60%
PVT-N	30%	33%	34%	34%
PVT-O	5%	5%	5%	5%
SFB	0.9%	1.2%	1.3%	1.3%

— PSU — Private New — Private Old — SFB • Industry



Lending rate declines while deposit rate has stabilized



Change in key rates since Dec '24

- 125 bps** Repo Rate (100 bps cut since Mar'25)
- 97 bps** Weighted Average Lending Rate (Industry)
- 91 bps** Weighted Average Term Deposit Rates (Industry)

Note: WALR is Weighted Average Lending Rates on fresh loans and WATDR is Weighted Average Domestic Term Deposit Rates on fresh deposits; All figures at an aggregate industry level
 Source: RBI, BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures

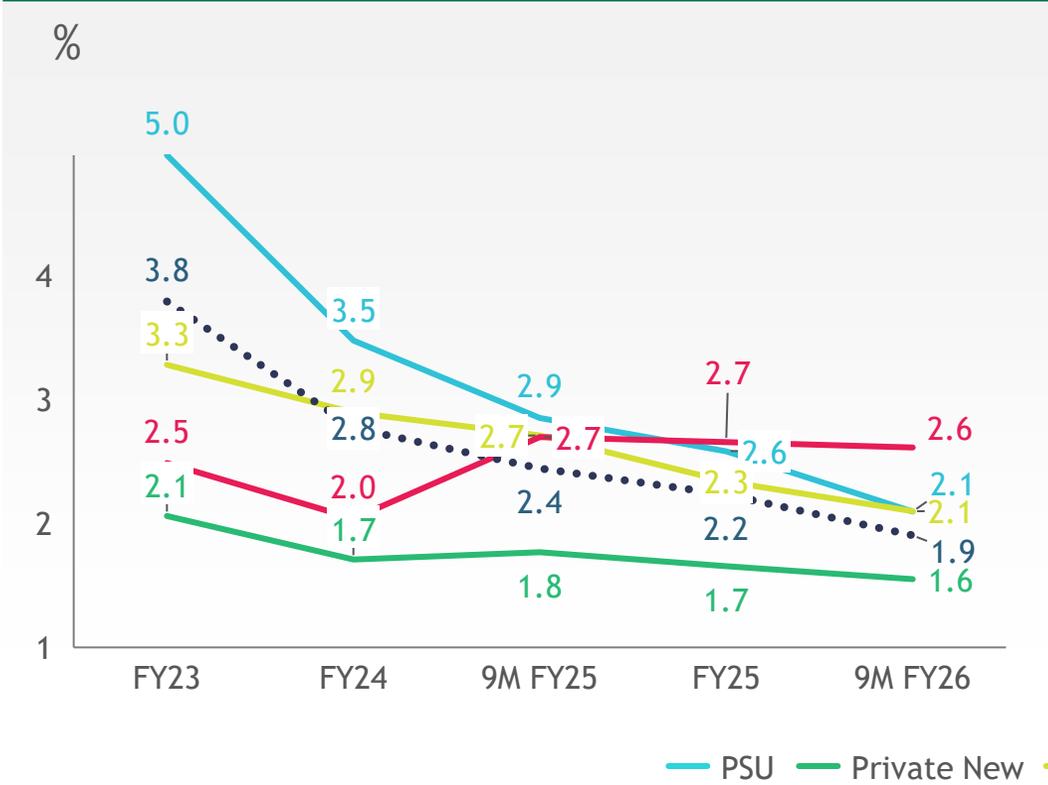


Individual Player Performance

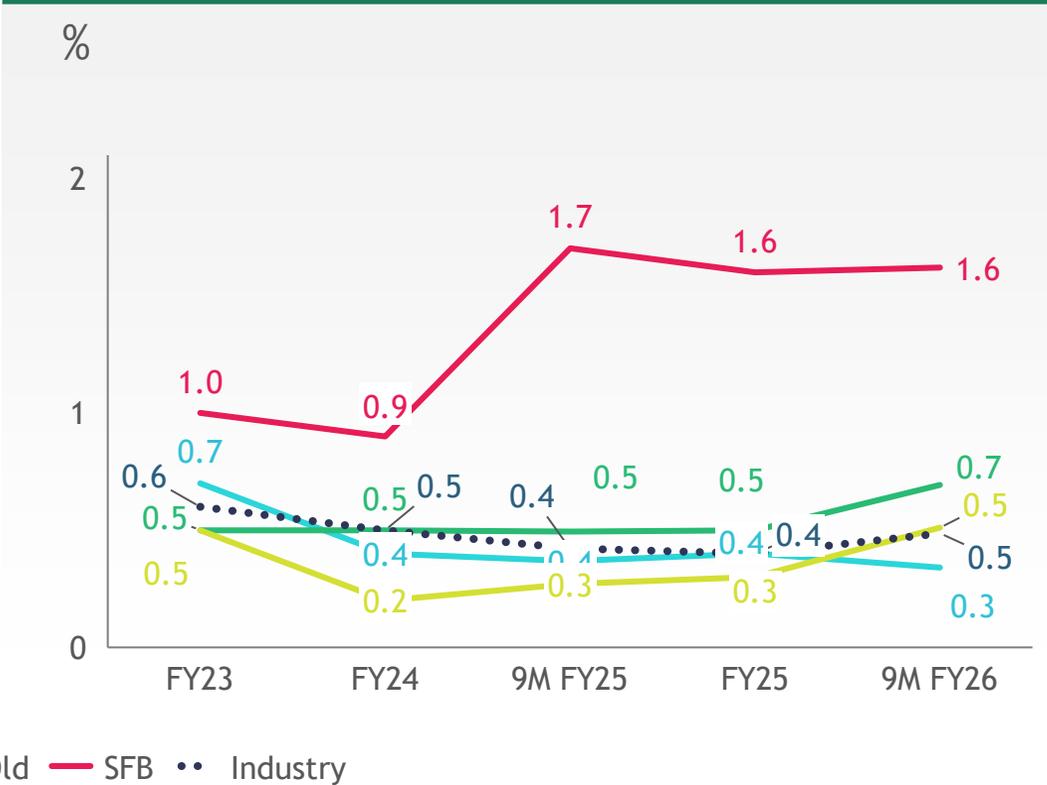


GNPA improves across banks; but credit costs see rising trend driven by PVBs

Gross NPAs by bank category



Credit cost¹ by bank category



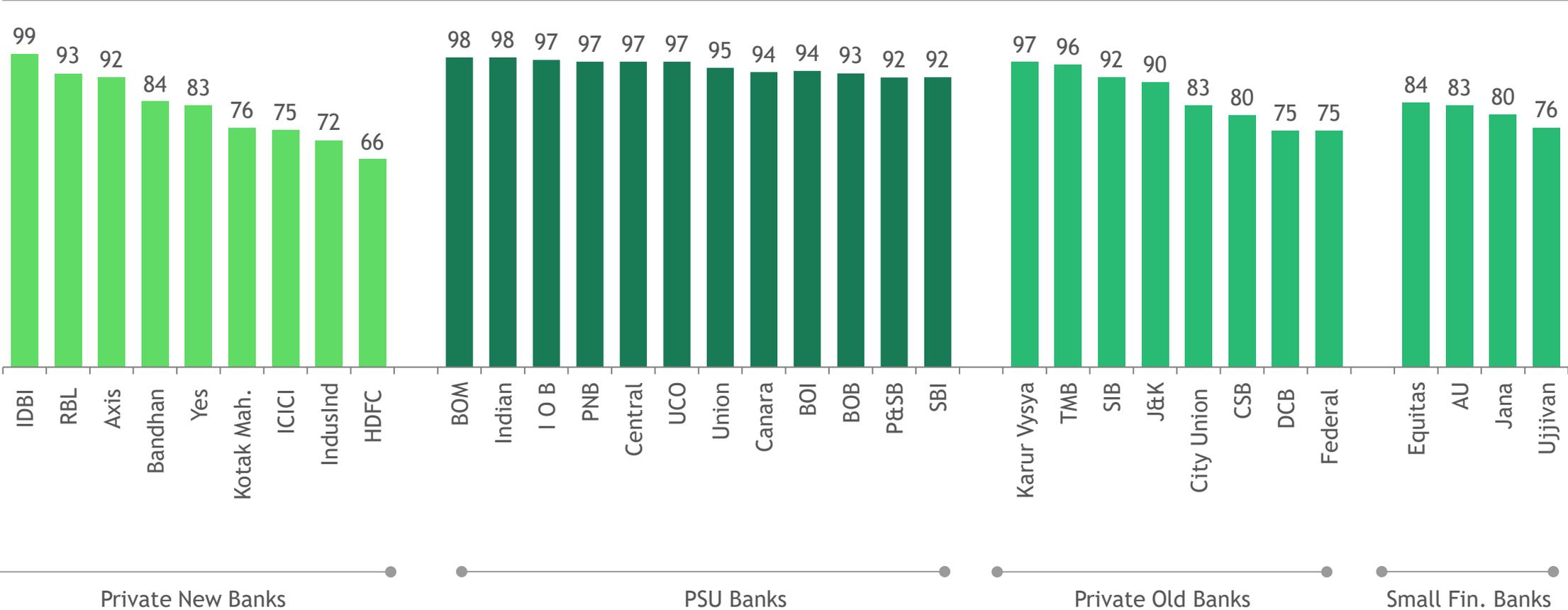
1. As a percentage of average assets; 2. Analysis has been made based on 37 Banks: 12 PSBs, 10 Private-New, 10 Private-Old Banks and 5 Small Finance Banks; HDFC Ltd.'s numbers has been adjusted for prior years to ensure consistency and comparability across periods
 Source: RBI, BCG analysis



Provision coverage remains strong across banks, with PSU banks leading

Provision Coverage Ratio¹ (%) (Dec' 25)

Select Banks



1. All the above PCR% are including Technical write-offs, wherever available
Source: Investor presentation

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



Individual Player Performance



Banks accelerating digital transformation with particular focus on digital SA and FD sourcing

Select Banks

Q3 FY26 vs. Q3 FY25

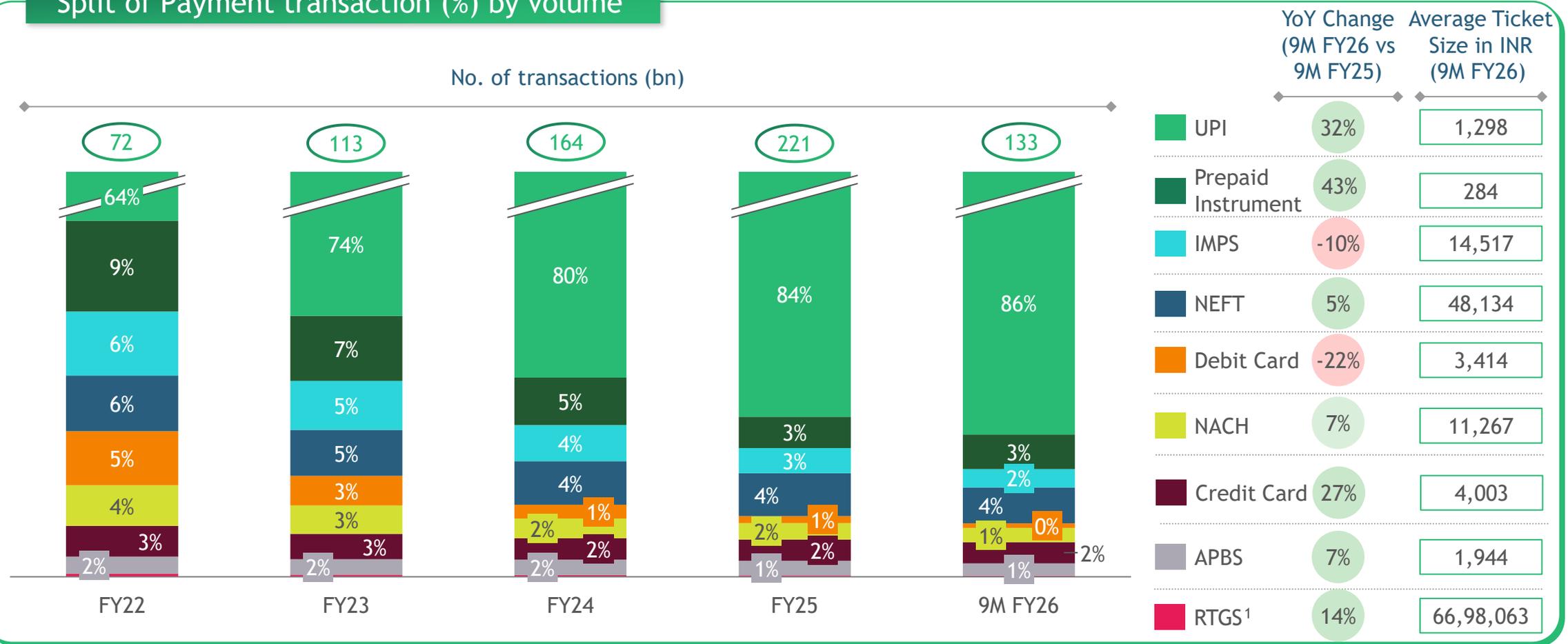
			
Saving Account sourced digitally	95% vs. 93%	75% ⁶ vs. 80% ⁶	68% ⁴ vs 64% ⁴
FD sourced digitally	NA vs. 19%	49% vs. 40%	NA
SIPs initiated digitally	NA	59% vs. 79%	NA
Credit Card issued digitally	NA	~91% ² vs. 89%	2.06L vs. 3.4L
Personal Loans sourced digitally	NA	64% vs. 59%	2.5K Cr ⁵ vs. INR 3.5K Cr ⁵
Volume of MB Transaction	96% ³ vs. NA	97% ³ vs 96% ³	98.6% vs 98.1%

Note: 1. Retail Digital Sanctions FY25; 2. Issuance through Digital and Phygital mode; 3. Overall Digital Transaction Mix; 4. Opened through YONO 5. PL- RTXC Disbursed, PAPL; 6. Digital tablet-based account opening process for Q3 FY26
 Source : NPCI, Investor presentations, Analyst reports, BCG analysis



UPI expands further; prepaid instruments & credit cards see strong gains

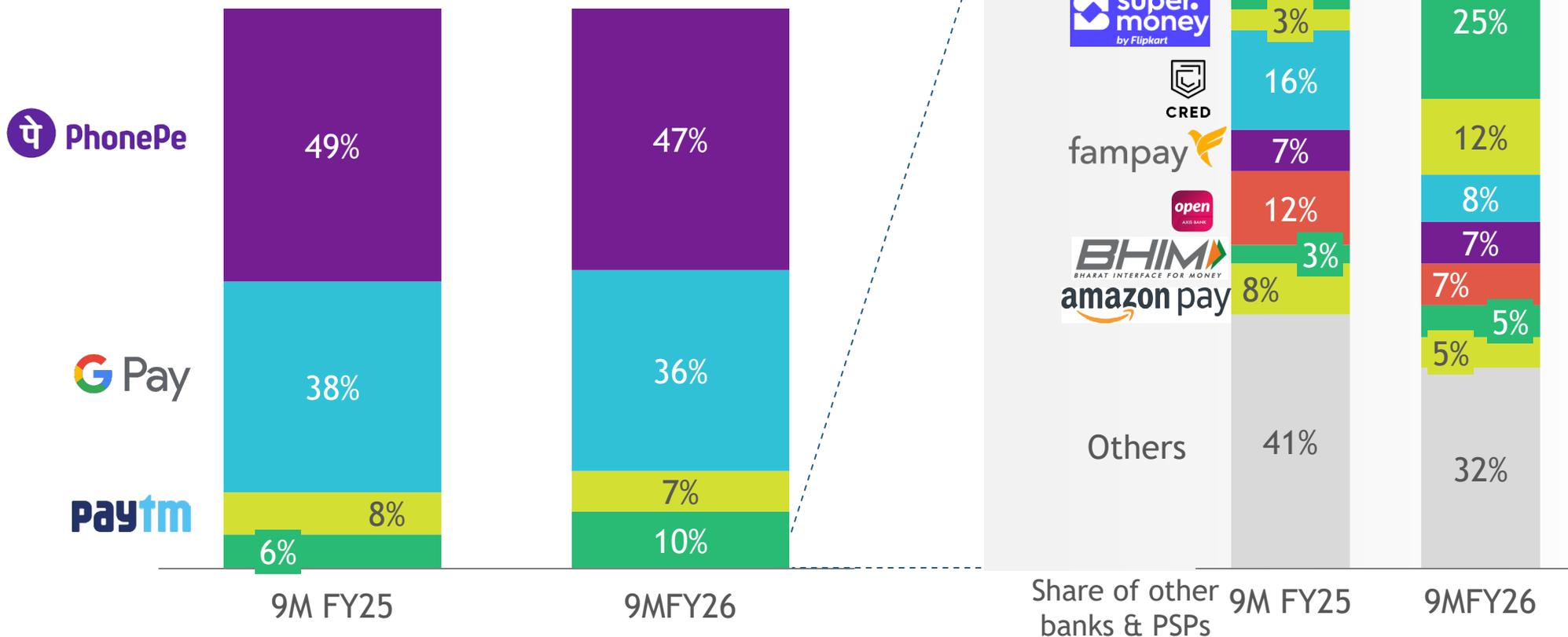
Split of Payment transaction (%) by volume





Share of top 3 UPI apps declines; as Navi, Super.money & BHIM gain share

UPI transaction volume share by app



1. Total may not sum to 100 because of differences due to rounding off
 Source: RBI data, NPCI, Press Releases, BCG Analysis



Top five banks across digital payment categories



UPI Payments

Share of Remitter Bank	9M FY25	9M FY26
➤ State Bank of India	26%	26%
➤ HDFC Bank	8%	8%
➤ Bank of Baroda	6%	7%
➤ Union Bank of India	6%	6%
➤ Punjab National Bank	5%	5%

Share of PSP ¹ Bank	9M FY25	9M FY26
➤ Axis Bank	30%	36%
➤ Yes Bank	32%	29%
➤ ICICI Bank	18%	16%
➤ HDFC Bank	10%	9%
➤ State Bank of India	10%	7%



Card Payments

Share of o/s Credit Cards	9M FY25	9M FY26
➤ HDFC Bank	21%	22%
➤ State Bank of India	19%	19%
➤ ICICI Bank	17%	16%
➤ Axis Bank	14%	14%
➤ RBL Bank	5%	4%

Share of o/s Debit Cards	9M FY25	9M FY26
➤ State Bank of India	24%	24%
➤ Bank of Baroda	9%	9%
➤ HDFC Bank	6%	6%
➤ Canara Bank	6%	6%
➤ Union Bank of India	6%	6%



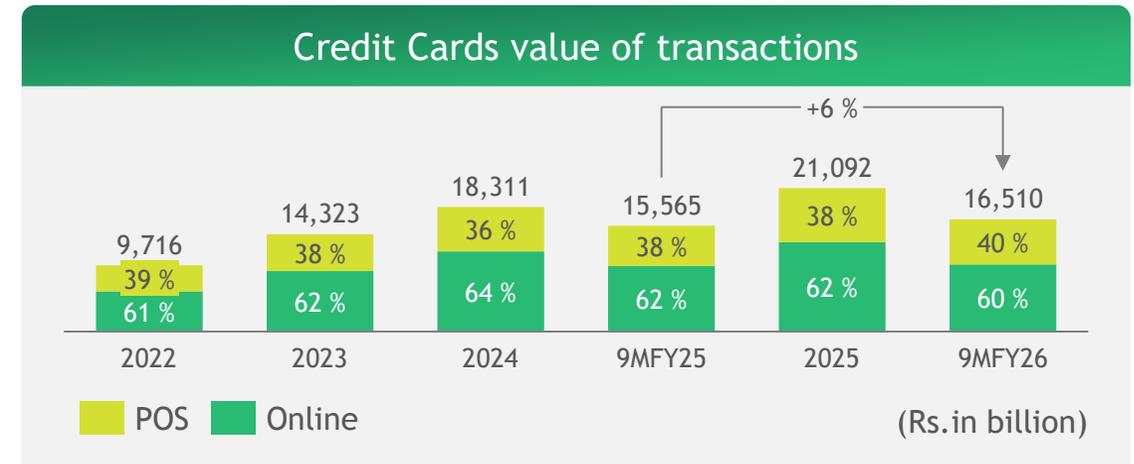
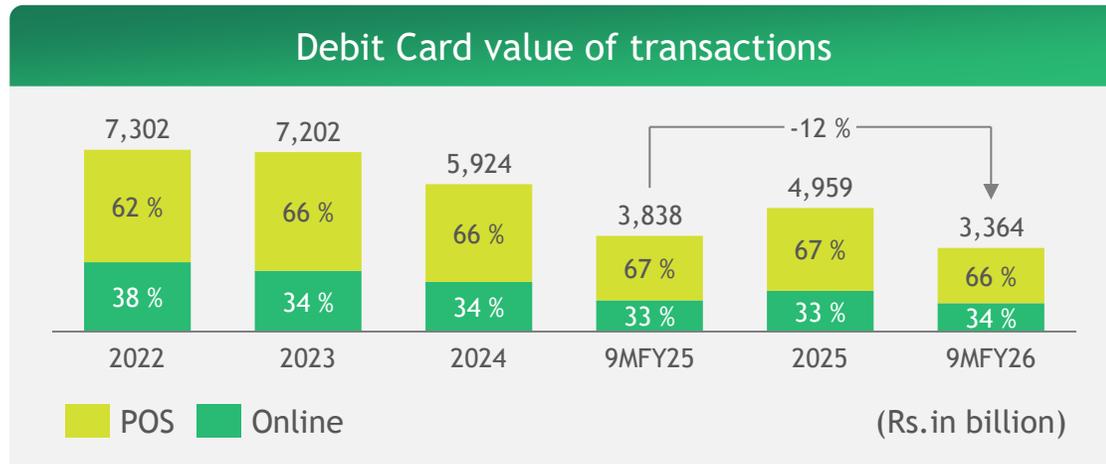
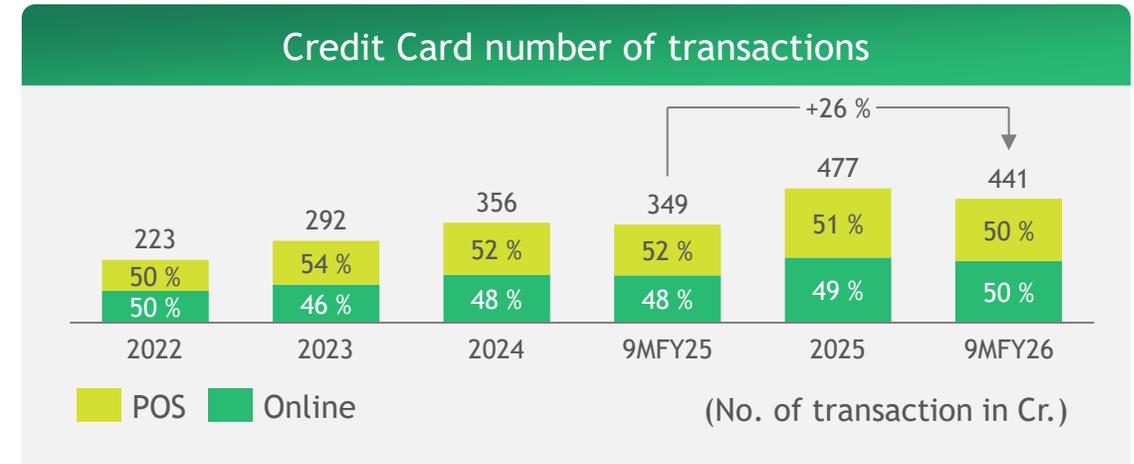
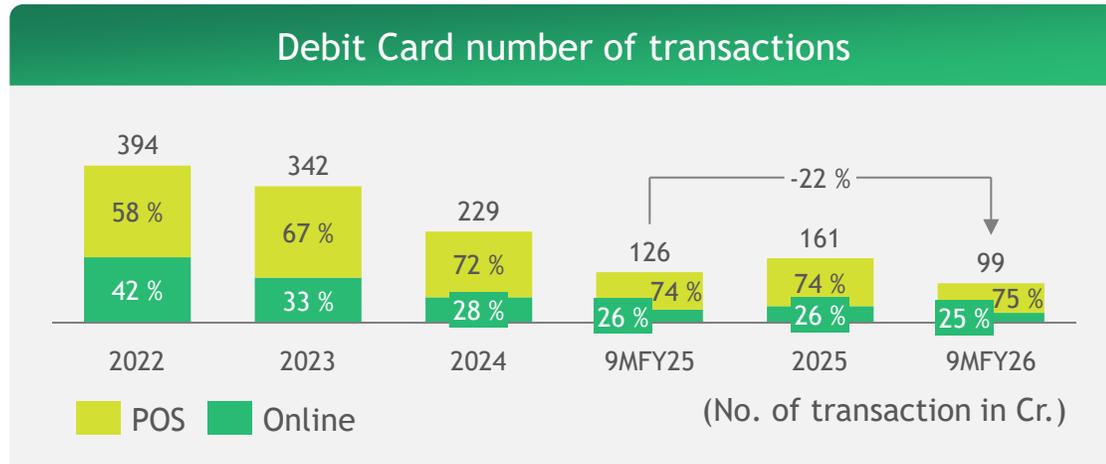
POS Machines

Share of o/s POS Machines	9M FY25	9M FY26
➤ Axis Bank	20%	21%
➤ RBL Bank	19%	20%
➤ ICICI Bank	18%	20%
➤ HDFC Bank	17%	16%
➤ State Bank of India	16%	15%

1. PSP- Payment Service Provider
 Source: RBI data, National Payments Corporation of India (NPCI) statistics, BCG analysis



Credit card transaction volumes drive continued growth; debit cards continue to decline



1. Above debit card and credit card transactions excludes ATM and POS cash withdrawal transactions; 2. Online in Debit card includes e-commerce, card to card transfer & digital bill payment through ATMs; 3. Online in Credit card includes e-commerce & digital payments through ATMs
 Source: RBI data, National Payments Corporation of India (NPCI) statistics, BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



Individual Player Performance



Key Recent Regulatory Measures



Project Finance Prudential Framework

- RBI introduced **standalone Project Finance Directions**, separating project finance from generic corporate lending norms.
- Strengthens **appraisal, monitoring and stress-recognition standards** for long-tenor infrastructure and project loans.



Nomination Facility Directions, 2025

- RBI mandated **standardized and compulsory nomination** across deposit accounts and safe-deposit lockers.
- Aims to **reduce customer disputes and strengthen consumer protection**, requiring operational and digital-journey changes by banks.



Payments Banks - CRR/SLR Prudential Framework

- RBI issued and amended **CRR/SLR directions specific to payments banks**, aligning them closer to prudential norms.
- Strengthens **liquidity discipline and regulatory consistency** within the digital payments banking ecosystem.



Projects Under Implementation (PUI) disclosures

- RBI **strengthened disclosure and monitoring requirements** for Projects Under Implementation (PUIs) under Commercial Banks' Financial Statements Directions.
- Requires granular reporting of delays, cost overruns, DCCO extensions and resolution status, **improving early stress visibility**.

Banking sector overview



Macro Indicators



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



Individual Player Performance



Individual player performance (I/IV)-Standalone

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)		
Private New Banks	HDFC BANK	9MFY26	28.2	▲ 12%	28.6	▲ 12%	33.6	▼ 43 bps	3.2	▼ 8 bps	37.4	▼ 337 bps	1.2	▼ 18 bps	1.9	▲ 6 bps
		9MFY25	25.2		25.6		34.0		3.3		40.8		1.4		1.8	
	ICICI Bank	9MFY26	14.7	▲ 12%	16.6	▲ 9%	40.2	▼ 27 bps	4.1	▼ 8 bps	39.7	▲ 80 bps	1.5	▼ 43 bps	2.3	▼ 12 bps
		9MFY25	13.1		15.2		40.5		4.2		38.9		2.0		2.4	
	AXIS BANK	9MFY26	11.6	▲ 14%	12.6	▲ 15%	39.1	▼ 39 bps	3.4	▼ 31 bps	46.8	▼ 4 bps	1.4	▼ 6 bps	1.4	▼ 34 bps
		9MFY25	10.1		11.0		39.5		3.7		46.9		1.5		1.8	
	Kotak Kotak Mahindra Bank	9MFY26	4.8	▲ 16%	5.4	▲ 15%	41.3	▼ 101 bps	4.3	▼ 42 bps	47.1	▲ 12 bps	1.3	▼ 20 bps	1.9	▼ 96 bps
		9MFY25	4.1		4.7		42.3		4.7		47.0		1.5		2.9	
	IndusInd Bank	9MFY26	3.2	▼ 13%	3.9	▼ 4%	30.2	▼ 464 bps	3.4	▼ 73 bps	63.5	▲ 1188 bps	3.6	▲ 131 bps	0.1	▼ 116 bps
		9MFY25	3.7		4.1		34.9		4.1		51.6		2.3		1.3	
YES BANK	9MFY26	2.6	▲ 5%	2.9	▲ 6%	34.0	▲ 95 bps	2.3	▲ 3 bps	68.0	▼ 470 bps	1.5	▼ 10 bps	0.8	▲ 20 bps	
	9MFY25	2.4		2.8		33.1		2.2		72.7		1.6		0.6		
IDBI BANK	9MFY26	2.4	▲ 15%	3.1	▲ 9%	44.1	▼ 229 bps	3.2	▼ 95 bps	47.3	▲ 283 bps	2.6	▼ 100 bps	2.5	▲ 51 bps	
	9MFY25	2.1		2.8		46.3		4.2		44.5		3.6		2.0		
IDFC FIRST Bank	9MFY26	2.7	▲ 21%	2.9	▲ 23%	51.6	▲ 391 bps	5.7	▼ 64 bps	71.8	▲ 47 bps	1.7	▼ 25 bps	0.5	▼ 5 bps	
	9MFY25	2.2		2.4		47.7		6.3		71.3		1.9		0.5		
Bandhan Bank	9MFY26	1.4	▲ 11%	1.6	▲ 11%	27.3	▼ 447 bps	5.6	▼ 122 bps	55.8	▲ 867 bps	3.3	▼ 135 bps	0.5	▼ 142 bps	
	9MFY25	1.3		1.4		31.7		6.9		47.1		4.7		1.9		
RBL BANK	9MFY26	1.0	▲ 14%	1.2	▲ 12%	30.9	▼ 192 bps	4.2	▼ 68 bps	69.7	▲ 561 bps	1.9	▼ 104 bps	0.5	▼ 9 bps	
	9MFY25	0.9		1.1		32.8		4.9		64.1		2.9		0.6		

Note: All figures are global, unless stated otherwise; Calculated ratios may not match with reported figures due to differences in formula

1. NIM is calculated as NII as a % of average total assets; Return on assets is calculated a net profit as a % of average total assets

2. CIR is calculated as Opex by Total Income (NII + Other Income), HDFC Bank CIR includes transaction gains 3. CASA deposits as % of overall global deposits

Source: RBI, Capitaline, Press releases, BCG analysis

xxx Change vs. last year



Individual player performance (II/IV)-Standalone

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)		
PSU Banks	 SBI	9MFY26	46.3	▲ 16%	57.0	▲ 9%	37.5	▼ 5 bps	2.5	▼ 13 bps	49.7	▼ 127 bps	1.6	▼ 50 bps	1.2	▲ 6 bps
		9MFY25	40.0		52.3		37.6		2.6		51.0		2.1		1.1	
	 pnb	9MFY26	12.0	▲ 12%	16.6	▲ 9%	35.7	▼ 108bps	2.3	▼ 32 bps	52.8	▼ 117 bps	3.2	▼ 90 bps	0.8	▼ 14 bps
		9MFY25	10.7		15.3		36.7		2.6		54.0		4.1		1.0	
	 बैंक ऑफ बरौदा Bank of Baroda	9MFY26	13.3	▲ 15%	15.5	▲ 10%	32.5	▼ 48 bps	2.6	▼ 26 bps	50.6	▲ 338 bps	2.0	▼ 39 bps	1.1	▼ 12 bps
		9MFY25	11.5		14.0		33.0		2.9		47.3		2.4		1.2	
	 केनरा बैंक Canara Bank	9MFY26	11.7	▲ 15%	15.2	▲ 11%	27.1	▼ 44 bps	2.1	▼ 27 bps	46.9	▼ 31 bps	2.1	▼ 126 bps	1.1	▲ 10 bps
		9MFY25	10.2		13.7		27.5		2.4		47.2		3.3		1.0	
	 Union Bank of India	9MFY26	9.9	▲ 8%	12.2	▲ 3%	33.9	▲ 53 bps	2.5	▼ 16 bps	49.9	▲ 568 bps	3.1	▼ 79 bps	1.2	▼ 2 bps
		9MFY25	9.2		11.8		33.4		2.7		44.3		3.9		1.3	
	 Bank of India Relationship beyond banking	9MFY26	7.3	▲ 15%	8.9	▲ 12%	32.6	▼ 223 bps	2.3	▼ 26 bps	52.1	▲ 35 bps	2.3	▼ 143 bps	0.9	▲ 1 bps
		9MFY25	6.3		7.9		34.9		2.6		51.8		3.7		0.9	
	 भारतीय बैंक Indian Bank	9MFY26	6.3	▲ 15%	7.9	▲ 13%	37.4	▼ 94 bps	3.0	▼ 17 bps	46.4	▲ 173 bps	2.2	▼ 103 bps	1.4	▲ 3 bps
		9MFY25	5.4		7.0		38.3		3.2		44.7		3.3		1.3	
	 सेंट्रल बैंक ऑफ इंडिया Central Bank of India	9MFY26	3.2	▲ 21%	4.5	▲ 13%	47.0	▼ 203 bps	2.7	▼ 37 bps	58.5	▲ 65 bps	2.7	▼ 116 bps	1.0	▲ 16 bps
		9MFY25	2.6		4.0		49.0		3.1		57.9		3.9		0.8	
 Indian Overseas Bank	9MFY26	2.9	▲ 25%	3.5	▲ 14%	40.8	▼ 253 bps	2.9	▲ 7 bps	45.3	▼ 299 bps	1.5	▼ 101 bps	1.2	▲ 35 bps	
	9MFY25	2.3		3.1		43.4		2.8		48.3		2.6		0.8		
 यूको बैंक UCO BANK	9MFY26	2.4	▲ 16%	3.1	▲ 11%	36.1	▲ 28 bps	2.8	▲ 2 bps	53.0	▼ 337 bps	2.4	▼ 50 bps	0.7	▲ 1 bps	
	9MFY25	2.0		2.8		35.9		2.8		56.4		2.9		0.7		
 बैंक ऑफ महाराष्ट्र Bank of Maharashtra	9MFY26	2.7	▲ 20%	3.2	▲ 15%	49.5	▲ 26 bps	3.7	▼ 7 bps	37.3	▼ 103 bps	1.6	▼ 20 bps	1.8	▲ 8 bps	
	9MFY25	2.2		2.8		49.3		3.7		38.3		1.8		1.8		
 पंजाब & सिंद बैंक Punjab & Sind Bank	9MFY26	1.1	▲ 16%	1.4	▲ 9%	31.0	▼ 14 bps	2.3	▼ 4 bps	60.8	▼ 373 bps	2.6	▼ 123 bps	0.7	▲ 11 bps	
	9MFY25	0.9		1.3		31.2		2.4		64.6		3.8		0.6		

Note: All figures are global, unless stated otherwise; Calculated ratios may not match with reported figures due to differences in formula

1. NIM is calculated as NII as a % of average total assets; Return on assets is calculated a net profit as a % of average total assets

2. CIR is calculated as Opex by Total Income (NII + Other Income), HDFC Bank CIR includes transaction gains 3. CASA deposits as % of overall global deposits

Source: RBI, Capitaline, Press releases, BCG analysis

xxx Change vs. last year



Individual player performance (III/IV)-Standalone

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
FEDERAL BANK <small>YOUR PERFECT BANKING PARTNER</small>	9MFY26	2.6	▲ 9%	3.0	▲ 12%	32.1	▲ 191 bps	2.8	▼ 15 bps	54.3	▲ 116 bps	1.7	▼ 23 bps	1.1	▼ 19 bps
	9MFY25	2.3		2.7		30.2		3.0		53.1		2.0		1.3	
J&K Bank	9MFY26	1.1	▲ 18%	1.6	▲ 11%	44.1	▼ 406 bps	3.4	▼ 26 bps	59.3	▲ 150 bps	3.0	▼ 108 bps	1.2	▼ 5 bps
	9MFY25	1.0		1.4		48.2		3.7		57.8		4.1		1.3	
SOUTH INDIAN Bank	9MFY26	0.9	▲ 12%	1.2	▲ 12%	31.8	▲ 69 bps	2.6	▼ 38 bps	56.8	▼ 252 bps	2.7	▼ 163 bps	1.1	▼ 2 bps
	9MFY25	0.8		1.1		31.2		3.0		59.3		4.3		1.1	
Karnataka Bank <small>Your Family Bank. Forever.</small>	9MFY26	0.8	▼ 1%	1.0	▲ 4%	31.5	▲ 122 bps	2.6	▼ 41 bps	58.6	▲ 163 bps	3.3	▲ 21 bps	1.0	▼ 18 bps
	9MFY25	0.8		1.0		30.3		3.0		56.9		3.1		1.2	
KVB Karur Vysya Bank <small>Smart way to bank</small>	9MFY26	1.0	▲ 17%	1.1	▲ 16%	27.2	▼ 118 bps	3.5	▼ 59 bps	44.0	▼ 309 bps	0.7	▼ 12 bps	1.8	▼ 10 bps
	9MFY25	0.8		1.0		28.4		4.1		47.1		0.8		1.9	
CITY UNION BANK	9MFY26	0.6	▲ 21%	0.7	▲ 21%	27.3	▼ 41 bps	3.4	▲ 12 bps	48.6	▲ 102 bps	2.2	▼ 119 bps	1.6	▲ 1 bps
	9MFY25	0.5		0.6		27.7		3.3		47.6		3.4		1.6	
TMB <small>Tamilnad Mercantile Bank Ltd. We stop ahead of life.</small>	9MFY26	0.5	▲ 17%	0.6	▲ 13%	27.4	▲ 58 bps	3.6	▼ 12 bps	45.8	▲ 208 bps	0.9	▼ 41 bps	1.9	▼ 1 bps
	9MFY25	0.4		0.5		27.4		3.7		43.7		1.3		1.9	
DCB BANK	9MFY26	0.6	▲ 18%	0.7	▲ 20%	22.8	▼ 232 bps	3.1	▼ 1 bps	61.0	▼ 384 bps	2.7	▼ 39 bps	0.9	▲ 2 bps
	9MFY25	0.5		0.6		25.1		3.1		64.8		3.1		0.9	
CSB Bank <small>Formerly The Catholic Syrian Bank Ltd.</small>	9MFY26	0.4	▲ 28%	0.4	▲ 21%	20.6	▼ 352 bps	3.5	▼ 40 bps	62.8	▼ 223 bps	2.0	▲ 38 bps	1.2	▼ 22 bps
	9MFY25	0.3		0.3		24.1		3.9		65.0		1.6		1.4	
Dhanlaxmi Bank	9MFY26	0.1	▲ 26%	0.2	▲ 18%	28.1	▼ 241 bps	3.2	▲ 29 bps	81.6	▼ 650 bps	2.4	▼ 117 bps	0.4	▲ 12 bps
	9MFY25	0.1		0.2		30.5		2.9		88.1		3.5		0.3	

Note: All figures are global, unless stated otherwise; Calculated ratios may not match with reported figures due to differences in formula

1. NIM is calculated as NII as a % of average total assets; Return on assets is calculated as net profit as a % of average total assets

2. CIR is calculated as Opex by Total Income (NII + Other Income), HDFC Bank CIR includes transaction gains 3. CASA deposits as % of overall global deposits

Source: RBI, Capitaline, Press releases, BCG analysis

xxx Change vs. last year



Individual player performance (IV/IV)-Standalone

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)		
Small Finance Banks		9MFY26	1.2	▲ 24 %	1.4	▲ 23%	28.9	▼ 178 bps	5.5	▼ 97bps	57.4	▲ 22 bps	2.3	▼ 1 bps	1.5	▼ 23 bps
		9MFY25	1.0		1.1		30.6		6.5		57.2		2.3		1.7	
		9MFY26	0.4	▲ 13 %	0.4	▲ 7%	29.5	▲ 87 bps	6.0	▼ 96 bps	73.2	▲ 614 bps	2.8	▼ 22 bps	-0.3	▼ 58 bps
		9MFY25	0.4		0.4		28.6		7.0		67.1		3.0		0.3	
		9MFY26	0.4	▲ 8%	0.4	▲ 11%	27.3	▲ 523 bps	7.6	▼ 113 bps	66.6	▲ 630 bps	2.4	▼ 30 bps	1.1	▼ 90 bps
		9MFY25	0.4		0.3		22.1		8.7		60.3		2.7		2.0	
	9MFY26	0.1	▲ 24%	0.1	▲ 33%	21.2	▲ 170 bps	6.7	▼ 244 bps	73.6	▲ 728 bps	6.7	▲ 116 bps	0.9	▼ 70 bps	
	9MFY25	0.1		0.1		19.5		9.2		66.4		5.5		1.6		
	9MFY26	0.3	▲ 19%	0.3	▲ 30%	20.0	▲ 155 bps	6.4	▼ 124 bps	67.4	▲ 729 bps	2.6	▼ 21 bps	0.6	▼ 98 bps	
	9MFY25	0.3		0.3		18.4		7.7		60.1		2.8		1.6		

Note: All figures are global, unless stated otherwise; Calculated ratios may not match with reported figures due to differences in formula

1. NIM is calculated as NII as a % of average total assets; Return on assets is calculated as a net profit as a % of average total assets

2. CIR is calculated as Opex by Total Income (NII + Other Income), HDFC Bank CIR includes transaction gains 3. CASA deposits as % of overall global deposits

Source: RBI, Capitaline, Press releases, BCG analysis

xxx Change vs. last year

Disclaimer

The services and materials provided by Boston Consulting Group (BCG) are subject to BCG's Standard Terms (a copy of which is available upon request) or such other agreement as may have been previously executed by BCG. BCG does not provide legal, accounting, or tax advice. The Client is responsible for obtaining independent advice concerning these matters. This advice may affect the guidance given by BCG. Further, BCG has made no undertaking to update these materials after the date hereof, notwithstanding that such information may become outdated or inaccurate.

The materials contained in this presentation are designed for the sole use by the board of directors or senior management of the Client and solely for the limited purposes described in the presentation. The materials shall not be copied or given to any person or entity other than the Client ("Third Party") without the prior written consent of BCG. These materials serve only as the focus for discussion; they are incomplete without the accompanying oral commentary and may not be relied on as a stand-alone document. Further, Third Parties may not, and it is unreasonable for any Third Party to, rely on these materials for any purpose whatsoever. To the fullest extent permitted by law (and except to the extent otherwise agreed in a signed writing by BCG), BCG shall have no liability whatsoever to any Third Party, and any Third Party hereby waives any rights and claims it may have at any time against BCG with regard to the services, this presentation, or other materials, including the accuracy or completeness thereof. Receipt and review of this document shall be deemed agreement with and consideration for the foregoing.

BCG does not provide fairness opinions or valuations of market transactions, and these materials should not be relied on or construed as such. Further, the financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard valuation methodologies, are not definitive forecasts, and are not guaranteed by BCG. BCG has used public and/or confidential data and assumptions provided to BCG by the Client. BCG has not independently verified the data and assumptions used in these analyses. Changes in the underlying data or operating assumptions will clearly impact the analyses and conclusions.



[bcg.com](https://www.bcg.com)