



Banking Sector Roundup - FY25

MAY 2025

Glossary: Classification of Indian banks used in this document

PSU (12 banks)



Private—New (10 banks)



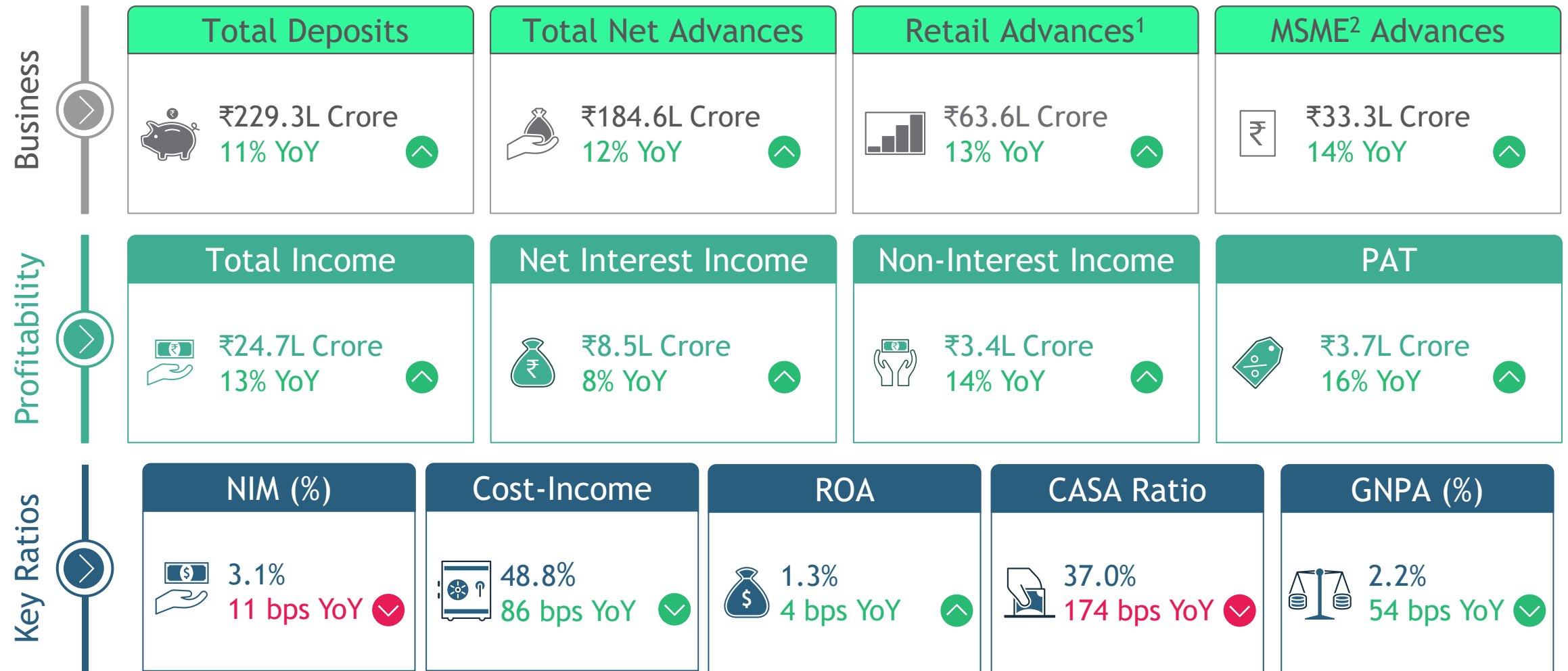
Private—Old (10 banks)



Small Finance (5 banks)



FY25 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 FY25 at 6.4% YoY vs. projected growth rate of 6.2-7%; RBI and other agencies project GDP growth at 6.4-6.5% for FY26
- **Economic landscape exhibits mixed trends**
 - Industrial growth strengthens with rising cement output, while auto sales see mixed growth amid weak demand year-on-year
 - Services exports saw strong growth while service imports decline sharply



Banks vs NBFCs

- **Lending Boost in NBFCs:** NBFCs credit growth (20%) outpaces that of Banks (12%) in FY25 led by Gold NBFC category
- **Yield:** NIM remained stable in FY25 at 6.7% for NBFCs and 3.1% for Banks
- **Credit Expense:** Credit costs rose for NBFCs from 1.3% to 1.7% whereas Banks show improved credit cost from 0.6% to 0.4%
- **Profitability and Returns:** Bank profits grew ~16% YoY due to lower provisions, while NBFCs reported ~8% PAT growth, driven by Gold and Housing NBFCs; MFIs saw sharp decline
- **Valuation:** Large NBFCs continues to command premium valuation; despite Banks outperforming them on total returns over the last three years, with banks delivering a 27.0% return compared to 12.0% for NBFCs



Key Performance Indicators - Banks

- **Profitability:** Banking industry reported 16% YoY growth in Net Profit
 - PAT for PSU Banks continues its upward trajectory with 26% YoY growth and 30% 2-Year CAGR, driven by lower provisions, controlled OPEX, and strong non-interest income
 - Private banks posted 8% YoY PAT growth and an 16% 2-Year CAGR, primarily driven by lower provisions. However, PSU banks have significantly outperformed their private counterparts in managing costs and provisions over the past two years.
- **Capital Adequacy:** All banks have CRAR >13% signaling resilience in their risk management capabilities

Summary Snapshot (II/II)



Business

- **Credit:** Declining credit growth: 12% YoY in FY25; ~15% CAGR since FY22 (net advances)
 - YoY Growth - Retail: 13%, Agri: 10%, MSME: 14%, Corporate: 7%
 - CD ratio at 81%, more competition in garnering low-cost deposits going ahead
- **Deposits:** CASA growth remains muted, overall deposits growth 11% YoY in FY25; ~12% CAGR since FY22
 - Industry CASA Ratio: 37%
 - YoY Growth - CASA: 6%, TD: 13%



NPA & Risk Mgmt.

- **Decline in GNPA:** Decline in GNPA, from 5.8% in FY22 to 2.2% in FY25 (2.8% in FY24). Robust improvement in Asset Quality by PSU Banks in the last 3 years.
 - **PSUs:** Asset quality improves from 7.3% GNPA in FY22 to 2.6% in FY25;
 - **Private Banks:** GNPA improves from 3.7% in FY22 to 1.7% in FY25



Digital & Payments

- **Digital Payments:**
 - UPI continues to drive significant volumes in payment and grew by 42% YoY
 - Debit card transactions declined 29% in volume and 16% in value YoY whereas Credit Card transactions grew 34% in volume and 15% in value YoY

Outlook | Moderate credit growth expectations with profitability pressure



For the first time in last few years, leading banks including HDFC Bank, ICICI Bank, Axis Bank and even mid-sized ones such as RBL Bank have refrained from providing specific growth guidance for FY26 following their Q4 earnings announcements



NIMs expected to be under pressure as repo linked loans re-price owing to rate cuts, banks have started responding by lowering deposit rates including savings



However, with an elevated CD ratio, competition for low-cost deposits to remain high; this will limit banks' ability to reduce rates beyond a point & hence put pressure on profitability (especially mid-sized banks, SFBs)



Liquidity infusion measures like repo rate cuts, deferment in implementation of updated LCR framework, roll back of higher risk weights, etc. to continue to aid credit growth



Asset quality to remain a key monitorable especially in unsecured retail, microfinance and small ticket unsecured business loan segment



Banks may look to actively write off bad loans to clean up balance sheets on account of current elevated credit costs. RBI data shows the scale of write-offs had risen substantially after the asset quality review (AQR) in the second half of the last decade (2015-18 period)

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



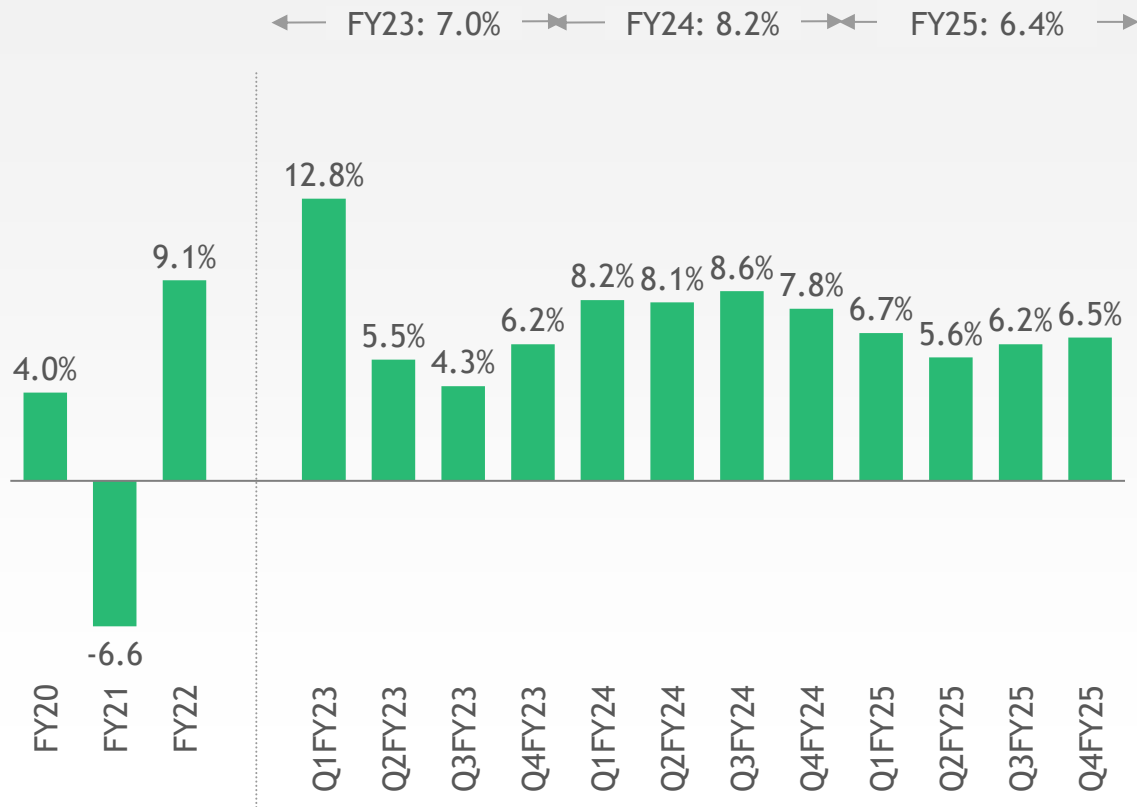
Individual Player Performance



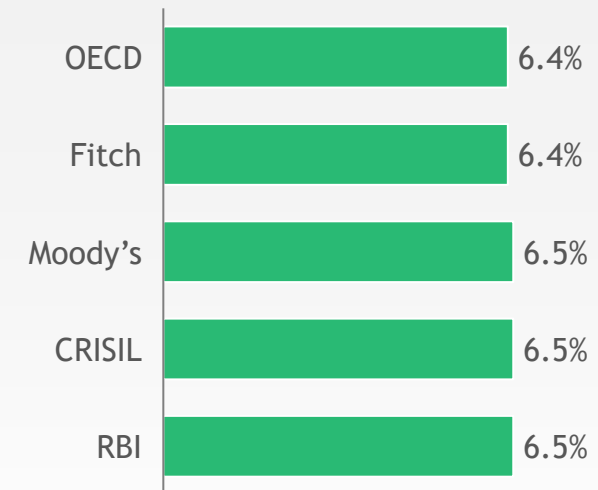
India expected to grow at 6.4-6.5% in FY26, led by strong domestic demand

FY25 GDP was projected to grow at 6.2 - 7.0%; actual growth remained at 6.4%

Trend in real GDP growth YoY (%)



FY26 GDP growth forecast²



6.4-6.5%

1. GDP growth for FY26 are based on provisional estimates; 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



Economic landscape continued to exhibit mixed trends across most high-frequency indicators vs last year

	Growth Latest Month	Vs. Last year	Vs. Last month	YTD Growth ²
Industry				
IIP (Index) ¹	151.3	3%	-6%	-
Power Consumption ('000 MUs)	4.8	7%	2%	5%
Petroleum Consumption (MMT)	20.9	-1%	9%	-1%
Steel Consumption (MMT)	12.4	0%	1%	6%
Cement Production (MT) ¹	41.5	11%	-1%	12%
Trade & Investment				
Merchandise Exports (\$ Bn)	41.97	1%	14%	-4%
Merchandise Imports (\$ Bn)	63.5	11%	25%	1%
Services Exports (\$ Bn)	31.6	11%	-10%	12%
Services Imports (\$ Bn)	13.7	-13%	-17%	3%
Logistics				
E-way Bills (Mn)	124.51	20%	12%	19%
JNPT Traffic ('000 TEUs)	672	13%	9%	15%
Rail Freight (Mn Tons)	-	-	-	-
Air Freight (K Tons) ¹	278.7	-5%	-6%	2%

	Growth Latest Month	Vs. Last year	Vs. Last month	YTD Growth ²
Auto				
PV Sales ('000 Units)	381.4	3%	1%	2%
3W Registrations ('000 Units)	56.1	-11%	1%	1%
2W Sales ('0000 Units)	1,656.9	11%	20%	1%
EV Registrations ('000 Units)	100.1	-5%	60%	5%
BFSI				
UPI Value (INR Tn)	24.8	25%	13%	24%
NSE & BSE Txns. (INR K C r)	1,982	-2%	3%	-16%
Insurance Premium (INR K Cr)	88.7	2%	71%	-2%
Sentiment				
Manufacturing PMI (Index)	58.1	-2%	3%	-
Services PMI (Index)	58.5	-4%	-1%	-
Current Situation Index ¹	95.5	-3%	2%	-
Future Expectations Index ¹	122.4	-2%	1%	-

1. Data available only up to Feb'25 as on 22nd Apr'25—hence growth comparisons are for January and not February. Feb'25 data has been compared with Feb'24 & Jan'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-Mar and Jan-Feb for the* marked indicators)

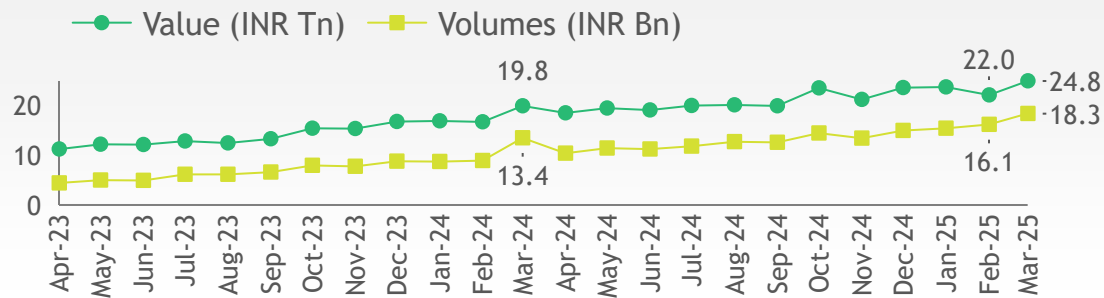
Note: EV registrations incl. E-bus, E-car, electric 3W, electric 2W, electric 3W cargo sales, others; Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India BCG analysis



BFSI indicators show MF & Insurance premiums continuing upward trajectory; deposits growth remained steady, while credit growth slowed down this year

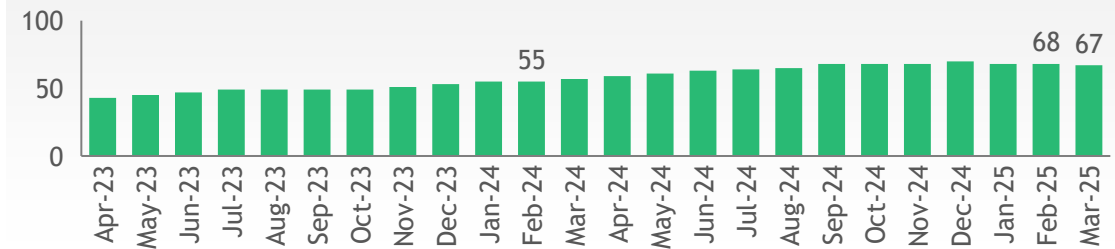
UPI

UPI value & volume rose 25% and 36% YoY in Mar'25 respectively



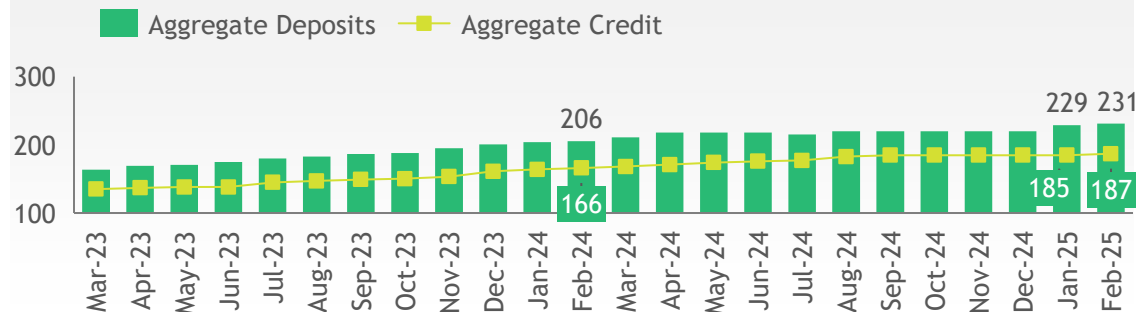
Mutual funds AUM (INR Tn)¹

Mutual funds AUM reached all time high, growth of 18% YoY



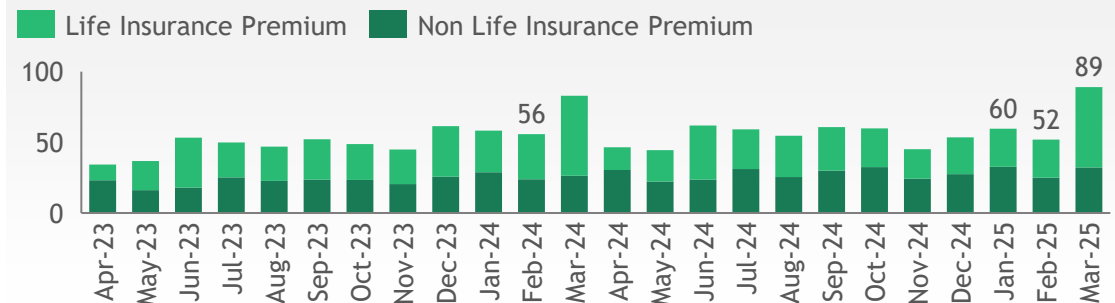
Aggregate deposits & credit (INR Tn)

Deposits and Credit grew 12% and 13% YoY respectively



Insurance premium (INR '000 Cr)²

Life Insurance premium rose 7% YoY in Mar'25



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 data used for life & non-life insurance as on 19th Jan'25; 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous
Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India, BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures

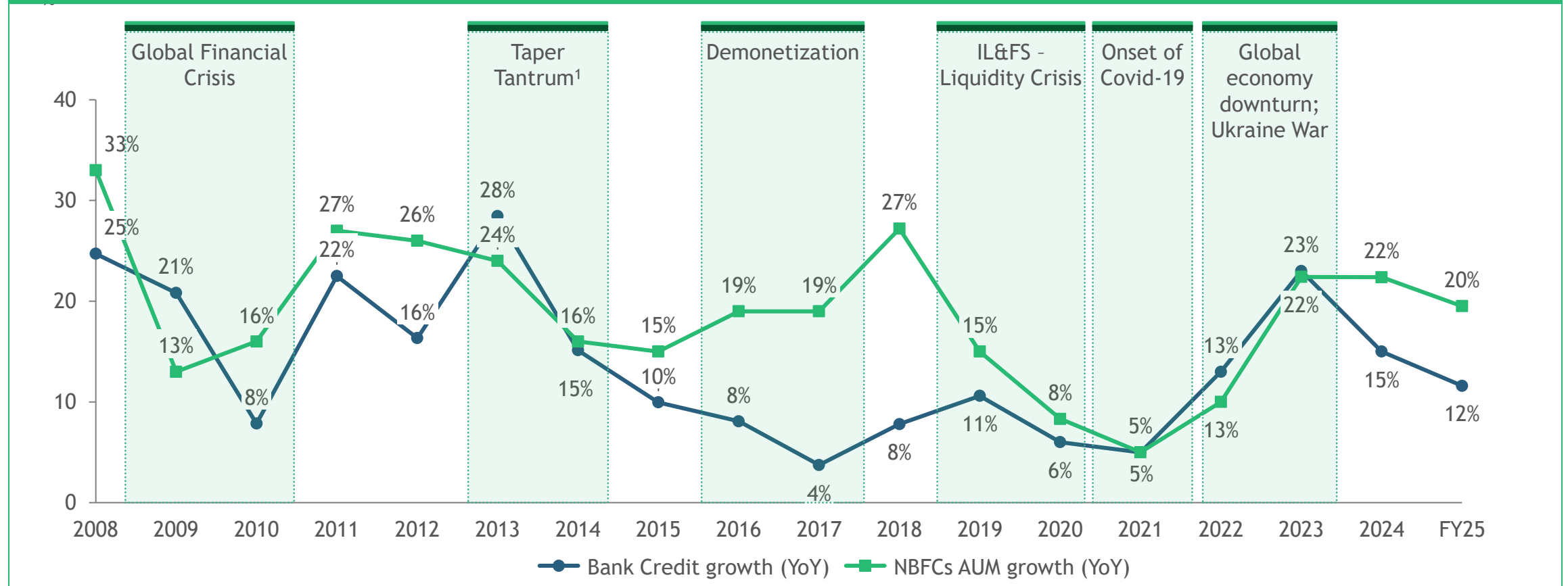


Individual Player Performance



NBFCs credit growth outpaces Banks credit growth in FY25

Player-group wise y-o-y growth in advances



1. Taper Tantrum crisis of 2013 refers to foreign investors pulling out money from equities and bonds in emerging markets as a reaction to US Fed announcement of reducing/ceasing its bond purchase program; this led to a tightening of liquidity available in the market, impacting both banks & NBFCs

Note: Analysis has been made based on 31 NBFCs (9 HFCs, 2 Gold, 3 MFI, 1 Cards and 16 Diversified NBFCs) and 37 Banks (12 PSBs, 10 Private-New, 10 Private-Old Banks and 5 Small Finance Banks)

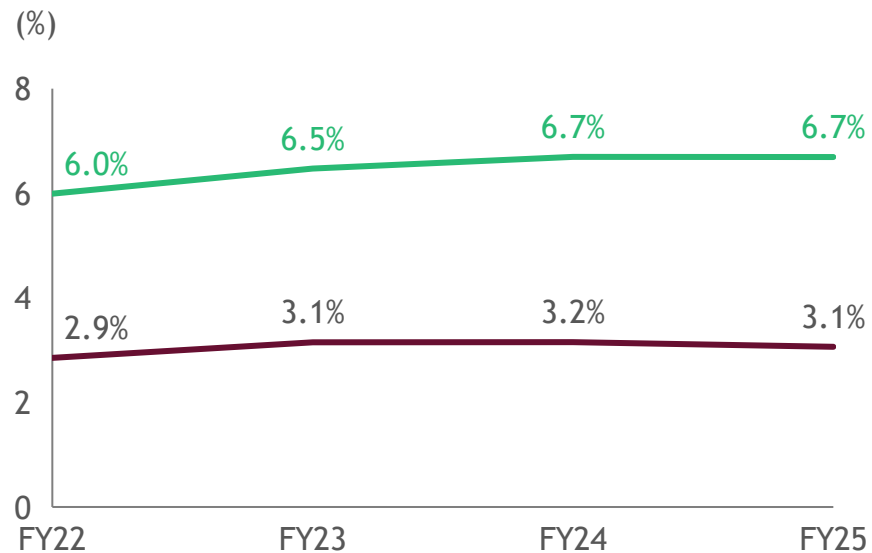
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



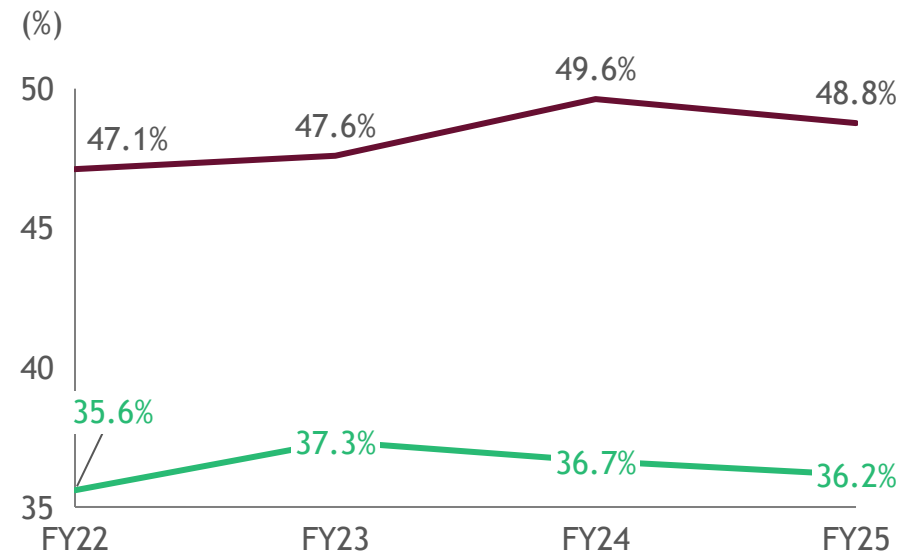
NIM remained broadly stable y-o-y in FY25 for both Banks and NBFCs; CIR improved marginally for both Banks & NBFC category



Net Interest Margin¹ (%)



Cost to Income Ratio² (%)



— Banks — NBFCs

1. NIM is calculated as (Interest Income - Interest Expense)/Average Assets 2. Cost to Income is calculated as Operation expense/(net interest income + other income)
Operation Expense excludes "Net loss on fair value changes", "Net loss on derecognition of financial instruments under amortized cost category", "Net Transaction Exchange Loss" and/or "Loss/write-off on Repossessed Assets and Assets acquired in satisfaction of debt" ; NIM has been annualized
Note: Analysis has been made based on 31 NBFCs (9 HFCs, 2 Gold, 3 MFI, 1 Cards and 16 Diversified NBFCs) and 37 Banks (12 PSBs, 10 Private-New, 10 Private-Old Banks and 5 Small Finance Banks)

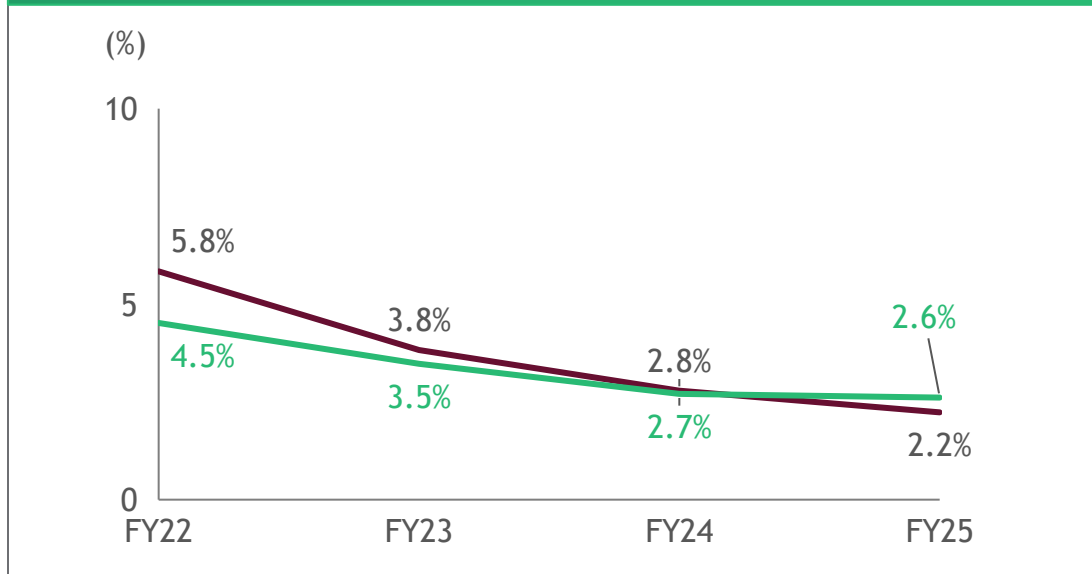
Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



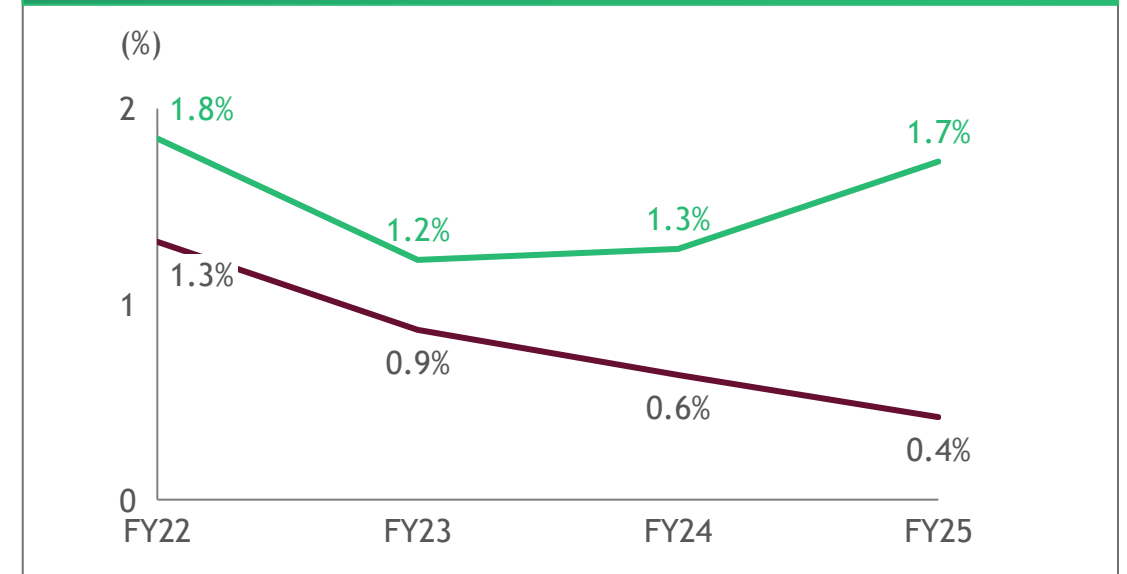
Asset quality continues to improve for both Banks and NBFCs; Credit Cost rising for NBFCs (driven by all categories except HFC) while declining for Banks



GNPA¹ (%)



Credit Cost² (%)



— Banks — NBFCs

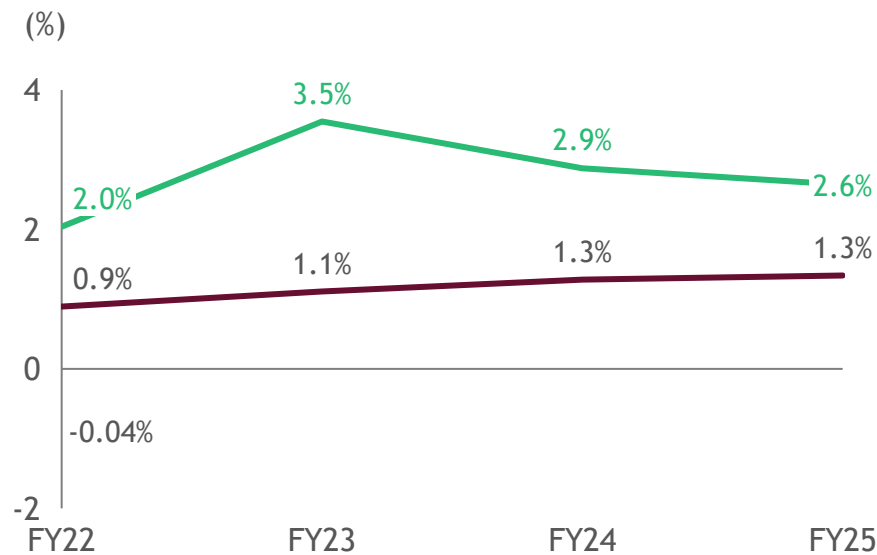
1. GNPA for NBFC has been calculated based on weighted average on total advances 2. Credit Cost is calculated as provision and contingencies/average assets & have been annualized
Note: Analysis has been made based on 31 NBFCs (9 HFCs, 2 Gold, 3 MFI, 1 Cards and 16 Diversified NBFCs) and 37 Banks (12 PSBs, 10 Private-New, 10 Private-Old Banks and 5 Small Finance Banks)



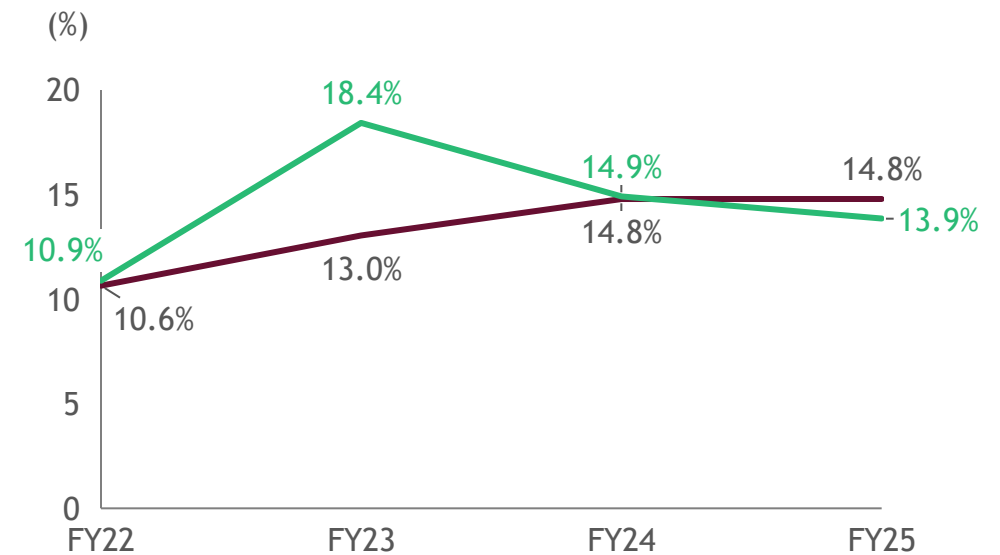
Banks show steady gains in RoA & RoE; NBFCs tapering after FY23 surge



Return on Assets¹



Return on Equity²



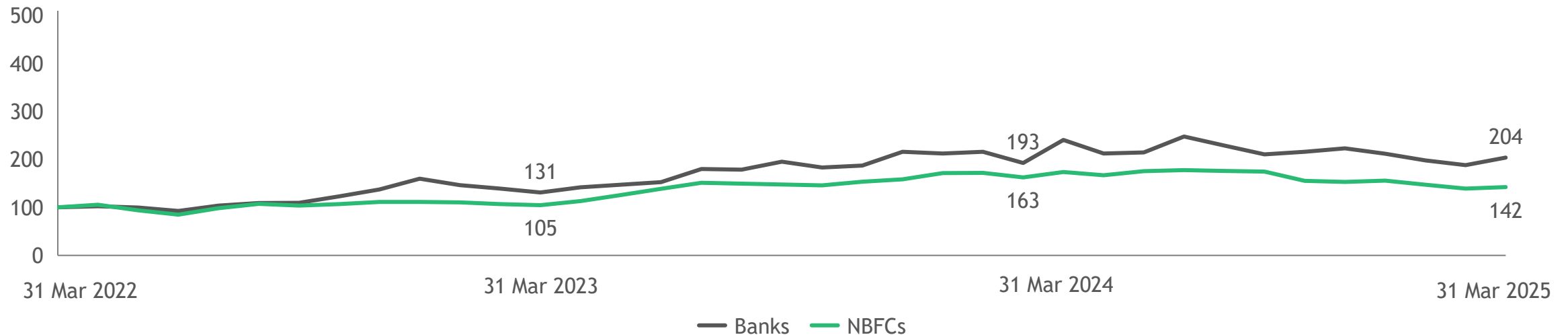
— Banks — NBFCs

1. Return on Assets is calculated as net profit/average assets 2. Return on Equity is calculated as net profit/average shareholders' fund
 Note: Analysis has been made based on 31 NBFCs (9 HFCs, 2 Gold, 3 MFI, 1 Cards and 16 Diversified NBFCs) and 37 Banks (12 PSBs, 10 Private-New, 10 Private-Old Banks and 5 Small Finance Banks)
 Source: Capitaline, Quarterly Results, Investor Presentation, Annual Report, BCG Analysis



Banks sustain stronger market performance vs. NBFCs over past three years; gap widens in FY25

Index (weighted by market cap.) for Banks & NBFCs



Total Return (%)



Note: Banks index includes 7 PSU banks-Large, 5 PSU banks-Medium, 10 Private-New, 10 Private-Old Banks and 5 SFBs
Index weighted as per market capitalization of banks Index period from March 2022 to March 2025
Source: Capital IQ; BCG ValueScience Center

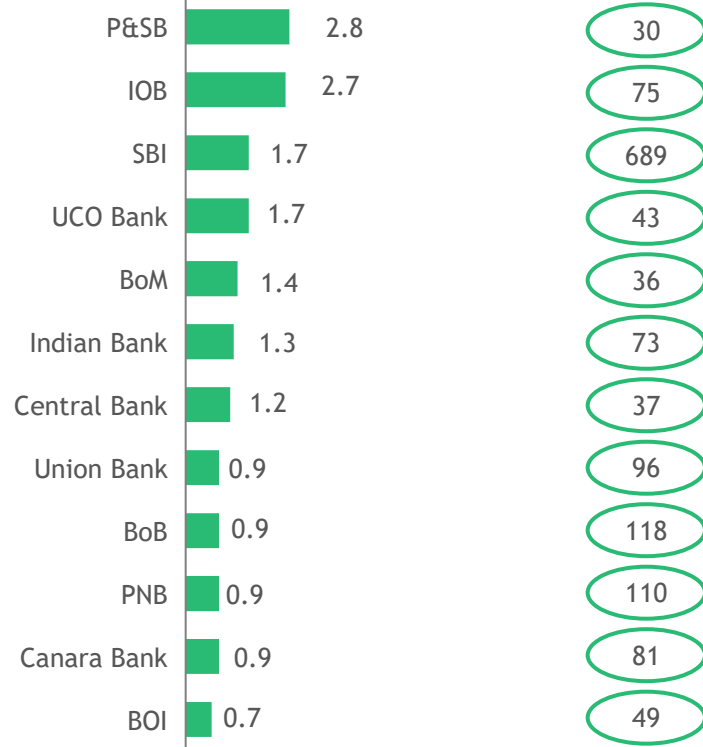


NBFCs continue to command premium valuation vs. banks

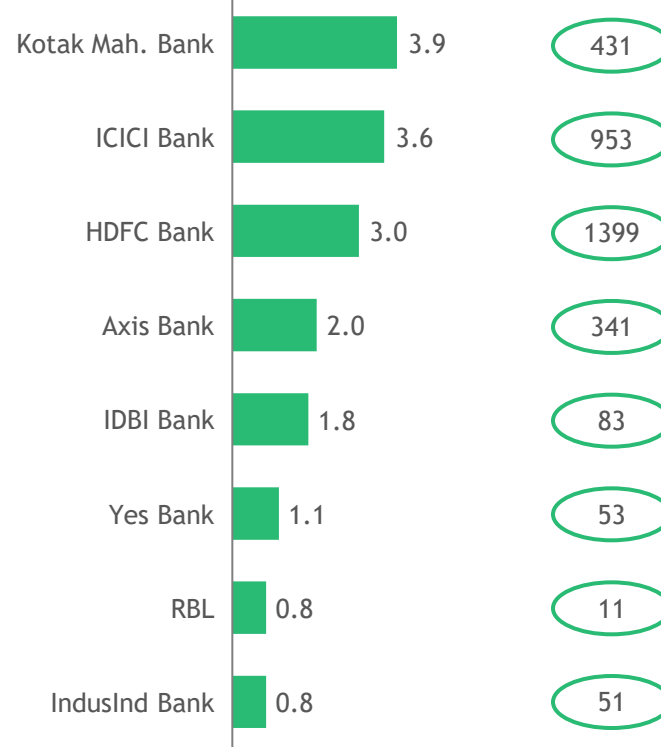
Select Banks & NBFCs

Price to book ratio (As on 31st Mar 2025)

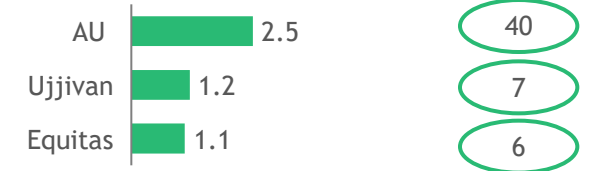
PSU Banks



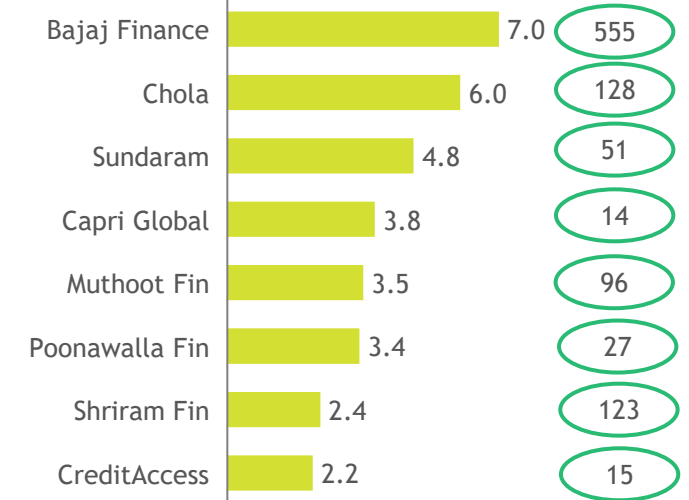
Private New Banks



Small Finance Banks



NBFCs



○ Market Cap (INR in '000 crores) (as on 31st March 2025)

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



Individual Player Performance

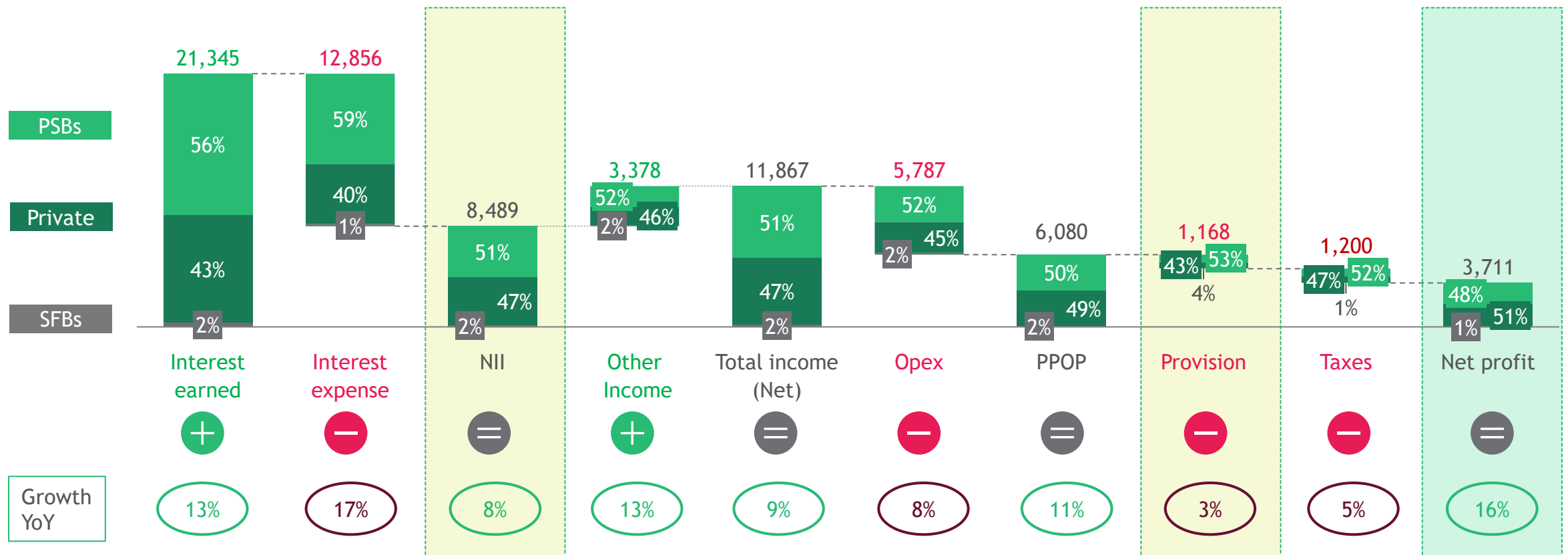


Bottom line grew faster than top line driven by Opex

PSUs witness sharp YoY growth in Net Profit in FY25; SFBs see sharp de-growth

Values for
FY25

INR Bn





Marginal growth in RoA despite pressure on NIM

Sharp decline in profitability by SFBs amid rising credit costs

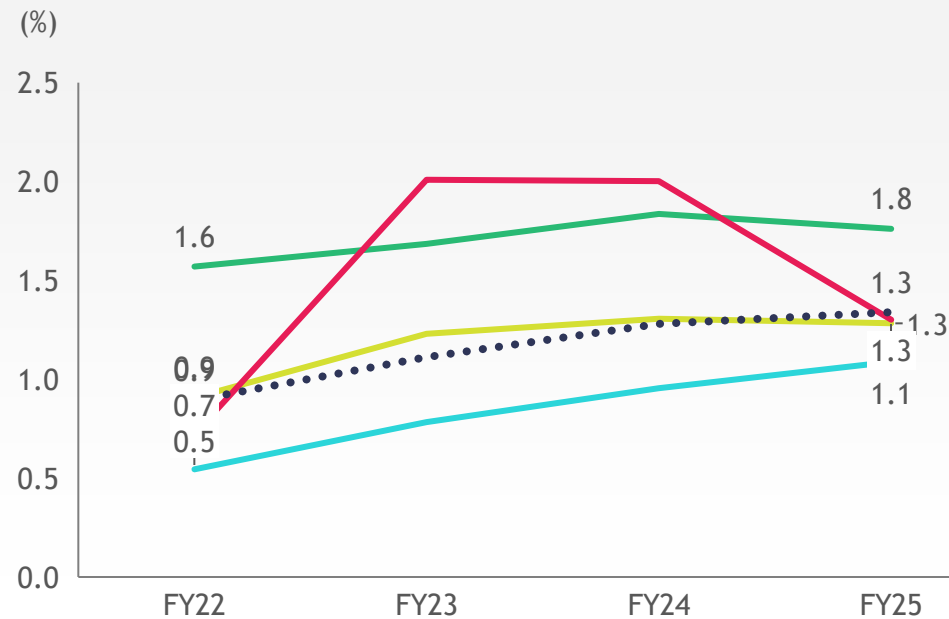
RoA Tree			PSU Banks		Private New		Private Old		SFBs		Industry	
Particulars ¹	UoM		FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25	FY24
Net interest Margin	(%)		2.6	2.8	3.7	3.8	3.2	3.3	6.7	6.8	3.06	3.18
Fee + Other Income	(%)		1.1	1.0	1.4	1.5	1.2	1.1	1.9	1.9	1.22	1.19
Operating expenses	(%)		1.8	1.9	2.4	2.4	2.4	2.4	5.2	5.3	2.09	2.17
Pre-Provision Profit ²	(%)		1.8	1.8	2.8	2.9	2.0	1.9	3.3	3.4	2.19	2.20
Credit costs	(%)		0.4	0.4	0.5	0.5	0.3	0.2	1.7	0.8	0.42	0.46
Tax ³	(%)		0.4	0.4	0.5	0.5	0.4	0.3	0.3	0.6	0.43	0.45
Return on Assets	(%)		1.1	1.0	1.8	1.8	1.3	1.3	1.3	2.0	1.34	1.29

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

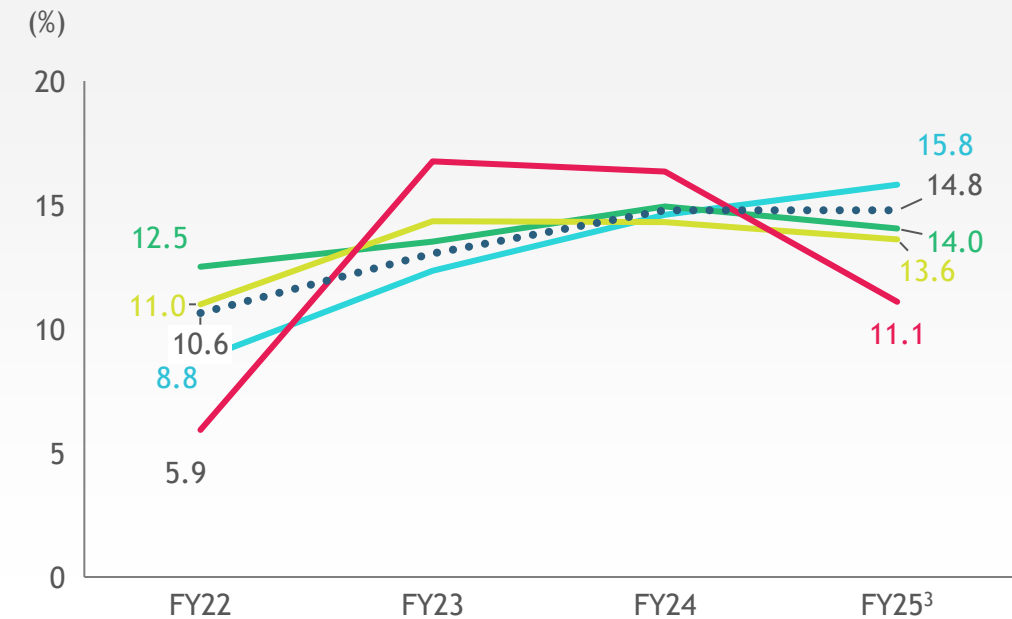


Private banks continue to lead on ROA; PSBs dominating on ROE indicating higher financial leverage

Return on Assets¹ by bank category



Return on Equity² by bank category



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

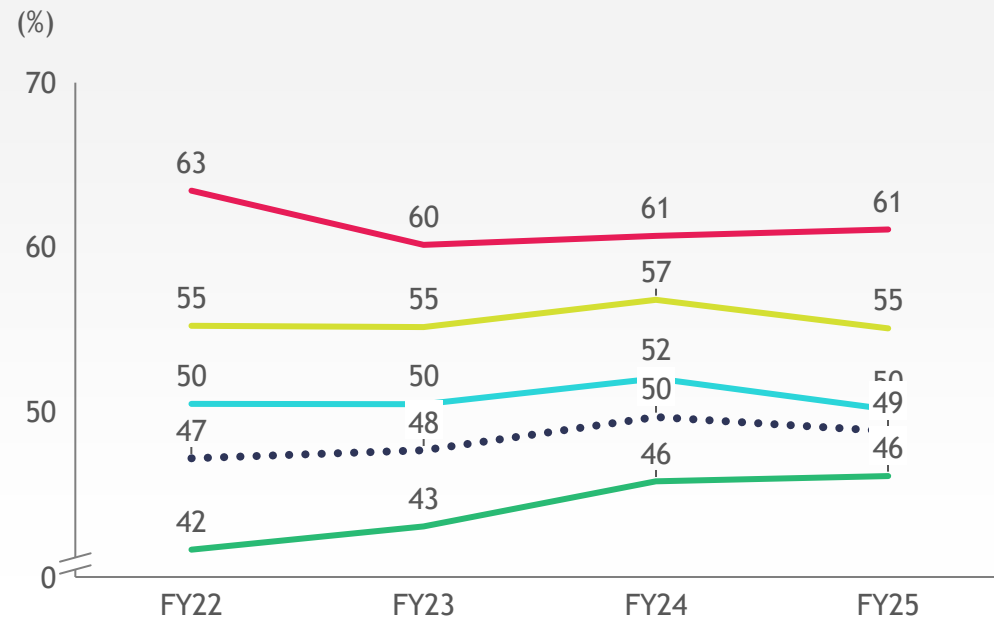
1. Return on Assets is calculated as net profit/average assets; 2. Return on Equity is calculated as net profit/average shareholders' fund; HDFC Ltd.'s numbers has been adjusted for prior years to ensure consistency and comparability across periods

Source: RBI; Capitaline; Press releases; BCG analysis



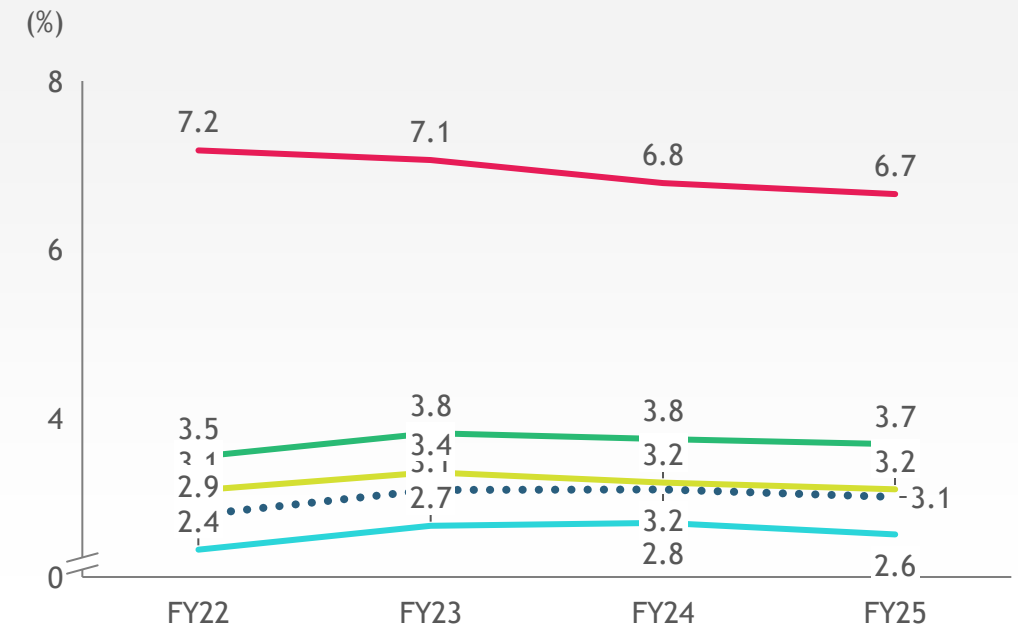
PSBs lead industry wide CIR improvement; NIMs contracted at industry level

Cost to Income Ratio¹ by bank category



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

Net Interest Margin² by bank category

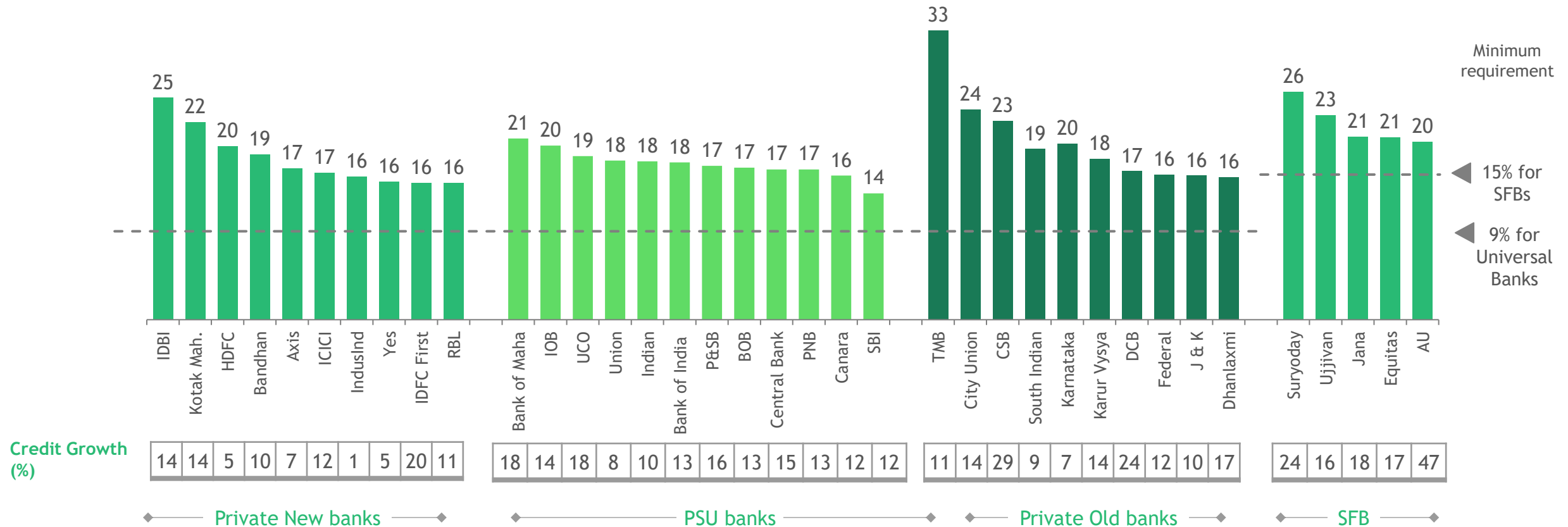


1. Return on Assets is calculated as net profit/average assets; 2. Return on Equity is calculated as net profit/average shareholders' fund; HDFC Ltd.'s numbers has been adjusted for prior years to ensure consistency and comparability across periods
Source: RBI; Capitaline; Press releases; BCG analysis



Banks maintain strong capital buffer to support future credit growth

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

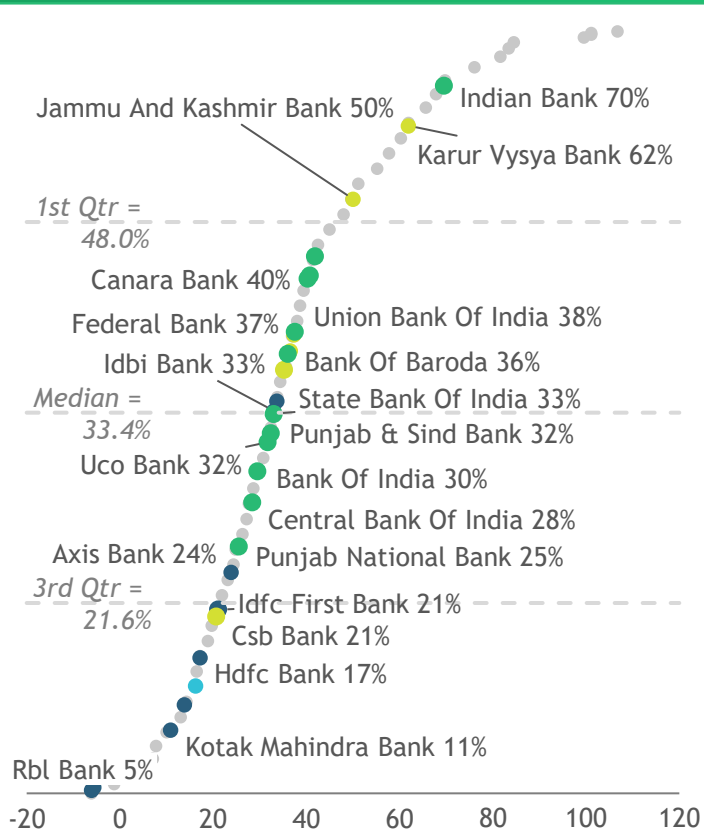




PSUs created significant value over last 3 yrs; PVBs outperformed in last 1 yr

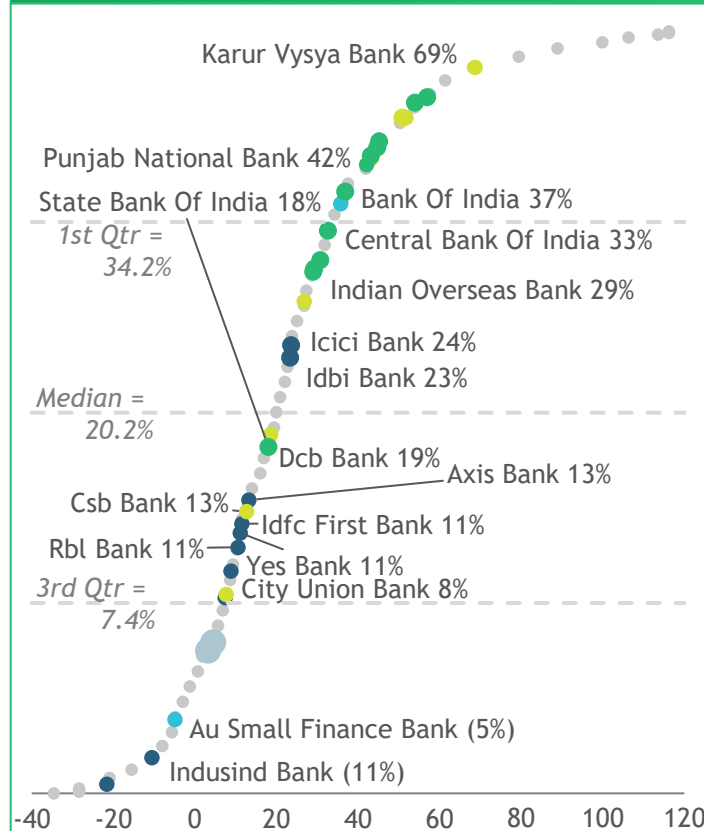
5-year TSR

Annualized, Mar 2020-Mar 2025, %



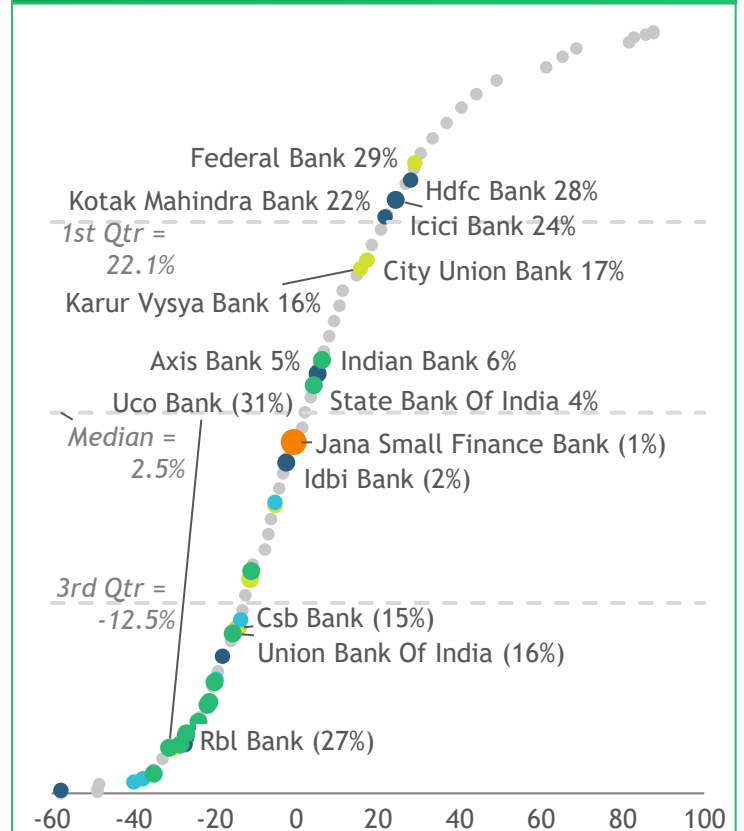
3-year TSR

Annualized, Mar 2022-Mar 2025, %



1-year TSR

Annualized, Mar 2024-Mar 2025, %



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

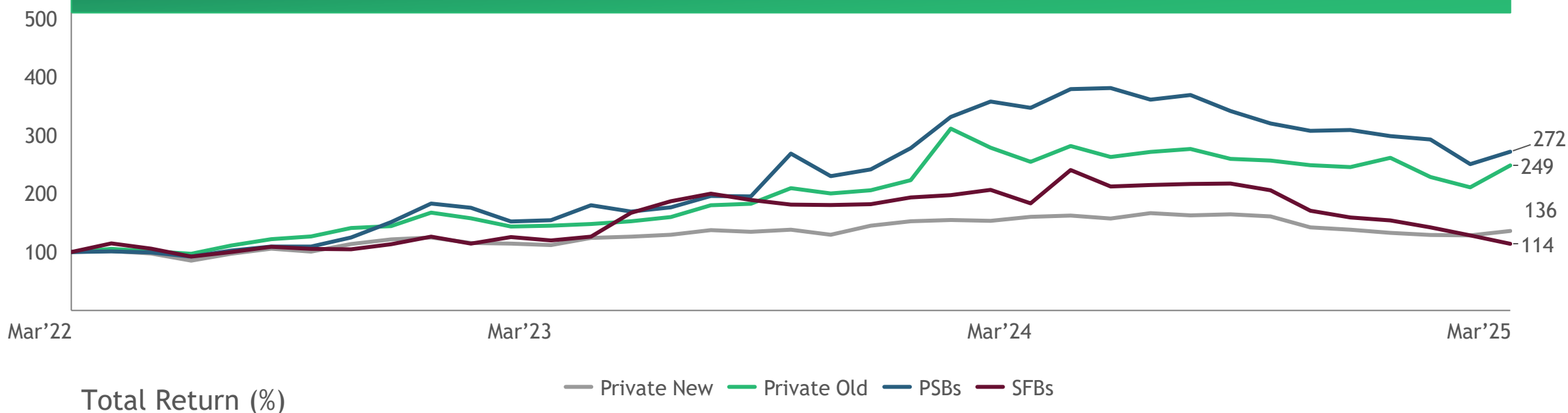
Note: Background Curve: India Large Mid Cap, Based on data ending in March. TSRs use company reporting currency.

Source: S&P Capital IQ; BCG ValueScience® Center



Similar trend observed in bank category wise returns

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



Total Return (%)

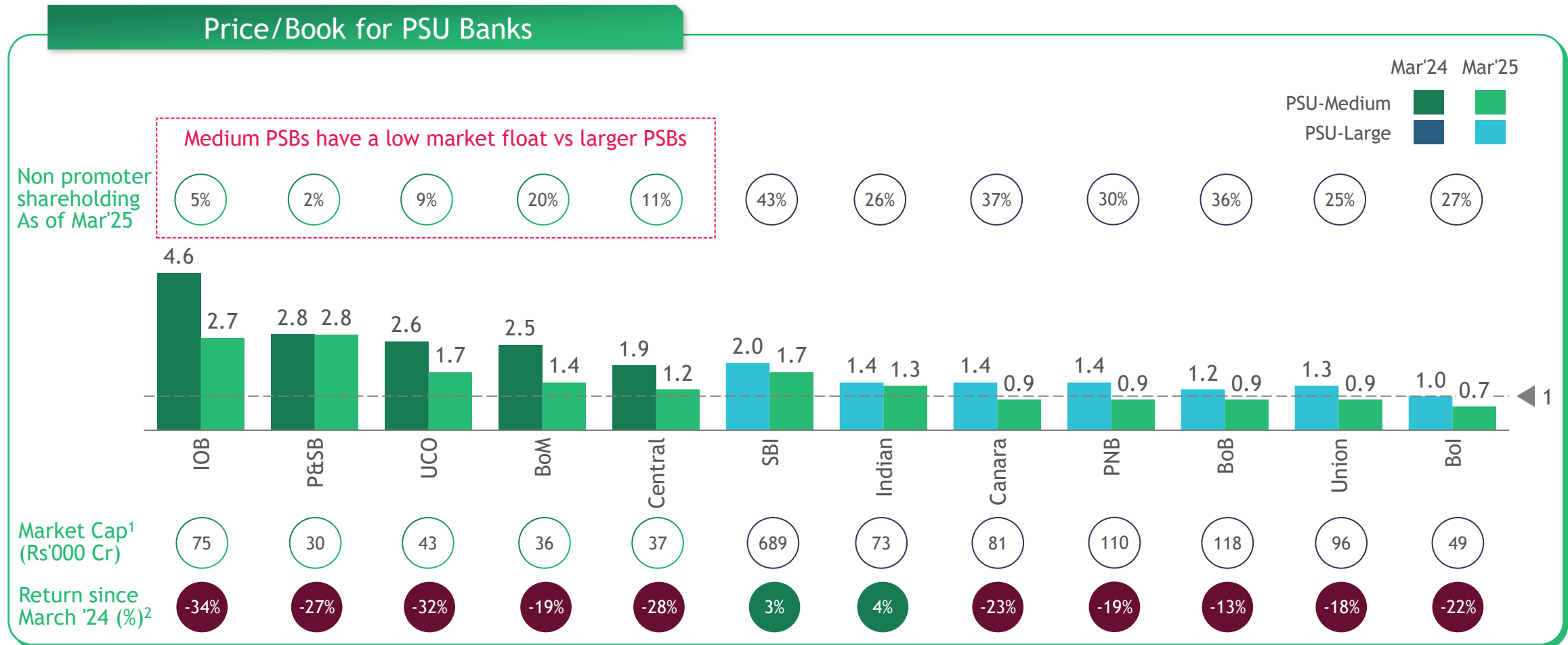
	Pvt. Banks New	Pvt. Banks Old	PSBs	SFBs
3-Yr Return	36.2%	148.6%	171.9%	14.3%

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 March 2021 to March 2025 (Indexed to 100)
Source: Capital IQ; BCG ValueScience Center



PSBs witnessed declining price to book multiples in the last 1 year

SBI and Indian Bank delivered positive returns amongst PSU Bank category

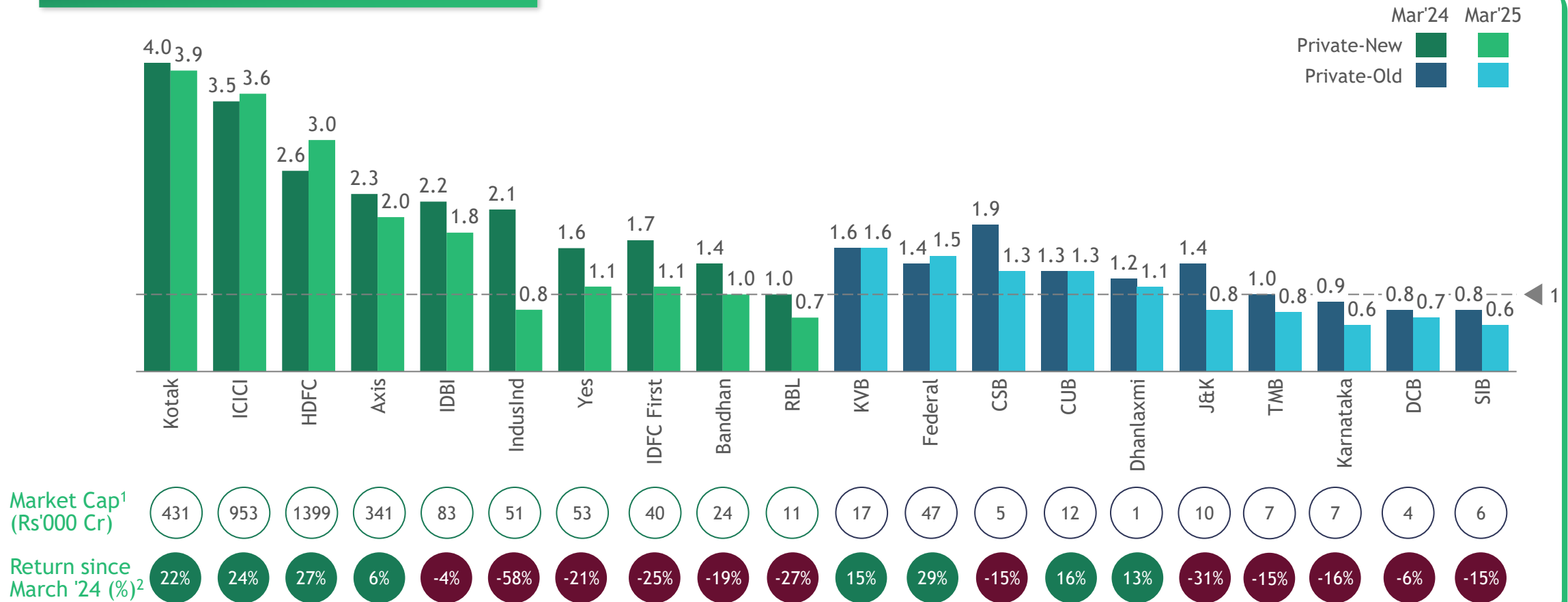




Stunted increase in valuations for Private banks

Top 4 Private-New & Top 4 Private-Old banks delivered positive returns in the last 1 year

Price/Book for Private Banks






















1. Market Cap as on Mar 28, 2025, 2. Return refer to YoY change in Market Cap
Source: Capitaline, BCG Analysis



Analyst's suggestions 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	Mar'25	Mar'24	Mar'23		Count ¹	Mar'25	Mar'24	Mar'23		Count ¹	Mar'25	Mar'24	Mar'23		Count ¹	Mar'25	Mar'24	Mar'23
 SBI	37	78%	78%	98%	 HDFC BANK	37	84%	90%	94%	 FEDERAL BANK	39	83%	79%	86%	 AU <small>AU SMALL FINANCE BANK</small>	20	80%	68%	64%
 PNB	15	53%	17%	25%	 ICICI Bank	37	92%	92%	97%	 J&K Bank	1	100%	100%	100%	 equitas	16	75%	82%	100%
 Bank of Baroda	39	72%	65%	88%	 AXIS BANK	39	82%	92%	95%	 Karnataka Bank	3	100%	100%	100%	 UJJIVAN	12	83%	100%	92%
 Canara Bank	14	71%	79%	77%	 kotak	37	76%	53%	55%	 SOUTH INDIAN Bank	6	67%	60%	33%					
 Union Bank of India	10	90%	80%	33%	 IndusInd Bank	37	43%	88%	81%	 Karur Vysya Bank	13	92%	100%	100%					
 Bank of India	3	67%	50%	75%	 YES BANK	12	0%	0%	0%	 CITY UNION BANK	20	95%	70%	67%					
 Indian Bank	9	89%	63%	89%	 IDBI BANK	9	0%	0%	0%	 DCB BANK	15	93%	75%	81%					
					 IDFC FIRST Bank	16	44%	47%	40%	 CSB Bank	2	100%	100%	100%					
					 Bandhan Bank	26	58%	80%	75%										
					 RBL BANK	16	31%	56%	29%										

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



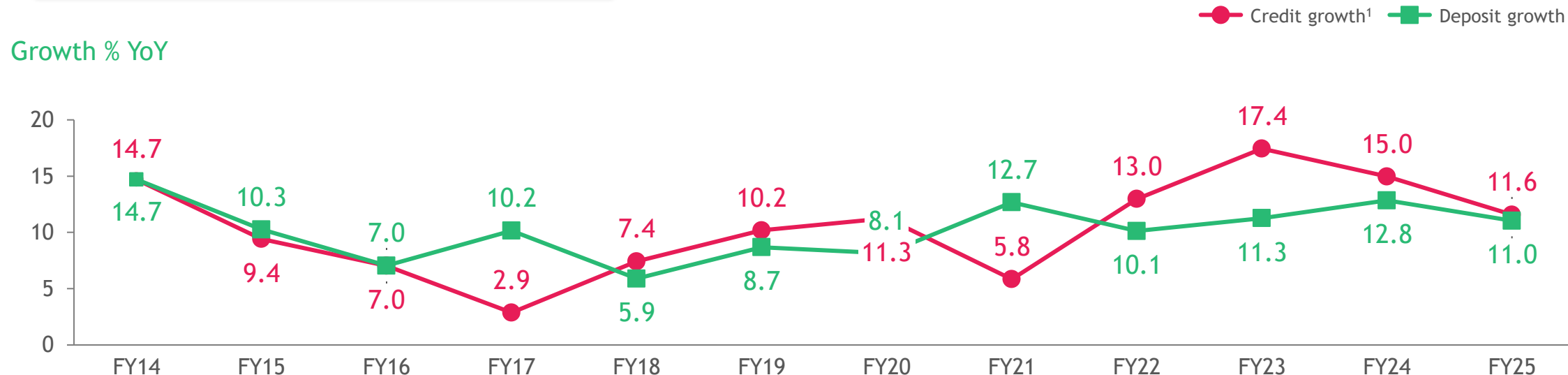
Individual Player Performance



Deposit-credit growth gap shrinks further as credit growth moderates

CD ratio rising for PSBs; slew of liquidity measures introduced

Credit¹ and Total Deposit growth rate (%)



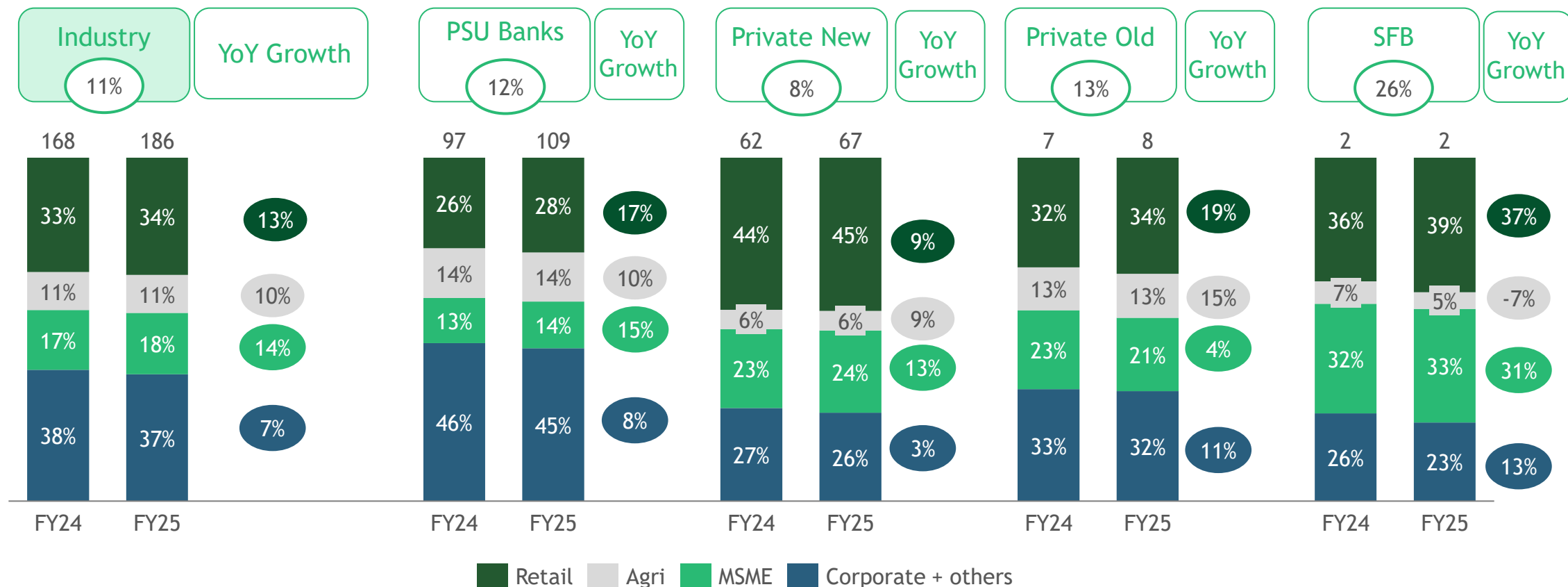
CD Ratio²

PSB	77%	76%	74%	69%	69%	69%	68%	64%	66%	71%	74%	76%
PVT	85%	86%	90%	86%	87%	89%	99%	91%	92%	94%	91%	88%
Industry	79%	78%	78%	73%	74%	75%	77%	73%	74%	79%	80%	81%



Amid moderate credit growth, MSME advances grew the fastest

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

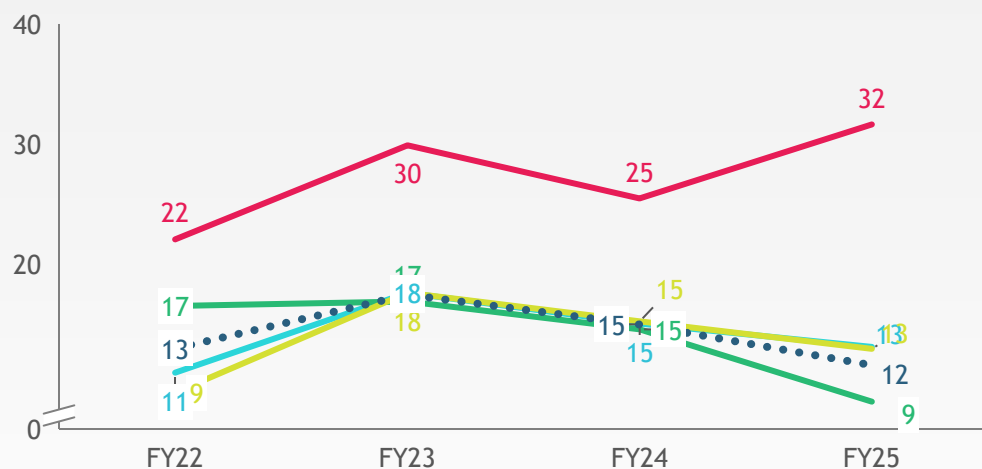
Source: RBI, Investor presentations, BCG Analysis



Credit growth moderates amid slower corporate lending activities; Deposits growth slowed too

Credit¹ growth (%) by bank category

Growth % YoY

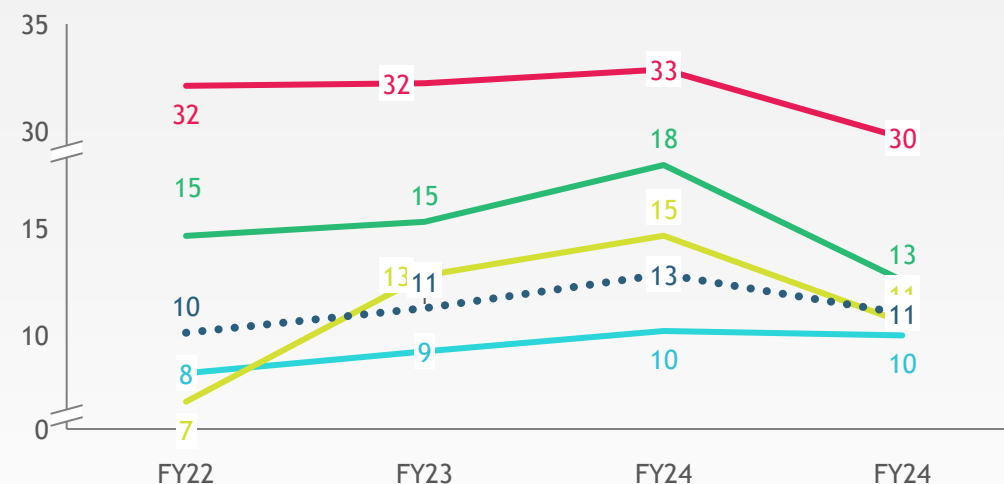


Market share (%)

PSBs	60%	60%	60%	58%
PVT-N	37%	37%	36%	36%
PVT-O	3%	3%	3%	4%
SFB	0.8%	0.9%	1.0%	1.2%

Total Deposits growth (%) by bank category

Growth % YoY



Market share (%)

PSBs	67%	66%	65%	62%
PVT-N	29%	30%	32%	33%
PVT-O	3%	3%	3%	4%
SFB	0.7%	0.8%	0.9%	1.1%

PSBs Private New Private Old SFB Industry

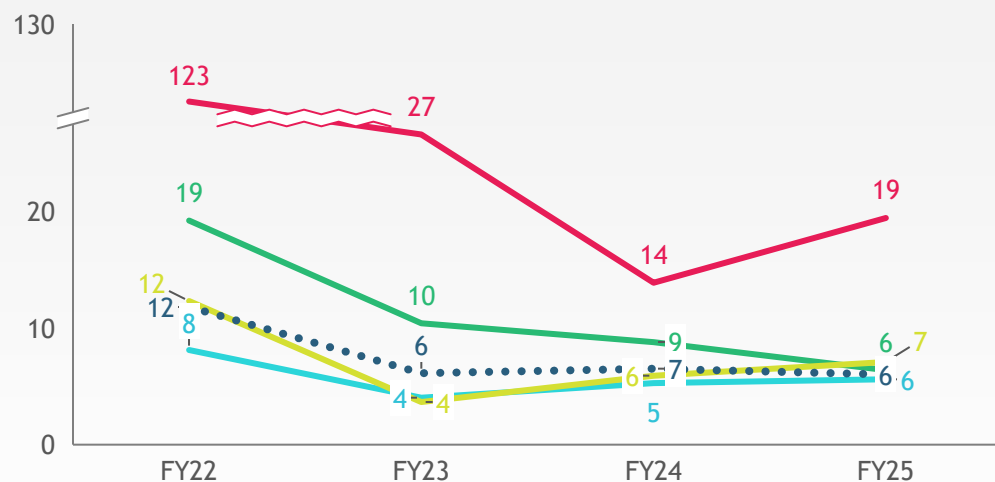
1. Credit growth are Net Advances growth
HDFC Ltd.'s growth has been adjusted for prior years to ensure consistency and comparability across periods
Source: RBI; Press releases; BCG analysis



Significant decline in term deposits growth across industry

CASA growth (%) by bank category

Growth % YoY

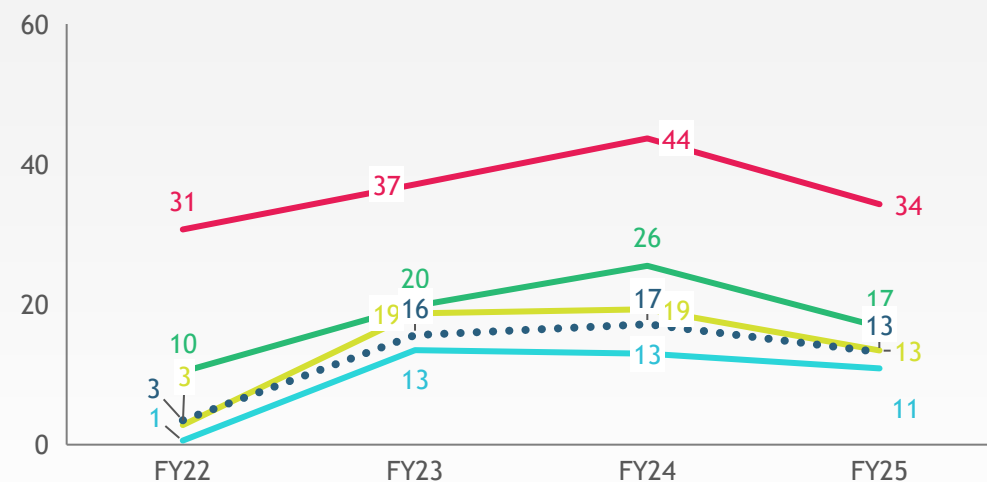


Market share (%)

PSBs	66%	64%	63%	61%
PVT-N	31%	33%	33%	34%
PVT-O	3%	3%	3%	4%
SFB	0.6%	0.7%	0.7%	0.8%

Term Deposits growth (%) by bank category

Growth % YoY



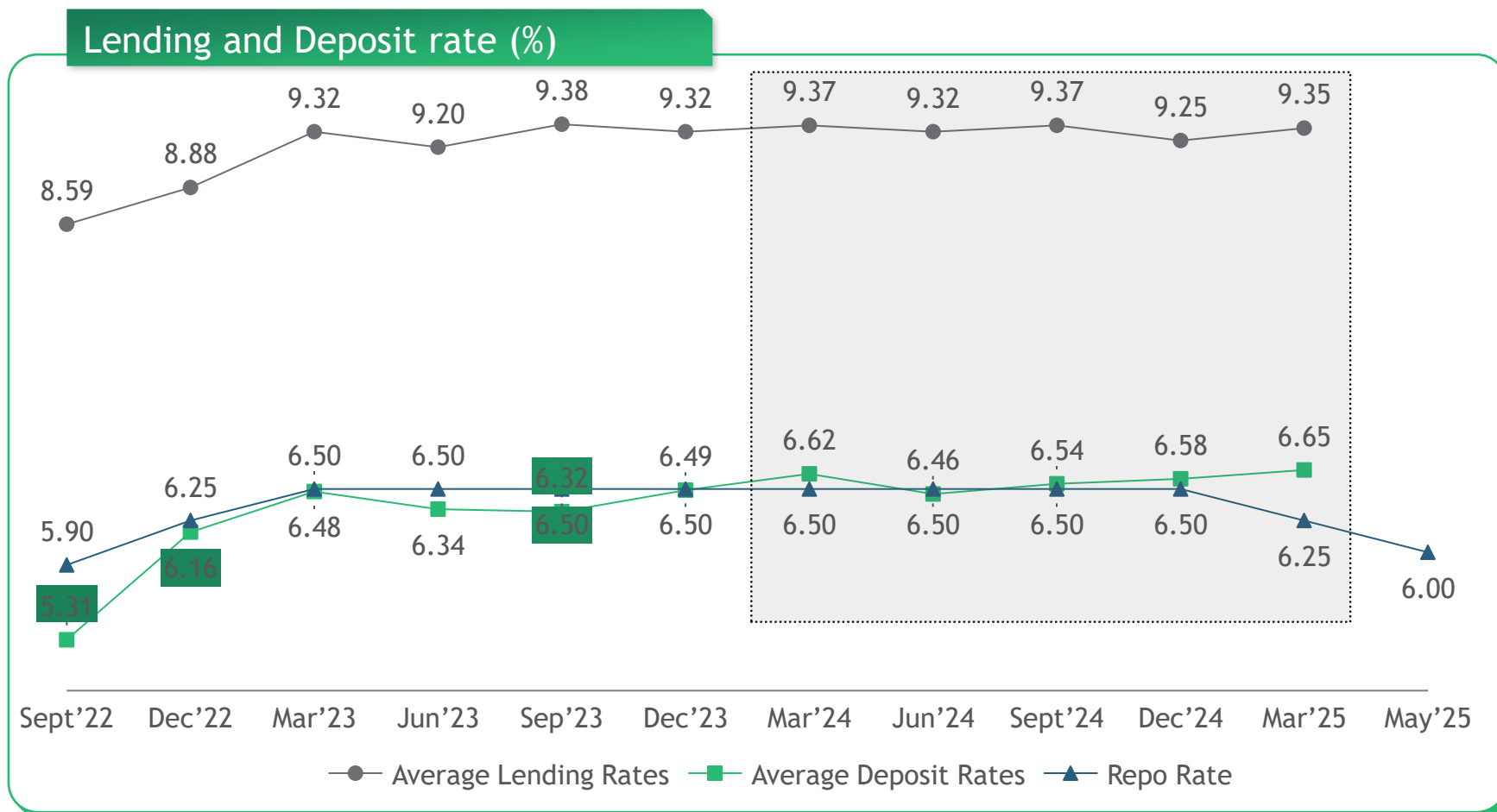
Market share (%)

PSBs	67%	66%	64%	60%
PVT-N	29%	30%	32%	34%
PVT-O	3%	3%	3%	5%
SFB	0.8%	0.9%	1.1%	1.3%

PSBs Private New Private Old SFB Industry



Lending & Deposit rates show modest movement amid recent repo cuts



Change in key rates since Mar-24

-50
bps

Repo Rate
(25 bps cut
in Apr'25)

-2
bps

Weighted Average
Lending Rate
(Industry)

3
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 - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



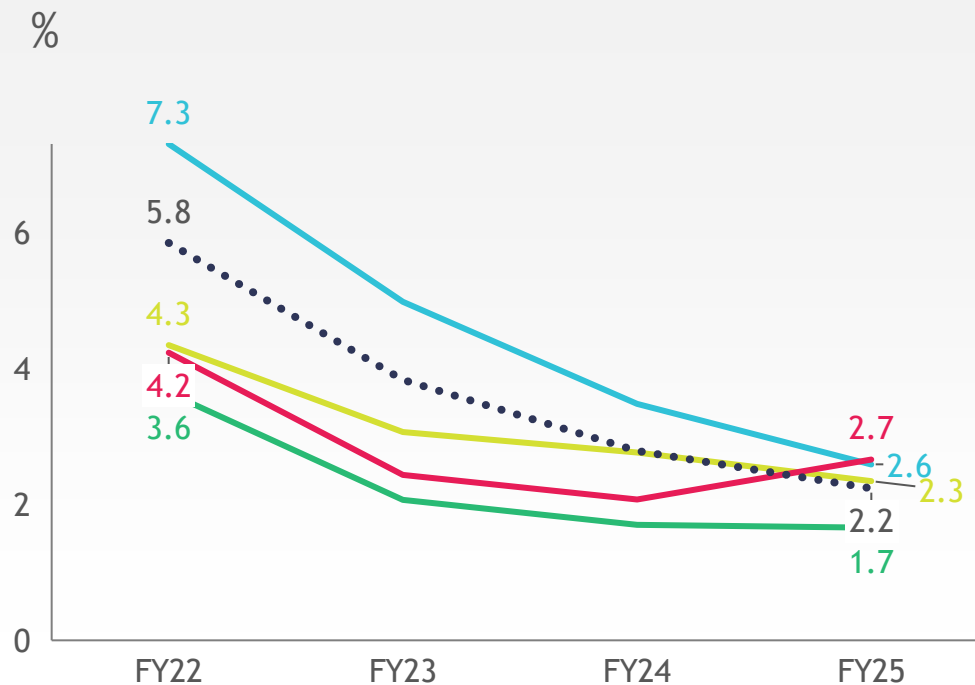
Individual Player Performance



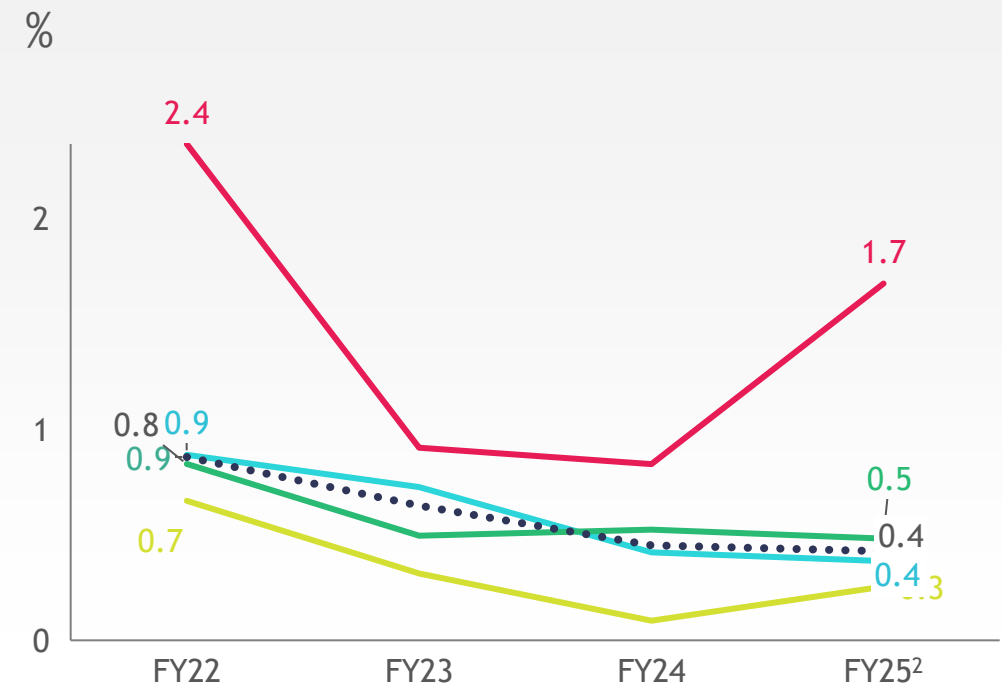
Industry witnessed asset quality improvement led by PSUs

SFBs see uptick in GNPA while Private banks maintain their strong performance

Gross NPAs by bank category



Credit costs¹ by bank category

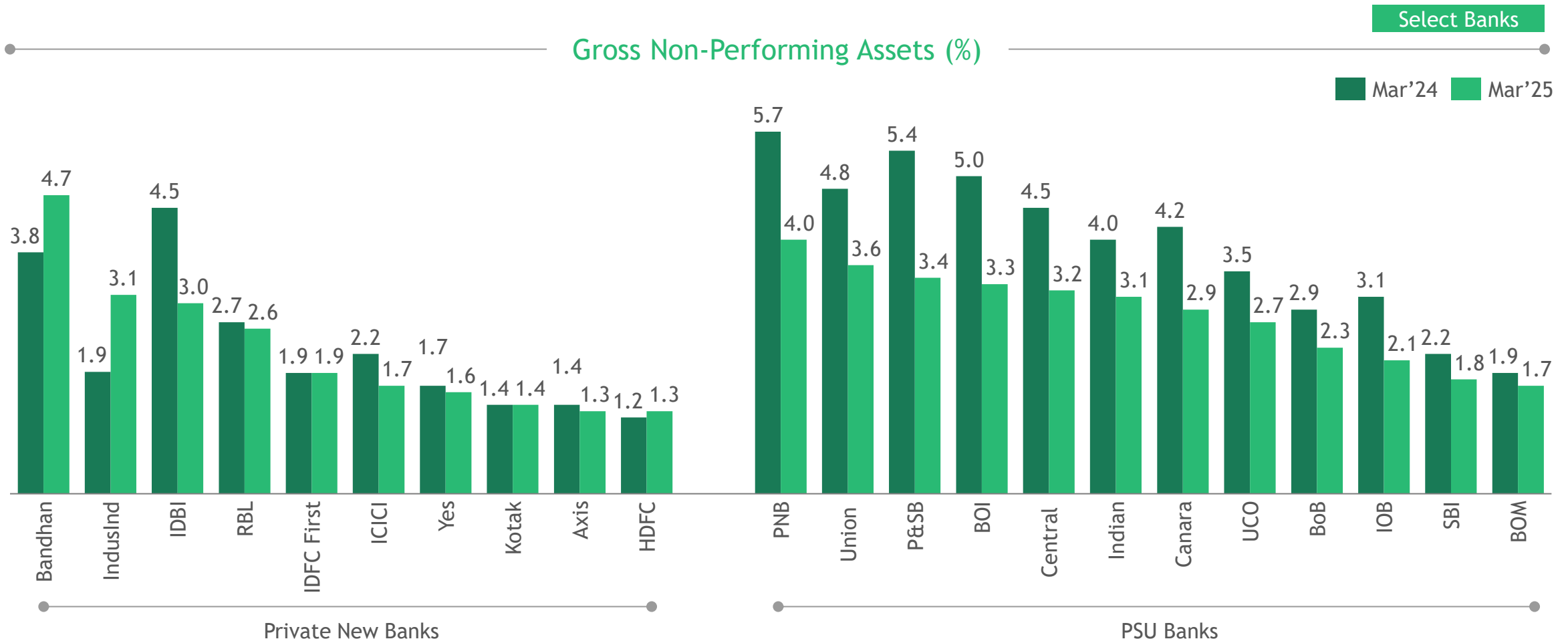


— PSU — Private New — Private Old — SFB •• Industry

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

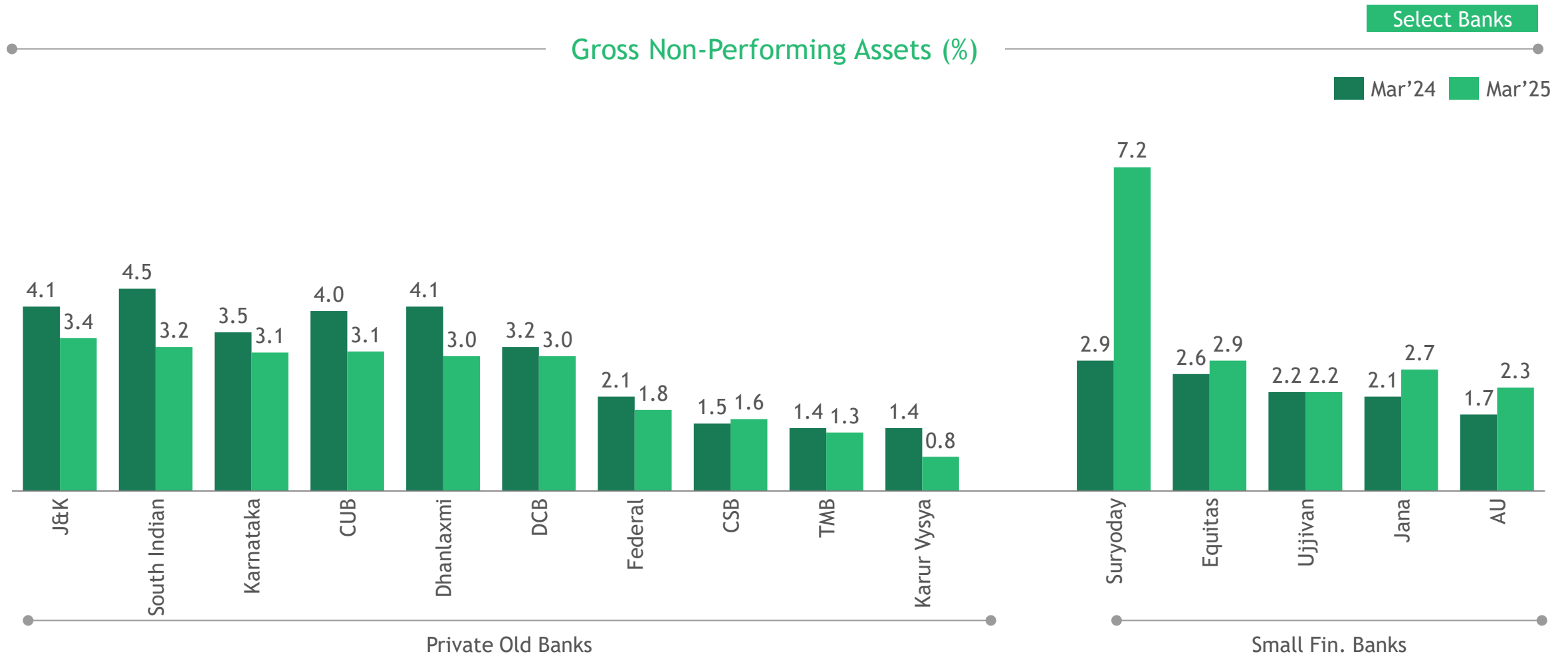


Considerable decline in Gross NPAs across most PSU Banks





Small Finance Banks witnessed deterioration in asset quality

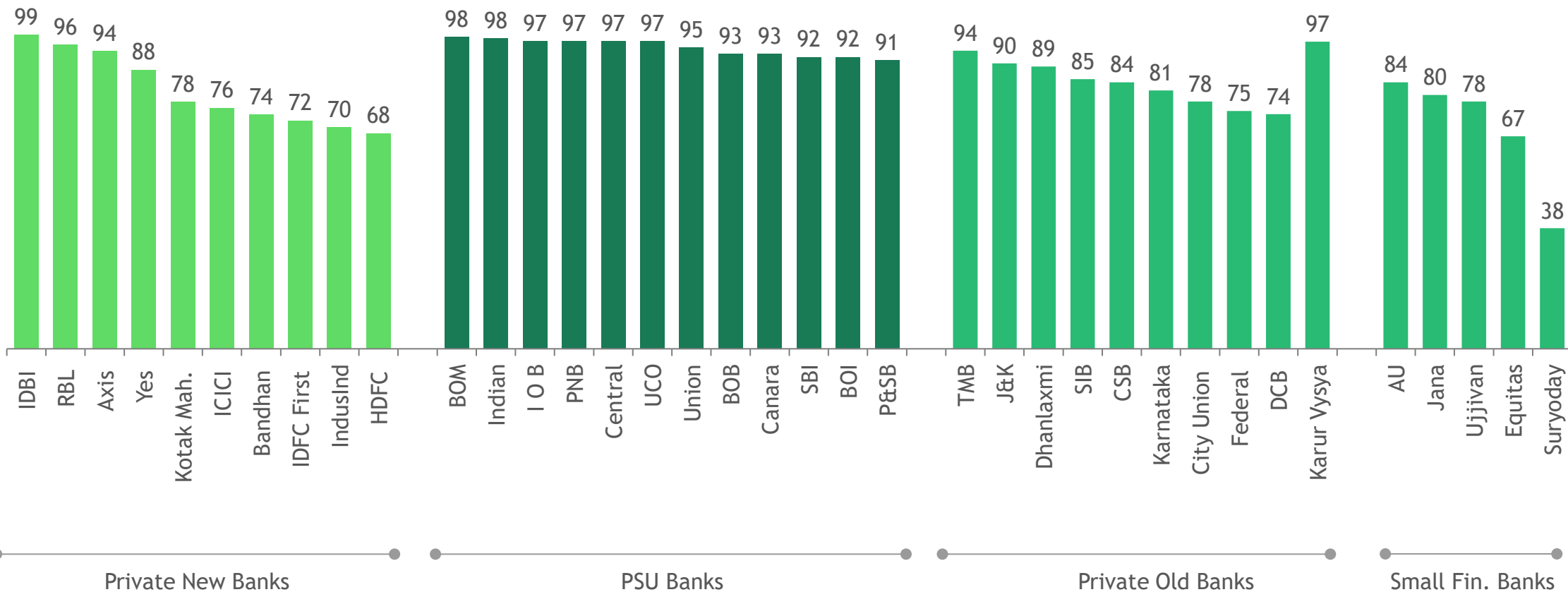




High provision coverage across most banks

Provision Coverage Ratio¹ (%) (Mar'25)

Select Banks



1. All the above PCR% are including Technical write-offs, except Suryoday SFB (excl. technical Write-off).
Source: Investor presentation

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



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 credit card issuances

Select Banks

Q4 FY25 vs. Q4 FY24

Saving Account sourced digitally

FD sourced digitally

SIPs initiated digitally

Credit Card issued digitally

Personal Loans sourced digitally

Volume of MB Transaction



92% vs. 95%

NA vs. 21%

NA

NA vs. 74%

INR 6106¹ Cr vs. NA

95%³ vs. 6.71M



77% vs. 70%

NA vs. 79%

76% vs. 74%

94%² vs. 87%

58% vs. 53%

97%³ vs 96%³



64%⁴ vs. 61%⁴

NA

NA

INR 4.8 Lac vs. INR 1.9 Lac

~INR 904.9 Cr⁵ vs. INR 485.5 Cr

27% vs 27%



NA

~INR 12.4k Cr⁶ vs. INR 6.7k Cr⁶

~INR 618 Cr⁶ vs. INR 474 Cr⁶

3.5 Mn+⁶ vs. 2.5 Mn+⁶

NA

NA

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; 6. Sourced via IDFC Mobile App

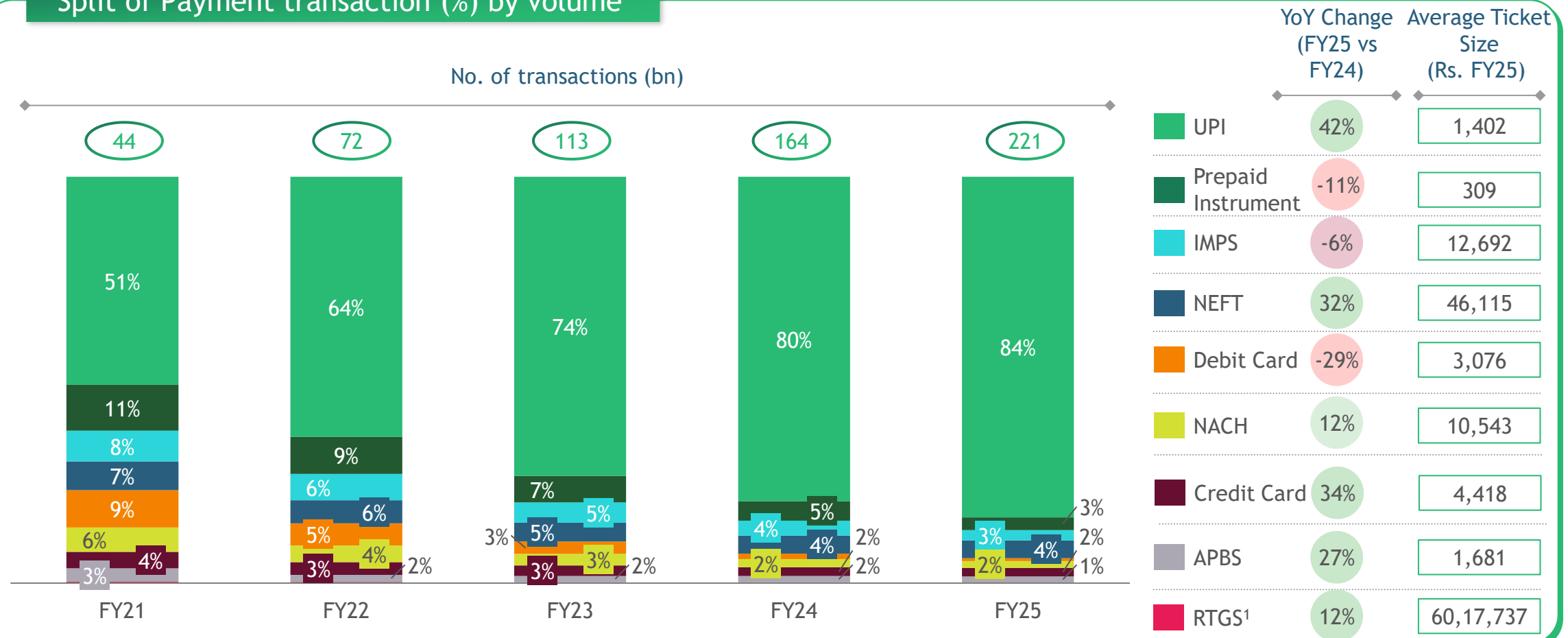
Source : NPCI, Investor presentations, Analyst reports, BCG analysis



UPI strengthens dominant position in digital payment system

29% YoY drop recorded in debit cards volumes in FY25 while Credit Cards witness a 34% growth

Split of Payment transaction (%) by volume



Notes: Only domestic financial transactions are considered;

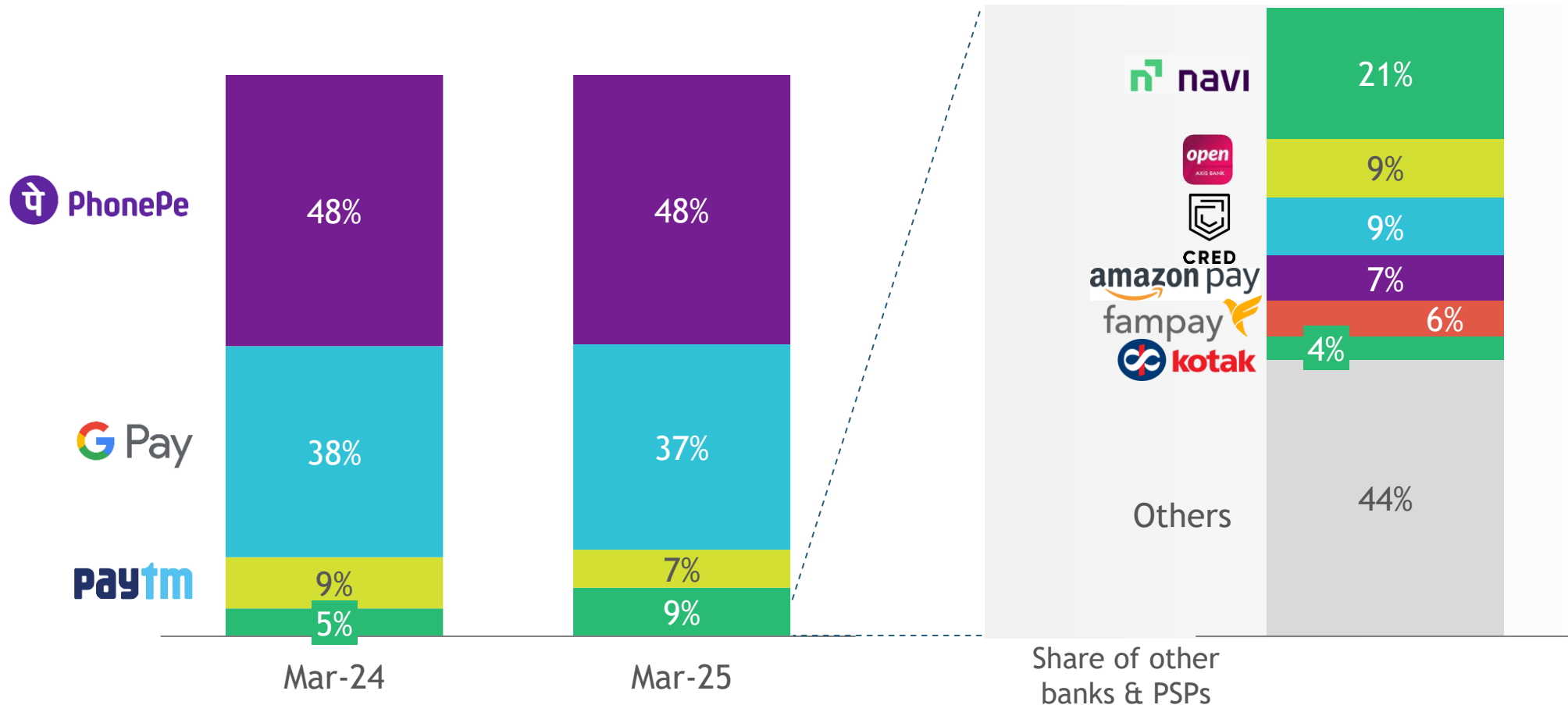
1. RTGS transactions excludes interbank transactions; Volumes of RTGS is less than 0.5%

Source: RBI data, National Payments Corporation of India (NPCI) statistics, BCG analysis



Gpay and PhonePe together command ~85% UPI market share; share taken by challenger apps from PayTM

Share of UPI Transactions by UPI apps

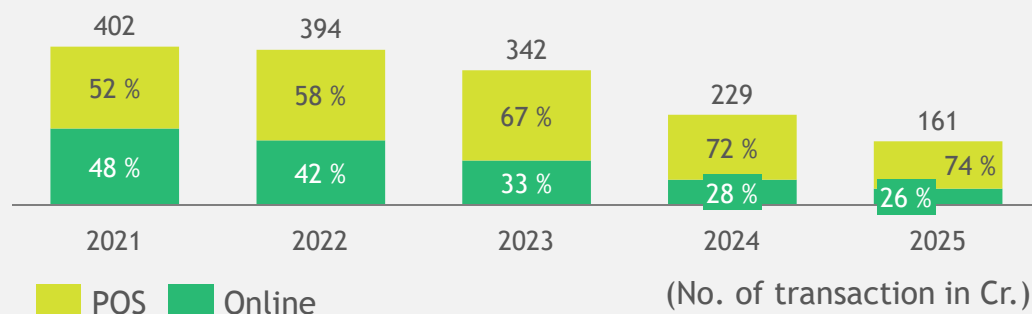


1. Total may not sum to 100 because of differences due to rounding off
Source: RBI data, NPCI, Press Releases, BCG Analysis

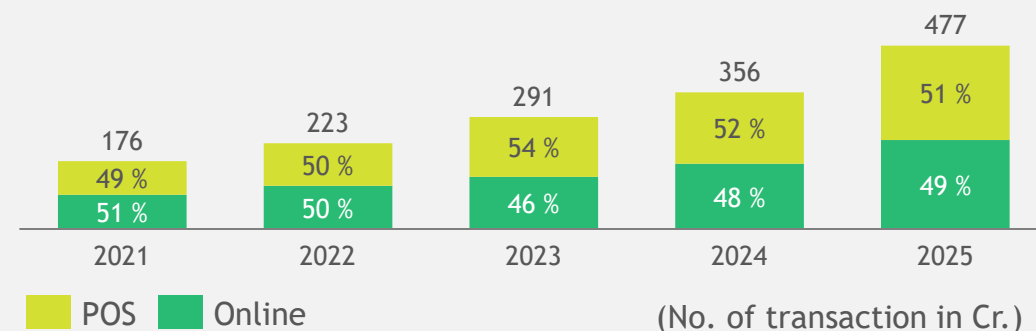


Debit card txns declining while credit cards continue upward trend

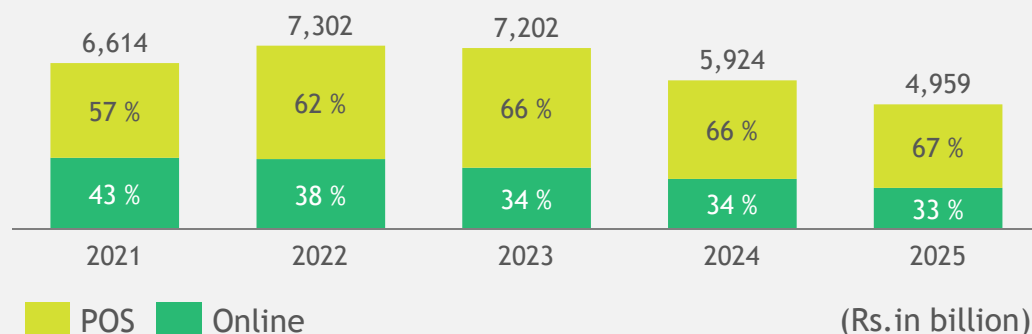
Debit Card number of transactions



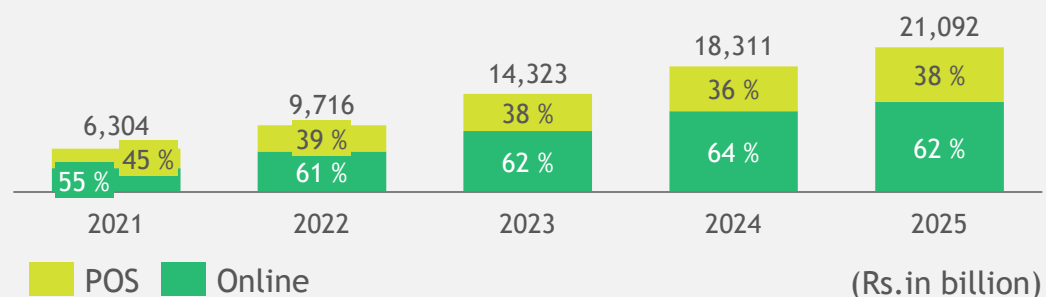
Credit Card number of transactions



Debit Card value of transactions



Credit Cards value of transactions



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



Top five banks across digital payment categories



UPI Payments

Share of Remitter Bank	FY23	FY25
➤ State Bank of India	25%	26%
➤ HDFC Bank	8%	8%
➤ Bank of Baroda	6%	6%
➤ Union Bank of India	6%	6%
➤ Punjab National Bank	4%	5%
Share of PSP ¹ Bank	FY23	FY25
➤ Yes Bank	36%	31%
➤ State Bank of India	10%	10%
➤ Axis Bank	17%	31%
➤ HDFC Bank	9%	10%
➤ ICICI Bank	14%	18%



Card Payments

Share of o/s Credit Cards	FY23	FY25
➤ HDFC Bank	21%	22%
➤ State Bank of India	20%	19%
➤ ICICI Bank	17%	17%
➤ Axis Bank	14%	14%
➤ Kotak Mahindra Bank	6%	4%
Share of o/s Debit Cards	FY23	FY25
➤ State Bank of India	28%	24%
➤ Bank of Baroda	9%	9%
➤ Canara Bank	5%	6%
➤ HDFC Bank	5%	6%
➤ Union Bank of India	5%	6%



POS Machines

Share of o/s POS Machines	FY23	FY25
➤ Axis Bank	19%	20%
➤ ICICI Bank	16%	18%
➤ RBL Bank	11%	23%
➤ HDFC Bank	19%	16%
➤ State Bank of India	15%	14%

1. PSP- Payment Service Provider

Source: RBI data, National Payments Corporation of India (NPCI) statistics, BCG analysis

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



Key Performance Indicators - Banking Sector



Business: Advances & Deposits



NPA & Risk Management



Digital in Banking



Key Regulatory Measures



Individual Player Performance



Key Recent Regulatory Measures



Liquidity infusion measures

- In January 2025, RBI announced **INR 60,000 Cr** of open market operation of purchasing government securities in three tranches
- RBI held a **56-day variable rate repo auction** for **INR 50,000 Cr** among others which together will release **INR 1.5 trillion** of lendable funds to banks
- Another key measure includes **dollar/rupee swaps worth USD 5 billion**, after announcing daily variable repo auctions previously through which it had infused **INR 3.17 trillion** in the system



Liberalization of FEMA regulations for cross-border transactions

- Indian exporters will now be able to **open accounts in any foreign currency overseas** to settle trade transactions, including receiving export proceeds, and use these proceeds to pay for imports
- Overseas branches of authorized banks have been **permitted to open rupee-accounts** for non-residents looking to settle permissible current and capital account transactions with Indian residents
- Residents outside the country will also be permitted to **settle bona fide transactions** with other non-residents by using the balance in their **repatriable INR accounts**



Guidelines on Settlement of Dues of borrowers by ARCs

- RBI has eased norms pertaining to settlement of dues between asset reconstruction companies (ARCs) and borrowers, making these rules almost in line with banks and NBFCs
- Settlements of dues of **less than INR 1 Cr** can be approved by an official who was not part of the acquisition (as an individual or part of a committee) of the concerned financial assets
- **Dues above INR 1 Cr** can be settled based on board approved policy and a committee of the board can take the decision



Key Recent Regulatory Measures



Framework for imposing monetary penalty on authorized payment system operators/banks

- As per the revised framework, operation of a payment system without authorization, disclosure of information, which is prohibited, and failure to pay the penalty imposed by the RBI within the stipulated period are listed as contraventions
- In cases where such contravention or default is a continuing one, a further penalty of up to INR 25,000 for every day after the first, during which the contravention continues, can be imposed
- The framework also provides procedures for imposing monetary penalties and determining the amount of penalty



RBI circular on decreasing risk weights for loans from SCBs to NBFCs

- RBI has slashed the risk weights of NBFCs by 25 percentage points, depending on ratings
- The decision is applicable in all cases where the existing risk weight as per external rating of NBFCs is below 100%
- This move is expected to significantly improve credit flow to NBFCs, which in turn will enhance credit availability in the retail segment



RBI circular on review of PSL targets for Urban Cooperative Banks (UCBs)

- UCBs were required to achieve an overall PSL target of 75 per cent of ANBC¹ or CEOBSE¹, whichever is higher, by FY2025-26, with interim targets of 60 per cent (FY2023-24) and 65 per cent (FY2024-25)
- On a review, it has been decided that the overall PSL target for UCBs shall stand revised, FY2024-25 onwards, to 60 per cent of ANBC or CEOBSE, whichever is higher

Banking sector overview



Macro Indicators



Key Performance Indicators - (Banks + NBFCs)



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

Private New Banks

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
 HDFC BANK	FY25	26.2	▲ 5%	27.1	▲ 14%	34.8	▼ 339 bps	3.3	▲ 7 bps	40.5	▲ 33 bps	1.3	▲ 9 bps	1.8	▲ 0 bps
	FY24	24.8		23.8		38.2		3.2		40.2		1.2		1.8	
 ICICI Bank	FY25	13.4	▲ 13%	16.1	▲ 14%	41.8	▼ 34 bps	4.1	▼ 23 bps	38.6	▼ 160 bps	1.7	▼ 49 bps	2.4	▲ 0 bps
	FY24	11.8		14.1		42.2		4.3		40.2		2.2		2.4	
 AXIS BANK	FY25	10.4	▲ 8%	11.7	▲ 10%	40.8	▼ 222 bps	3.5	▼ 5 bps	47.1	▼ 157 bps	1.3	▼ 15 bps	1.7	▼ 7 bps
	FY24	9.7		10.7		43.0		3.6		48.7		1.4		1.8	
 kotak <small>Kotak Mahindra Bank</small>	FY25	4.3	▲ 14%	5.0	▲ 11%	43.0	▼ 254 bps	4.4	▼ 39 bps	47.2	▲ 118 bps	1.4	▲ 3 bps	2.5	▲ 1 bps
	FY24	3.8		4.5		45.5		4.8		46.0		1.4		2.5	
 IndusInd Bank	FY25	3.5	▲ 1%	4.1	▲ 7%	32.8	▼ 505 bps	3.6	▼ 67 bps	60.2	▲ 1261 bps	3.1	▲ 121 bps	0.5	▼ 134 bps
	FY24	3.4		3.8		37.9		4.2		47.5		1.9		1.8	
 YES BANK	FY25	2.5	▲ 8%	2.8	▲ 7%	34.3	▲ 336 bps	2.2	▲ 3 bps	71.3	▼ 310 bps	1.6	▼ 10 bps	0.6	▲ 25 bps
	FY24	2.3		2.7		30.9		2.1		74.4		1.7		0.3	
 IDBI BANK	FY25	2.2	▲ 16%	3.1	▲ 12%	46.6	▼ 387 bps	3.8	▼ 32 bps	43.3	▼ 277 bps	3.0	▼ 155 bps	1.9	▲ 32 bps
	FY24	1.9		2.8		50.4		4.1		46.1		4.5		1.6	
 IDFC FIRST Bank	FY25	2.3	▲ 20%	2.5	▲ 26%	46.9	▼ 34 bps	6.0	▼ 11 bps	71.8	▼ 40 bps	1.9	▼ 1 bps	0.5	▼ 63 bps
	FY24	1.9		2.0		47.2		6.1		72.2		1.9		1.1	
 Bandhan Bank	FY25	1.3	▲ 9%	1.5	▲ 12%	31.4	▼ 572 bps	6.2	▲ 4 bps	48.9	▲ 205 bps	4.7	▲ 87 bps	1.5	▲ 15 bps
	FY24	1.2		1.4		37.1		6.2		46.8		3.8		1.3	
 RBL BANK	FY25	0.9	▲ 10%	1.1	▲ 7%	34.1	▼ 107 bps	4.5	▼ 22 bps	64.7	▼ 196 bps	2.6	▼ 5 bps	0.5	▼ 43 bps
	FY24	0.8		1.0		35.2		4.8		66.6		2.7		0.9	













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)
 3. "Domestic" CASA Ratio
 Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Individual player performance (II/IV)-Standalone

PSU Banks

	Period	Net Advances Rs Lakh Cr		Deposits Rs Lakh Cr		CASA Ratio ³ (%)		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
 SBI	FY25	41.6	▲ 12%	53.8	▲ 9%	40.0	▼ 114 bps	2.6	▼ 14 bps	51.6	▼ 403 bps	1.8	▼ 42 bps	1.1	▲ 6 bps
	FY24	37.0		49.2		41.1		2.7		55.7		2.2		1.0	
 pnb	FY25	10.8	▲ 15%	15.7	▲ 14%	36.6	▼ 373 bps	2.5	▼ 12 bps	54.6	▲ 122 bps	4.0	▼ 178 bps	1.0	▲ 44 bps
	FY24	9.3		13.7		40.3		2.7		53.4		5.7		0.5	
 बैंक ऑफ बड़ोदा Bank of Baroda	FY25	12.4	▲ 14%	14.7	▲ 10%	40.0	▼ 136 bps	2.6	▼ 22 bps	47.9	▲ 23 bps	2.3	▼ 66 bps	1.1	▼ 1 bps
	FY24	10.9		13.4		41.3		2.8		47.7		2.9		1.1	
 कनारा बैंक Canara Bank	FY25	10.5	▲ 13%	14.6	▲ 11%	31.2	▼ 112 bps	2.3	▼ 24 bps	47.3	▲ 23 bps	2.9	▼ 129 bps	1.1	▲ 5 bps
	FY24	9.3		13.1		32.3		2.6		47.0		4.2		1.0	
 Union Bank of India	FY25	9.5	▲ 10%	13.1	▲ 7%	32.6	▼ 103 bps	2.6	▼ 16 bps	45.5	▼ 94 bps	3.6	▼ 116 bps	1.2	▲ 22 bps
	FY24	8.7		12.2		33.6		2.7		46.4		4.8		1.0	
 Bank of India	FY25	6.5	▲ 15%	8.2	▲ 11%	40.3	▲ 371 bps	2.5	▼ 17 bps	50.8	▼ 89 bps	3.3	▼ 171 bps	0.9	▲ 21 bps
	FY24	5.6		7.4		36.6		2.7		51.7		5.0		0.7	
 भारतीय बैंक Indian Bank	FY25	5.7	▲ 11%	7.4	▲ 7%	38.3	▼ 244 bps	3.0	▼ 7 bps	44.8	▼ 115 bps	3.1	▼ 86 bps	1.3	▲ 24 bps
	FY24	5.1		6.9		40.8		3.1		45.9		4.0		1.1	
 सेंट्रल बैंक ऑफ इंडिया Central Bank of India	FY25	2.8	▲ 16%	4.1	▲ 7%	48.9	▼ 95 bps	3.0	▼ 2 bps	58.9	▲ 68 bps	3.2	▼ 132 bps	0.8	▲ 22 bps
	FY24	2.4		3.9		49.9		3.0		58.2		4.5		0.6	
 Indian Overseas Bank	FY25	2.5	▲ 15%	3.1	▲ 9%	43.7	▼ 25 bps	2.9	▼ 4 bps	47.1	▼ 918 bps	2.1	▼ 96 bps	0.9	▲ 10 bps
	FY24	2.1		2.9		43.9		3.0		56.3		3.1		0.8	
 यूको बैंक UCO BANK	FY25	2.2	▲ 18%	2.9	▲ 12%	37.9	▼ 135 bps	2.8	▲ 21 bps	57.0	▼ 275 bps	2.7	▼ 77 bps	0.7	▲ 18 bps
	FY24	1.8		2.6		39.3		2.6		59.7		3.5		0.5	
 बैंक ऑफ महाराष्ट्र Bank of Maharashtra	FY25	2.4	▲ 18%	3.1	▲ 13%	53.3	▲ 55 bps	3.4	▲ 3 bps	38.4	▲ 81 bps	1.7	▼ 14 bps	1.6	▲ 22 bps
	FY24	2.0		2.7		52.7		3.4		37.6		1.9		1.4	
 पंजाब और सिंद बैंक Punjab & Sind Bank	FY25	1.0	▲ 18%	1.3	▲ 9%	31.4	▼ 99 bps	2.4	▲ 45 bps	61.2	▼ 1093 bps	3.4	▼ 205 bps	0.7	▲ 24 bps
	FY24	0.8		1.2		32.4		2.0		72.2		5.4		0.4	

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)


3. "Domestic" CASA Ratio

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 (%)	
Private Old Banks	 FY25	2.3	▲ 12%	2.8	▲ 12%	30.2	▲ 85 bps	2.9	▼ 4 bps	54.0	▼ 48 bps	1.8	▼ 29 bps	1.2	▼ 8 bps
	FY24	2.1		2.5		29.4		2.9		54.5		2.1		1.3	
	 FY25	1.0	▲ 11%	1.5	▲ 10%	47.0	▼ 350 bps	3.6	▲ 11 bps	57.7	▼ 451 bps	3.4	▼ 71 bps	1.3	▲ 11 bps
	FY24	0.9		1.3		50.5		3.5		62.2		4.1		1.2	
	 FY25	0.9	▲ 10%	1.1	▲ 6%	31.4	▼ 71 bps	2.9	▼ 8 bps	57.2	▼ 431 bps	3.2	▼ 130 bps	1.1	▲ 12 bps
	FY24	0.8		1.0		32.1		3.0		61.5		4.5		1.0	
	 FY25	0.8	▲ 7%	1.0	▲ 7%	31.8	▼ 25 bps	2.8	▼ 27 bps	106	▲ 696 bps	3.1	▼ 45 bps	1.1	▼ 14 bps
	FY24	0.7		1.0		32.0		3.1		53.1		3.5		1.2	
	 FY25	0.8	▲ 14%	1.0	▲ 15%	27.3	▼ 313 bps	3.8	▼ 10 bps	47.2	▼ 101 bps	0.8	▼ 64 bps	1.7	▲ 8 bps
	FY24	0.7		0.9		30.4		3.9		48.3		1.4		1.6	
	 FY25	0.5	▲ 14%	0.6	▲ 14%	28.5	▼ 211 bps	3.1	▲ 3 bps	47.8	▲ 70 bps	3.1	▼ 90 bps	1.5	▲ 4 bps
	FY24	0.5		0.6		30.6		3.1		47.1		4.0		1.5	
	 FY25	0.4	▲ 11%	0.5	▼ -8%	26.4	▼ 320 bps	3.6	▼ 1 bps	44.6	▼ 238 bps	1.3	▼ 19 bps	1.8	▲ 5 bps
	FY24	0.4		0.5		29.6		3.6		47.0		1.4		1.8	
	 FY25	0.5	▲ 25%	0.6	▲ 22%	24.5	▼ 150 bps	3.0	▼ 33 bps	63.7	▼ 31 bps	3.0	▼ 24 bps	0.9	▼ 5 bps
	FY24	0.4		0.5		26.0		3.3		64.0		3.2		0.9	
	 FY25	0.3	▲ 29%	0.4	▲ 24%	24.2	▼ 301 bps	3.5	▼ 101 bps	62.8	▲ 67 bps	1.6	▲ 10 bps	1.4	▼ 32 bps
	FY24	0.2		0.3		27.2		4.5		62.2		1.5		1.7	
	 FY25	0.1	▲ 18%	0.2	▲ 12%	29.0	▼ 164 bps	2.9	▼ 23 bps	85.4	▼ 318 bps	3.0	▼ 107 bps	0.4	▲ 1 bps
	FY24	0.1		0.1		30.7		3.1		88.6		4.1		0.4	






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)
 3. "Domestic" CASA Ratio
 Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Individual player performance (IV/IV)-Standalone

Small Finance Banks

	Period	Net Advances Rs Lakh Cr	Deposits Rs Lakh Cr	CASA Ratio ³ (%)	NIM ¹ (%)	CIR ² (%)	GNPA (%)	ROA ¹ (%)
	FY25	1.1 ▲ 49%	1.2 ▲ 43%	29.2 ▼ 424 bps	6.0 ▲ 83 bps	56.5 ▼ 704 bps	2.3 ▲ 61 bps	1.6 ▲ 4 bps
	FY24	0.7	0.9	33.4	5.2	63.6	1.7	1.5
	FY25	0.4 ▲ 17%	0.4 ▲ 19%	28.8 ▼ 319 bps	6.6 ▼ 105 bps	67.9 ▲ 346 bps	2.9 ▲ 28 bps	0.3 ▼ 169 bps
	FY24	0.3	0.4	32.0	7.7	64.5	2.6	2.0
	FY25	0.3 ▲ 17%	0.4 ▲ 19%	25.7 ▼ 74 bps	8.3 ▼ 99 bps	62.3 ▲ 800 bps	2.2 ▼ 5 bps	1.6 ▼ 183 bps
	FY24	0.3	0.3	26.5	9.2	54.3	2.2	3.5
	FY25	0.1 ▲ 23%	0.1 ▲ 36%	20.9 ▲ 77 bps	7.9 ▼ 146 bps	70.6 ▲ 901 bps	7.2 ▲ 422 bps	0.8 ▼ 128 bps
	FY24	0.1	0.1	20.1	9.4	61.6	2.9	2.1
	FY25	0.3 ▲ 17%	0.3 ▲ 13%	18.0 ▲ 57 bps	6.7 ▼ 57 bps	61.3 ▲ 395 bps	2.1 ▲ 60 bps	1.4 ▼ 35 bps
	FY24	0.2	0.3	17.4	7.3	57.4	2.7	1.8

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)

3. "Domestic" CASA Ratio

Source: RBI; Capitaline; Press releases; BCG analysis

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Change vs. last year

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