

News monitored for: PricewaterhouseCoopers

**BUDGET INSIGHT OUT 2026-27**

## STEERING THE STORM

**Key challenges**

- Pressure on net interest margin (NIMs) declines due to falling Current Account Savings Account ratios
- Unsecured loans drive 53 per cent of retail slippages
- 36 per cent growth in fintech credit Y-o-Y, (70 per cent unsecured)
- Digital frauds tripled especially UPI-related scams
- Low financial literacy and legacy systems increasing vulnerability

**Industry ask**

- A dedicated refinance window for NBFCs, similar to NHB
- Easier SARFAESI enforcement norms for NBFCs
- Lower tax rates on fixed deposits to boost low-cost deposit mobilisation
- Fiscal support for private capex revival and strengthen financial system resilience

**PwC perspective:**

**“THE INDIAN ECONOMY IS GROWING ABOVE 8 PER CENT. THE SECTOR IS CALLING FOR A DEDICATED NBFC REFINANCE WINDOW, EASIER SARFAESI USE, AND FISCAL SUPPORT TO REVIVE PRIVATE CAPEX AND STRENGTHEN FINANCIAL SYSTEM RESILIENCE”**



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**FINANCIAL SERVICES**

A PWC REPORT



**Health tracker heat map – Scheduled Commercial Banks (SCBs)**  
(Provides relative health of the sector based on last 10-year data)

Category	Per cent	10-yr Avg	Mar 31 2025	Jun 30 2025	Sep 30 2025
<b>Credit &amp; Deposit</b>	Credit growth	10.6	11	10	11
	Deposit growth	10.1	10.7	11.2	9.8
<b>Asset Quality &amp; Provisioning</b>	GNPA ratio	6.9	2.3	2.3	2.2
	NNPA ratio	2.9	0.5	0.5	0.5
	Slippage ratio (Q)	1.3	0.3	0.4	0.3
	PCR	62.4	76.3	75.9	76
<b>Liquidity</b>	LCR	133.8	132.5	132.7	131.7
	NSFR	120.5	126.4	127	124.7
<b>Earnings</b>	NII growth	11.8	7.9	2	2.3
	OOI growth	11.6	18	41.8	26.1
	EBPT growth	11.5	14.9	16.4	9.8
	PAT growth	38.4	16.8	6.1	3.8
<b>Profitability</b>	NIM	3.3	3.5	3.3	3.3
	ROA	0.6	1.4	1.3	1.3
	ROE	6.1	13.5	12.5	12.5
<b>Capital</b>	CET1 ratio	12.5	14.8	15	14.8
	CRAR	15.4	17.4	17.5	17.2

Source: RBI supervisory returns; and staff estimates