

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”



Gayathri Parthasarathy,
Partner & Leader - Financial
Services, PwC India

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
Credit & Deposit	Credit growth	10.6	11	10	11
	Deposit growth	10.1	10.7	11.2	9.8
Asset Quality & Provisioning	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
Liquidity	LCR	133.8	132.5	132.7	131.7
	NSFR	120.5	126.4	127	124.7
Earnings	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
Profitability	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
Capital	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