The Indian financial services



KPMG. Make the Difference.

India's banking sector is expected to show robust expansion driven by economy, disposable income and credit inclusion¹



INR287 tn ≥84%

Total assets of public Digital payment and private sector banks (FY25)1

volume by UPI* (FY25)1

♠ INR238 tn

Total deposits (July 2025)1

Total bank credit (July 2025)1

* Unified payments interface

Segmental performance

Non-food bank credit grew 11.1 per cent Y-o-Y as of October 25, compared with | 11.7 per cent in October 242

Loan growth (October 25 and Y-o-Y)

Agricultural loans² Industry loans² Service sector loans² Personal loans²

₽8.9%

Break-up of banks in India¹

■ Public sector banks

Private sector banks

Small finance banks

Foreign banks

Others

Expected digital payments proportion¹ Repo rate remained neutral3

4 65% (FY26)

5.5%(Q2FY26)

Rise in financial adoption

May lead to balanced technology (FinTech) approach for economic stability

By FY25, banks' GNPA* and NNPA** reduced to4

Overall, the stress level of banks has reduced on a Y-o-Y basis

Surge in cyberattacks across digital payment platforms⁵

INR3.6 mn

Worth of cyber frauds reported on the NCRP*** (as of Feb 2025)

Related to unauthorised access. data theft or online scams in 2024

High non-performing assets (NPAs)¹

Despite recent declines, persistent NPAs reduce profitability and strain capital

*Gross non-performing assets, **Net-non-performing assets, ***National Cyber Crime Reporting Portal

Performance snapshot

India's projected FinTech market¹

Projected contribution of digital payments in

Banks are advancing with Al-driven personalisation and e-rupee integration¹

resilience7

250,000

Permanent jobs in India's banking, financial services and insurances sector by 20308

* Gross Domestic Product

Government has enabled 559 mn Jan Dhan accounts and 540 mn MUDRA loans to expand credit access1



Govt. initiatives to close the credit gap for MSMEs*, driving jobs, growth and financial inclusion6

India's banks show strong capital positions, robust CET-1** ratios and

DPIIT***recognised FinTech startups in India¹

*Micro, Small and Medium Enterprises, **Common Equity Tier 1.,***Department for Promotion of Industry and Internal Trac

Sources: 1) Banking Sector in India: IBEF, Aug 2025; 2) Sectoral Deployment of Bank Credit: RBI, 28 Nov 2025; 3) RBI Monetary Policy-Repo Rate Unchanged, GDP Outlook Brightens: PIB, 1 Oct 2025; 4) Building Trust: The Journey of Strengthening India's Banking Sector: PIB, 10 Dec 2025; 5) Curbing Cyber Frauds in Digital India: PIB, 8 Oct 2025; 6) How government initiatives are transforming the Indian banking sector: IBEF, 20 Nov 2025; 7) Indian and Asia Pacific banks maintain stronger capital than US and European peers: IBEF, 9 Dec 2025;8) BFSI sector to add 2,50,000 jobs by 2030, focus on tier-II, III cities: PIB, 22 Aug 2025

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