Q1FY27: Strong Fundamentals Sustain Banking Sector Amid Margin Pressures

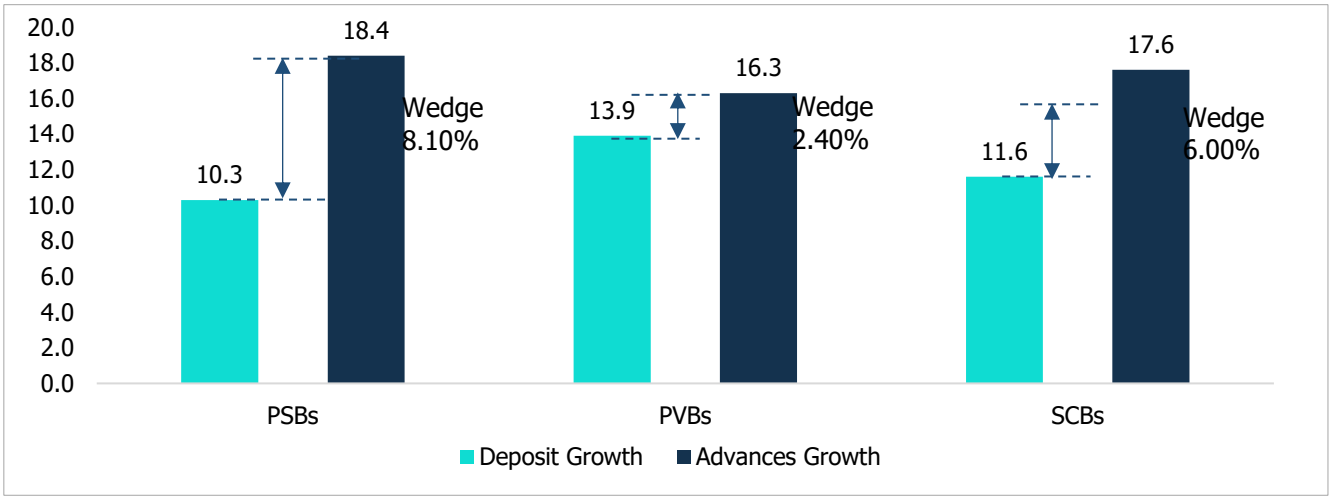
August 31, 2026 I BFSI Research

Synopsis

- Q1FY27 reaffirmed the resilience of the Indian banking sector. Strong credit growth was supported by improving corporate demand and sustained retail growth, while asset quality improved to multi-year highs with fresh stress remaining contained.
- Margin performance was mixed, with PSBs demonstrating higher profitability growth than PVBs. Earnings continued to benefit from lower credit costs and disciplined operating expenses even as revenue growth moderated. Capitalisation strengthened further, positioning banks for growth and the upcoming ECL regime.
- Going forward, we revise our FY27 credit growth estimate to 15.0%-16.0%, factoring in the expected incremental credit support from around USD 100 billion of FCNR(B) mobilisation. PVBs are likely to gain market share, supported by stronger liability franchises. Key monitorables include margin sustainability, deposit mobilisation and any incremental stress in unsecured retail and MSME segments.
- SCBs reported **robust credit growth** with net advances rising 17.6% y-o-y in June 2026 versus 10.6% a year ago. Deposit growth continued to lag credit growth amid intense liability competition, keeping Loan to Deposit (LDR) ratios elevated.
- **NIM trends remained mixed in Q1FY27, with PSBs showing marginal improvement while PVBs continued to face margin compression,** trending by base since PSBs traditionally have much lower margins compared to PVBs. Lower funding costs partly offset pressure on lending yields. Going forward, NIMs are expected to remain broadly stable, supported by improved liability-side repricing, despite continued competition for deposits and loans.
- SCBs' total income grew a modest 3.5% y-o-y and 3.2% sequentially in Q1FY27 as growth in interest income was partly offset by lower non-interest income, mainly weaker treasury gains in Q4FY26. Fee income remained the key support within non-interest income; lower other operating expenses also supported earnings and improved the **cost-to-income (CTI) ratio.** Going forward, cost ratios are likely to reverse as banks continue to invest in branches, technology, and specialist hiring.
- **Asset quality trends remained favourable** in Q1FY27, with GNPA improving to a multi-year low of 1.71% and NNPA remaining near a historic low of 0.40%. We expect GNPA to remain broadly range-bound at 1.8%-2.0% through FY27, although geopolitical risks, trade disruptions and evolving liquidity conditions remain key monitorables. The transition to the ECL framework in April 2027 will also be important, with its impact likely to vary across banks depending on portfolio mix and provisioning buffers.
- **Capital buffers strengthened**, supported by regulatory changes and continued internal capital generation. Banking sector profitability remained near decadal highs in Q1FY27, underpinned by healthy balance-sheet growth, resilient margins and benign asset quality, with credit costs declining further from already comfortable levels. Capitalisation also remained strong, with CAR at an all-time high and the debt-to-equity ratio at an all-time low.

Advances Outpace Deposits

Figure 1: Deposit and Net Advances Growth of Q1FY27 (in %)



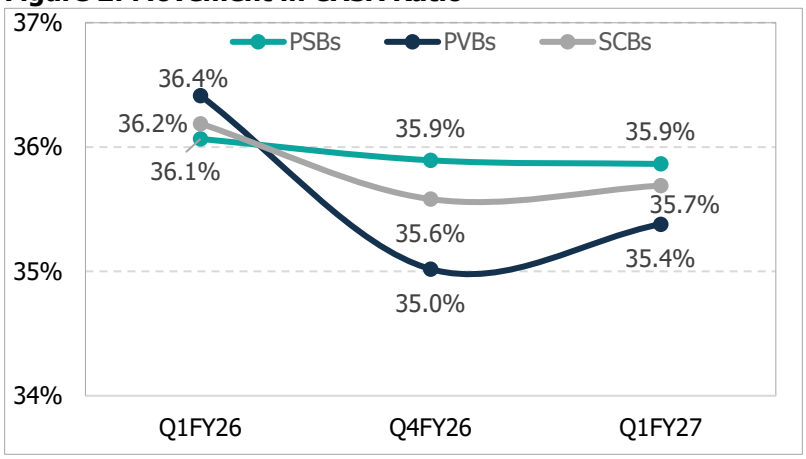
Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 14 PSBs (five Large, nine Others) and 16 PVBs (three large, 13 Others)

- **Credit offtake remained strong in Q1FY27**, with SCBs' net advances rising 17.6% y-o-y and 2.7% q-o-q. Growth was broad-based, supported by resilient retail lending, particularly gold and vehicle loans; healthy MSME demand; improving corporate credit demand; and sustained lending to NBFCs. PSBs marginally outpaced PVBs y-o-y, with growth of 18.4% versus 16.3%, while PVBs recorded stronger sequential growth of 3.4% versus 2.3% for PSBs.
- **Corporate credit demand showed signs of improvement**, although working-capital requirements and a shift from market-based funding to bank credit amid elevated bond yields partly supported growth. Infra and housing disbursements, along with ongoing domestic economic activity, also supported demand. Within MSME lending, credit growth to micro and small industries moderated as the favourable impact of the revised MSME classification gradually normalised. Further, Rs 1.55 lakh crore of ECLGS 5.0 disbursements through end-July likely provided additional impetus to credit growth.
- **Deposit growth remained subdued relative to credit growth**, with SCBs' deposits rising 11.6% y-o-y, creating ~600 bps loan-deposit growth wedge and pushing loan-to-deposit ratios higher. The gap was wider for PSBs at around 810 bps, partly due to weaker deposit mobilisation, while PVBs reported stronger deposit growth of 13.9%, keeping the wedge narrower at 240 bps. The decline in deposits at one PSB was largely strategic, reflecting the planned reduction of around Rs 18,000–20,000 crore in bulk deposits to improve the deposit mix, lower funding costs and optimise the LDR ratio. Meanwhile, the FCNR(B) inflows under the RBI's special swap facility, which reached US$65.4 billion by August 21, 2026, should partly offset the funding gap and provide near-term liquidity support. However, this benefit is likely to moderate as the facility winds down.
- **Going ahead, we expect credit growth to moderate gradually through FY27** as the favourable base effect normalises and bond yields ease. However, sustained domestic activity, government capex, and healthy retail and MSME demand should continue to provide support. Credit growth has moved through a full cycle over the past three years. Q1FY27 saw continued credit expansion, and we estimate growth at 15.0%-16.0% for the year, factoring in the incremental support from FCNR(B) mobilisation. FCNR(B) inflows, along with improved deposit mobilisation as credit growth moderates, are also expected to support deposit growth and overall system liquidity. However, the loan-deposit growth wedge could remain elevated if banks' excess

liquidity buffers, particularly surplus SLR holdings at PSBs, continue to moderate, increasing reliance on deposit mobilisation and market-based funding amid potentially elevated funding costs due to geopolitical and external risks.

CASA Ratios Recover Sequentially, But Remain Under Pressure y-o-y

Figure 2: Movement in CASA Ratio



Group	y-o-y (bps)	q-o-q (bps)
PSBs	20 ▼	0
PVBs	100 ▼	40 ▲
SCBs	50 ▼	10

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 14 PSBs and 16 PVBs

- **CASA ratios showed a modest sequential recovery in Q1FY27**; however, CASA ratios remained below year-ago levels, indicating continued pressure on low-cost deposit mobilisation. The sequential improvement in PVBs indicates some stabilisation in deposit mix. However, competition for retail deposits and a preference for higher-yielding term deposits and capital market-based investments continue to weigh on CASA.

NII Growth Picks Up from Last Year

Figure 3: NII Growth (Rs lakh Cr, %)

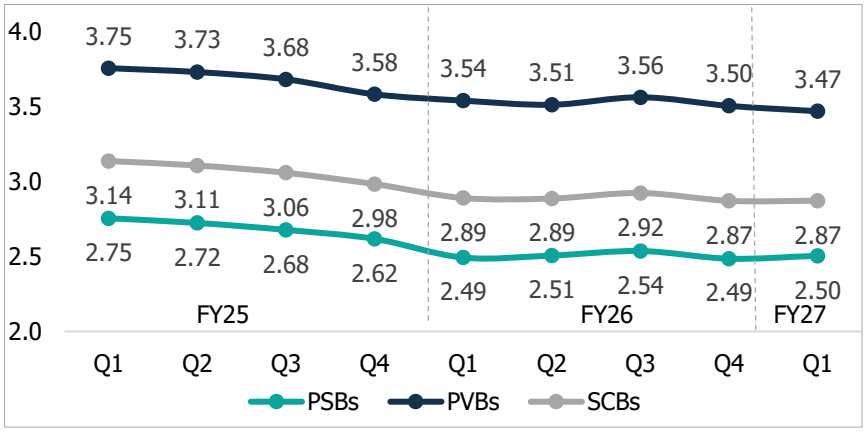
NII	Q1FY27 (Rs Lakh Crore)	Q1FY27 y-o-y (%)	Q1FY27 q-o-q (%)
PSBs	1.25	12.7	3.8
PVBs	1.06	10.5	3.0
SCBs	**2.31**	**11.6**	**3.4**

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 14 PSBs (five Large, nine Others) and 16 PVBs (three large, 13 Others)

- SCBs reported 11.6% y-o-y growth in NII in Q1FY27, improving from 1.8% in the corresponding period last year. PSBs outpaced PVBs, supported by stronger credit growth and higher interest income on advances.

NIM Diverges Across Groups, PSBs Saw a Marginal Uptick, While PVBs Declined; However, PVBs Continue to Operate at Comparatively Elevated Levels

Figure 4: NIM Trend (%):



Group	y-o-y (bps)	q-o-q (bps)
PSBs	1 ▲	1 ▲
PVBs	-7 ▼	-3 ▼
SCBs	-2 ▼	0

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 14 PSBs and 16 PVBs

- NIM trends in Q1FY27 were mixed across bank groups, with the gap between PSBs and PVBs narrowing marginally, although PVBs continued to report significantly higher margins. PSBs' NIM improved by 1 bp both q-o-q and y-o-y to 2.50%, while PVBs' NIM declined by 3 bps q-o-q and 7 bps y-o-y to 3.47%. Consequently, the NIM differential narrowed to 97 bps in Q1FY27 from 101 bps in the previous quarter, but remained substantial, underscoring the continued structural margin advantage of PVBs. SCBs' NIM remained unchanged q-o-q at 2.87%, although it was 2 bps lower y-o-y, reflecting changes in loan mix and seasonal factors in agricultural lending reported by some banks.
- This pressure was partly offset by easing funding costs as high-cost deposits matured and deposit rates repriced. The narrowing gap was therefore driven more by the relative stability in PSB margins and some compression in PVB margins, rather than a broad-based improvement in system margins. PVBs continued to benefit from higher-yielding loan segments, although faster loan repricing and competitive lending conditions pressured margins. Going forward, NIMs are expected to remain broadly stable, supported by the recent increase in lending rates and further moderation in funding costs. However, intense competition for deposits and credit could limit margin expansion, while improved liability-side transmission and lower funding costs should provide some support.

Lending Yields Decline, while Select PSBs Spreads Show Greater Resilience

Figure 5: Q1FY27 - Yield on Advances (%)

	ICICI	HDFC	RBL	Indian Bank	IOB	PNB
Yield on Advances	8.8	7.7	11.2	8.1	8.9	7.7
y-o-y (bps)	▼ 67	▼ 40	▼ 129	▼ 49	▼ 21	▼ 58
q-o-q (bps)	▼ 1	▼ 10	▼ 43	▲ 2	▲ 8	▲ 8

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations. Note: Data per banks' presentations

Figure 6: Q1FY27 - Cost of Funds (%)

	ICICI	HDFC	RBL	Indian Bank	IOB	PNB
Cost of funds	4.5	4.4	6.0	4.8	4.8	4.4
y-o-y (bps)	▼ 51	▼ 40	▼ 54	▼ 40	▼ 37	▼ 34
q-o-q (bps)	▼ 2	0	▲ 14	▼ 5	▼ 5	▼ 5

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations. Note: Data per banks' presentations

Figure 7: Q1FY27 - Spreads (%)

	ICICI	HDFC	RBL	Indian Bank	IOB	PNB
Spreads	4.3	3.3	5.2	3.3	4.1	3.3
y-o-y (bps)	▼ 16	0	▼ 75	▼ 9	▲ 16	▼ 24
q-o-q (bps)	▲ 1	▼ 10	▼ 57	▲ 7	▲ 13	▲ 13

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations. Note: Data per banks' presentations

Figure 8: Fee-Based Income as percentage of Total assets (%, annualised)

Group	Q1FY26	Q4FY26	Q1FY27
PVBs	0.28	0.30	0.28
PSBs	0.11	0.13	0.12
SCBs	**0.17**	**0.19**	**0.18**

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 30 SCBs (16 PVBs and 14 PSBs)

- Fee-based income of SCBs grew 16.3% y-o-y in Q1FY27 and was the only component of non-interest income to grow, continuing to support earnings as treasury remained subdued.
  - PSBs grew faster than PVBs, with the higher growth at smaller PSBs partly reflecting a lower base. Within PSBs, fee income at select banks benefited from higher business volumes, while PSLC sales provided an additional boost to non-interest income. PVBs also reported growth across cards, third-party products and transaction banking, with management commentary pointing to broad-based business momentum.
- Sequentially, fee income declined 6.5% across SCBs, with the decline sharper for PSBs, largely reflecting seasonality. The fourth quarter typically sees higher processing fees and renewals, resulting in a higher base for comparison. One PSB also reported lower commission on advances after changing from upfront recognition of renewal charges to charging on an actual basis, which is expected to even out over the year.
- Going ahead, fee income is expected to remain a steady contributor through FY27, supported by growth in business volumes and newer fee streams. Banks are developing businesses across insurance distribution, wealth management, credit cards and trade and forex platforms. However, several PSBs continue to view fee income improvement as a work in progress, while competition for transaction-led business could moderate the pace of growth.

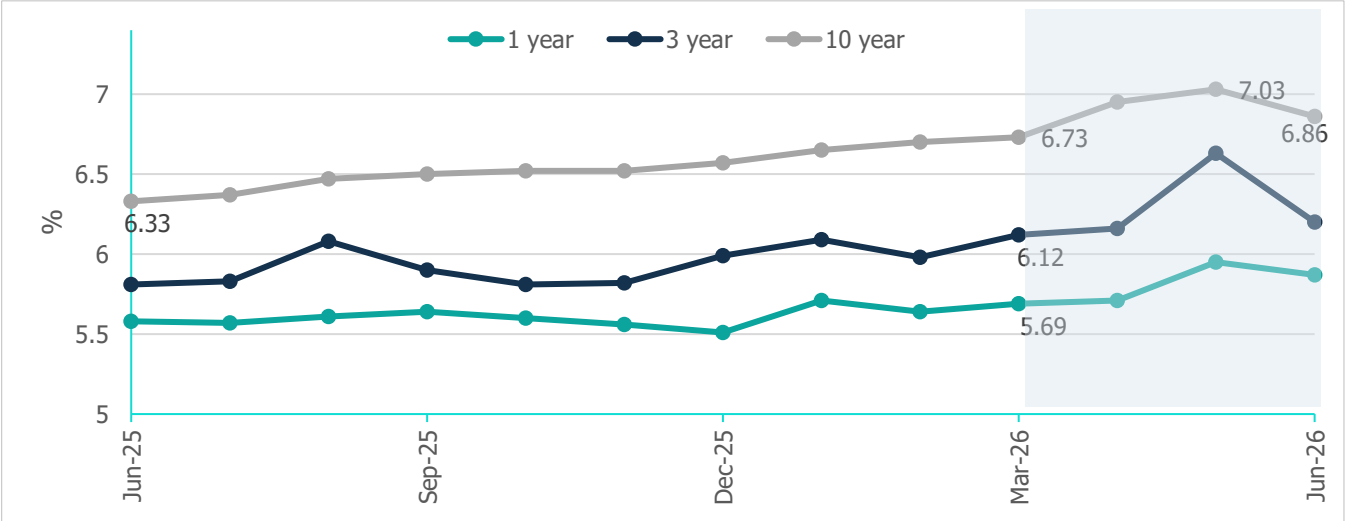
Figure 9: Treasury Income as a percentage of Total assets (%, annualised)

Group	Q1FY26	Q4FY26	Q1FY27
PVBs	0.41	0.09	0.14
PSBs	0.37	0.00	0.19
SCBs	**0.39**	**0.03**	**0.17**

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 30 SCBs (16 PVBs and 14 PSBs)

- Treasury income of SCBs recovered sharply in Q1FY27 from the losses reported in Q4FY26 but remained around half of the year-ago level. The recovery was supported by easing bond yields in June, which allowed banks to book MTM gains after the previous quarter's losses. PSBs recorded a larger sequential improvement. However, treasury income remained below year-ago levels for both groups, with the sharper decline at PVBs, partly reflecting the high base in Q1FY26 when treasury gains were supported not only by falling bond yields but also by a large one-off capital gain from a stake sale by one of the large PVBs. This elevated the base and amplified the y-o-y decline in Q1FY27.
- The improvement in treasury gains was only partly reflected in the P&L account, as changes in the AFS portfolio are also recognised directly in net worth. One PSB, for instance, reported its AFS reserve improving from a negative Rs 41 crore to a positive Rs 503 crore during the quarter, with treasury profit exceeding expectations as yields eased towards the end of the quarter. Banks have also cautioned against annualising the current level of treasury income, with some reporting one-off gains during the quarter and guiding towards lower treasury income through the rest of FY27.

Figure 10: Yield on Residual Maturity of Government of India (%)



Source: CMIE; Note: Includes the Monthly weighted average 10-year residual maturity period.

- The 10-year G-sec yield rose to 6.86% at the end of June 2026 from 6.73% in March, after touching 7.03% in May before easing in June. Yields across the curve also ended higher than in March, while the 10-year yield remained over 50 bps above year-ago levels, keeping treasury income below Q1FY26. Average yields were higher than in Q4FY26, supporting reinvestment yields, while the late-quarter easing supported treasury gains. PSBs benefited more from the higher-yield environment, as their larger investment portfolios allowed maturing securities to be reinvested at higher rates, supporting asset yields. Going ahead, treasury income is likely to remain muted if yields stay around current levels, while accrual income should improve as securities mature and are reinvested at higher yields.

Total Income (Rs. Lakh, Cr.)

Figure 11: Interest Income

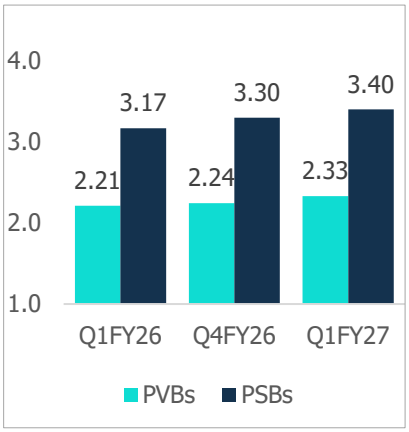


Figure 12: Non-Interest Income

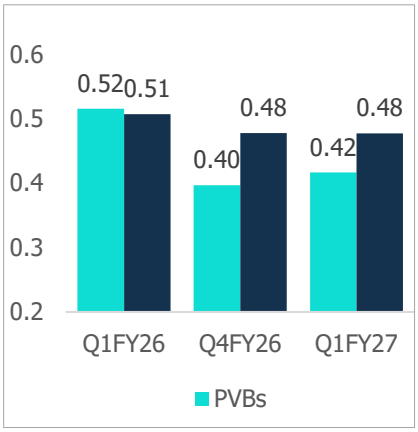
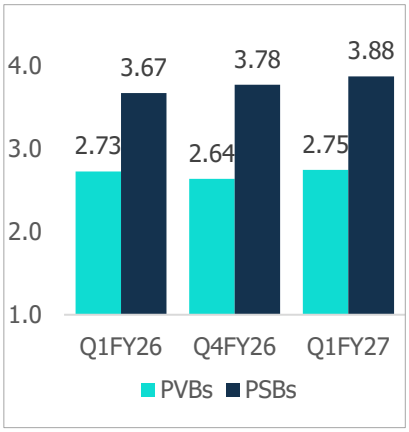


Figure 13: Total Income



Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 30 SCBs (16 PVBs and 14 PSBs)

- Total income of SCBs grew 3.5% y-o-y in Q1FY27, supported by a 6.5% rise in interest income, while non-interest income declined 12.6% as treasury remained weak. PSBs reported stronger income growth than PVBs, supported by higher interest income as credit growth remained stronger across RAM segments. Within non-interest income, PSBs saw a sharper decline, due to a higher base of treasury gains in the previous year. Adjusted for the one-off capital gain from a stake sale by one large PVB in Q1FY26, which was recorded within treasury income, total income of SCBs will grow by 5.0% y-o-y, and non-interest income will decline by 4.0% in Q1FY27. Consequently, PVBs' total income will grow 4.2% against 0.6% reported, with non-interest income down 1.7% against 19.3%.
- Sequentially, total income improved by 3.2%, led by a recovery in interest and non-interest income. The rise in non-interest income was mainly driven by treasury from a weak Q4FY26 base. Going forward, income growth is likely to depend more on lending volumes and fee income than treasury.

Operating Expenses (Rs. Lakh Cr.)

Figure 14: Employee Expenses

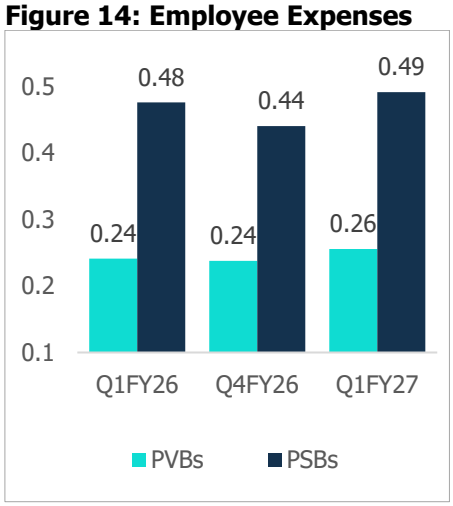


Figure 15: Other Op. Expenses

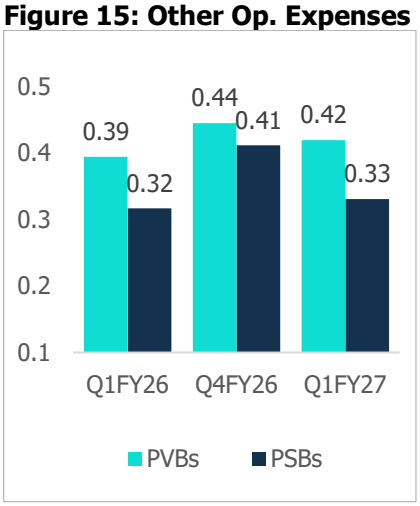
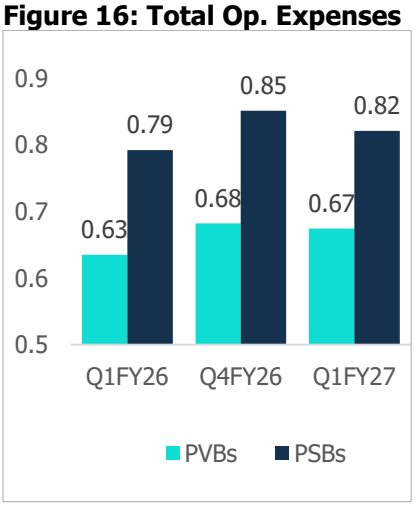


Figure 16: Total Op. Expenses



Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 30 SCBs (16 PVBs and 14 PSBs)

- Total operating expenses of SCBs grew 4.8% y-o-y in Q1FY27. PSBs had lower cost growth than PVBs, supported by slower growth in employee and other operating expenses. Employee expenses increased at a moderate pace y-o-y, broadly in line with normal wage progression.
- Sequentially, opex declined 2.5%, marking the first sequential decline since Q1FY26. The decline was driven by lower other operating expenses across both groups, while employee expenses increased by around 10% from a low Q4FY26 base following the normalisation of wage-related provisioning. Other operating expenses declined more significantly at PSBs, partly due to lower costs related to PSLC at one bank and ATM network optimisation at another.
- Overall opex are expected to increase through FY27 as banks continue to invest in branch expansion, specialist hiring, data analytics and artificial intelligence. PSBs view branch expansion and headcount additions as investments that can support revenue growth through CASA accretion over the next two to three years. PVBs have taken a more measured approach, with several banks guiding towards mid-single-digit cost growth and selective expansion in locations expected to generate revenue relatively quickly.

Figure 17: Cost-to-Income Ratio (%)

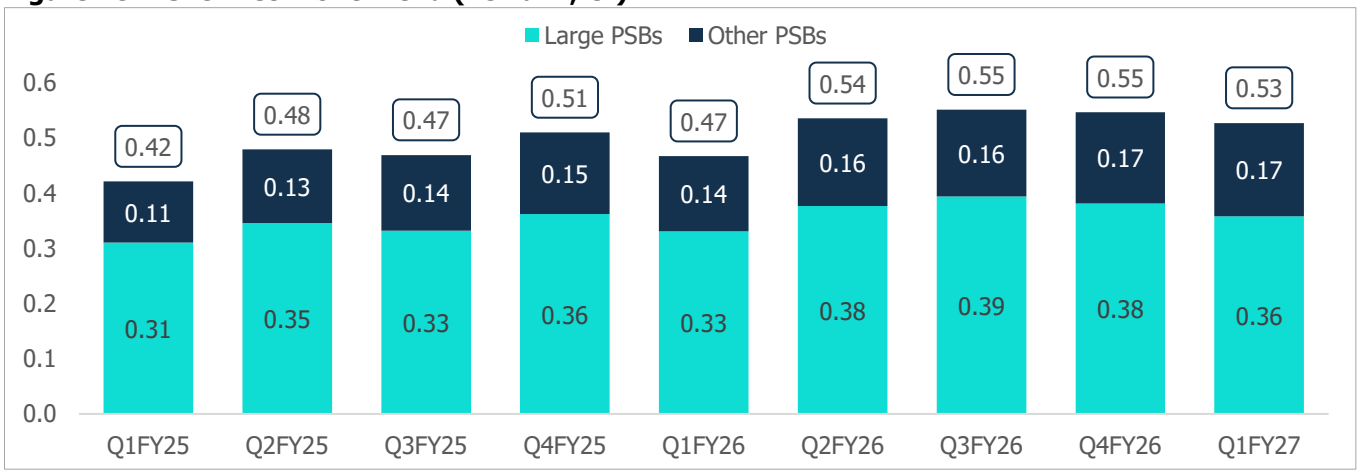
	FY26				FY27	y-o-y	q-o-q
Group	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**(%)**	**(%)**
PVBs	42.9	47.2	47.7	47.7	45.5	6.1	-4.5
PSBs	49.0	50.9	49.5	50.6	47.5	-3.0	-6.1
SCBs	**46.1**	**49.2**	**48.7**	**49.3**	**46.6**	**1.1**	**-5.4**

Source: Ace Equity, Bank Filings, CareEdge Ratings Calculations; Note: Includes 30 SCBs (16 PVBs and 14 PSBs)

- The cost-to-income ratio (CTI) of SCBs remained broadly stable y-o-y at 46.6% in Q1FY27. PSBs improved, as income growth outpaced the rise in operating expenses. In contrast, PVBs deteriorated as income growth remained subdued and lagged the increase in operating expenses. The y-o-y comparison for PVBs was also affected by a one-off gain in the corresponding period last year. Within PVBs, large PVBs continued to report a lower CTI than other PVBs, while the two PSB sub-groups remained broadly aligned.
- The sequential improvement is likely to partly reverse through FY27, with banks indicating that the Q1 level is not sustainable. One PSB attributed the sharp decline in its CTI partly to recoveries from technically written-off accounts, which are unlikely to recur, and guided towards a higher ratio for FY27. Other PSBs have also guided to ratios above Q1 levels. Banks expect further improvement, supported by higher branch productivity, technology and automation, ATM optimisation and selective hiring, alongside newer income streams across forex, guarantees, insurance and NRI business. With continued investments in branches, technology and hiring, the Q1 improvement is therefore likely to be more of a favourable quarter than a lasting change.

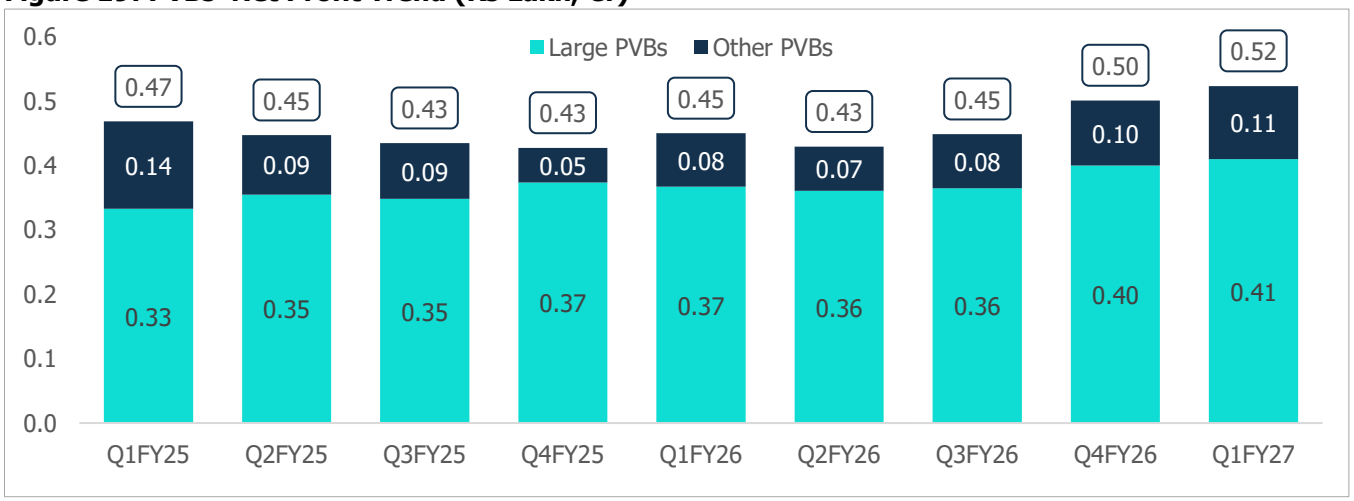
Reported Earnings Improve, Supported by Lower Provisions

Figure 18: PSBs' Net Profit Trend (Rs Lakh, Cr)



Source: Ace Equity, CareEdge Ratings Calculations; Note: Includes 14 PSBs (5 Large + 9 Others).

Figure 19: PVBs' Net Profit Trend (Rs Lakh, Cr)



Source: Ace Equity, CareEdge Calculations; Note: Includes 16 PVBs (3 Large + 13 Others)

- Net profit of SCBs grew 14.6% y-o-y to Rs 1.05 lakh crore in Q1FY27, the third consecutive quarter above the Rs 1 lakh crore mark. Strong profit growth was driven largely by a 12.8% decline in provisions, lower deposit costs, and contained operating expenses, while modest operating income growth limited the improvement. A lower effective tax rate also supported profit growth, following migration to the new corporate tax regime. This was partly offset by a one-time deferred tax remeasurement charge at one PSB.
    - PSBs grew 12.8% y-o-y, restrained by the settlement of an old legal claim at one large PSB, the full cost of which was charged during the quarter. Excluding this, growth stood at around 22.0%. PVBs grew 16.3% y-o-y, with the improvement concentrated among smaller banks, as stress in microfinance and unsecured retail portfolios continued to recede, allowing provisioning to moderate from an elevated base.
- Sequentially, SCBs' net profit remained broadly flat at 0.3% q-o-q, with PVBs growing 4.5% and PSBs declining 3.6%, largely reflecting the legal settlement by one large PSB. Treasury income recovered as bond yields softened towards the end of June, while employee expenses rose 10% q-o-q.

Asset Quality Remains Strong, While Fresh Stress Stays Contained in Q1FY27

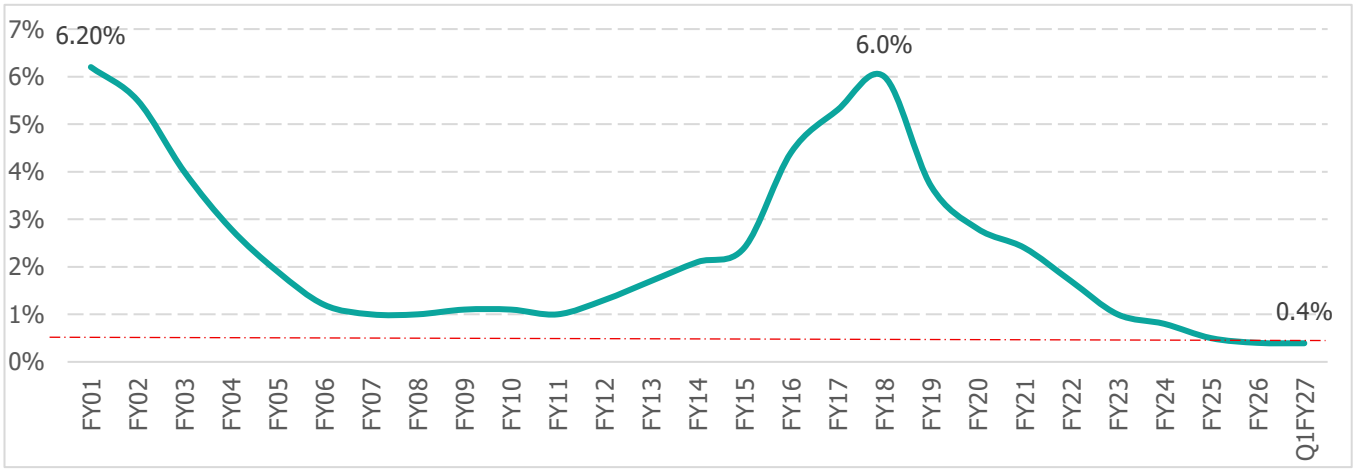
Figure 20: SCBs – Gross NPAs and Net NPAs Ratio Trend (%)

	FY25				FY26				FY27	(bps)	
Asset Quality	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**y-o-y**	**q-o-q**
Gross NPAs											
Large PSBs	3.06	2.81	2.66	2.42	2.36	2.17	2.00	1.82	1.76	-60	-6
Other PSBs	4.07	3.92	3.47	3.10	2.97	2.73	2.54	2.28	2.16	-81	-12
PSBs	**3.33**	**3.11**	**2.88**	**2.61**	**2.53**	**2.32**	**2.15**	**1.95**	**1.87**	**-66**	**-8**
Large PVBs	1.66	1.60	1.63	1.47	1.57	1.43	1.40	1.27	1.29	-28	2
Other PVBs	2.32	2.35	2.33	2.37	2.51	2.38	2.17	1.93	1.84	-66	-9
PVBs	**1.85**	**1.82**	**1.84**	**1.73**	**1.84**	**1.70**	**1.62**	**1.46**	**1.45**	**-39**	**-1**
SCBs	**2.75**	**2.61**	**2.48**	**2.27**	**2.26**	**2.08**	**1.94**	**1.76**	**1.71**	**-55**	**-5**
Net NPAs											
Large PSBs	0.67	0.57	0.55	0.49	0.48	0.43	0.40	0.37	0.37	-11	0
Other PSBs	0.78	0.78	0.68	0.58	0.55	0.49	0.45	0.42	0.40	-15	-2
PSBs	**0.70**	**0.63**	**0.59**	**0.51**	**0.50**	**0.45**	**0.41**	**0.39**	**0.38**	**-12**	**-1**
Large PVBs	0.40	0.41	0.44	0.41	0.46	0.42	0.42	0.37	0.40	-6	3
Other PVBs	0.70	0.69	0.65	0.62	0.66	0.63	0.57	0.48	0.53	-13	5
PVBs	**0.49**	0.49	**0.50**	**0.47**	**0.52**	**0.48**	**0.46**	**0.41**	**0.43**	**-9**	**2**
SCBs	**0.61**	**0.57**	**0.55**	**0.50**	**0.51**	**0.46**	**0.43**	**0.39**	**0.40**	**-11**	**1**

Source: Ace Equity, CareEdge Calculations. Note: Includes 14 PSBs (5 Large, 9 Others) and 16 PVBs (3 Large, 13 Others)

- Asset quality of SCBs improved further in Q1FY27, with the GNPA stock declining 11.5% y-o-y to Rs 3.69 lakh crore and the GNPA ratio moderating to a multi-year low of 1.71%, compared to 2.26% in Q1FY26 and 1.76% in Q4FY26. The improvement was driven by contained fresh slippage; recoveries/upgrades and write-offs continue to offset additions to bad loans; and ongoing resolution of legacy stressed assets.
- PVBs continue to maintain better headline asset quality vis-à-vis PSBs. However, PSBs continued to outperform PVBs, with the GNPA ratio declining by 66 bps y-o-y and 8 bps q-o-q, supported by lower stress formation and recoveries from legacy accounts. Within large PVBs, GNPA deteriorated marginally by 2 bps to 1.29%, reflecting quarterly movements in fresh slippage and recoveries rather than a broad deterioration.

Figure 21: SCBs' NNPA Ratio (%)



Source: RBI, CareEdge Calculation, 30 SCBs (14 PSBs + 16 PVBs)

- The SCB NNPA ratio has improved sharply from 6.0% in March 2018 to 0.4% in Q1FY27 and has remained around this historic low for the past six quarters. The sustained improvement reflects the resolution of legacy stressed accounts, steady recoveries, adequate provisioning and calibrated write-offs, including sales to ARCs. Notably, NPA recognition and classification norms have also become progressively more stringent over the years, with the RBI's Asset Quality Review (AQR), initiated in 2015, leading to greater recognition of stressed assets and contributing to the subsequent rise in reported NPAs. Against this higher recognition base, the sustained decline in NNPA highlights the extent of balance-sheet clean-up and improved asset quality. With the stock of legacy NPAs now significantly lower, recoveries have moderated. However, contained fresh slippage and continued resolution kept asset quality resilient in Q1FY27.

PSBs Continue to Drive Sector Improvement

- By Q1FY27, select PSBs continued to lead the improvement in asset quality, with GNPA ratios declining across retail, MSME, corporate and agriculture portfolios. Retail GNPA remained stable at 2.1% in Q1FY27, compared with 2.1% in Q4FY26 and 2.5% in Q1FY26, while MSME GNPA moderated to 4.1% from 4.4% in Q4FY26 and 5.4% in Q1FY26. Corporate GNPA declined to 0.6% from 0.7% in Q4FY26 and 1.2% in Q1FY26, while agriculture GNPA moderated to 5.7% from 5.8% and 6.9%, respectively. The improvement was supported by sustained recoveries, lower fresh stress, prudent underwriting and resolution of legacy stressed accounts. While MSME remains a key area to monitor, PSBs have relatively greater exposure to smaller-ticket borrowers, limiting the impact of stress compared with PVBs, which have a larger share of higher-ticket MSME exposures. Despite global geopolitical uncertainties, including tensions in the Middle East, domestic asset quality remains resilient, supported by healthy corporate balance sheets and the continued strength of secured portfolios.

Figure 22: PSBs: Recoveries, Upgrades, Write-Offs and Fresh Slippages (Rs. lakh Cr.)

PSBs	Q1FY26	Q4FY26	Q1FY27	y-o-y (%)	q-o-q (%)
Recoveries & Upgrades	0.15	0.13	0.14	-11.9	4.3
Write-Offs	0.13	0.12	0.10	-20.6	-16.4
Fresh Slippages	0.24	0.22	0.22	-8.5	-0.3

Source: Bank Presentations, CareEdge Calculations, 14 PSBs (5 Large PSBs + 9 Other PSBs)

PVB Slippages Rise Sequentially but Remain Manageable

Figure 23: PVBs: Recoveries, Upgrades, Write-Offs and Fresh Slippages (Rs lakh Cr.)

PVBs	Q1FY26	Q4FY26	Q1FY27	y-o-y (%)	q-o-q (%)
Recoveries & Upgrades	0.14	0.15	0.13	-7.9	-16.8
Write-Offs	0.16	0.16	0.12	-23.3	-22.9
Fresh Slippages	0.36	0.24	0.28	-22.1	15.4

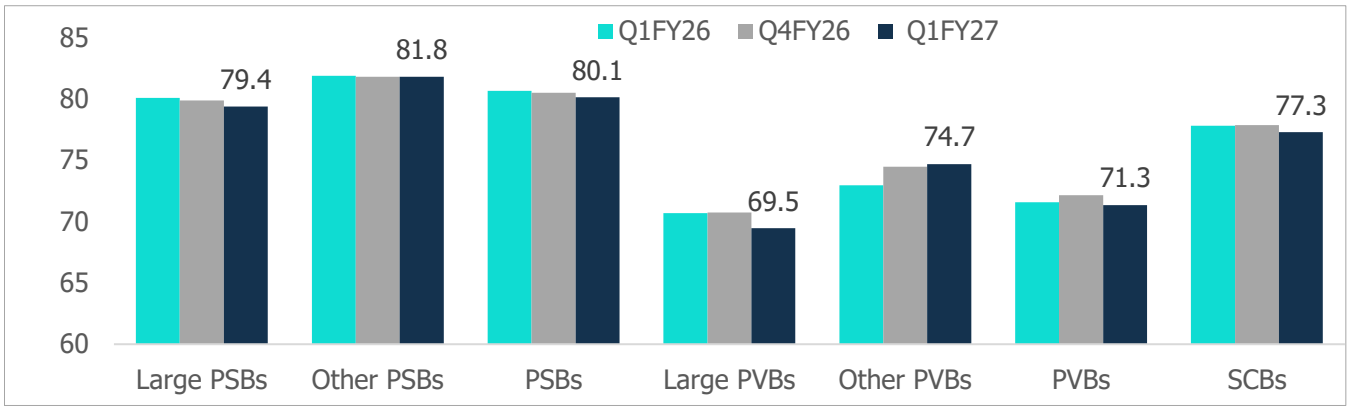
Source: Banks Presentation, CareEdge Calculations, Note 16 PVBs for recoveries, upgrades, write-offs, and slippages.

- Net NPAs of SCBs declined 9.4% y-o-y to Rs 0.84 lakh crore in Q1FY27, led by PSBs, where NNPA fell 10.6% to Rs 0.50 lakh crore, supported by resolution of older stressed accounts and contained fresh stress. PVBs also saw NNPA decline 7.6% to Rs 0.34 lakh crore, aided by stable trends in unsecured retail asset quality reported by major lenders, which further support this trend. Although fresh slippages increased 7.9% q-o-q, mainly due to a seasonal rise in PVB slippages, particularly in commercial vehicle and tractor finance, they remained lower

y-o-y. PSB slippages were broadly unchanged sequentially, while recoveries and write-offs moderated. Overall, asset quality remains comfortable, with the seasonal rise in slippages largely in line with expectations.

Strong Provision Buffers Enhance Resilience

Figure 24: SCBs PCR Trend (%)

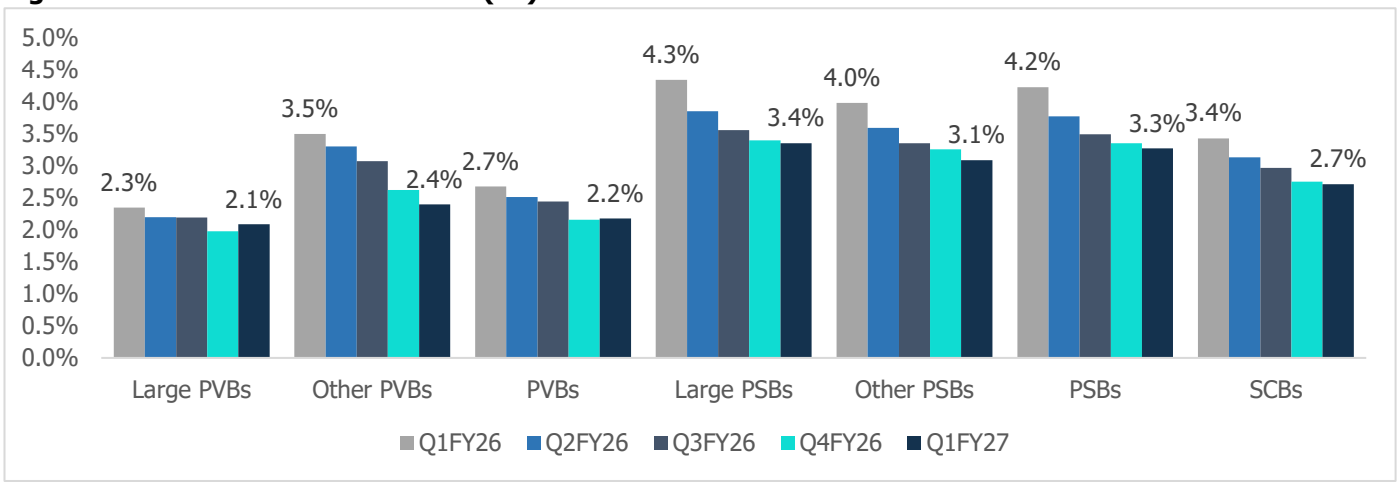


Source: Ace Equity. Note – PCR calculation (Provisions = GNPAs-NPAs), (PCR= Provisions/ GNPAs) includes 14 PSBs and 16 PVBs (a total of 30 SCBs)

- PCR remained strong at 77.3% despite a marginal moderation from last year, supported by adequate provisioning and resolution of stressed assets. PSBs maintained a significantly higher PCR at 80.1%, while PVBs stood at 71.3%. Overall, strong PCR provides comfort on the banking system's ability to absorb any emerging stress. At the same time, the upcoming ECL framework should further encourage banks to maintain adequate provisions against potential deterioration in loan quality.

Net NPA-to-Networth Improved Steadily, Led by PSBs

Figure 25: NNPA to Networth Ratio (%)



Source: Ace Equity, CareEdge Calculations, Note 14 PSBs (5 Large + 9 Others), 16 PVBs (3 Large + 13 Others); net worth has been calculated on an average basis.

- Net-NPA to Networth for SCBs remained stable at 2.7% in Q1FY27, after declining from 3.4% in Q1FY26. The improvement was primarily driven by PSBs. PVBs remained stable at 2.2%, supported by continued improvement among other PVBs, although large PVBs saw a marginal sequential uptick.

Figure 26: Credit Costs (Profit & Loss) (Rs. Lakh - Cr.)

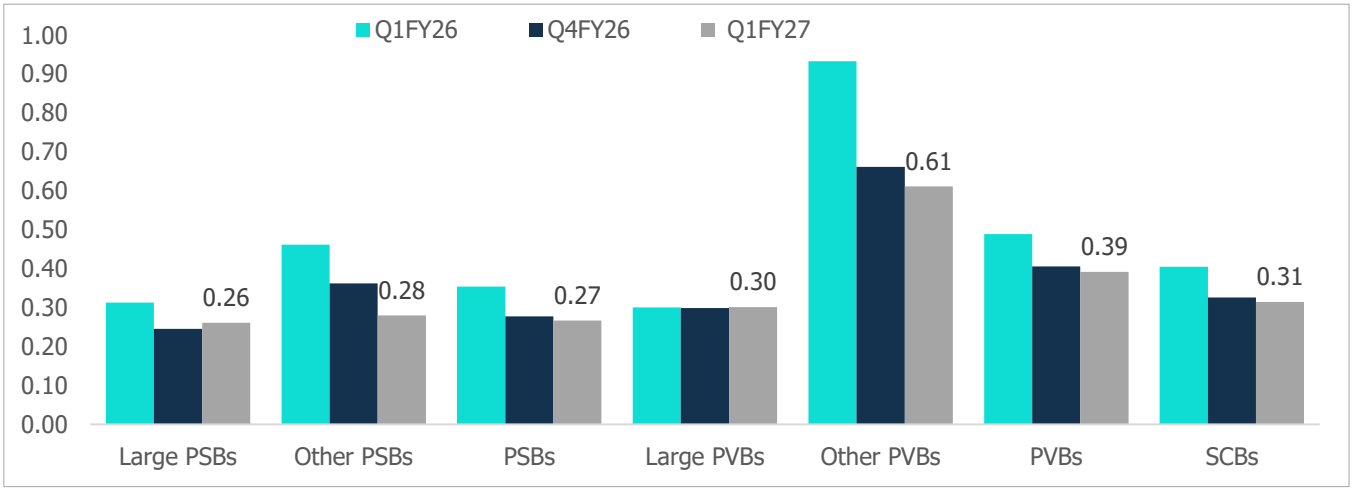
Credit Cost	Q1FY26	Q4FY26	Q1FY27	y-o-y (%)	q-o-q (%)
Large PSBs	0.10	0.09	0.09	-5.8%	9.7%
Other PSBs	0.07	0.05	0.04	-33.0%	-20.3%
PSBs	**0.18**	**0.13**	**0.13**	**-15.6%**	**-0.9%**
Large PVBs	0.05	0.06	0.06	13.5%	5.1%
Other PVBs	0.08	0.06	0.05	-27.2%	-4.5%
PVBs	**0.13**	**0.12**	**0.12**	**-9.6%**	**0.5%**
SCBs	**0.31**	**0.25**	**0.25**	**-12.8%**	**-0.3%**

Source: Ace Equity, CareEdge Calculations, Note 14 PSBs (5 Large + 9 Others), 16 PVBs (3 Large + 13 Others)

- SCBs' credit costs remained contained at Rs 0.25 lakh crore in Q1FY27, declining 12.8% y-o-y and remaining broadly stable q-o-q, supported by lower y-o-y fresh stress and improving asset quality. PSBs led the improvement, with credit costs declining 15.6% y-o-y, while PVBs remained broadly stable.
- Within PSBs, credit costs of large banks increased 9.7% q-o-q, despite stable slippages, partly reflecting higher prudential provisions, including provisions related to profit-linked incentives and tax, and few large PSBs attributed some sequential movement in asset quality to normal seasonality rather than fresh stress. In contrast, other PSBs saw credit costs decline 20.3% q-o-q. PVB credit costs remained almost unchanged, as higher fresh slippages were largely offset by lower provisioning requirements. Some large PVBs also retained countercyclical and contingent provisions, providing an additional buffer against potential stress.
- Q1FY27 management commentary remains constructive, with lenders broadly indicating stable asset quality and adequate provisioning ahead of the transition to the ECL framework from April 2027. Banks indicated that existing provisions appear adequate, although the eventual requirement will depend on the quality and historical behaviour of individual loan pools at the time of implementation.

Preparing for ECL: The Next Phase of Risk Recognition

Figure 27: Credit Costs (In %, Annualised)

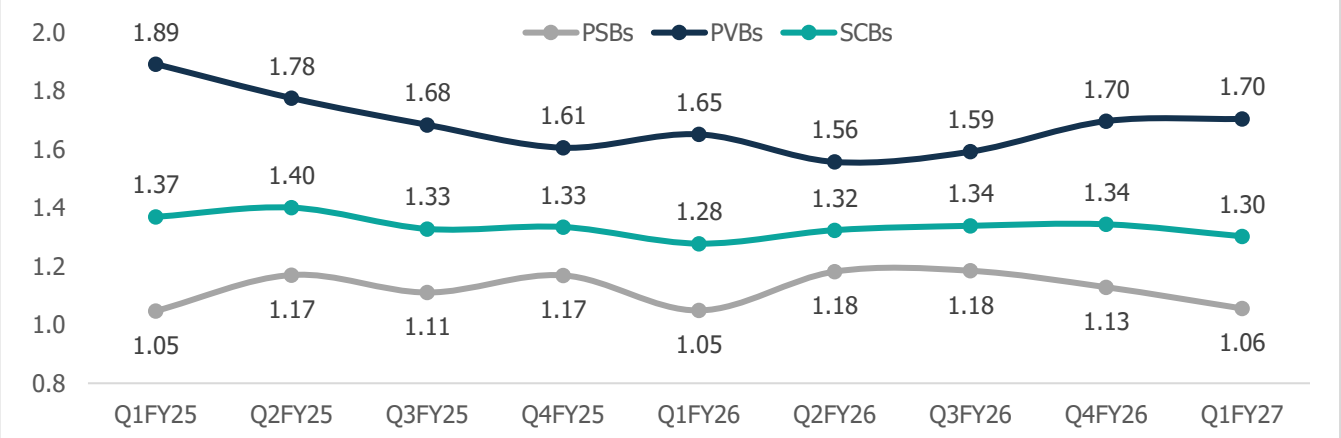


Source: Ace Equity, CareEdge Calculations. Note includes 14 PSBs (5 Large, 9 Others) and 16 PVBs (3 Large, 13 Others)

- The annualised credit cost of SCBs declined 10 bps y-o-y and 2 bps q-o-q to 0.31% in Q1FY27, reflecting lower provisioning requirements amid improving asset quality. PSBs' credit cost declined 8 bps y-o-y to 0.27% but remained broadly stable q-o-q, while PVBs moderated 10 bps y-o-y to 0.39%, despite a modest sequential increase in fresh slippage. The trend is consistent with Q1FY27 management commentary, with most lenders reporting contained credit costs and limited incremental provisioning needs.
- The moderation is positive for bank profitability as improving asset quality reduces the need for provisions. At the same time, banks are preparing for the ECL framework from April 2027, with several lenders indicating that existing provisions and additional buffers should provide adequate coverage, while some PSBs have begun front-loading ECL provisions. Under the new framework, Stage 2 loans will become more important, as loans showing an increase in credit risk would require higher provisions even before becoming NPAs. This could make the risk-return trade-off more important, particularly for higher-yielding segments.
- Overall, lower credit costs should support earnings in FY27, with credit costs expected to remain comfortable and not pose significant earnings drag. The transition to the ECL framework could, however, result in some bank-specific provisioning differences as lenders adjust to the new methodology. Key monitorables include the persistence of elevated slippages in select PVBs' retail portfolios, particularly vehicle and unsecured loans, along with any emerging stress in the MSME segment from geopolitical and trade-related disruptions. While no material stress is evident currently, weaker cash flows and higher input and logistics costs could become more relevant in H2FY27.

PVBs Retain RoA Advantage Despite Stronger PSB Credit Growth

Figure 28: Movement of RoA for SCBs (annualised, %)



Source: Ace Equity, Bank filings. Note: Includes 14 PSBs (5 Large + 9 Other) and 16 PVBs (3 Large + 13 Others).

- RoA of SCBs improved marginally by 2 bps y-o-y to 1.30% in Q1FY27, with PVBs continuing to outperform PSBs. Despite stronger credit growth, PSBs reported lower RoA, as their growth was driven more by corporate, infrastructure and other relatively lower-yielding segments. At the same time, PVBs have a greater presence in higher-yielding retail/MSME segments. Further, stronger balance-sheet growth can dilute RoA when earnings do not increase proportionately. Additionally, improving asset quality and lower credit costs supported PSB profitability but were not sufficient to offset the impact of lower margins. PVBs, meanwhile, continued to benefit from higher margins and stronger earnings generation per unit of assets.

Figure 29: Movement of RoA for PSBs (annualised, %)

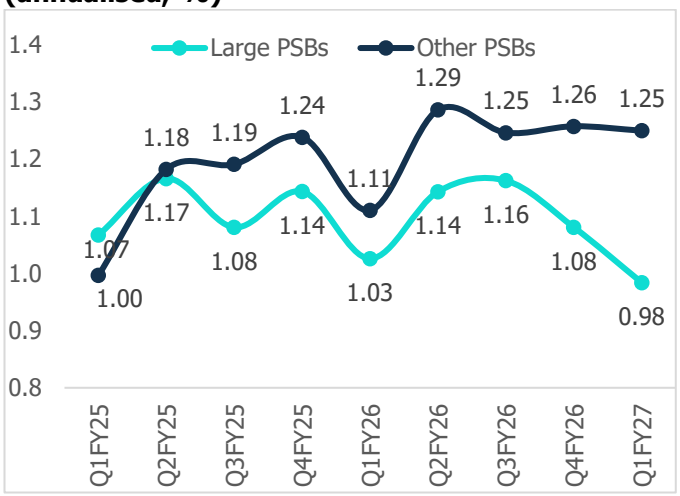
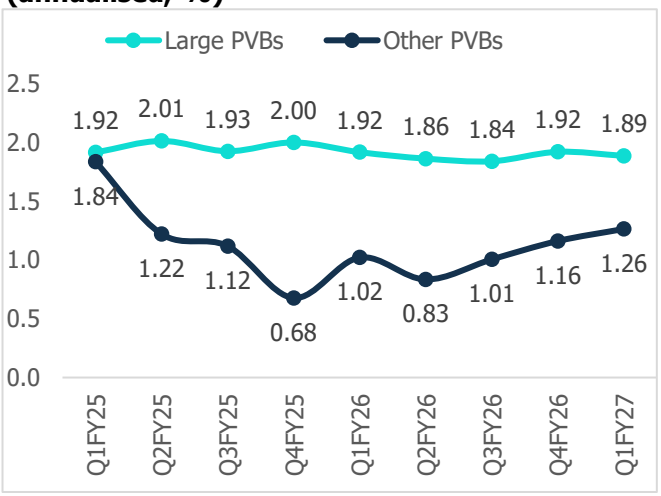


Figure 30: Movement of RoA for PVBs (annualised, %)

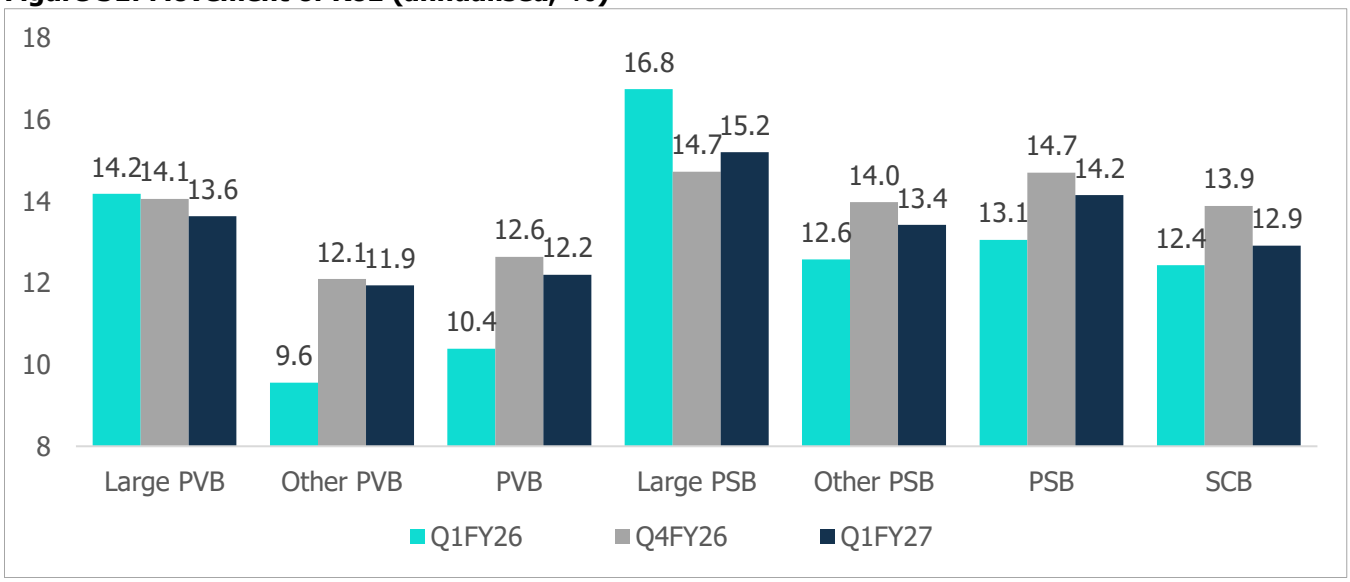


Source: Ace Equity, Bank filings, Note: 14 PSBs (5 Large + 9 Others)

- PSBs' RoA remained flat at 1.06%, with Other PSBs improving 14 bps on lower credit costs and continued recoveries. In contrast, Large PSBs declined by 4 bps, largely reflecting the legal settlement, which accounted for around 8 bps at the group level.
- PVBs' RoA improved 5 bps to 1.70%, with the gain concentrated in other PVBs at 24 bps, driven by improved asset quality and lower credit costs. Large PVBs declined 3 bps, with a higher share of repo-linked lending limiting their ability to protect yields during the quarter.

PSBs Continue to Outperform on RoE, Despite Lower Asset-Level Profitability

Figure 31: Movement of RoE (annualised, %)



Source: Ace Equity, Bank filings; Note: Includes 14 PSBs (5 Large + 9 Others) and 16 PVBs (3 Large + 13 Others). Group figures are medians.

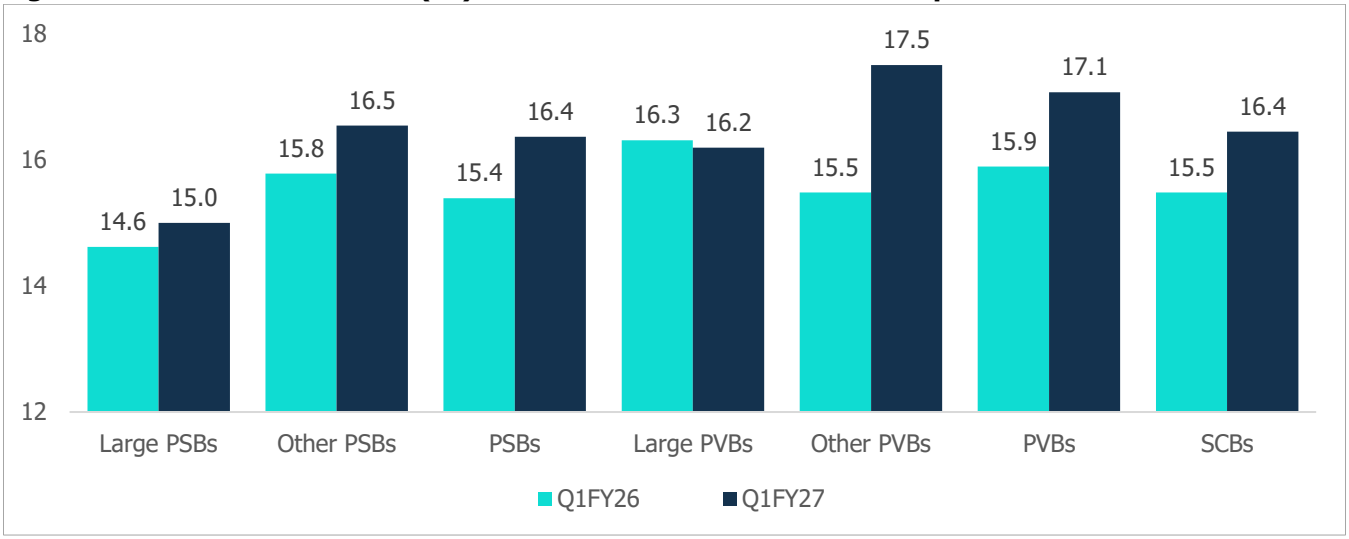
- While PVBs continued to outperform PSBs on RoA owing to superior margins and a higher exposure to retail and MSME lending, PSBs reported higher RoE due to a relatively lower equity base and higher balance-sheet leverage. In contrast, PVBs maintained stronger capital buffers, with capital augmentation at select banks

during the quarter further expanding net worth. Consequently, despite generating higher earnings per unit of assets, PVBs reported comparatively lower RoE as returns were moderated by a larger equity base.

- Median RoE of SCBs improved 48 bps y-o-y to 12.9% in Q1FY27, with PSBs at 14.15% and PVBs at 12.20%, narrowing the PSB lead to around 195 bps from around 270 bps in Q1FY26. The improvement was broad-based, with 22 of the 30 banks reporting a higher RoE than a year earlier and those earning above 15% rising to eight from six, although 10 banks continued to earn below 10%, unchanged from Q1FY26. Within the groups, other PSBs improved 85 bps and other PVBs 238 bps, while large PSBs declined 154 bps, the sharpest fall across groups and largely reflecting the legal settlement, and large PVBs declined 54 bps.
- Going ahead, planned equity raising by PSBs could weigh on RoE in the near term as banks build capital ahead of ECL adoption and future growth. While stronger capital buffers will support growth and loss absorption, the larger equity base may temporarily lower returns until deployed. With gearing already at record lows across both groups, the scope to support returns through leverage has narrowed, and this could narrow the current RoE gap between PSBs and PVBs.

Core Capital Rebuilds Sharply After Two Quarters of Decline

Figure 32: CET-1 Ratio Median (%): Banks Stand Much Above the Required Level



Source: Banks Presentations and Ace Equity Calculations; Note: 14 PSBs (5 Large + 9 others) and 16 PVBs (3 Large + 13 Others) were used for Median calculation. The required level does not factor in additional requirements for D-SIBs.

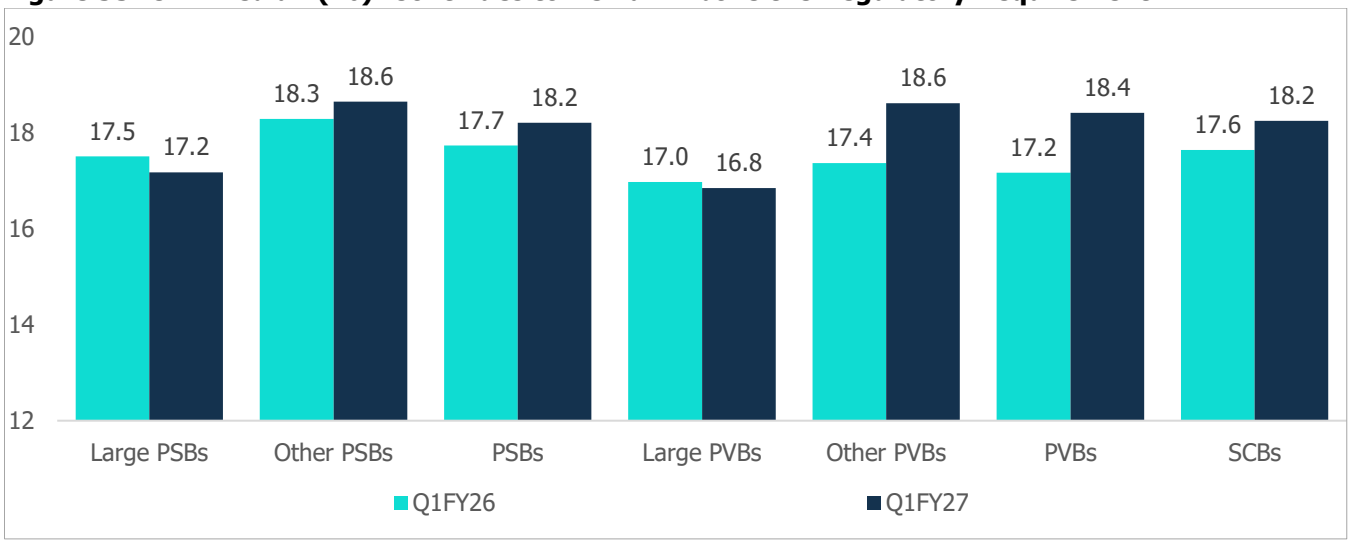
- The median CET-1 ratio of SCBs improved 97 bps y-o-y and 52 bps sequentially to 16.4% in Q1FY27, with all groups remaining well above regulatory requirements. Two regulatory changes during the quarter supported the reported CET-1 ratio. In May 2026, the RBI permitted banks to reckon current-year profits towards CET-1 on a quarterly basis, subject to quarterly audit and a dividend adjustment. Separately, the requirement to maintain an Investment Fluctuation Reserve was discontinued with effect from 18 May 2026, with balances transferred to Statutory Reserve, General Reserve or the Profit and Loss account, shifting reserves that previously counted towards Tier 2 into core capital. The decline in bond yields at the end of June 2026 provided further support through revaluation reserves on the available-for-sale portfolio, which are routed directly to reserves.
    - PSBs' median CET-1 improved 98 bps y-o-y, with both sub-groups recording gains: Large PSBs by 38 bps and Other PSBs by 76 bps.

- PVBs' median CET-1 improved 118 bps y-o-y, with the gain concentrated in Other PVBs at 202 bps. Around 80 bps of this reflects a change in ownership at one bank that brought a large equity infusion during the quarter; excluding it, the sub-group improved around 120 bps. All three Large PVBs reported lower CET-1 than a year earlier.

- Credit growth continues to consume capital, although the shift towards secured lending and better-rated corporate exposure appears to have kept risk-weighted asset growth below advances growth. Core capital is therefore stronger than a year earlier, which should support continued balance sheet growth through the remainder of FY27.

Overall Capital Adequacy Remains Well Above Required Levels in Q1FY27

Figure 33: CAR Median (%): Continues to Remain Above the Regulatory Requirement

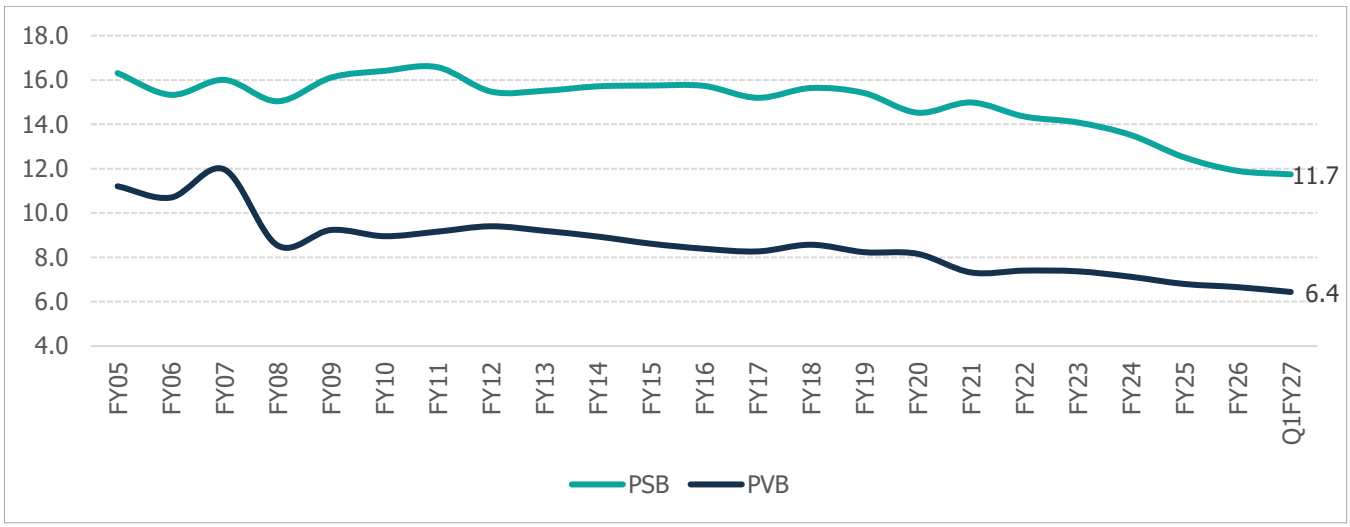


Source: Banks' Presentations and Ace Equity Calculations; Note: 14 PSBs (5 Large + 9 others) and 16 PVBs (3 Large + 13 Others) were used for Median calculation. Systemically Important Banks must maintain a minimum CAR ratio higher than that of other banks (SBI by 60 bps, HDFC Bank by 20 bps, and ICICI Bank by 20 bps).

- The median CAR of SCBs improved 61 bps y-o-y to 18.2% in Q1FY27, remaining well above the regulatory requirement of 11.5%. The improvement trailed the rise in core capital, as the Tier 2 layer declined 29 bps sequentially following the discontinuation of the Investment Fluctuation Reserve.

- Capital raising activity has increased since the quarter closed, with banks citing the transition to the expected credit loss framework scheduled for April 2027. Four large PSBs have announced capital-raising plans of over Rs 80,000 crore for FY27, through Basel III Tier I and Tier II bonds, long-term infrastructure bonds and equity through qualified institutional placements, with a share also routed through overseas markets. With the regulatory change reducing the contribution from Tier 2, the capital composition is likely to remain more skewed toward the core.

Figure 34: Gearing continues to decline for PSBs and PVBs



Source: Ace Equity, Bank filings. Note: Includes 14 PSBs (5 Large + 9 Other) and 16 PVBs (3 Large + 13 Others)

- Gearing across the bank groups has declined steadily over the past two decades and stood at its lowest level on record in Q1FY27, at 11.7 times for PSBs and 6.4 times for PVBs. For PSBs, the decline has been particularly significant since FY19, as recapitalisation, sustained internal accretion, and the clean-up of legacy stressed assets rebuilt net worth faster than balance sheets expanded. PVBs, which have historically operated with materially lower gearing, have seen a more gradual reduction, and the gap between the two groups has widened rather than narrowed over the period.
- The trend strengthens banks' loss-absorption capacity, supported by high PCR and comfortable capital ratios. However, lower gearing limits the scope for further improvement in RoE, increasing the reliance on core profitability. With capital building ahead of the ECL transition and credit growth absorbing part of the surplus, improving profitability will depend more on earnings growth.

CareEdge Ratings View

Sanjay Agarwal, Senior Director, CareEdge Ratings, says, "The banking sector remained resilient in Q1FY27, supported by healthy credit growth across retail, MSME and corporate segments, despite continued pressure on deposit mobilisation and margins. Asset quality also remained strong, with GNPA at a multi-year low, supported by healthy provision coverage and comfortable capital buffers. Going forward, credit growth is expected to moderate gradually. However, sustained domestic economic activity, government capex, improving corporate demand and healthy retail and MSME demand should continue to support balance-sheet growth. The expected mobilisation through the special FCNR(B) facility should also provide near-term support to credit growth and liquidity. With the legacy NPA clean-up largely complete, asset quality will increasingly depend on banks' ability to contain fresh stress in unsecured retail, vehicle finance and MSME portfolios. We expect GNPA to remain broadly range-bound at 1.8%-2.0% through FY27, while geopolitical risks, trade disruptions and the transition to the ECL framework remain key monitorables."

Saurabh Bhalerao, Director, CareEdge Ratings, says, "Profitability remained healthy in Q1FY27, supported by continued credit growth, lower credit costs, operating efficiencies and resilient fee income, despite pressure on margins and deposit mobilisation. Going forward, earnings growth is likely to moderate as the benefit from lower provisions diminishes, placing greater emphasis on core income growth and margin stability. Competitive lending and deposit pricing may constrain margin expansion, although lower funding costs and liability-side repricing should

provide some support. Capital buffers remain comfortable, with banks continuing to build capital ahead of the ECL transition and future growth. We therefore expect SCB RoA to remain broadly range-bound at around 1.25%-1.35% through FY27, while sustaining RoE will increasingly depend on improvement in underlying profitability."

Annexure

Figure A1: Gross NPAs and Net NPAs (In Rs lakh crores)

	FY25				FY26				FY27	(%)	
Asset Quality	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**y-o-y**	**q-o-q**
Gross NPAs											
Large PSBs	2.27	2.16	2.12	1.99	1.96	1.87	1.79	1.74	1.71	-12.8	-1.6
Other PSBs	1.13	1.12	1.03	0.95	0.91	0.87	0.84	0.81	0.79	-13.4	-2.8
PSBs	**3.40**	**3.28**	**3.14**	**2.94**	**2.87**	**2.75**	**2.63**	**2.55**	**2.50**	**-13.0**	**-1.9**
Large PVBs	0.78	0.77	0.80	0.74	0.80	0.75	0.76	0.73	0.77	-3.4	4.9
Other PVBs	0.44	0.46	0.47	0.48	0.52	0.51	0.47	0.43	0.43	-16.1	-1.4
PVBs	**1.22**	**1.23**	**1.27**	**1.22**	**1.31**	**1.26**	**1.23**	**1.17**	**1.20**	**-8.4**	**2.6**
SCBs	**4.62**	**4.51**	**4.41**	**4.16**	**4.18**	**4.01**	**3.86**	**3.71**	**3.69**	**-11.5**	**-0.5**
Net NPAs											
Large PSBs	0.48	0.43	0.43	0.39	0.39	0.37	0.36	0.35	0.35	-9.6	0.9
Other PSBs	0.21	0.21	0.20	0.17	0.17	0.15	0.15	0.15	0.14	-13.1	-2.8
PSBs	**0.69**	**0.64**	**0.63**	**0.57**	**0.56**	**0.52**	**0.51**	**0.50**	**0.49**	**-10.6**	**-0.2**
Large PVBs	0.19	0.20	0.21	0.21	0.23	0.22	0.23	0.21	0.23	0.6	9.5
Other PVBs	0.13	0.14	0.13	0.13	0.14	0.14	0.13	0.11	0.10	-21.5	-2.2
PVBs	**0.32**	**0.33**	**0.35**	**0.34**	**0.37**	**0.36**	**0.36**	**0.33**	**0.34**	**-7.6**	**5.5**
SCBs	**1.02**	**0.98**	**0.97**	**0.90**	**0.93**	**0.88**	**0.86**	**0.82**	**0.84**	**-9.4**	**2.1**

Source: Ace Equity, CareEdge Calculations. Note: Includes 14 PSBs (5 Large, 9 Others) and 16 PVBs (3 Large, 13 Others)

Legacy Stress Continues to Decline

Figure A2: Restructured Portfolio of Select SCBs (Rs. Cr.) – Shows Reduction

PSBs	June 30, 2025	June 30, 2026	y-o-y (%)	PVBs	June 30, 2025	June 30, 2026	y-o-y (%)
IDBI	191	158	-17.3	Yes	378	229	-39.4
UBI	8,608	7,118	-17.3	City Union	584	446	-23.5
PNB	6,709	1,415	-78.9	Axis	1,148	913	-20.5
BoI	4,691	3,735	-20.4	Federal	1,330	1,027	-22.8
IB	4,555	3,430	-24.7	Karnataka	888	763	-14.1
P&S	1,211	506	-58.2	DCB	1,199	942	-21.4
BoM	2,282	2,001	-12.3	South Indian	277	175	-36.8
UCO	1,577	1,066	-32.4	KVB	506	387	-23.5
CBI	4,948	3,818	-22.8	ICICI	1,788	1,283	-28.2
Total	**34,772**	**23,246**	**-33.1**	**Total**	**8,097**	**6,165**	**-23.9**
% of Gross Advances	**0.78**	**0.44**		**% of Gross Advances**	**0.28**	**0.16**	

Source: Bank Presentations, CareEdge Calculations. Note: Includes 9 PVBs and 9 PSBs

Consolidated Security Receipts Witnessed Moderation

Figure A3: SRs Portfolio (Cr.)

PSBs	Q1FY26	Q3FY26	Q4FY26	Q1FY27	PVBs	Q1FY26	Q3FY26	Q4FY26	Q1FY27
Canara	2,057	1943	1723	1460	Axis	1,331	1,301	1,290	870
UBI	776	829	914	898	Federal	5	4	4	4
PNB	1,764	2,291	2335	2177	KMB	1,203	1,420	1,316	1,352
BoI	418	404	448	429	South Indian	190	119	119	72.53
IB	-	485	487	487	RBL	280	121	120	115
CBI	836	777	756	748	HDFC	1,078	1,070	1,058	1,049
IoB	424	424	329	267	ICICI	794	795	732	724
UCO	324	348	345	233	Bandhan	164	614	614	607
BOB	458	406	476	457	City Union	3,260	29	29	20
IDBI	4,256	4,114	4,097	3,543	IndusInd	1,943	1,484	1,419	1,385
J&K	214	226	226	184	KVB		280	280	268
P&S	400	400	399	218					
Total	**12,325**	**12,647**	**12,537**	**11,014**	**Total**	**10,248**	**7,238**	**6982**	**6470**
% of Gross Adv	**0.18**	**0.17**	**0.16**	**0.14**	**% of Gross Adv**	**0.16**	**0.10**	**0.09**	**0.08**

Source: Bank Presentations, CareEdge Calculations. Note: Includes 11 PVBs and 12 PSBs

Figure A4: Movement in PSBs' CET-1

Bank	Q1FY26	Q4FY26	Q1FY27	(y-o-y, bps)
State Bank of India	12.45	13.33	13.90	145
Canara Bank	14.58	14.59	15.00	42
Bank of Baroda	15.15	13.64	14.41	-74
Indian Bank	15.74	16.40	16.51	77
Punjab National Bank	14.62	15.15	16.03	141
Union Bank of India	15.30	15.69	16.38	108
Bank of India	15.15	15.35	16.27	112
Central Bank of India	15.48	15.61	16.54	106
Indian Overseas Bank	15.78	16.94	16.88	110
Bank of Maharashtra	16.63	15.41	16.35	-28
Punjab & Sind Bank	16.02	15.92	16.56	54
UCO Bank	16.36	16.59	17.44	108
Jammu & Kashmir Bank	13.68	14.44	13.68	0
IDBI Bank	23.71	25.56	26.38	267

Source: Banks Presentations and Ace Equity Calculations; Note: 14 PSBs (five Large + nine others), Systemically Important Banks must maintain a higher ratio than other banks (SBI by 60 bps, HDFC Bank by 20 bps and ICICI Bank by 20 bps).

Figure A5: Movement in PVBs' CET-1

Bank	Q1FY26	Q4FY26	Q1FY27	(y-o-y, bps)
HDFC Bank	17.80	17.30	17.40	-40
ICICI Bank	16.31	16.35	16.19	-12
Axis Bank	14.68	14.38	14.64	-4
Kotak Mahindra Bank	21.80	21.30	22.40	60
IndusInd Bank	15.48	16.20	16.10	62
YES Bank	14.00	13.80	14.00	0
IDFC First Bank	12.80	13.73	13.33	53
RBL	14.05	12.77	32.20	1815
Federal Bank	14.69	15.93	15.89	120
South Indian Bank	18.25	18.76	18.93	68
Karnataka Bank	18.90	18.70	19.90	100
Bandhan Bank	18.60	17.30	17.50	-110
Karur Vysya Bank	16.33	17.72	17.98	165
Dhanlaxmi Bank	15.47	16.11	16.74	127
City Union Bank	22.09	20.82	20.97	-112
DCB Bank	14.20	14.26	14.90	70

Source: Banks Presentations and Ace Equity Calculations; 16 PVBs (3 Large + 13 Others). Systemically Important Banks must maintain a higher ratio than other banks (SBI by 60 bps, HDFC Bank by 20 bps and ICICI Bank by 20 bps)

Note: Analysis based on 30 scheduled commercial banks (14 PSBs and 16 PVBs). Prior-period numbers are not comparable to earlier reports due to the reclassification of select banks.

Large PSBs	Bank of Baroda	Canara Bank	Indian Bank	Punjab National Bank	State Bank of India		
Other PSBs	Bank Of India	Bank Of Maharashtra	Central Bank of India	Indian Overseas Bank	Punjab & Sind Bank	UCO Bank	Union Bank of India
	Jammu & Kashmir Bank	IDBI Bank					
PSBs		**Large PSBs and Other PSBs (Total 14 PSBs)**					
Large PVBs	HDFC Bank	ICICI Bank	Axis Bank				
Other PVBs	Yes Bank	IDFC First Bank	RBL Bank	Kotak Mahindra Bank	IndusInd Bank	Federal Bank	South Indian Bank
	Dhanlaxmi Bank	DCB Bank	Bandhan Bank	City Union Bank	Karur Vysya Bank	Karnataka Bank	
PVBs		**Large PVBs and Other PVBs (Total 16 PVBs)**					
SCBs		**PSBs + PVBs (Total 30 Banks)**					

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