

## RBI releases Report on Trend and Progress of Banking in India 2018-19

The Reserve Bank of India released the Report on Trend and Progress of Banking in India 2018-19, a statutory publication in compliance with Section 36 (2) of the Banking Regulation Act, 1949. This Report presents the performance of the banking sector, including co-operative banks, and non-banking financial institutions during 2018-19 and 2019-20 so far.

The highlights of the Report released by RBI are set out below:

- The banking sector showed improvement with the gross non-performing assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) declining from 11.2 per cent in March 2018 to 9.1 per cent in March 2019 and a return to profitability in H1: 2019-20.
- This turnaround has been facilitated by a conducive policy environment underpinned by the traction in insolvency and bankruptcy code (IBC).
- Recapitalisation of Public Sector Banks (PSBs) shored up the capital position of PSBs.
- In the co-operative banking arena, the consolidated balance sheet of Urban Co-operative Banks (UCBs) expanded in 2018-19 on account of robust deposit growth, although, a fall in interest income adversely affected their profitability; among rural co-operatives, the financial health of state co-operative banks and district central co-operative banks weakened with an increase in the non-performing assets and slowdown in profitability.
- The pace of credit expansion by NBFCs, which began slowing in 2018-19, continued in the first half of 2019-20, largely affected by the performance of non-deposit taking systemically important NBFCs (NBFCs-ND-SI), though capital buffers remained above the stipulated norms. Bank credit remained a stable source of funding for NBFCs.

The detailed Report on Trend and Progress of Banking in India 2018-19 released by RBI is enclosed for your kind reference.

Please contact for any query related to this mail to Ms Preeti Rajput, Research Associate at [Preeti.rajput@phdcci.in](mailto:Preeti.rajput@phdcci.in) with a cc to Dr S P Sharma, Chief Economist at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms Surbhi Sharma, Associate Economist at [surbhi@phdcci.in](mailto:surbhi@phdcci.in), PHD Chamber of Commerce & Industry.

Warm Regards,



Dr S P Sharma  
Chief Economist  
PHD Chamber of Commerce and Industry  
PHD House, 4/2 Siri Institutional Area  
August Kranti Marg, New Delhi-110016, India  
Tel: +91 49545454  
Fax: +91 11 26855450  
Email: [spsharma@phdcci.in](mailto:spsharma@phdcci.in)  
Website: [www.phdcci.in](http://www.phdcci.in)

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PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400  
Fax : +91-11-2685 5450, 49545451 • E-mail : [phdcci@phdcci.in](mailto:phdcci@phdcci.in) • Website : [www.phdcci.in](http://www.phdcci.in), CIN: U74899DL1951GAP001947

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