

Report on Trend and Progress of Banking in India, 2024-25

Prelims: Current events of national and international importance | Economy

Why in News?

Recently, the Reserve Bank of India (RBI) has released its Report on Trend and Progress of Banking in India 2024-25.

- **About** - This report is a comprehensive review of the Indian banking sector's performance, regulatory developments, and financial stability.

Key findings of the report

- **Bank Frauds** - The amount involved in bank frauds was rising, though the number of cases was on a decline.
 - Total number of frauds decreased to 23,879 cases (2024-25) as compared with 36,052 cases (2023-24).
 - However, the amount involved in frauds increased to Rs 34,771 crore from Rs 11,261 crore in 2023-24.
- The rise in amount is due to re-examination of 122 cases worth Rs 18,336 crore (SC's judgment, Mar 27, 2023).

*In the **SBI v. Rajesh Agarwal case**, the SC ruled that banks must provide borrowers a chance to be heard before classifying their accounts as "fraudulent," upholding natural justice principles.*

- **Fraud Type** -
 - Card/Internet frauds - 66.8% of cases (highest by number)
 - Advances-related frauds - 33.1% of the amount (highest by value)
- **Bank's Contribution** -
 - **Private Sector Banks (PVBs)** - 59.3% of cases, the largest share by number is card/internet frauds & largest share by value is advances-related frauds.
 - **Public Sector Banks (PSBs)** - 70.7% of the total amount involved, the highest share is advances-related frauds (both number & value)
- **Trend across Banks** -
 - The share of card/internet frauds declined across all bank groups (both number & amount)
 - Advances-related frauds (both number & amount) increased across all bank groups (except PSBs in terms of amount).

- **Resilience & Growth** - Deposits and credit of scheduled commercial banks (SCBs) grew in double digits, but moderated compared to last year. (**Resilient 11-11-11**).
 - The SCB's *consolidated balance sheet grew 11.2%* (vs. 15.5% in 2023-24).
 - On the assets side, *bank credit* & investments increased by *11.5%* and 9.2%, respectively, in 2024-25.
 - On the liabilities side, *deposits* increased by *11.1%* in 2024-25.
- **Profitability** - The net profits of SCBs increased, but slower pace, partly reflecting the impact of moderation in the growth of net interest income.
- **Capital Adequacy** - The capital-to-risk-weighted assets ratio of SCBs was 17.4% at end-March 2025 & 17.2% at end-September 2025.
- Leverage ratio remained well above regulatory requirements.
- **Asset Quality** - it is strengthened further, with gross non-performing assets (GNPA) ratio declining to a multi-decadal low of 2.2% at end-March 2025 and 2.1% at end-September 2025.
- **Urban Co-operative Banks** - Higher balance sheet growth than the previous year, their asset quality improved for the 4th consecutive year, alongside strengthening of their capital buffers and profitability.
- **NBFCs** - The NBFCs continued to record double-digit credit growth along with robust capital buffers; their asset quality also improved during the year.

Reference

[The Hindu | Report on Trend and Progress of Banking in India 2024-25](#)