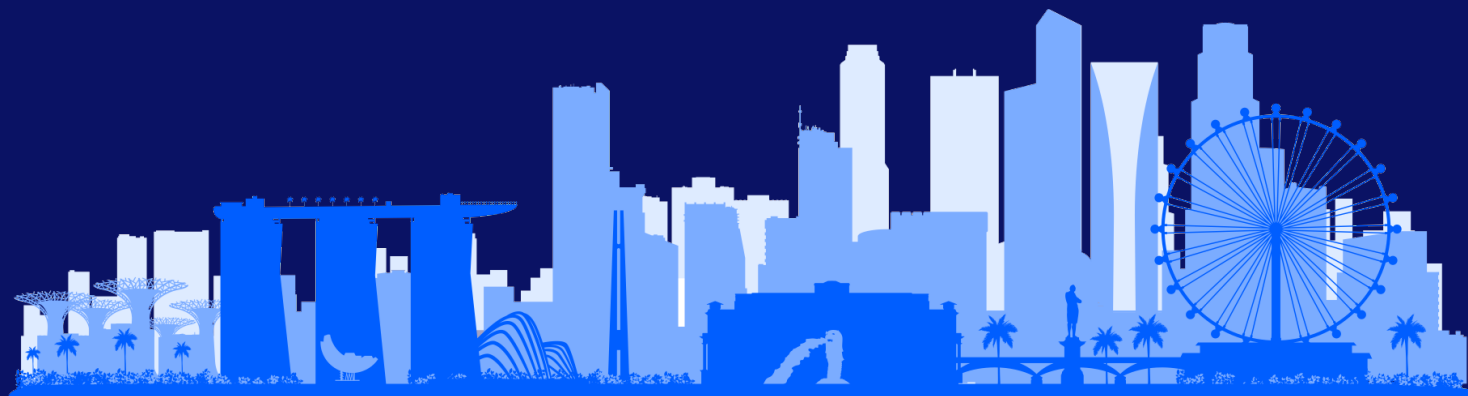


# MOODY'S

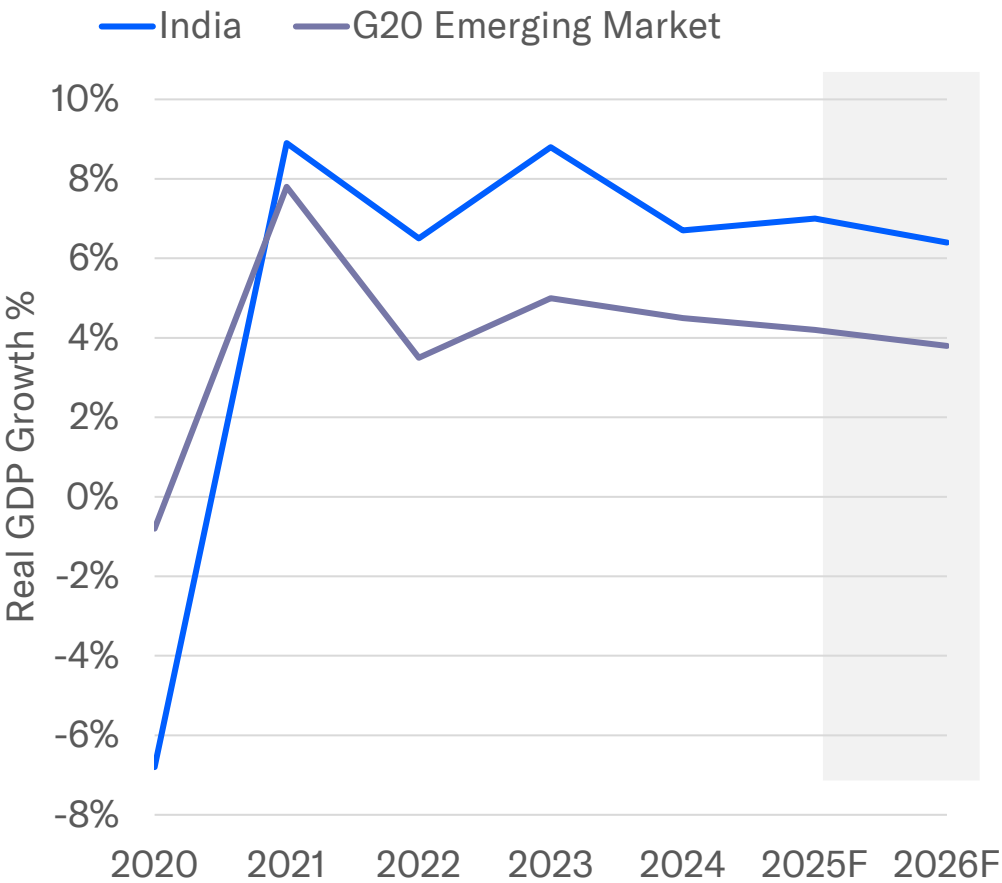
## RATINGS

APAC Financial Institutions Group

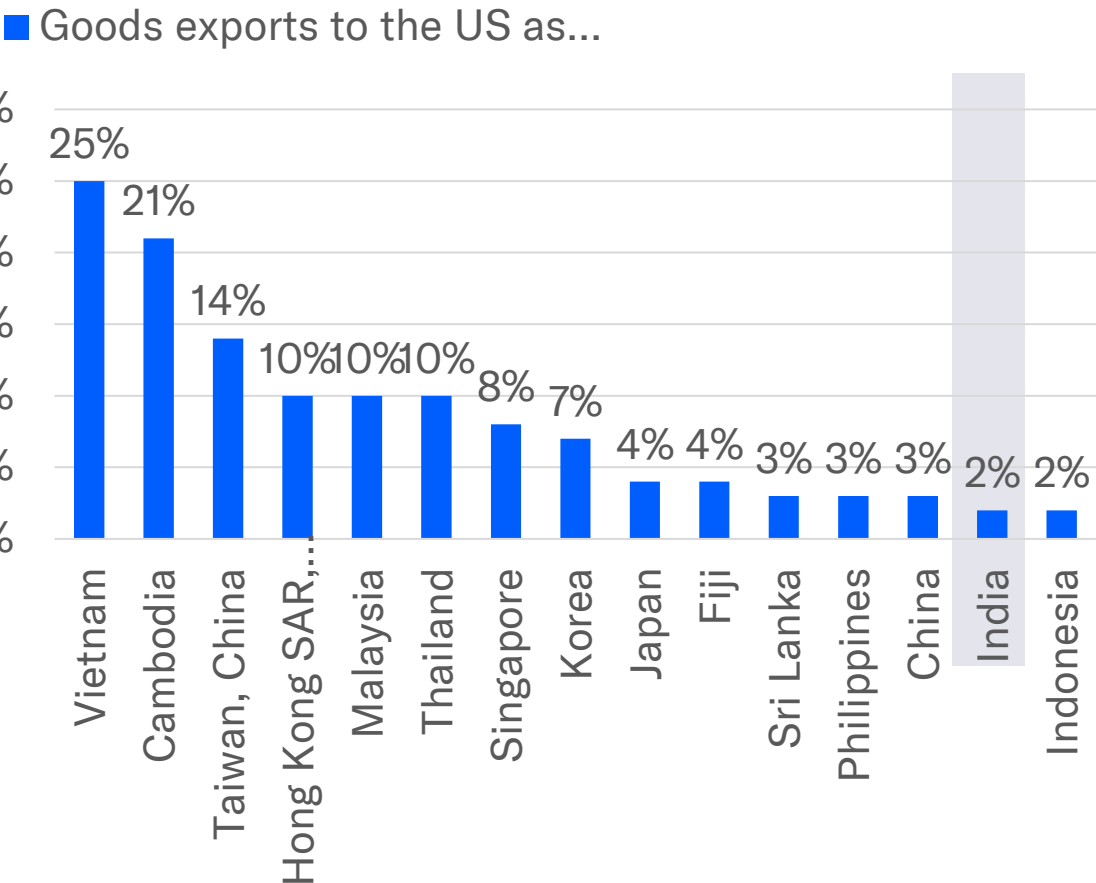
# India Banks and NBFCs



# Economic growth will remain strong in India



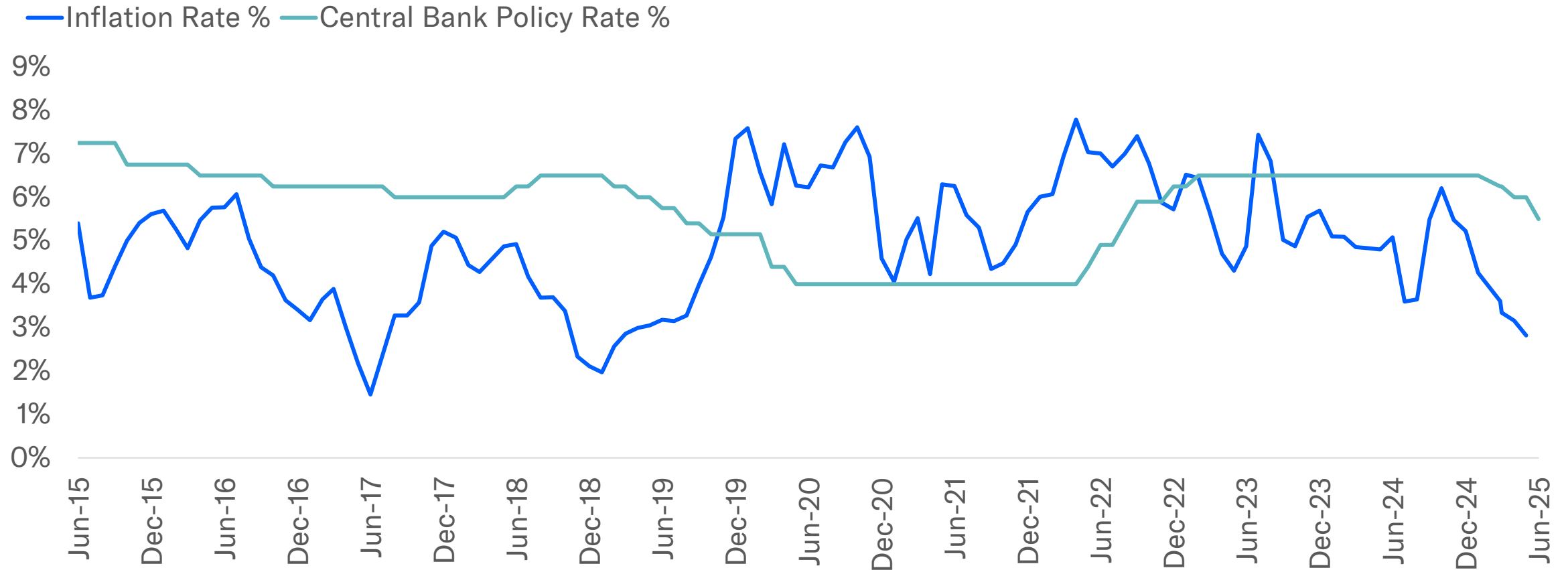
2024 refers to calendar year ended 31 December 2024 and so on.  
Source: Moody's Ratings



Sources: US Census Bureau, International Trade Center, Haver Analytics, Moody's Ratings

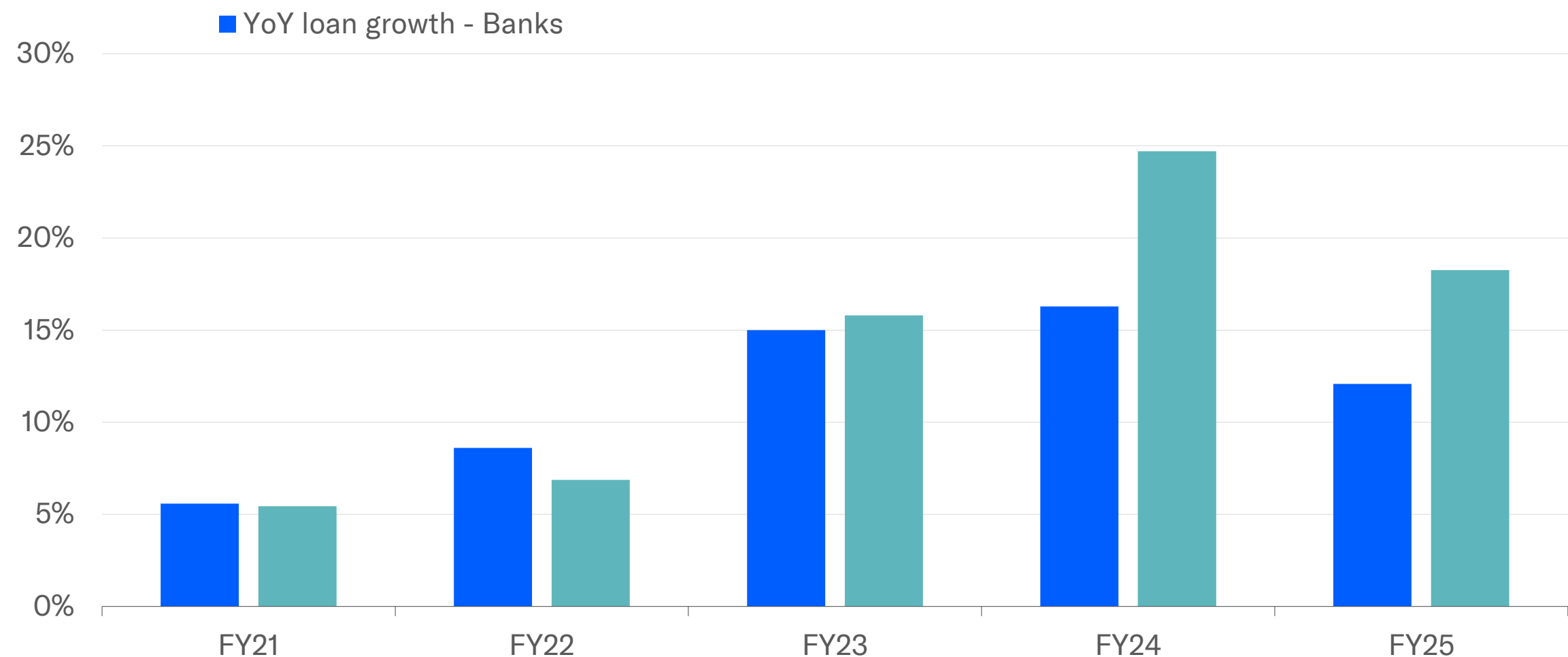
# Low inflation will give RBI capacity to cut rates

## Rate cuts balancing inflation and currency dynamics



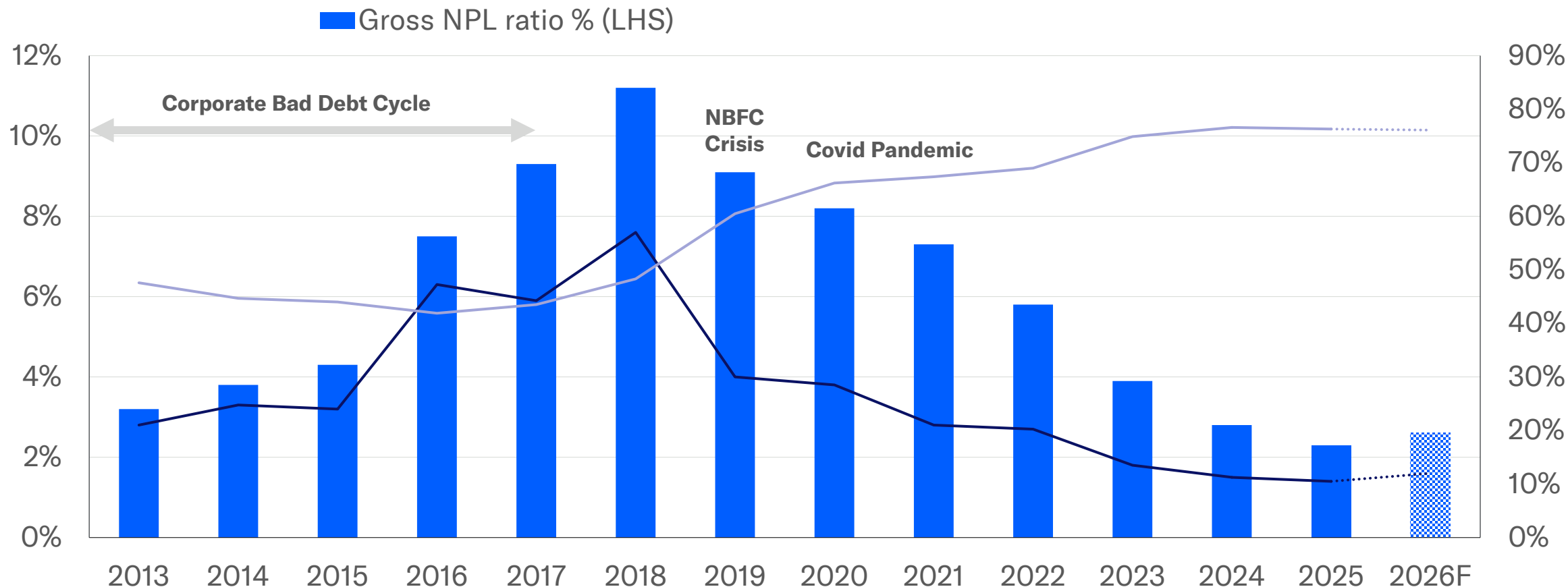
Sources: Moody's Ratings, RBI, MOSPI

# Loan growth will moderate



FY25 refers to fiscal year ended 31 March 2025 and so on. NBFI include housing finance companies. Data for FY24 excludes HDFC Limited from the base year due to its merger with HDFC Bank.  
Sources: RBI, National housing bank (NHB), Moody's Ratings

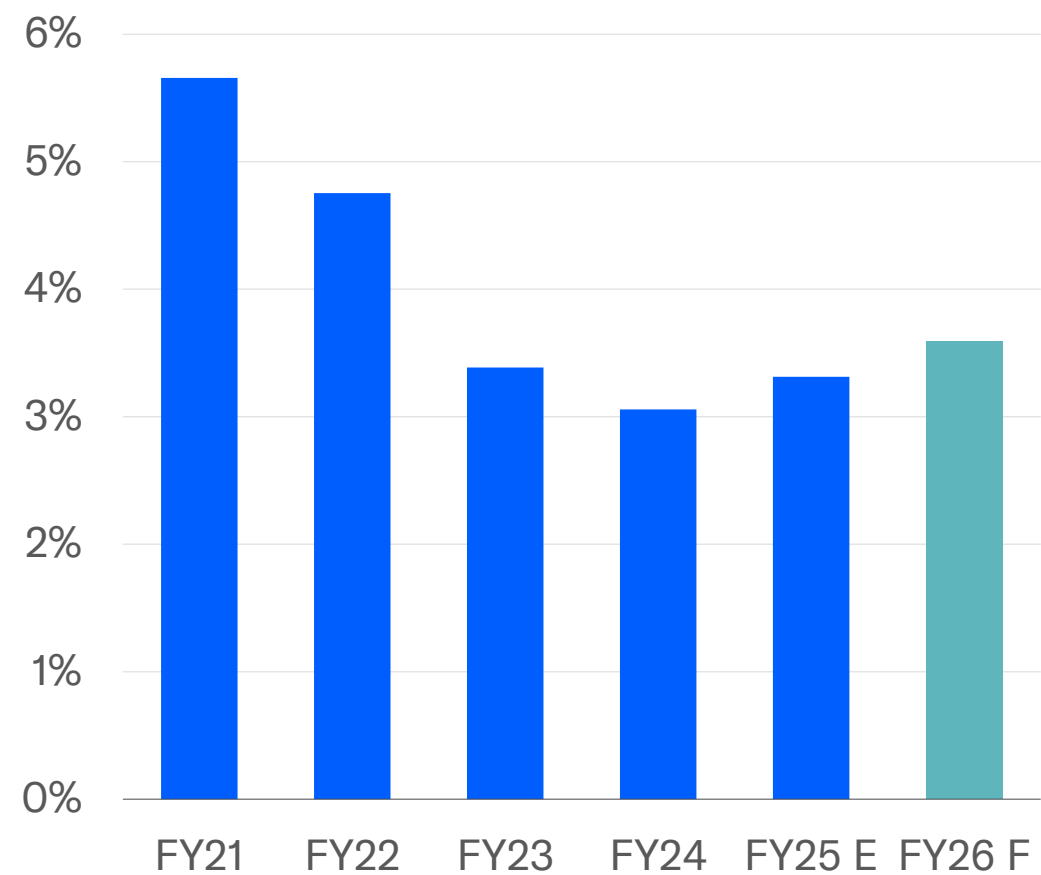
# Asset quality holding on for banks



Note: Fiscal year ending March. Slippage ratio is defined as new accretion of nonperforming assets during the year as a percentage of total standard assets at the start of the year.  
Source: RBI

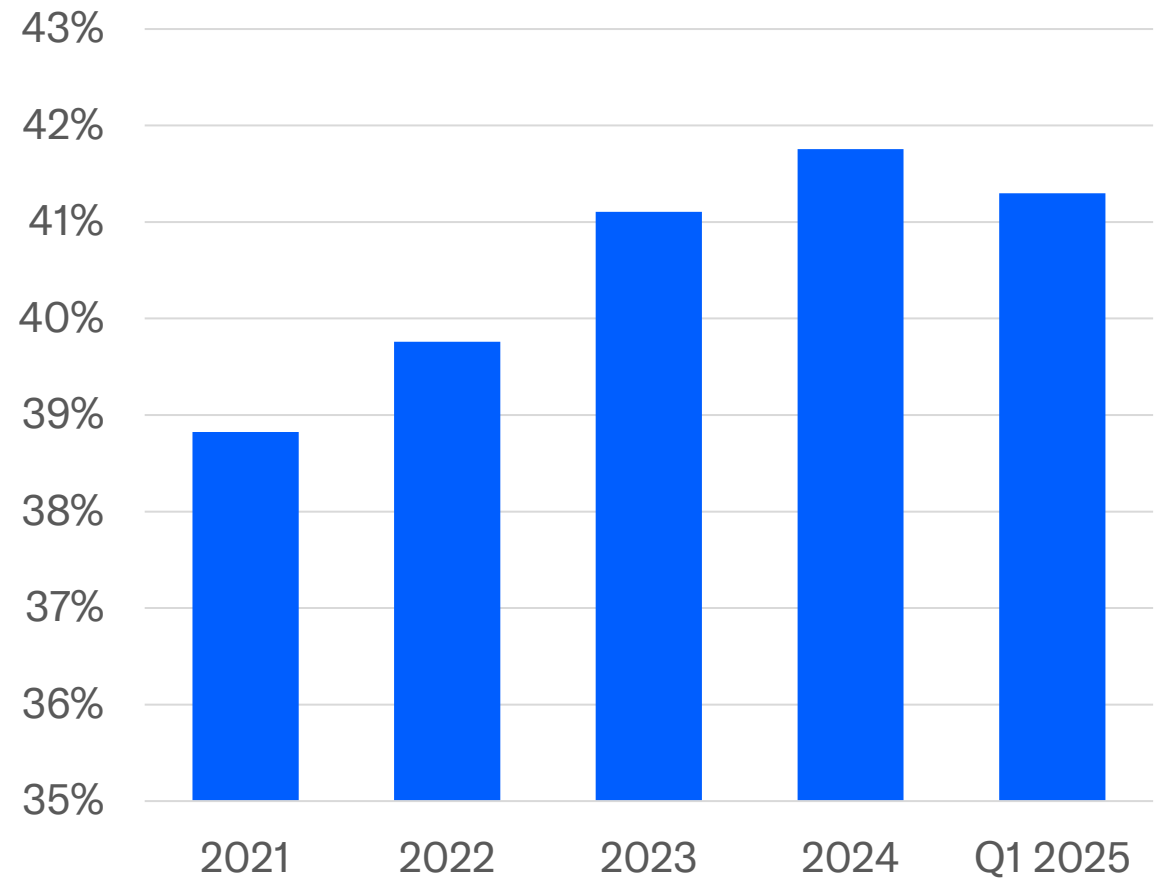
# NBFCs – retail problem loan ratios are rising

Nonperforming retail loans will increase in FY2026



FY25 refers to fiscal year ended 31 March 2025 and so on.  
Sources: Moody's Ratings, RBI

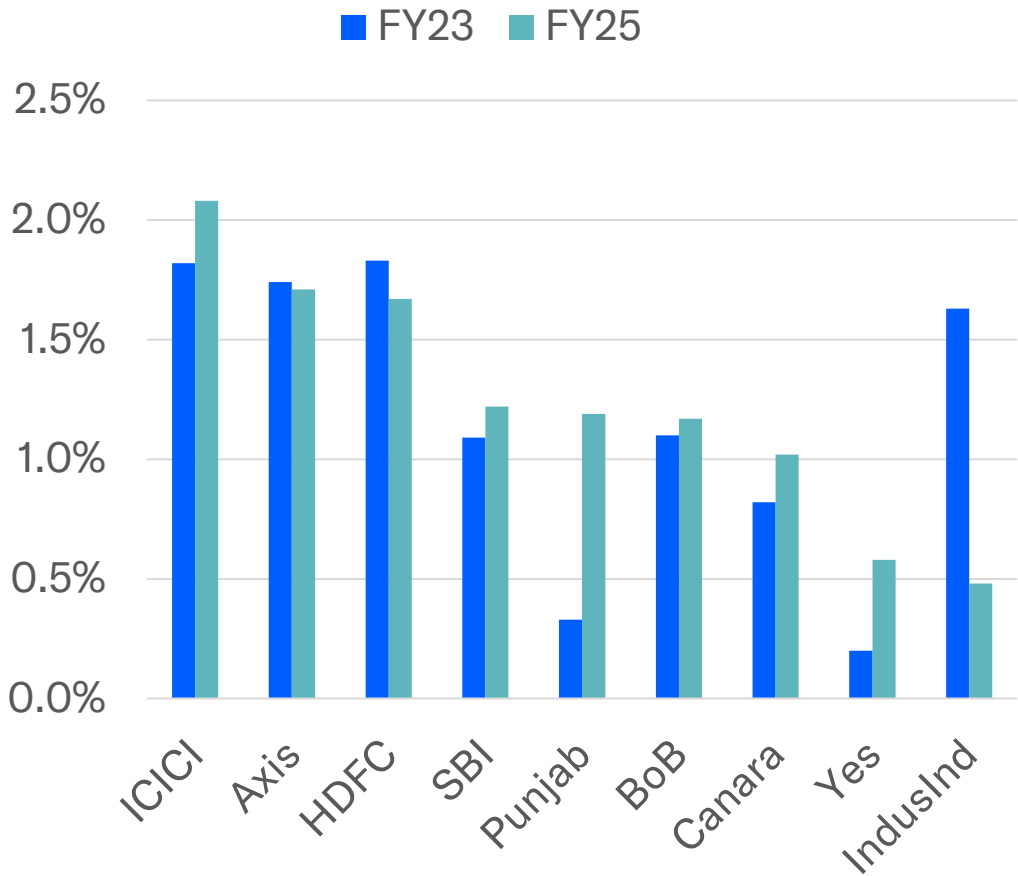
Household debt % GDP has been creeping up since the pandemic



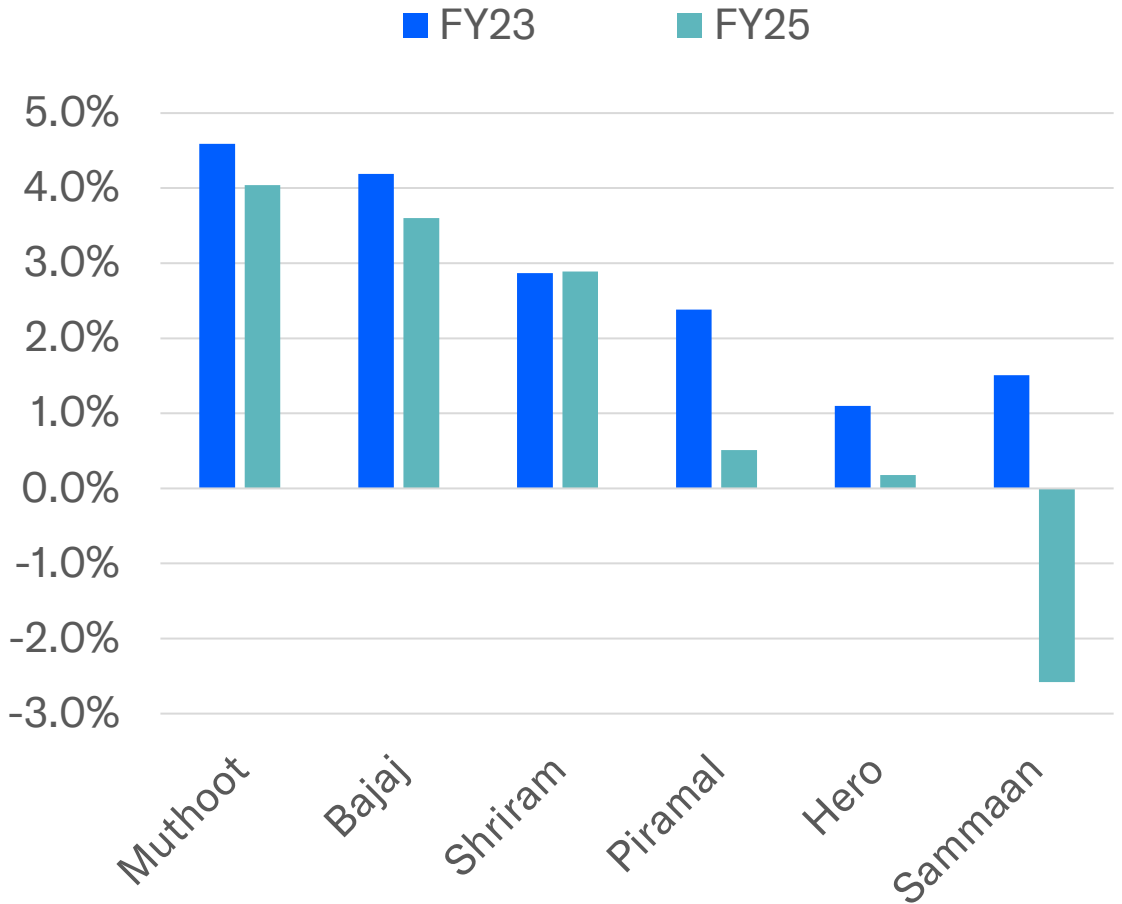
2024 refer to calendar year ending 31 December 2024 and so on.  
Source: Institute of International Finance (IIF)

# Profitability will moderate for banks, stable for NBFCs

Rated banks' return on assets



Rated NBFCs' return on assets

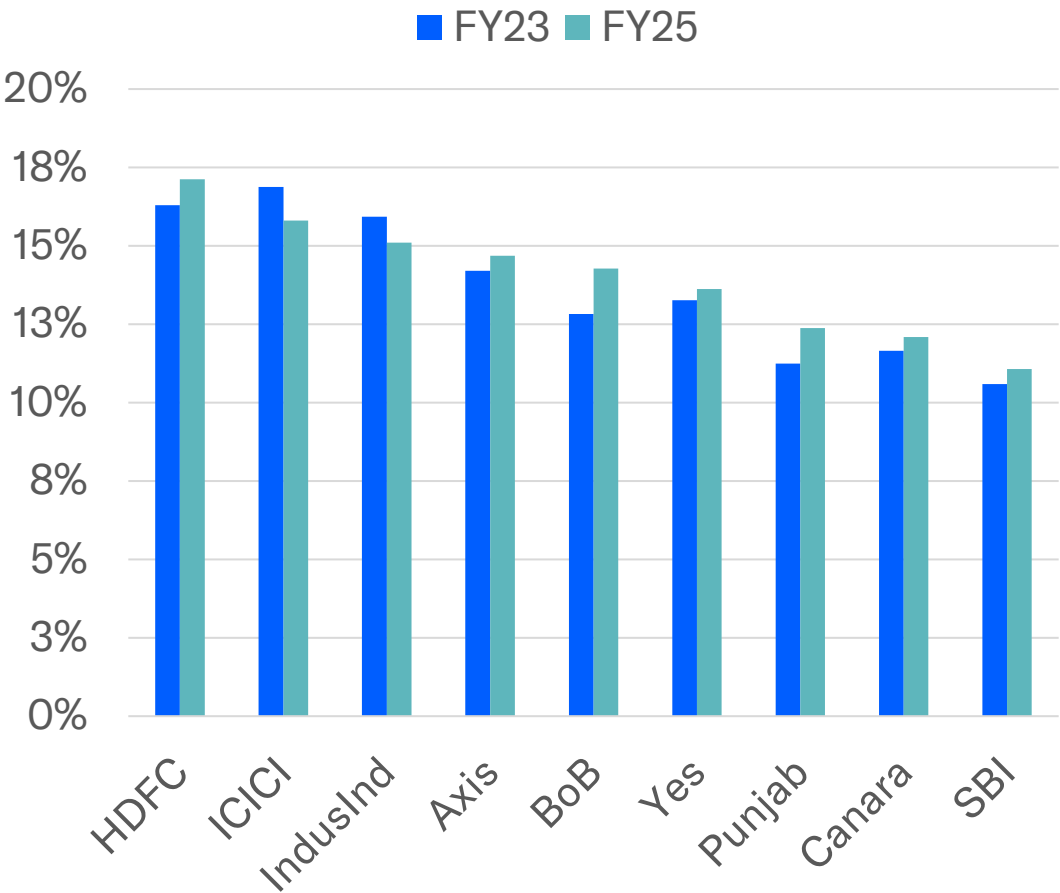


Sources: Moody's Ratings, Company Data

Sources: Moody's Ratings, Company Data

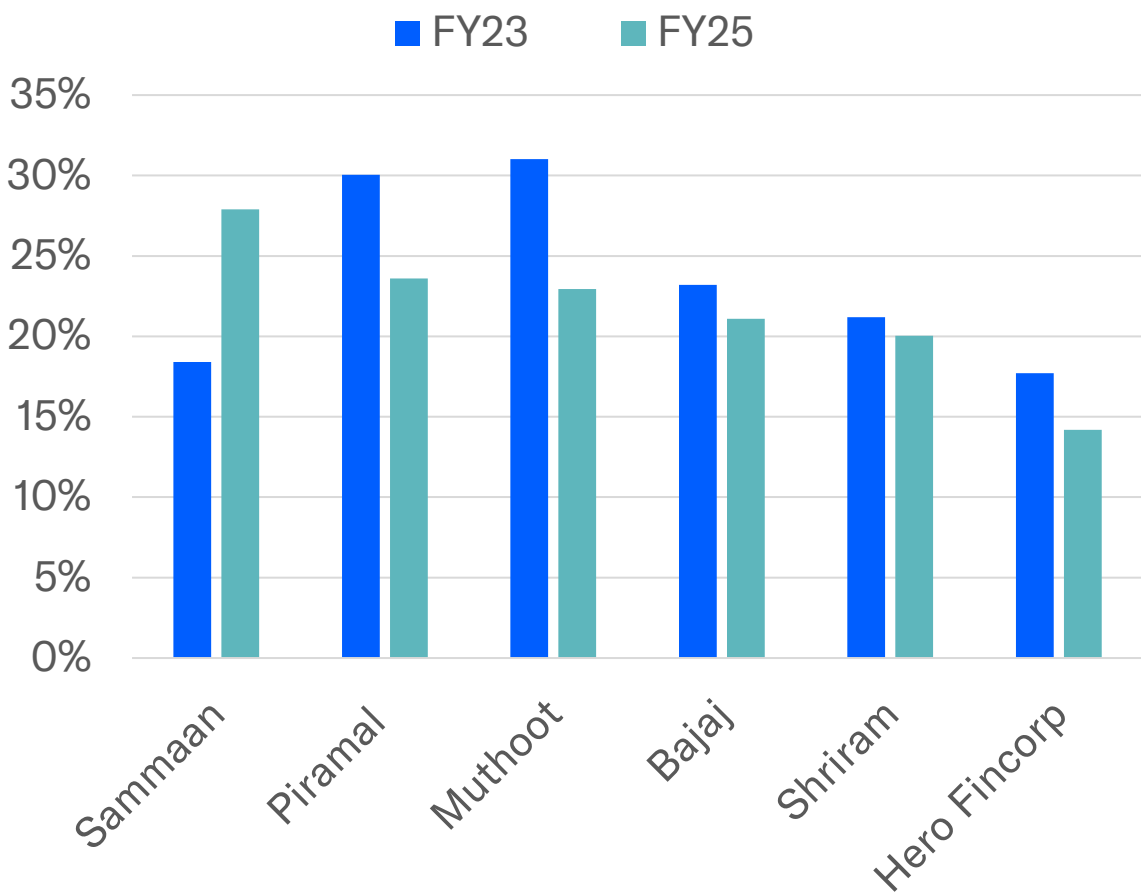
# Capital will remain strong

Rated banks' CET 1 ratio



Sources: Moody's Ratings, Company Data

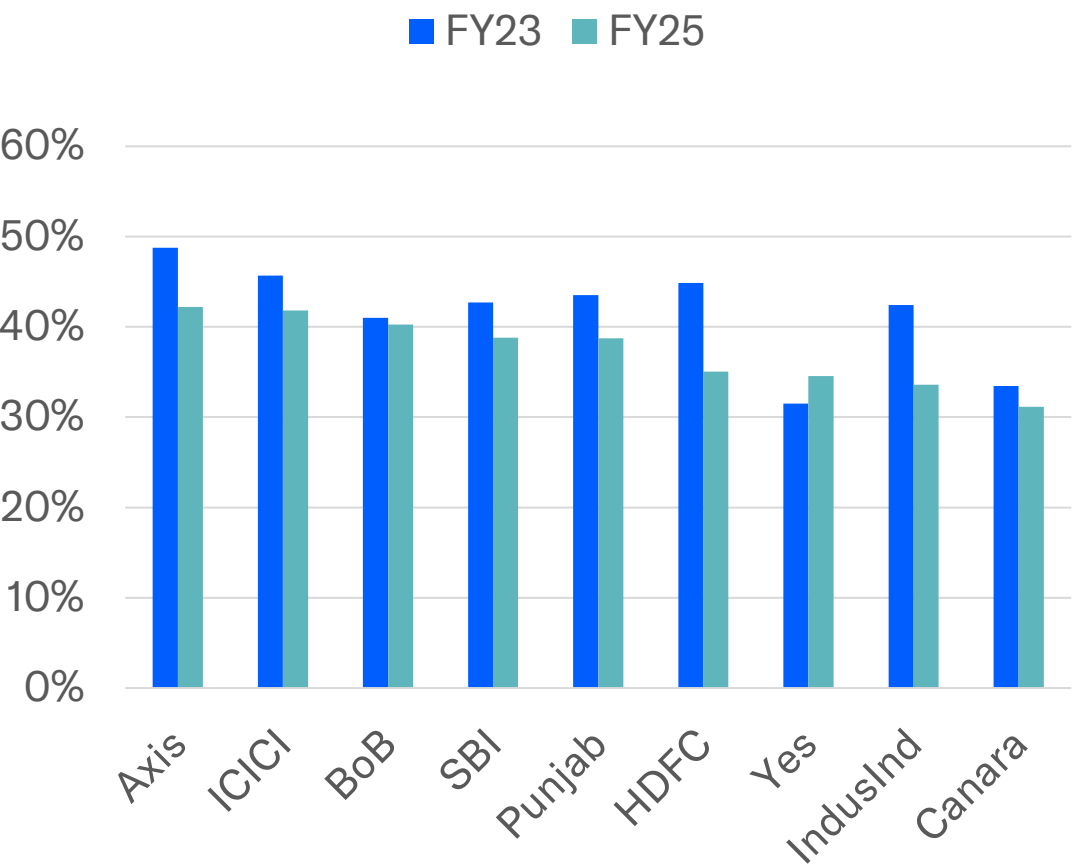
Rated NBFCs' tier I capital adequacy ratio



Sources: Moody's Ratings, Company Data

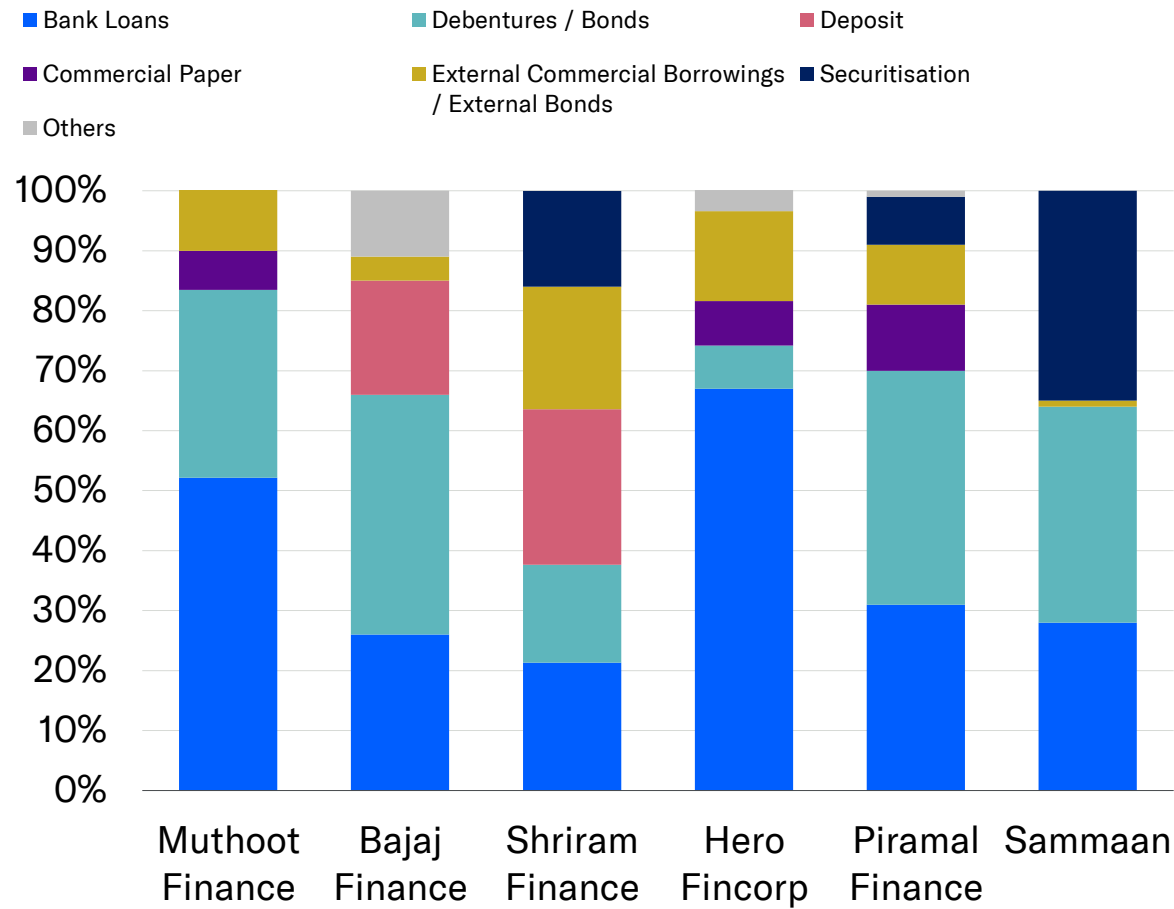
# Funding will be broadly stable

Rated banks' CASA ratio



Sources: Moody's Ratings, Company Data

Rated NBFCs' funding mix



Note: Funding mix as of June 2025 for all NBFCs except Sammaan (as of December 2024).

Sources: Moody's Ratings, Company Data

# Thank you

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