



Secretary, Department of Financial Services, Shri M. Nagaraju, Delivers Keynote Address at the 1st IBA Summit on Risk Management

Indian Banking Sector Demonstrates Unprecedented Resilience with Record-Low NPAs and Robust Credit Growth Despite Global Headwinds: DFS Secretary

Posted On: 07 MAY 2026 4:31PM by PIB Mumbai

Mumbai, 7 May 2026

The Secretary, Department of Financial Services (DFS), Union Ministry of Finance, Shri M. Nagaraju, delivered the keynote address today at the inaugural session of the 1st Indian Banks' Association (IBA) Summit on Risk Management in Mumbai. Based on the theme 'Navigating Uncertainty: Building Resilient Banks', the session was also addressed by Chairman, IBA and Chairman, State Bank of India, Shri C. S. Setty, who delineated the banking industry's strategic priorities for institutional resilience.

During the session, Shri M. Nagaraju also unveiled a comprehensive industry risk survey and a commemorative essay compendium featuring the top 30 entries from a nationwide competition that drew over 650 submissions from banking professionals.

Speaking on the occasion, Shri M. Nagaraju observed that despite various challenges, the economy is growing well and the banking sector is stable and performing well. Shri M. Nagaraju stated, "In an era of global uncertainty, strengthening our risk culture is the ultimate competitive advantage for Indian banks. Risk management, therefore, must be embedded in the culture of every bank", urging institutions to make it a core strategic capability and embed in all the functions of banks. .

Highlighting the structural strength of the Indian banking system, the DFS Secretary praised the executive leadership across Public Sector Banks (PSBs) for systematically reducing Non-Performing Assets (NPAs). He further noted the substantial credit growth across the agriculture, MSME, and corporate sectors. Observing the Indian economy's robust trajectory amidst compounding international challenges such as global tariff issues and geopolitical conflicts, Shri Nagaraju emphasized on the nation's underlying economic strength.



Addressing the integration of advanced technologies, the DFS Secretary acknowledged the benefits of digital infrastructure but cautioned against emerging cyber vulnerabilities. Furthermore, Shri Nagaraju underscored the critical importance of customer protection in an increasingly digital landscape, stating, "Customer trust is the foundation of banking. Every bank must ensure that customers, particularly small businesses, senior citizens, first-time digital users, and the vulnerable segments are adequately protected."

He concluded by advocating for a governance led by senior management to cultivate a pervasive risk culture by equipping Chief Risk Officers (CROs) with the requisite independence and resources. He commended the IBA for its historical role in strengthening the banking sector, noting that risk management has evolved well beyond traditional compliance.

The dignitaries present at this Summit included Executive Director, Indian Overseas Bank, Shri T. Dhanaraj; Executive Director, Bank of India, Shri Rajiv Mishra; Executive Director, Punjab National Bank, Shri Amit Kumar Srivastava; and Professor, Indian Institute of Management (IIM) Bangalore, Prof. M. Jayadev. The inaugural session was attended by distinguished dignitaries, policymakers, and senior leadership from the financial sector as well.



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