Secretary, Department Financial Services reviews performance of Public Sector Banks for FY 2025–26

PSBs achieve highest-ever net profit of ₹ 1.98 lakh crore; aggregate business reaches ₹283 lakh crore with GNPA at historic low of 1.93% in FY 2025–26

Coffee Table Book on “आपकी पूँजी, आपका अधिकार (Your Money, Your Right)” unveiled, highlighting nationwide efforts towards tracing and restitution of unclaimed financial assets

Revamped DFS website launched with multilingual and accessibility features to enhance citizen interface and information dissemination

Posted On: 29 MAY 2026 6:05PM by PIB Delhi

Secretary, Department of Financial Services (DFS), Shri M. Nagaraju chaired a review meeting today of Public Sector Banks (PSBs) to assess their performance and progress across key operational, financial and strategic priorities during FY 2025–26. The meeting was attended by Special Secretary, Department of Financial Services, senior officials of DFS, Chairman, State Bank of India, Managing Directors & Chief Executive Officers (MD & CEOs) and Executive Directors of Public Sector Banks.

During the meeting, a Coffee Table Book on "आपकी पूँजी, आपका अधिकार (Your Money, Your Right)" was unveiled. It captures the nationwide campaign undertaken to empower citizens to identify and reclaim unclaimed financial assets and highlights collaborative efforts by banks, financial institutions, regulators and other stakeholders towards facilitating tracing, claim settlement and restitution of unclaimed financial assets to their rightful owners. Over the past six months, over ₹ 6,800 crore has been restituted to nearly 29 lakh claimants across the country.

The revamped website of the Department of Financial Services was also launched during the meeting. Designed with a citizen-centric approach, the portal offers enhanced accessibility, seamless navigation and improved dissemination of information. The website is available in 23 regional languages and incorporates accessibility features for persons with visual impairments, reinforcing the Government's commitment to inclusive, accessible and citizen-centric digital service delivery.

Performance of Public Sector Banks across key areas including business growth, profitability, asset quality, implementation of Government schemes, financial inclusion, digital ecosystem, MSME credit flow, cyber resilience and operational risk management was comprehensively assessed. It was highlighted that Public Sector Banks demonstrated strong financial and operational performance during FY 2025–26. Aggregate business of PSBs reached approximately ₹283.3 lakh crore as on 31 March 2026, while aggregate net profit increased to around ₹1.98 lakh crore, recording the highest-ever annual net profit in the history of Public Sector Banks. Asset quality also remained robust, with Gross Non-Performing Assets (GNPA) reaching a historic low of 1.93% and Net Non-Performing Assets (NNPA) declining to 0.39%, reflecting continued strengthening of balance sheets and prudent risk management practices.

Progress under major financial inclusion initiatives including Pradhan Mantri Jan Dhan Yojana, social security schemes, Pradhan Mantri Mudra Yojana, PM Vishwakarma and digital lending initiatives was also reviewed. Public Sector Banks continue to play a pivotal role in expanding financial access and strengthening last-mile delivery of banking services across the country.

Status of implementation of end-to-end digital lending journeys for small-value loans and welfare-linked schemes was also reviewed during the meeting. Public Sector Banks highlighted measures such as paperless processing through e-KYC and digital documentation, straight through processing (STP) and integration with Government platforms to improve accessibility and customer experience.

Deliberations also covered strengthening of digital banking ecosystems, enhancement of cyber security frameworks and initiatives for improving access to credit for MSMEs and other productive sectors of the economy.

The discussions also underscored the need for Public Sector Banks to adopt prudent expenditure and austerity measures at all levels while maintaining resilience amid evolving global uncertainties. Banks were advised to provide proactive and need-based support to eligible borrowers under ECLGS 5.0, strengthen grievance redressal mechanisms with adequate oversight, improve operational efficiency and explore new business opportunities to sustain profitability and long-term growth.

Banks were advised to maintain preparedness and adaptability to the recent crisis in the Middle East and evolving global situation.

Special Secretary, DFS highlighted the importance of strengthening institutional capabilities, operational efficiency and innovation-driven banking practices to meet the evolving requirements of a rapidly transforming financial ecosystem. He emphasised that Public Sector Banks should continue leveraging technology responsibly while remaining focused on inclusive growth, customer service and long-term institutional resilience.

Secretary, DFS also underscored the importance of maintaining robust grievance redressal systems, strong governance standards and operational preparedness to ensure that the banking system remains resilient, trusted and aligned with the vision of Viksit Bharat 2047.

*****

NB/AD