



PUBLIC SECTOR BANKS: ECONOMY

NEWS: Public Sector Banks: A Resurgent Force

WHAT'S IN THE NEWS?

Public Sector Banks (PSBs) in India achieved record profits of ₹1.41 lakh crore in FY 2023-24, with a significant decline in the GNPA ratio to 3.12%. They also contributed to financial inclusion through schemes like Jan Dhan accounts and Kisan Credit Cards, while expanding banking access in rural areas.

Public Sector Banks (PSBs) Achievements:

1. Record Profit in FY 2023-24:

- PSBs made a record profit of ₹1.41 lakh crore in FY 2023-24, the highest ever for the sector, showing improved financial health.

2. Decline in Non-Performing Assets (GNPA):

- The GNPA ratio of PSBs fell from 14.58% in 2018 to 3.12% in September 2024, thanks to measures like the Asset Quality Review (AQR) and the government's 4R strategy.

3. Improved Capital and Efficiency:

- PSBs' capital ratio (CRAR) increased to 15.43% in September 2024, indicating a stronger and more stable banking sector.

4. Dividend Payments:

- PSBs paid a total of ₹61,964 crore in dividends over the last three years, showing their profitability and stability.

5. Financial Inclusion:

- PSBs contributed to financial inclusion with 54 crore Jan Dhan accounts and 52 crore collateral-free loans under government schemes.

6. Branch Expansion:

- PSBs increased their branches from 1.18 lakh in 2014 to 1.60 lakh in 2024, especially in rural and semi-urban areas, improving banking access.

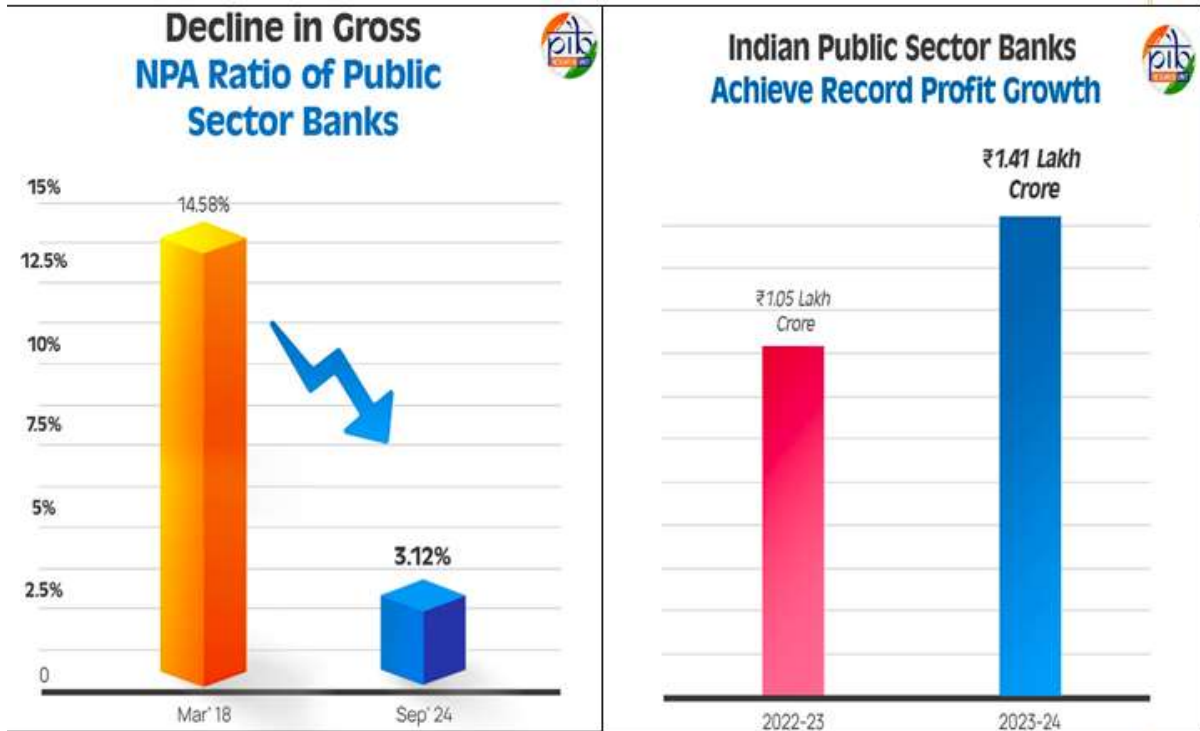
7. Support for Farmers and MSMEs:

- The Kisan Credit Card (KCC) scheme supported 7.71 crore farmers with loans worth ₹9.88 lakh crore. MSME loans grew to ₹28.04 lakh crore in 2024.



8. Reforms under EASE Framework:

- The EASE framework introduced reforms to improve governance, risk management, and technology in PSBs, making them more efficient.



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