
Banks' gross NPAs may rise to 9.8% by March 2022: RBI report

Gross non-performing assets (GNPAs) of banks may rise to 9.8 per cent by March 2022 under a baseline scenario, from 7.48 per cent in March 2021, according to the Financial Stability Report (FSR) released by the Reserve Bank of India. Under a severe stress scenario, GNPA of banks may increase to 11.22 per cent, it added.

"Macro stress tests indicate that the gross non-performing asset (GNPA) ratio of banks may increase from 7.48 per cent in March 2021 to 9.80 per cent by March 2022 under the baseline scenario

The latest FSR, however, said banks have sufficient capital, both at the aggregate and individual level, even under stress.

Within the bank groups, public sector banks' (PSBs) GNPA ratio of 9.54 per cent in March 2021 edging up to 12.52 per cent by March 2022 under the baseline scenario is an improvement over earlier expectations and indicative of pandemic proofing by regulatory support, it added.
