

Business Standard

30 of 50 banks may not meet capital adequacy norms: RBI

Financial Stability Report says NBFCs perform better than banks

Nupur Anand | Mumbai June 29, 2016 Last Updated at 00:22 IST



Outside RBI Headquarters in Mumbai. Photo: Kamlesh Pednekar

The Reserve Bank of India (RBI) has raised concerns over the capital adequacy ratio of many lenders (30 of 50), saying they might not be able to meet the norms under extreme scenarios. In its Financial Stability Report, it said this ratio doesn't seem threatened for now but could slip below the required level if there's a surge in bad loans. Tests conducted by RBI suggest that under a baseline scenario, gross non-performing assets (NPAs) could rise to 8.5 per cent of the total by March 2017, from 7.6 per cent in 2016. However, if banks' asset quality faces ...