DAILY NEWS DIGEST BY BFSI BOARD

01 September 2026

India's GDP growth accelerates to 7.8% in Q1 FY27: India's gross domestic product (GDP) grew 7.8 per cent in the first quarter of FY27, to Rs.81.36 lakh crore, compared with a revised 6.9 per cent in the same quarter last fiscal, despite disruptions in West Asia, elevated energy prices and global trade uncertainties. Chief Economic Adviser V Anantha Nageswaran said the numbers reflect "continued resilience in the Indian growth performance," with contributions across sectors. "All the sectors have contributed. Agriculture, slightly less so, but we have manufacturing and services doing quite well in the first quarter despite the West Asia related uncertainty," he said, crediting government efforts to insulate input supplies from the crisis.
(Business Line)

India's April-July fiscal deficit narrows to 26.8% of FY27 target: India's fiscal deficit for the first four months of this fiscal year stood at Rs.4.55 lakh crore or 26.8 per cent of the full-year target at the end of July, according to data released by the Controller General of Accounts (CGA) on Monday. The deficit was at 29.9 per cent of Budget Estimates (BE) of 2025-26 for the first four months of the previous financial year. While presenting the Budget for FY27, Finance Minister Nirmala Sitharaman had pegged the fiscal deficit target of 4.3 per cent of the GDP or Rs.16.96 lakh crore for the current fiscal, maintaining that the government's fiscal consolidation path and its commitment to keeping the Budget gap under control.
(Business Line)

India's 7.8% growth beats estimates, but experts point to red flags: India's economy grew a strong 7.8 per cent in the June quarter of FY27 despite the West Asia crisis, which many economists and analysts say was a 'positive surprise." But they also flagged pockets of concern beneath the headline number including inflation, agriculture performance due to weather related uncertainties and looming risks from geopolitical tensions. A strong GDP growth rate in the first quarter of FY27, despite it being a quarter of peak West Asia crisis, is a "positive surprise," noted Rajni Thakur, Chief Economist at L&T Finance. "While risks from global uncertainties and El Nino remain on the horizon, strong capex, robust credit growth, and continued policy support should sustain economic activities for the rest of the fiscal year and drive it above the 7 per cent level," Thakur said.

(Business Line)

Kotak Bank recommends two internal candidates for CEO post: Report: Kotak Mahindra Bank has recommended two internal candidates to the Reserve Bank of India to succeed Chief Executive Ashok Vaswani when his term ends next year, Reuters reported on Monday, citing sources. The private-sector lender has proposed Executive Directors Anup Saha and Paritosh Kashyap for the top job, the report said. The recommendations mark the first step in the succession process for Vaswani, who has said he will not seek reappointment when his term ends on December 31, 2026. The banking rules require lenders to recommend at least two candidates for the CEO position. The RBI can approve one of the names or ask the bank to consider other candidates if it finds the proposed names unsuitable.

(Business Today)

Mutual fund's overseas assets jump 24% reducing net foreign liabilities: RBI: Indian mutual funds significantly expanded their overseas investments in 2025-26, helping reduce their net foreign liabilities even as investments by non-resident investors in Indian mutual fund schemes continued to grow, according to the latest

survey released by RBI. The survey, covering 53 mutual funds and their asset management companies (AMCs), found that the foreign liabilities of mutual funds rose 3.3 per cent year-on-year to $31.5 billion as of March 2026, largely due to an increase in the market value of units held by overseas investors.
(Business Line)

People aged above 40 account for 76 pc of individual deposits in banks: RBI data: Individuals over forty hold most bank deposits, while younger workers contribute less. Term deposits grew significantly, outpacing savings and current accounts. Large deposits of one crore and above formed a substantial portion. Bank credit growth accelerated, driven by corporate sector loans. Interest rates on loans below nine percent increased notably. People over 40 years of age account for over three-fourths of individual deposits in the country's banks as of June this year, data released by the Reserve Bank said on Monday. Those aged between 25-40 years, who are in what can be defined as working age, account for a little less than 20 per cent of the individual deposits, the data said.
(Economic Times)

Bank credit to industry rises 20 percent in July: RBI data: Bank credit to industry grew by 20 per cent in July, while advances to the agriculture sector expanded at a faster pace of 17 per cent, according to Reserve Bank data released on Monday. The Reserve Bank of India (RBI) has released data on sectoral deployment of bank credit for July collected from 41 select scheduled commercial banks (SCBs) which together account for about 95 per cent of the total non-food credit. On a year-on-year (y-o-y) basis, non-food bank credit grew by 19.1 per cent as on the fortnight ended July 31, 2026, compared to 9.9 per cent during the corresponding fortnight of the previous year (July 25, 2025), RBI said.
(Economic Times)

Private banks' deposit growth outpaces PSBs' by nearly 350 bps at June-end: Deposit growth in private sector banks outpaced public sector banks (PSBs) by nearly 350 basis points at the end of June 2026. Deposits in private banks grew by 13.8 per cent while those in PSBs rose by 10.3 per cent at the end of June 2026, according to the latest data by the Reserve Bank of India (RBI). Credit growth of scheduled commercial banks outgrew deposit growth by nearly 500 basis points at the end of

June 2026. Deposits in scheduled commercial banks grew by 11.5 per cent year-on-year (YoY) at the end of the quarter as compared with 11.3 per cent last year, while credit grew by 16.5 per cent as against 9.9 per cent YoY in the year-ago period. As of June 2026, the share of term deposits bearing an interest rate of less than 7 per cent had increased to more than two-thirds of total term deposits from 35 per cent a year ago.

(Business Standard)

Services sector growth broadens in June; real estate leads with 24.7%: Eighteen of the 19 sub-sectors in services recorded growth in June, up from 16 in May, with only air transport in contraction, according to the third print of the trial Index of Services Production (ISP), released by the National Statistics Office (NSO) on Monday. Eight of them logged double-digit growth, unchanged from May but below the 14 seen in April. Two sectors that had contracted in May returned to growth. Postal and courier services, which had contracted 1 per cent, rose 5 per cent, while information and broadcasting swung from a 7.6 per cent contraction to 4.6 per cent growth. Air transport remained in contraction for a third consecutive month, with the pace of decline widening to 6 per cent from 2.8 per cent in May, the data showed. Real estate was the fastest-growing segment in June, accelerating to 24.7 per cent from 17.7 per cent in May.

(Business Standard)

PNB may list Haryana Gramin Bank in Q4 or early FY28, says MD & CEO: PNB is preparing to list its regional rural bank (RRB), Haryana Gramin Bank, in the fourth quarter of the current financial year or early 2027-28 (FY28), Managing Director and Chief Executive Officer Ashok Chandra said on Monday. “We have eight RRBs now after consolidation and one of our RRBs — Haryana one — is getting prepared for listing,” Chandra told Business Standard on the sidelines of PNB’s AI Summit in New Delhi. “I am expecting that the RRB will be definitely listed in the next financial year.

Our aim is either in the fourth quarter of this year or beginning of the financial year 2027-28." The listing would make Haryana Gramin Bank among the first RRBs to tap the public markets following the government's consolidation exercise under its 'One State One RRB' initiative.

(Business Standard)

Rs.10 trillion VRRR draws tepid response amid Rs.5 trillion liquidity flush: Banks parked just Rs.3.84 trillion during the Reserve Bank of India's (RBI's) variable rate reverse repo (VRRR) auctions on Monday, less than half the Rs.10 trillion notified amount, despite surplus liquidity in the banking system rising above Rs.5 trillion to its highest level since the third week of April. They had parked over Rs.5 trillion each on Friday and Saturday at the RBI's liquidity adjustment facility window. Demand at the VRRR auction remained subdued as liquidity in the banking system is unevenly distributed, with surplus funds concentrated among a few banks, dealers said.

(Business Standard)

RBI's net short dollar position in forwards hits record $136.77 billion: The Reserve Bank of India's (RBI's) outstanding net short dollar position in the forward market surged to record $136.77 billion by July-end from $103.33 billion in June-end, data released by the central bank on Monday showed. Short positions in less than one year rose to $47.66 billion by July-end, against $40.33 billion by June-end. The short positions in longer than one year tenure rose to $91.54 billion from $64.21 billion during the same period. Of the $136 billion net short dollar position, $15.59 billion was in one-month contracts, $7.32 billion in 1-3 month tenures, $24.75 billion position is set to mature between three months and a year, and the remaining $91.54 billion was in more than a year contract. The central bank had $2.43 billion long position in the one-month contract.

(Business Standard)

FINANCIAL TERMINOLOGY

UNIFIED MANAGED ACCOUNT

- A unified managed account (UMA) is a professionally managed private investment account that can include multiple types of investments all in a single account. Investments may include mutual funds, stocks, bonds, and exchange-traded funds. Unified managed accounts are often rebalanced on a specified schedule.
- The unified managed account is one of a few options a high net worth investor has for managing their assets. The unified managed account is an evolution of the separately managed account, which is similar in that it is a professionally managed account that is rebalanced often. However, separately managed accounts are typically not known for pooling multiple investments and investment vehicles with varying objectives. Separately managed accounts are a high net worth investment alternative, usually offered by an investment manager, that typically focuses on a targeted strategy managed as a separate account for the investor.

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RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 95.4509
INR / 1 GBP : 129.2873
INR / 1 EUR : 110.6079
INR /100 JPY: 59.7200

EQUITY MARKET

Sensex: 76957.27 (-307.24)
NIFTY: 24080.40 (-95.25)
Bnk NIFTY: 58024.95 (+528.65)

Courses Conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
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- Certificate Course on Treasury, Foreign Exchange and International Banking

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- Monograph on Climate Risk and Green Finance-Banking Sector: International Practices and Indian Perspective (2nd Series)
- Guidance Note on Cost Control Strategies in the Banking Sector
- Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks
- Handbook on Restructuring of Bank Loans

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