

|  |                                  |                                  |   |                                |                         |                                |                        |
|--|----------------------------------|----------------------------------|---|--------------------------------|-------------------------|--------------------------------|------------------------|
| 02:18 PM   27 JAN<br><b>MARKET STATS</b> ▾ | SENSEX<br><b>27,948</b> ▲ 239.54 | NIFTY 50<br><b>8,663</b> ▲ 59.80 | GOLD (MCX) (Rs/10g.)<br><b>28,145</b> ▼ -240.00 | USD/INR<br><b>68.13</b> ▲ 0.05 | <b>CREATE PORTFOLIO</b> | <b>Download ET MARKETS APP</b> | CHOOSE LANGUAGE<br>ENG |
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# Non-core assets can come to the rescue of state-run banks

By ET Bureau | Updated: Jun 22, 2016, 06:47 AM IST

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They may be starved of capital, but state-run banks together own thousands of crores in non-core assets, which can be put on the block to generate assets for growth.

Four lenders alone own about Rs 30,000 crore of assets between them through their holdings in stock exchanges, ratings agencies, life insurance companies and housing finance companies. These banks can monetise up to 51 per cent of their total stake worth Rs 22,582 crore in life insurance companies. Here is a broad picture of the non-core assets select public sector banks own.

**Budget 2017:**  
This Budget could be the toughest test of Modi's life. [Read about it in our Budget 2017 coverage](#)

| BANK      | CAR*  | NON-CORE ASSET | STAKE HELD (%) | VALUATION (₹ crore) |
|-----------|-------|----------------|----------------|---------------------|
| IDBI BANK | 11.67 | NSE            | 3.0            | 526.5               |
|           |       | CARE           | 5.5            | 280.0               |
|           |       | NSDL           | 30.0           | 360.0               |
| SBI       | 13.12 | NSE            | 10.9           | 1,913.0             |
|           |       | CDSL           | 9.57           | 115.0               |
| BoB       | 13.17 | CIBIL          | 6.0            | 93.0                |
|           |       | CDSL           | 5.07           | 61.0                |
| PNB       | 11.28 | PNB GILTS      | 74.07          | 333.0               |
|           |       | PNB HSG FIN    | 51.01          | 2,500.0             |

\*Capital adequacy ratio

### The Insurance Goldmine!

| Bank      | Insurance Venture           | JV Partner                       | Stake Held (%) | Valuation (₹ Cr) |
|-----------|-----------------------------|----------------------------------|----------------|------------------|
| SBI       | SBI Life Insurance          | BNP Paribas                      | 74             | 19,610           |
| PNB       | PNB Met Life Insurance      | Metlife International            | 30             | 1,200            |
| IDBI Bank | IDBI Federal Life Insurance | Ageas & Federal Bank             | 74             | 672              |
| BoB       | Indiafirst Life Insurance   | Andhra BK & UK's Legal & General | 44             | 1,100            |

- State-owned banks would need ₹1.8 lakh crore of capital to meet Basel-III norms, of which ₹70,000 crore will be provided by the government
- Rating agency ICRA has estimated that state-run lenders will need to raise a total of ₹3.3 lakh crore in tier-I capital between fiscal 2016 and 2019.
- About 88% of the total capital requirement will be needed by public sector banks
- By March 2019, Indian banks will need to have a capital adequacy ratio of 11.5% against 9% now
- SBI plans to sell 10% stake in its life insurance venture and 23% stake in its general insurance company. SBI also plans to sell 5% stake in NSE
- Punjab National Bank holds 81% stake in PNB Insurance Broking and 100% stake in PNB Investment services

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