

## PSBs can get \$8bn from non-core assets sale

TimesNewsNetwork

**Mumbai:** Public sector banks (PSBs), which need over Rs 3 lakh crore worth of fund infusion in the next 3-5 years to clean up their balance sheet and also for growth to meet the strict international banking standards (Basel III norms), could mobilize about Rs 50,000 crore (about \$8 billion) if they sell their non-core businesses like holdings in life and general insurance companies, stock exchanges, credit rating agencies etc.

According to a report by foreign brokerage Jefferies, SBI, the largest bank in the country, will be the biggest beneficiary which can mobilize nearly half of the total amount, that is about Rs 24,800 crore if it liquidates its holdings in insurance ventures, mutual funds, stock exchanges, rating agencies, asset reconstruction companies, depositories and other financial institutions. The report estimated that SBI's holding in SBI Life is worth about Rs 13,000 crore, while its holdings in two mutual funds, SBI MF and UTI MF are worth Rs 226 crore.

The second biggest gainer, will be IDBI Bank which can get about Rs 6,000 crore, followed by PNB, estimated to be holding assets worth about Rs 3,500 crore through its holdings in non-core assets. The report, however, pointed out that how much stake these PSBs can offload will finally be decided by the government. "We agree that not everything can or will be sold, but the need to unlock value from the non-core assets has never been higher than it is today" analysts at Jefferies wrote in the report.

Andhra Bank could be the biggest beneficiary from its holding in IndiaFirst Life Insurance, brining in 12% of its own market value or Rs 530 crore, while IDBI Bank could get about 10% of its market value, or about Rs 1,650 crore from its holding in NSE, the country's top bourse, the report noted.