

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

**UNSTARRED QUESTION NO. 12**

TO BE ANSWERED ON THE 2<sup>ND</sup> February 2018/ Magha 13, 1939 (SAKA)  
**Losses suffered by PSBs**

**12. SHRIMATI SUPRIYA SULE:**  
**SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:**  
**SHRI P.R. SUNDARAM:**  
**SHRI DHANANJAY MAHADIK:**  
**DR. J. JAYAVARDHAN:**  
**SHRI SATAVRAJEEV:**  
**DR. HEENA VIJAYKUMAR GAVIT:**

Will the Minister of FINANCE be pleased to state:

- (a) whether sudden surge in bond yields has resulted in mark-to-market losses for many Public Sector Banks (PSBs) that are already bleeding under the bad loan burden;
- (b) if so, the details thereof along with the quantum of losses suffered by each PSB;
- (c) whether the PSBs have requested RBI to allow them to spread these losses over two quarters, if so, the details thereof;
- (d) the response of the RBI in this regard; and
- (e) the steps taken by the Government to improve the profitability of PSBs?

**ANSWER**

The Minister of State in the Ministry of Finance  
(SHRISHIV PRATAP SHUKLA)

(a) and (b): Some Public Sector Banks had mark-to-market losses for the quarter ending September 2017. Details are given in the Annexure.

(c) and (d): Indian Banks' Association (IBA), on 1.1.2018, requested RBI to allow banks to provide for anticipated mark-to-market depreciation for the quarter ending December 2017, over six quarters. IBA has apprised that they are not in receipt of a reply.

(e): Steps taken by the Government to improve profitability include the following:

- (i) recapitalisation of PSBs to augment credit growth;
- (ii) enactment of Insolvency and Bankruptcy Code, amendments to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, and establishment of six new Debts Recovery Tribunals to improve recovery;
- (iii) thrust on digitisation of the economy, which would reduce operating costs; and
- (iv) realising value from banks' non-core investments, by way of capital receipts.

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Lok Sabha USQ No. 12 for 2.2.2018, regarding “Losses suffered by PSBs”

**Mark-to-Market loss for the quarter ending September 2017**

Amounts in crore Rs.

<b>Bank</b>	<b>Loss</b>
Allahabad Bank	321.92
Bank of India	1,593.93
Canara Bank	320.38
Indian Bank	200.54
Punjab & Sind Bank	1.57
Punjab National Bank	84.45
Syndicate Bank	2.39
United Bank of India	143.59
IDBI Bank	2.23

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