

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-3107
ANSWERED ON- 15/03/2021

STRESSED ASSETS OF BANKS

3107. SHRI MANNE SRINIVAS REDDY
SHRI KOTHA PRABHAKAR REDDY

Will the Minister of FINANCE be pleased to state:-

(a) whether the estimated overall stressed assets (gross nonperforming assets + restructured assets) could rise 30 per cent for the banking system and the increase is almost 1.7 times in the retails segment in the second half of Financial Year 2021-22 and if so, the comparative details thereof in the last five years and current year as on date and reasons therefor, bank-wise; and

(b) whether a lot of the retail stress was coming from unsecured advances and that it would be seen more in private banks because of their higher exposure to unsecured loans and the stock of stressed retail assets for Public Sector Banks (PSBs) could rise to 2.9 percent in Financial Year 2021-22 from 2.1 per cent in Financial Year 2020-21 while it could climb from 1.2 per cent to 4.3 per cent for private banks and also expected deposit rates to rise as credit growth revives and capital market flows are enhanced in future and if so, the details worked out and if not, the reasons for not working out, PSB and private bank-wise ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): The Reserve Bank of India (RBI) is the supervisor of the banking system and releases a Financial Stability Report (FSR), which contains, *inter alia*, its projections of gross non-performing assets (NPAs) based on macro stress tests. While the latest FSR, of January 2021, does not contain projections in respect of overall stressed advances, stressed retail advances and deposit rates, as per the report, the gross NPA ratio of scheduled commercial banks (SCBs), under the baseline scenario, may increase from 7.5 per cent in September 2020 to 13.5 per cent by September 2021.

As per RBI inputs, the said gross NPA ratio has been arrived at without factoring in the impact of the policy actions under way, *viz.*, RBI's resolution framework for COVID-19-related stress and one-time restructuring of loans to micro, small and medium enterprises (MSMEs), which aim to facilitate revival of real sector activities and mitigate the pandemic's impact on borrowers. Under the said framework/scheme, resolution/restructuring of eligible loan accounts is permitted without asset classification downgrade. Therefore, the actual movement of gross NPA ratio of SCBs will depend on the extent to which the benefit of the said framework/scheme is availed of by the eligible borrowers and facilitates revival and mitigates the pandemic's impact on borrowers.

Bank-wise details of stressed advances as a percentage of the overall advances and stressed retail advances as a percentage of the retail advances of SCBs, as at the end of each of the last five financial years and at the end of December 2020, as per RBI data, are at Annex.

Lok Sabha Unstarred Question no. 3107, regarding Stressed Assets of Banks

Stressed advances (gross NPAs + Restructured standard advances) as a percentage of the gross advances and stressed retail advances as a percentage of the retail advances of Scheduled Commercial Banks

Bank	Stressed advances as percentage of the gross advances						Stressed retail advances as percentage of the retail advances					
	31.3. 2016	31.3. 2017	31.3. 2018	31.3. 2019	31.3. 2020	31.12.2020	31.3. 2016	31.3. 2017	31.3. 2018	31.3. 2019	31.3. 2020	31.12.2020
AB Bank Limited	14.2	12.6	16.0	-	-	-	-	-	-	-	-	-
Abu Dhabi Commercial Bank PJSC	1.1	1.0	1.1	3.5	-	-	1.2	1.1	1.1	1.3	-	-
American Express Banking Corporation	1.7	1.3	1.7	3.7	2.0	2.2	1.7	1.8	2.6	2.9	2.4	2.5
Australia and New Zealand Banking Group Limited	-	-	-	4.3	0.8	1.0	-	-	-	-	-	-
Axis Bank Limited	5.1	6.6	7.0	5.2	4.2	2.9	0.7	0.9	1.3	0.8	0.7	0.3
Bandhan Bank Limited	0.2	0.5	1.3	2.0	1.5	1.1	0.2	0.5	1.4	2.2	1.4	1.3
Bank of America, National Association	-	0.8	-	-	-	-	-	-	-	-	-	-
Bank of Bahrain and Kuwait B.S.C.	8.7	5.7	1.2	4.6	4.8	0.9	0.7	0.7	0.8	2.2	2.1	1.9
Bank of Baroda (BoB)	16.2	14.9	14.8	11.0	10.5	8.7	5.8	4.7	1.3	2.1	2.2	2.7
Dena Bank	15.6	20.7	24.6	22.3	Amalgamated into BoB	4.3	4.3	6.9	4.9	4.3	Amalgamated into BoB	-
Vijaya Bank	8.9	7.7	6.8	6.9			1.1	0.8	0.7	0.8		
Bank of Ceylon	0.5	0.4	0.3	1.1	5.8	4.8	10.0	15.1	14.7	-	-	-
Bank of India	18.8	16.9	18.5	16.3	15.7	14.5	1.9	3.7	3.4	3.1	3.0	2.5
Bank of Maharashtra	13.3	19.3	20.9	17.0	14.1	9.4	2.8	2.7	3.4	3.7	3.4	3.0
Bank of Nova Scotia	6.7	5.9	2.4	2.8	3.6	13.8	-	-	-	-	-	-
Barclays Bank PLC	1.1	0.8	0.7	1.9	3.2	3.6	1.3	-	-	-	-	-
BNP Paribas	0.1	0.0	0.0	0.1	0.1	0.1	-	-	-	-	-	-
Canara Bank	13.5	12.8	13.0	9.8	8.7	7.9	2.6	2.3	1.9	1.5	1.5	1.4
Syndicate Bank	10.1	11.6	14.1	13.1	11.7	Amalgamated into Canara Bank	5.5	5.4	3.4	4.0	3.6	Amalgamated into Canara Bank
Catholic Syrian Bank Limited	7.9	7.4	7.9	5.1	3.8		3.4	4.3	5.4	3.6	1.8	
Central Bank of India	17.7	22.7	22.4	20.3	20.3	18.0	6.1	11.0	5.5	7.7	6.3	4.7
Citibank N.A.	1.4	1.6	1.6	1.4	1.5	1.1	2.0	2.3	2.6	2.9	2.5	1.7

City Union Bank Limited	3.3	3.5	3.3	3.3	3.3	4.8		4.6	3.1	4.8	4.2	2.8	3.3	1.8
Cooperative Rabobank U.A.	1.1	22.1	6.9	3.1	6.5	17.3		-	-	-	-	-	-	-
Credit Agricole Corporate and Investment Bank	4.2	6.2	9.1	0.1	0.1	0.1		0.1	-	-	-	-	-	-
Credit Suisse AG	-	-	-	18.2	-	-		-	-	-	-	-	-	-
CTBC Bank Company Limited	11.3	9.7	1.6	0.4	0.2	0.2		0.2	-	-	-	-	-	-
DBS Bank India Limited	9.6	5.9	5.6	3.6	2.7	2.6		2.6	-	-	0.3	0.3	1.0	1.7
DCB Bank Limited	1.9	2.0	2.0	2.0	3.5	5.0		5.0	1.1	1.4	1.7	1.5	1.9	3.7
Deutsche Bank AG	0.5	2.8	2.6	2.9	2.9	2.1		2.1	1.3	2.4	2.9	6.2	8.6	8.0
Doha Bank Q.P.S.C	-	2.2	1.4	0.9	0.9	1.2		1.2	-	-	-	-	-	-
Federal Bank Limited	5.2	4.1	4.0	3.5	3.1	3.1		3.4	1.9	1.7	2.1	1.9	2.0	1.6
Firstand Bank Limited	13.2	9.1	-	6.8	6.3	21.6		21.6	-	-	-	-	-	-
HDFC Bank Limited	1.0	1.1	1.5	1.4	1.3	1.5		1.5	1.4	1.5	1.7	1.7	0.7	1.4
Hongkong and Shanghai Banking Corporation Limited	1.5	1.9	1.8	0.9	0.9	0.9		0.8	2.5	3.5	3.6	2.7	2.6	2.4
ICICI Bank Limited	7.9	8.1	7.4	6.0	5.2	4.0		4.0	0.9	0.8	1.2	1.1	1.3	0.9
IDBI Bank Limited	16.2	25.4	28.2	27.0	25.6	22.9		22.9	1.3	1.3	1.3	1.2	1.3	2.5
IDFC First Bank Limited	11.3	5.2	4.6	2.9	3.5	2.7		2.7	-	0.0	0.1	2.3	1.8	2.3
Indian Bank	11.6	11.0	8.9	8.7	8.3	10.5		10.5	4.5	3.7	3.8	3.3	3.8	3.8
Allahabad Bank	15.8	17.2	17.5	18.2	17.6	17.6	Amalgamated into Indian Bank	8.6	3.2	4.6	4.4	5.3		
Indian Overseas Bank	23.5	28.0	27.7	22.5	14.7	11.8		11.8	9.9	10.3	3.1	4.3	3.1	2.1
IndusInd Bank Limited	1.5	1.4	1.3	2.3	2.4	2.5		2.5	3.3	4.2	3.0	2.2	2.5	4.2
Industrial and Commercial Bank of China	4.2	6.5	5.1	3.9	8.6	-		-	-	-	-	-	-	-
Jammu and Kashmir Bank Limited	13.3	21.5	17.7	13.7	11.6	9.4		9.4	1.1	3.0	2.0	1.1	1.2	0.8
JPMorgan Chase Bank National Association	9.6	13.2	-	-	-	-		-	-	-	-	-	-	-
JSC VTB Bank	22.8	54.6	-	-	-	-		-	-	-	-	-	-	-
Karnataka Bank Limited	8.0	7.0	5.5	5.0	5.5	4.3		4.3	1.8	1.0	1.2	1.9	1.8	1.3
Karur Vysya Bank Limited	4.7	5.6	7.1	8.9	9.1	8.7		8.7	1.9	2.2	2.3	2.2	2.2	5.0
KEB Hana Bank	-	-	-	11.0	5.9	3.5		3.5	-	-	-	-	-	-
Kotak Mahindra Bank Limited	2.7	2.7	2.4	2.2	2.3	2.4		2.4	1.1	1.4	1.3	1.4	2.0	2.6
Lakshmi Vilas Bank Limited	6.5	4.7	10.2	15.5	25.4	25.9		25.9	0.6	1.2	1.8	1.5	3.6	3.7
Mizuho Bank Limited	0.1	0.1	0.1	0.1	0.1	0.1		0.1	-	-	-	-	-	-

