Banks need ₹5 lakh crore for meeting Basel III norms: study

Raising funds will be a challenge for public sector banks

PRESS TRUST OF INDIA
New Delhi, October 12

The capital requirement of Indian banks would cross the ₹5 lakh-crore mark while meeting the global Basel III banking norms by March 2019, according to a study.

"Given the credit growth expected in the short-to-medium term, the capital requirement of Indian banks would cross ₹5 lakh crore while meeting the globally mandatory Basel III banking norms by March 31, 2019," a joint study by ASSOCHAM and NIBM (National Institute of Bank Management) said.

Banks in the public sector may find it very challenging to meet the Basel III requirements as a big chunk of funds is required to be infused by the Centre, which owns a majority stake in them, according to the study titled ‘Basel III standards: Concepts, Issues & Challenges’.

“With the assumption of at least 20 per cent credit growth in the short-to-medium term, the core equity needs are likely to be ₹1.75 lakh crore and non-equity requirements through tier-I and tier-II bonds, ₹3.25 lakh crore,” it said.

"However, keeping in view the dismal performance by a majority of public sector banks in recent years, it shall be difficult for them to raise the capital of this magnitude from the market," the study said.

Furthermore, raising non-equity capital through tier-I and tier-II bonds to the extent of ₹3.25 lakh crore both by government and private banks is equally challenging.

"This is due to the existence of a very limited market for tier-I and tier-II bonds. The success of raising capital through this route lies in the broad development of this market," it added.
Banks Need ₹5L cr to Meet Basel III

The public sector banks would need to bring in ₹1.50 lakh crore and the pvt space would eye ₹0.25 lakh crore capital market environment and depth in the corporate bonds market," Rana Kapoor, Assocham president said. Furthermore, raising non-equity capital through tier-I and tier-II bonds to the extent of ₹3.25 lakh crore both by the government and private banks is equally challenging. This is due to the existence of a very limited market for tier-I and tier-II bonds. The success of raising capital through this route lies in the broad development of this market," it added.

The Finance Ministry earlier said that the public sector banks have got predominant share of infrastructure financing have been sorely affected. It has resulted in lower profitability for PSBs, mainly due to provisioning for the restructured projects as well as for gross NPAs. Hence, the government had proposed to make available ₹70,000 crore for recapitalization of PSBs. As of now, the banks are adequately capitalized and meeting all the Basel III and Reserve Bank of India norms.

Jaitley said that the government wants to adequately capitalise all the banks to keep a safe buffer over and above the minimum norms of Basel III. The government has estimated a capital requirement for the next four years up to FY 2019 to be about ₹1.80,000 crore.
Indian banks need ₹5 lakh crore for Basel-III norms

STATEMAN NEWS SERVICE
New Delhi, 12 October

Given the credit growth expected in the short to medium-term, the capital requirement of Indian banks would cross a huge level of ₹5 lakh crore for meeting the globally mandatory Basel III banking norms by 31 March 2019, according to a joint study by ASSOCHAM-NIBM.

"On the other hand, banks in the public sector may find it very challenging to meet the Basel III requirement as majority of the funds are required to be inducted by the Central Government, as it owns majority stake in them," noted the study titled 'Basel III standards: Concepts, issues & challenges,' conducted by the business chamber jointly with National Institute of Bank Management (NIBM).

Similarly, raising non-equity capital through Tier-I and Tier-II bonds to the extent of ₹3.25 lakh crore both by the government and private banks is equally challenging.

"This is due to the existence of a very limited market for Tier-I and Tier-II bonds. The success of raising capital through this route lies on the broad development of this market," it said.

While some of the major banks in India may resort to global markets, that route would enhance the cost of capital significantly and thus add more stress on their profitability.

The challenge will be to achieve the most optimal model for implementation of Basel III, the ASSOCHAM study said.
‘Banks need ₹5L cr capital for global Basel III framework’

PTI NEW DELHI

The capital requirement of Indian banks would cross the ₹5 lakh-crore mark while meeting the global Basel III banking norms by March 2019, a study report said on Monday.

“Given the credit growth expected in the short-to-medium term, the capital requirement of Indian banks would cross a huge level of ₹5 lakh crore while meeting the globally mandatory Basel III banking norms by March 31, 2019,” a joint study by ASSOCHAM-NIBM said.

On the other hand, banks in the public sector may find it very challenging to meet the Basel III requirements as a big chunk of funds is required to be inducted by the central government, which owns a majority stake in them, according to the study titled ‘Basel III standards: Concepts, Issues & Challenges’.

“With the assumption of at least 20 per cent credit growth in the short-to-medium term, the core equity needs are likely to be ₹1.75 lakh crore and non-equity requirements through tier-I and tier-II bonds to be ₹3.25 lakh crore,” it said.

Breaking it up further, PSU banks would need to bring in ₹1.50 lakh crore while those in the private space would eye ₹0.25 lakh crore.

“However, keeping in view the dismal performance by a majority of public sector banks in recent years, it shall be difficult for them to raise the capital of this magnitude from the market,” the study by ASSOCHAM-NIBM (National Institute of Bank Management) said.

Furthermore, raising non-equity capital through tier-I and tier-II bonds to the extent of ₹3.25 lakh crore both by the government and private banks is equally challenging.

“This is due to the existence of a very limited market for tier-I and tier-II bonds. The success of raising capital through this route lies in the broad development of this market,” it added.

While some of the major banks in India may turn to global markets, that route would bump up cost of capital significantly and put more stress on their profitability.
"Banks need ₹5L cr capital for Basel III"
The capital requirement of Indian banks would cross the ₹5 lakh-crore mark while meeting the global Basel III norms by March 2019, a report said. "Given the credit growth expected in the short-to-medium term, the capital requirement of Indian banks would cross a huge level of ₹5 lakh crore while meeting the mandatory Basel III norms by March 31, 2019," a joint study by Assocham-NIBM said.
Banks need ₹5 lakh cr to meet Basel III norms: Study

NEW DELHI: The capital requirement of Indian banks would cross the ₹5 lakh-crore mark if they are to meet the global Basel III norms by March 2019, according to a study by Assocham-National Institute of Bank Management.

PTI
बासेल तीन के लिए बैंकों को 5 लाख करोड़ रुपए की पूंजी की जरूरत : अध्ययन

31 मार्च, 2019 तक अधिवारी बासेल तीन के लिए बैंकिंग नियमों का पूरा करने के लिए बैंकों की पूंजी की जरूरत 5 लाख करोड़ रुपए की होती है।

सरकारी क्षेत्र के बैंकों के लिए बासेल तीन की जरूरत को पूरा करने के लिए बैंकों की पूंजी की जरूरत 5 लाख करोड़ रुपए की होती है।

इस अध्ययन के अनुसार, बासेल तीन के लिए बैंकों की पूंजी की जरूरत 5 लाख करोड़ रुपए की होती है।
बैंकों को चाहिए होगी पांच लाख करोड़ की पूंजी

नई दिल्ली (एजेंसी)। एलोकर्ट बेसल्ट बैंकिंग मान्यताओं पर खरा उतने के लिए मोर्चा बैंकों को मार्च 2019 तक 5 लाख करोड़ रुपए से नवादा पूंजी की जरूरत होगी। सीमावर्ती को बाजार के जरूरी एक रिपोर्ट में यह स्पष्टकर्म किया गया है।

उद्योग मंत्री एडवर्ड ऑर एडवर्ड कीम (मीनस मशकलूड ओफ बैंक मैनेजमेंट) ने सबसे पहले रुपए के रूप में एक अंशकर्षक कहना है। इस की रिपोर्ट में यह कहा गया है, 'बैंकों और व्यवसाय अर्थशास्त्र में बनाए हिस्से के कर्ज की मांग बढ़ती जा रही है। उन्होंने बताया कि भारतीय बैंकों को 31 मार्च, 2019 तक वैश्विक बाजार के अभिव्यक्ति बेसल्ट मान्यता पूरा करने के लिए पूंजी की जरूरत 5 लाख करोड़ रुपए से अधिककर्म बनानी होगी।'

'बेसल्ट रिपोर्ट : अगस्त्रांग, पुदुंडुरू और चुर्रियाँ' नाम के जारी रिपोर्ट में यह कहा गया है कि सरकारी बैंकों के लिए बेसल्ट मान्यता पूरी करना वही पूंजी लगाने होगा।

20 पौसी बदली कर्ज की मांग?

रिपोर्ट में यह कहा गया है, 'बैंकों और व्यवसाय अर्थशास्त्र में कर्ज की मांग बढ़ती है। 20 पौसी बदली कर्ज के अंदर, तिरस्कार 1.75 लाख करोड़ रुपए की कोरे हुक्केटिया और 3.25 लाख करोड़ रुपए की गोर-हुक्केटिया (टिप्प 2 और टिप्प 3 बाज़ार के अंदर) की कमान पड़ सकती है।' मानना यह कि सरकारी बैंकों को 1.50 लाख करोड़ रुपए और निम्न श्रेणी के बैंकों को 25 हज़ार करोड़ रुपए की इच्छा उपलब्धित होगी।