

'SBI wrote off bad loans worth more than Rs. 20,000 crore last fiscal'

The country's largest lender SBI wrote off bad loans worth Rs. 20,339 crore in 2016-17, the highest among all public sector banks which had a collective write-off of Rs. 81,683 crore for the fiscal.

The data pertains to the period when the associate banks of State Bank of India (SBI) were not merged with it. Public sector banks' (PSBs) write-offs stood at Rs. 27,231 crore in 2012-13, government data showed.

The figure has jumped almost threefold in five years.

In 2013-14, state-owned banks wrote off bad loans worth Rs. 34,409 crore; Rs. 49,018 crore in 2014-15; Rs. 57,585 crore in 2015-16, hitting Rs. 81,683 in the fiscal ended March 2017. In the current financial year, PSBs have written off loans worth Rs. 53,625 crore in the six months to September.

As per data from the Reserve Bank, nine public sector banks, out of a total of 21, had gross non-performing asset ratio of above 15% (the percentage of bad loans in terms of total loans outstanding) as of September 30, 2017. Fourteen PSBs have gross non-performing asset ratios of more than 12%.

Mounting NPAs

PSBs face mounting non-performing assets (NPAs) or bad loans, putting the financial sector under stress. The government has unveiled a Rs. 2.11 lakh crore capital infusion plan for the PSBs, including via bonds, in the next two years.

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