

## Govt approves capital infusion of Rs 48239 crore in 12 PSBs

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The Central Govt has approved Rs 48239 crore of recapitalization to 12 public sector banks (PSBs). With the latest funding, the total amount of capital infusion would increase to Rs 100958 crore of the planned recapitalization of Rs 1.06 lakh crore for PSBs in FY2019.

The latest round of capital infusion is aimed at equipping better-performing PSBs under prompt corrective action (PCA) framework of RBI to be above regulatory PCA triggers such as CET-1 ratio of 7.375%, Tier I ratio of 8.875%, CRAR of 10.875% and NNPA below 6%. Accordingly, the capital infusion of Rs 6896 crore in Allahabad Bank and Rs 9086 crore into Corporation Bank is announced.

The capital infusion also aims at PSBs that have exited PCA to remain above PCA triggers. Thus, the further capital of Rs 4638 crore in Bank of India and Rs 205 crore for Bank of Maharashtra is announced.

Further, the non-PCA banks have also been provided additional capital infusion to be above regulatory capital norms of PCA. Accordingly, the capital infusion is announced for Punjab National Bank at Rs 5908 crore, Union Bank at Rs 4112 crore, Andhra Bank at Rs 3256 crore and Syndicate Bank at Rs 1603 crore.

The government has also taken care of minimum regulatory capital needs of PCA banks with capital allocation of Rs 2560 crore for Central Bank, Rs 2839 crore for United Bank, Rs 3330 crore for UCO Bank, Rs 3806 crore for Indian Overseas Bank.

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