THE HINDU BusinessLine

Allahabad Bank net drops 63% in second quarter

Our Bureau

Higher provisioning, decline in income affect performance

Kolkata, November 4:

A dip in total income coupled with higher provisioning saw Kolkata-headquartered Allahabad Bank report an over 63 per cent dip in net profit to Rs. 65 core for the July-September quarter of this fiscal. Net profit in the year-ago period stood at around Rs. 177 crore.

During the period under review, total income fell to Rs. 5,052 crore, down 5 per cent from the Rs. 5,317 crore reported in the corresponding period last fiscal.

The public sector bank saw its provisioning rise by nearly 16 per cent to Rs. 814 crore (Rs. 703 crore in the year-ago period).

In compliance with the RBI letter on Ujwal Discom Assurance Yojana (UDAY), the bank held a cumulative provision of Rs. 115 crore in respect of outstanding balance as on September 30, it said in a notification to the bourses.

The bank added that according to the asset quality review directives of the RBI, it has made an incremental quarterly provision of Rs. 41.46 crore in “CDR restructured standard accounts” for the period under review.

Asset quality

During the quarter, Allahabad Bank saw its asset quality decline on a year-on-year basis.

The gross non-performing assets (NPA) rose by over 139 per cent to Rs. 19,095 crore (Rs. 7,986 crore in Q2 FY16).

The net NPA also rose 139 per cent to Rs. 12,800 crore.

The Allahabad Bank stock closed at Rs. 72.20, down 2.3 per cent, on the BSE on Friday.

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