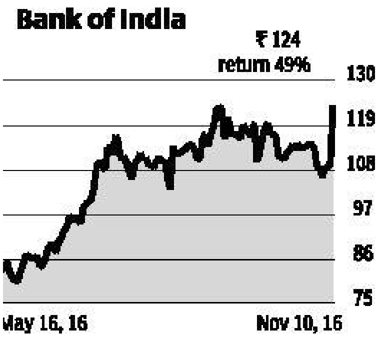
THE HINDU BusinessLine

BoI swings to Rs. 127-cr profit in Q2

Our Bureau

Melwyn Rego, MD & CEO, Bank of India



In Q2 last fiscal, the bank had reported a loss of Rs. 1,126 crore

Mumbai, November 10:

After four consecutive quarterly losses, Bank of India is back in the black in the September 2016 quarter, reporting a net profit of Rs. 127 crore.

In the year-ago period, the public sector bank had reported a huge loss of Rs. 1,126 crore.

The bank's bottomline in the reporting quarter was helped in good measure by profit on sale of investments and relatively lesser burden of provisioning towards bad and doubtful debts.

Net interest income (the difference between interest earned and interest expended) was down 10 per cent at Rs. 2,720 crore (Rs. 3,020 crore in the year-ago quarter).

Non-interest income, which includes commission, exchange and brokerage fee, and profit from sale of investments, soared 158 per cent to Rs. 2,010 crore (Rs. 778 crore). Profit from sale of investments jumped 801 per cent to Rs. 1,072 crore (Rs. 119 crore).

MD and CEO Melwyn Rego said he was cautiously optimistic about sustaining the turnaround in the bank's profitability.

Net interest margin (global) was lower at 2.15 per cent in the reporting quarter as against 2.29 per cent in the year-ago quarter.

Gross non-performing assets (GNPAs) shot up to Rs. 52,262 crore as on September-end 2016 from Rs. 29,893 crore as on September-end 2015. In the preceding quarter, the GNPAs stood at Rs. 51,875 crore.

In the reporting quarter, the slippages (at Rs. 3,963 crore) were lower than in the preceding quarter (at Rs. 6,233 crore).

GNPAs, as a percentage of gross advances, rose to 13.45 per cent as at September-end 2016 (from 7.55 per cent as at September-end 2015).

Total deposits were down 4 per cent year-on-year at Rs. 5,05,280 crore. Gross advances too declined 2 per cent year-on-year to Rs. 3,88,698 crore.

Shares of Bank of India closed at Rs. 124.15 apiece, up 12.97 per cent over the previous close on the BSE.

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