

## Allahabad Bank reports ₹ 486 cr loss in Q3

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*Plans to raise capital to the tune of ₹1,500 crore*

Kolkata, Feb 9:

Kolkata-based lender, Allahabad Bank, is looking to raise capital to the tune of ₹ 1,500 crore.

An amount of ₹ 500 crore will be raised through “private placement of Basel III compliant Tier 2 bonds in the nature of debentures” in one or more tranches by the end of this fiscal.

The remaining ₹ 1,000 crore will be in the form of equity shares. This will be through preferential issue of equity shares to the Centre, Life Insurance Corporation of India and/or other Indian financial institutions/companies.

A decision in this regard was taken at the bank’s board meeting, it said in a notification to the bourses.

### Q3 Results

A reduction in total income, followed by near doubling of provisioning saw the PSU lender report a loss of ₹ 486 crore during the third quarter ended December 31, 2015. In the corresponding period last year, the bank had reported a net profit to the tune of ₹ 164 crore.

During the third quarter, the bank had seen its total income (net of interest earned and other income) come down by nearly 7 per cent to ₹ 5,030 crore; as against the ₹ 5,387 crore in the year ago period.

Interest earned reduced to ₹ 4,619 crore (Rs 4,941 crore) and other income came down to ₹ 412 crore (Rs 446 crore).

Provisioning for the period increased by 88 per cent to ₹ 1,208 crore, as against ₹ 644 crore it had in the year-ago-period.

### Segment-wise break-up

During the quarter, operations from the retail segment saw revenues move up to ₹ 1,589 crore; a 15 per cent rise over the ₹ 1,383 crore it reported in the corresponding quarter of FY-15. Profit (before tax) from the segment also rose by 18 per cent to ₹ 432 crore (Rs 367 crore).

Other banking operations also saw a near 188 per cent jump in revenues to the tune of ₹ 46 crore in Q3 FY-16; as against ₹ 16 crore in the Q3 of FY-15.

The corporate banking segment, which incidentally, is the highest contributor towards revenues, saw the most severe dip in profits (before tax). Profits dipped by 62 per cent to ₹ 163 crore (Rs 430 crore).

### Asset Quality

Gross non-performing assets (NPA), during the period, increased to ₹ 9,802 crore, up by 22.3 per cent, from ₹ 8,012 crore it reported in the year-ago-period. Gross NPA per cent stood at 6.40 (against 5.46).

Similarly, net NPA increased to ₹ 6,308 crore (Rs 5,578 crore); while the net NPA per cent stood at 4.23 (against ₹ 3.89).

The Allahabad Bank stock closed lower by over 3 per cent at ₹ 51 on the BSE on Tuesday.

(This article was published on February 9, 2016)

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