

Corporation Bank Q4 net loss at Rs. 510 crore

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Jai Kumar Garg, MD and CEO

Mangaluru, May 18:

The increase in non-performing assets (NPAs) and provisions for that, affected the bottomline of Corporation Bank during the fourth quarter of 2015-16. The bank recorded a loss of Rs. 510 crore in the fourth quarter of 2015-16. It had registered a net profit of Rs. 45 crore in the corresponding period of 2014-15.

Addressing presspersons in Mangaluru on Wednesday, Jai Kumar Garg, Managing Director and Chief Executive Officer of Corporation Bank, said that provision for accounts under the asset quality review (AQR) and the migration of some accounts under corporate debt restructuring (CDR) into the NPA category, have led to the increase in NPAs during the fiscal. The bank has taken care of those accounts and made provisions for them.

Provisions (other than tax) and contingencies stood at Rs. 1960.20 crore (Rs. 926.49 crore). He said the bank made total provisions of Rs. 1,027 crore for accounts under AQR.

The bank recorded a gross NPA of 9.98 per cent (4.81 per cent) and net NPA of 6.53 per cent (3.08 per cent) during the fiscal.

The impact on servicing has come from segments, such as infrastructure, power, steel and textiles because of the slowdown, he said.

Asked if the bank sold any bad loans to asset reconstruction companies (ARCs), he said no such sales were made during the fourth quarter. The bank is very conscious about that, he said.

For the full year 2015-16, the bank recorded a loss of Rs. 506 crore. It had notched up a profit of Rs. 584.26 crore in 2014-15.

During the fourth quarter, the interest income of the bank stood at Rs. 4,734 crore (Rs. 4,881 crore), and non-interest income at Rs. 484 crore (Rs. 504 crore).

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