

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

STARRED QUESTION NO. \*250  
TO BE ANSWERED ON THE 28<sup>TH</sup> DECEMBER 2018/ PAUSHA 7, 1940 (SAKA)  
Decline in Profit of Banks

\*250. SHRIRAMTAHAL CHOUDHARY:

Will the Minister of FINANCE be pleased to state:

- (a) whether several banks have reported decline in profit due to Non Performing Assets (NPAs);
- (b) if so, the details thereof;
- (c) the extent of decline in profit of the nationalised banks due to NPAs, bank-wise and
- (d) the number of officers held responsible by the Government in this regard along with the details of the action taken against them?

ANSWER  
The Finance Minister  
(SHRI ARUN JAITLEY)

(a) to (d): A statement is laid on the Table of the House.

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**STATEMENT FOR LOK SABHA STARRED QUESTION NO. \*250 FOR 28<sup>TH</sup> DECEMBER 2018 REGARDING “DECLINE IN PROFIT OF BANKS” BY SHRI RAMTAHAL CHOUDHARY, MEMBER OF PARLIAMENT**

(a) to (d): Asset Quality Review (AQR) carried out in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of non-performing assets (NPAs). Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for. Nationalised Banks initiated cleaning up by recognising NPAs and provided for expected losses. Further, during the fourth quarter of the financial year (FY) 2017-18, all such schemes for restructuring stressed loans were withdrawn. As a result, while Nationalised banks posted aggregate operating profits during the last Half Year (H1 FY19) (1.4.2018 to 30.9.2018) of Rs. 47,221 crores, as compared to Rs 49,466 crore for the same period last year (H1 FY18) their net profits declined primarily on account of continuing ageing provision for NPAs recognised as a result of AQR initiated in 2015 and subsequent transparent recognition by banks including under RBI's Revised Resolution framework for Stressed Assets issued on 12.2.2018. Nationalised Banks made aggregate provision for NPAs and other contingencies of Rs. 57,015 crore during H1 FY19. Additionally because of hardening of bond yields, these banks had aggregate mark-to-market losses on their investment portfolios of Rs. 10,400 crore during the same period. Details of profit and loss of the nationalised banks during the last H1 FY19 are at Annex.

As per the inputs received from Nationalised Banks, in FY 2017-18, 6,049 officers have been held responsible on account of staff delinquency in NPA accounts and depending on the gravity of the lapses, Minor Penalty/Major Penalty have been imposed against erring officials including, *inter-alia* Dismissal/ Removal from Services/ Compulsory Retirement from Services, Reduction to lower grade, Reduction to lower stage in time scale of pay etc. In all the cases, depending on the amount involved, CBI/ Police complaints have been lodged.

## Annex

Lok Sabha Starred Question No. \*250, for 28.12.2018, regarding "Decline in Profit of Banks"

### Details of profit and loss of Public Sector Banks

Amount in crore Rs.

	Operating Profit		Prov. For NPA		Net Profit	
	HY ending Sep '17	HY ending Sep '18	HY ending Sep '17	HY ending Sep '18	HY ending Sep '17	HY ending Sep '18
Allahabad bank	2,393	1,364	3,156	4,582	99	-3,767
Andhra Bank	2,670	2,512	2,795	2,543	-345	-974
Bank of Baroda	5,690	6,088	3,919	4,233	826	954
Bank of India	4,612	3,516	4,023	5,087	267	-1,061
Bank of Maharashtra	1,225	1,265	1,993	2,452	-435	-1,092
Canara Bank	4,952	5,260	4,220	4,869	512	581
Central Bank of India	1,320	892	2,820	879	-1,327	-2,446
Corporation Bank	2,079	2,430	4,046	2,237	-975	188
Dena Bank	686	702	783	787	-318	-1,138
Indian Bank	2,628	2,489	1,315	-719	824	359
Indian Overseas Bank	1,815	2,436	3,864	3,938	-1,722	-1,407
Oriental Bank of Commerce	2,560	1,697	4,738	2,055	-2,236	-291
Punjab National Bank	664	759	537	1,196	39	-507
Punjab & Sind Bank	6,496	7,034	5,206	9,686	904	-5,472
Syndicate Bank	2,154	1,129	2,120	3,397	-158	-2,824
UCO Bank	853	1,688	2,528	3,449	-1,286	-1,770
Union Bank of India	4,472	3,861	6,202	3,513	-1,414	269
United Bank	710	489	1,067	1,795	-556	-1,272
Vijaya Bank	1,487	1,611	861	1,036	440	284
All Nationalised Banks	<b>49,466</b>	<b>47,221</b>	<b>56,193</b>	<b>57,015</b>	<b>-6,861</b>	<b>-21,388</b>

Source: RBI