

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO.5148

To be answered on the 4th April 2022/Chaitra 14, 1944 (Saka)

Profit/Loss of Banks

5148. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of profit/loss of Union Bank of India (UBI) during the financial year 2019-20;
- (b) the details of profit/loss of Andhra Bank and Corporation Bank, bank-wise;
- (c) whether UBI, after amalgamation of Andhra Bank and Corporation Bank w.e.f. 01-04-2020, has incurred loss or earned profit in 2020-21 and 2021-22;
- (d) the reasons for losses, if any, incurred by UBI after amalgamation and the details of all measures taken to earn profits in 2020-21; and
- (e) whether any loan has been written off since amalgamation and if so, details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): As per the Reserve Bank of India (RBI) data for FY 2019-20, Union Bank of India, Andhra Bank and Corporation Bank have incurred losses of Rs. 2,898 crore, Rs. 1,250 crore and Rs. 2,392 crore respectively.

(c) and (d): Union Bank of India has earned profit of Rs. 2,906 crore in FY 2020-21 and Rs. 3,793 crore in first 9 months of FY 2021-22. The Bank has informed that amalgamation of Andhra Bank and Corporation Bank with Union Bank of India has enabled enhancing the efficacy by creating a stronger and efficient bank by leveraging economies of scale and synergies for, *inter alia*, operational efficiencies, thrust on adoption of technology for efficient banking and greater financial capacity to support economic growth through lending.

(e) As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, *inter-alia*, those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Banks evaluate/consider the impact of write-offs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower. Banks continue to pursue recovery actions initiated in written-off accounts through various recovery mechanisms available, which includes, *inter alia*, filing of a suit in civil courts or in the Debts Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 and through sale of non-performing assets. As per RBI data, advances amounting to Rs. 16,983 crore in FY 2020-21 and Rs. 18,672 crore in first 9 months of FY 2021-22 have been written off by Union Bank of India.
