

ICICI Bank pre-tax profit soars 187%

Higher interest income and lower provisions propel Q3 profit

SUBRATA PANDA
Mumbai, 25 January

ICICI Bank reported a 187.32 per cent jump in its profit before tax (PBT) at ₹5,465 crore in the third quarter of the financial year 2019-20 (Q3FY20), helped by substantial growth in interest and other income, lower provisions and the resolution of Essar Steel.

The private sector lender had posted PBT of ₹1,902 crore in Q3FY19.

Net profit rose 158 per cent to ₹4,146 crore in the quarter, from ₹1,605 crore in Q3FY19. The net interest income of the lender saw an uptick of 24.29 per cent at ₹8,545 crore in Q3FY20 compared to ₹6,875 crore in Q3FY19.

The net interest margin stood at 3.77 per cent in Q3FY20 compared to 3.64 per cent in the quarter ended September 30, 2019 (Q2FY20) and 3.40 per cent in Q3FY19. Non-interest income, excluding treasury income, was ₹4,043 crore, up from ₹3,404 crore in Q3FY19.

The gross non-performing assets (GNPA) of the bank saw an improvement at 5.95 per cent, compared to 7.75 per cent during Q3FY19 and 6.37 per cent in Q2FY20. Fresh addition to NPAs stood at ₹4,363 crore at the end of December 2019 as against ₹2,482 crore in the previous quarter.

Recoveries, upgrades and other deletions, excluding write-offs, from NPAs were ₹4,088 crore in the quarter.

The provisions (excluding taxes) declined 51 per cent year-on-year (YoY) to ₹2,083 crore in Q3FY20 from ₹4,244 crore in Q3FY19.

The provision coverage ratio on NPAs, including cumulative technical write-offs, was 85.7 per cent, compared to 76.3 per cent at December 31, 2018, the bank said in a release.

Bank executives, in a conference call with the media, said they have classified their exposure to a certain broking company as NPA and made full provisions for it. They have also categorised restructured loans to a South-based industrial company as NPA.

Moreover, the fund-based and non-fund based outstanding to borrowers rated BB and below (excluding NPAs) was ₹17,403 crore compared to ₹17,525 crore at the end of March 2019 and ₹16,074 crore at the end of September 2019.



ICICI BANK Q3 PERFORMANCE		
Key parameters	(₹ cr)	
	Q3FY20	Q3FY19
Net interest income	8,545	6,875
Net interest margin (%)	3.77	3.4
Profit before tax	5,465	1,902
Gross NPAs (%)	5.95	7.75
Source: Press release		

There has also been a slight uptick in NPAs in the retail segment owing mostly to adverse effect of farm loan waiver scheme on the Kisan Credit Card portfolio.

Its total advances increased 13 per cent YoY to ₹635,654 crore at the end of December 31, 2019.

The lender saw a 16 per cent YoY growth in its domestic advances. The retail loan portfolio of the bank registered a 19 per cent growth while the domestic corporate book saw a 12 per cent rise.

Total deposits increased 18 per cent YoY to ₹7,16,345 crore. It also saw 15 per cent growth in average current and savings account (CASA) deposits, while the average CASA ratio stood at 42.8 per cent.

The capital adequacy ratio was at 16.50 per cent and Tier-1 capital adequacy ratio stood at 14.98 per cent on a standalone basis at the end of December 31, 2019.

Rajasthan Assembly passes resolution against CAA

The Rajasthan Assembly on Saturday passed a resolution urging the Centre to repeal the Citizenship (Amendment) Act (CAA), amid opposition by the BJP which accused the ruling Congress of pursuing appeasement politics. It is the second Congress-ruled state after the Punjab to pass such a resolution. Earlier, the Kerala too had passed a resolution against the CAA. The Rajasthan Assembly passed

by voice vote the resolution which also asked the Centre to withdraw the new fields of information proposed to be included in National Population Register (NPR), 2020.

“The House resolves to urge upon the government of India to repeal the CAA to avoid any discrimination on the basis of religion in granting citizenship,” Parliamentary Affairs Minister Shanti Dhariwal said.

PTI

India, Brazil target \$15-bn trade by 2022

PRESS TRUST OF INDIA
New Delhi, 25 January

Hit by economic slowdown, India and Brazil on Saturday drew up an ambitious plan to boost their stuttering economies by expanding cooperation in oil, gas and minerals sectors, and set a target of \$15 billion in bilateral trade by 2022.

The decisions were taken during wide-ranging talks between Prime Minister Narendra Modi and Brazilian President Jair Messias Bolsonaro here.

On Brazil approaching the WTO against India for extending support to sugarcane growers, sources said it was agreed to

address the issue through bilateral consultations.

The two leaders recognised that there were great synergies between India and Brazil, the two large economies with a combined GDP of around \$4.5 trillion and having a total population of 1.5 billion.

The volume of bilateral trade in 2018-19 was \$8.2 billion which included \$3.8 billion worth of Indian exports to Brazil and \$4.4 million as imports by India.

The two sides inked an investment cooperation and facilitation treaty providing for a framework to increase trade and investment in high growth areas. A separate pact was inked

for cooperation in the field of oil and natural gas while another one was sealed in the bioenergy sector.

The areas identified for expansion of cooperation included oil and gas, agriculture, bio-fuels, animal husbandry, health and science and technology.

“The two sides also agreed to set a target of \$15 billion in bilateral trade by 2022 given the complementarities between the two economies,” External Affairs Ministry Spokesperson Raveesh Kumar said.

He said the two leaders recognized agriculture to be a key focus area for bilateral cooperation and important part of both economies.



PM Narendra Modi shakes hands with Brazil's President Jair Messias Bolsonaro at the Hyderabad House, in New Delhi

PHOTO: SANJAY K. SHARMA