

# ICICI Bank Q4 net profit halves to ₹10.2 billion

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**I**CICI Bank on Monday posted a net profit of ₹10.2 billion for the quarter ended March 2018, against ₹20.2 billion a year ago, due to a sharp rise in provision for bad loans. The bank's profit was boosted by a one-time income arising from the sale of shares in its capital market arm, ICICI Securities, to the tune of ₹33.20 billion.

Additionally, three loan accounts in the gems and jewellery sector with fund-based outstanding of ₹7.95 billion were classified as fraud and non-performing, and during the fourth quarter, the bank made a provision of ₹2.89 billion through its profit and loss account, and ₹5.05 billion by debiting reserves and surplus as permitted by the Reserve Bank of India (RBI), ICICI Bank said in a statement. Adjusted for these, the bank would have ended up in a loss at the net level.

Despite the lacklustre show, the bank's American Depository Receipts (ADRs) listed in the US were up over 5 per cent at the time of going to press. The positive reaction is due to slippages, incremental loans turning bad, being lower than analyst estimates. Addi-

tionally, the drill-down list, the amount of loans that could potentially turn bad, fell sharply to ₹47.28 billion.

The March-quarter profit is the lowest for the bank in the last eight quarters, and a tad lower than ₹10.6 billion estimated by analysts polled by Bloomberg.

This is the first quarter after allegations of conflict of interest were reported between ICICI Bank Managing Director and Chief Executive Officer Chanda Kochhar and the Videocon group, in a loan given to the latter. Kochhar and the bank have denied all allegations.

The bank's asset quality deteriorated sharply as gross non-performing assets (NPAs), as a percentage of gross advances, stood at 9.9 per cent during the January-March quarter, against 8.55 per cent in the previous quarter.

Turn to Page 6 ▶



"THE BOARD HAS SAID IT WILL FULLY COOPERATE WITH REGULATORY AND INVESTIGATIVE AGENCIES. I THINK A PROFESSIONAL SHOULD FOCUS ON THE JOB"

**CHANDA KOCHHAR**, managing director & chief executive officer, ICICI Bank, on the Videocon loan issue

Full report on Page 2

## TAKING STOCK



## SCORECARD

Figures in ₹ billion	Q4FY17	Q4FY18	% chg
<b>Net interest income</b>	<b>59.62</b>	<b>60.22</b>	<b>1.00</b>
Other income	30.17	56.79	88.21
Operating profit	51.12	75.14	46.99
Provisions and contingencies	28.98	66.26	128.61
<b>Net profit</b>	<b>20.25</b>	<b>10.20</b>	<b>-49.62</b>
Deposits	4,900.39	5,609.75	14.48
Advances	4,642.32	5,123.95	10.37
<b>Gross NPA</b>	<b>425.52</b>	<b>540.83</b>	<b>27.10</b>
Gross NPA(%)	7.89	8.84	0.95

On March 31, 2018 the percentage of gross non-performing advances (net of write-off to gross advance) was 9.90%. On December 31, 2017, it was 8.55% and on March 31, 2017, it was 8.74%; source: Results filing

Compiled by BS Research Bureau