

Indian Bank Q2 net at ₹412 cr; non-interest income rises 29%, gross NPAs down 275 bps

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PUBLIC SECTOR LENDER Indian Bank on Thursday reported a net profit of ₹412 crore for the second quarter of FY21. The lender had incurred a loss of ₹1,755 crore in the corresponding quarter of previous year. The Chennai-based bank's non-interest income increased 29% year-on-year during the reviewed period.

Indian Bank said that the corresponding figure for Q2FY 20 was arrived at taking into account Allahabad Bank's loss last year in the second quarter. However, on a stand-alone basis, Indian Bank has reported a profit of ₹358.56 crore for the second quarter of FY 21. Amalgamation of Allahabad Bank into Indian Bank came into effect on April 1, 2020.

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mediapersons over a virtual meet that the non-interest income for the quarter ended Q2FY21 was at ₹1,611 crore and increased by 29% over Q2FY20, mainly on the back of fee income, forex income, recovery of bad debts and treasury income. On a q-o-q sequential basis, it increased by 21%.

On the asset quality front, gross non-performing assets (GNPA) stood at 9.89%,

down by 275 bps from 12.64%. On a sequential basis it decreased by 101 bps. The net non-performing assets (NNPA) came down to 2.96% from 4.59% with a reduction of 163 bps. On a sequential basis, it decreased by 80 bps. The recovery of bad debts improved 38% during Q2FY21 over Q2FY20.

Chunduru said: "This has been a quarter of strong growth in all key parameters. The consolidation of the amalgamation of Allahabad Bank is progressing very satisfactorily with more than 100 offices merged or rationalised so far. Centralisation of loan processing and IT integration is on track. That the bank could make such gains in consolidation turning in good earnings and ensuring no disruption to customers during such challenging times, is because of the commitment and hard work put in by our team."