

# INDIAN BANK NET PROFIT UP, ASSET QUALITY IMPROVES

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CHENNAI-headquartered public sector lender Indian Bank, which was merged Allahabad Bank from April 1 this year, reported ₹369 crore in net profit and ₹2,753 crore in operating profit for the first quarter of FY 2020-21 (Q1FY21). This is the first financial results announced after the merger.

The bank's numbers for the quarter shows a marginal one per cent year-on-year (YoY) rise in net profit. However, according to senior bank officials, these numbers are not comparable with standalone net profit for the same period of the previous fiscal year due to the merger.

Padmaja Chunduru MD & CEO, Indian Bank said, "This is a very satisfying performance in the first quarter post amalgamation. The key parameters of income, cost efficiency and profitability have improved. Asset quality has improved. The bank has made upfront provisions in 2 accounts and contingency provisions for Covid-19. The accounts under moratorium constitute above 23 per cent and there is very good progress being made on the collection front, month on month. The amalgamation is going on track and we expect to complete it in the current financial year."

The total income of the lender for the quarter under



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review grew by 8 per cent to ₹11,447 crore from ₹10,580 crore in Q1FY20.

Even net interest income climbed 17 per cent to ₹3,874 crore as against ₹3,316 crore in the corresponding quarter ended June 30, 2019. The Operating profit of the bank grew by 23 per cent to ₹2,753 crore from ₹2,234 crore in the same period last year.

Meanwhile, the lender's provision coverage ratio improved to 80.52 per cent as against 74.35 per cent in Q1 FY20. Excluding technical write offs, this figure improved to 68.09 per cent from 64.35 per cent as at the end of June 2019.

The bank's gross NPA ratio stood at 10.9 per cent in the first quarter of 2020.